CITY OF SHERMAN
CITY COUNCIL CALLED MEETING AGENDA
COUNCIL CHAMBERS OF THE CITY HALL
220 WEST MULBERRY STREET
SHERMAN, TEXAS
TUESDAY, SEPTEMBER 8, 2009
5:00 P.M.

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

A.2 PLEDGE OF ALLEGIANCE

A.3 INVOCATION BY COUNCIL MEMBER ROBERT G. SOFTLY

A.4 APPROVE MINUTES OF THE REGULAR CITY COUNCIL MEETING OF AUGUST 17, 2009

Proclamation

A.5 PROCLAMATION
German-American Partnership between Wolnzach Gymnasium and Sherman High School

Public Hearing

B.1 PUBLIC HEARING
Capital Improvement Program 2009-2014

B.2 SECOND PUBLIC HEARING OF ORDINANCE NO. 5614
Providing for the Appropriation of Funds for Operating and Capital Expenditures for the Fiscal Year Beginning October 1, 2009, and Ending September 30, 2010

B.3 INTRODUCTION AND FIRST PUBLIC HEARING OF ORDINANCE NO. 5619
Providing for the Levy of Ad Valorem Taxes for the City of Sherman, Texas, for the Tax Year 2009; Distributing the Same Among the Various Funds; Providing for a Penalty and Interest for Failure to Pay the Taxes Levied within the Time Provided by Law

B.4 INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 5620
Authorizing the Issuance of "CITY OF SHERMAN, TEXAS, TAX AND WATERWORKS AND SEWER SYSTEM (LIMITED PLEDGE) REVENUE CERTIFICATES OF OBLIGATION, SERIES 2009A"; Specifying the Terms and Features of said Certificates; Providing for the Payment of said Certificates of Obligation by the Levy of an Ad Valorem Tax upon all Taxable Property within the City and a Limited Pledge of the Net Revenues from the Operation of the City's Waterworks and Sewer System; Resolving Other Matters Incident and Relating to the Issuance, Payment,

Security, Sale and Delivery of said Certificates, including the Approval and Execution of a Paying Agent/Registrar Agreement and the Approval and Distribution of an Official Statement; Providing an Effective Date

B.5 INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 5621
Amending Chapter 13 of the Code of Ordinances, entitled "Utilities", at Article 13.08, entitled "Utility Billing", at Sections 13.08.005 and 13.08.006, Revising Rates for Water and Sewer for Fiscal Year 2009-2010

B.6 INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 5622
Amending Section 8, Subsection (5)(a), Ordinance No. 2280, so as to Grant a Specific Use Permit to Grayson County Physician's Property, LLC (Owners), Heritage Park Surgical Hospital (Tenant), and David Vilbig, Vilbig & Associates (Engineers) to Allow a Hospital in a C-1 (Retail Business) District at 3603 North Calais Drive, being Lot 6R, Block 1 of the Replat of Lots 6 and 7, Block 1, Heritage Park Addition, Phase 2; Providing that this Specific Use Permit Shall be Granted Subject to Certain Conditions; Providing a Penalty Not to Exceed $2,000

Close Public Hearing and Consider Adoption of Ordinances

B.7 ADOPTION OF ORDINANCES
Consider Adoption of Ordinance Numbers:
(a) 5614
(b) 5620
(c) 5621
(d) 5622

B.8 CONSENT AGENDA
Asterisked (*) items are considered to be routine and will be enacted in one motion without discussion unless a Council Member or a citizen requests a specific item be discussed and voted on separately

Resolutions

C.1 RESOLUTION NO. 5399
Approving and Adopting a Five-Year Capital Improvement Program for the City of Sherman, Texas

C.2 ** RESOLUTION NO. 5404*
Authorizing the Execution of a Field Use Agreement with Austin College for the Use of Field #6 at Old Settlers Park

C.3 ** RESOLUTION NO. 5405*
Authorizing the Extension of and the Execution of an Addendum to the Ambulance Service Agreement with Grayson County, Extending the Term for Two Additional Years

and Providing for an Increased Consideration; Waiving the Three-Month Notice Requirement

C.4 *[* RESOLUTION NO. 5406]*
Authorizing Execution of Agreements with the Sherman Housing Authority, the Texoma Area Paratransit System, Inc., the Grayson County Crisis Center, and the Boys & Girls Club of Sherman, Inc. for the Use of Community Development Block Grant Funds

C.5 *[* RESOLUTION NO. 5407]*
Authorizing the Acceptance of Fiscal Year 2008 Assistance to Firefighters – Fire Prevention and Safety Grant Agreement Number EMW-2008-FP-01379 from the Federal Emergency Management Agency and the U.S. Department of Homeland Security

C.6 *[* RESOLUTION NO. 5408]*
Accepting the Proposals of M&M Industrial Control Services related to the Acquisition of Hardware, Software and Programming Services for the Electro Dialysis Reversal (EDR) Membrane Stack Project at the Sherman Water Treatment Plant

C.7 *[* RESOLUTION NO. 5409]*
Adopting an Investment Policy for the City of Sherman

Request to Advertise

D.1 *[* REQUEST TO ADVERTISE]*
Construction of the South Lane of West Lamberth Road from Heritage Parkway to the West City Limits

Other Business

D.2 [OTHER BUSINESS]
Receive Presentation from Project Manager Don W. Keene on the City of Sherman's Capital Improvement Projects

D.3 [OTHER BUSINESS]
Review Draft Debt Policy with Assistant City Manager/CFO Robby Hefton

D.4 [OTHER BUSINESS]
Discussion of Hotel Occupancy Tax Code Provisions

D.5 [OTHER BUSINESS]
Discussion of the Grayson County Jail and a Potential Feasibility Study as Discussed at the Last City Council Meeting of August 17, 2009, and Taking Appropriate Action as May Be Necessary

D.6 *[* OTHER BUSINESS]*
Acceptance of the Public Street Dedication of Cinrose Lane and Longhorn Trail

D.7 ***[* OTHER BUSINESS]***

Final Plat Approval of the Broiles Addition, being Part of Lot 1, Block 1 of the Replat of Lots 19-21 of the L.C. Chapman's Addition and all of Lot 9 and Part of Lot 12, together with the Alley Running Southerly from Brockett Street and Lying West of and Adjacent to the West Line of Lots 9-11 in the L.C. Chapman's Addition and Containing 1.25 Acres in the J.B. McAnair Survey, Abstract No. 763; Mack Broiles, Owner and Sartin & Associates, Inc., Surveyors (214, 218 and 222 West Brockett Street)

D.8 ***[* OTHER BUSINESS]***

Final Plat Approval of the Gregg Addition, being Two Acres in the William Martin Survey, Abstract No. 765; Scott and Abbie Gregg, Owners and Ringley & Associates, Inc., Surveyors (1901 West Shepherd Road)

D.9 CITIZEN REQUESTS

D.10 MEDIA QUESTIONS

D.11 COUNCIL COMMENTS

Executive Session

E.1 EXECUTIVE SESSION

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

Section 551.071 Consultation with City Attorney Concerning Pending or Contemplated Litigation:
- (a) Civil Service Age Requirement

Section 551.074 Personnel Matters:
- (a) Consider the Qualifications, Appointment or Removal of Members to Boards and Commissions:
  - (i) Red River Groundwater Conservation District Board of Directors (2)
  - (ii) Planning and Zoning Commission Chairman

Section 551.087 Deliberations Regarding Economic Development Negotiations
- (a) Deliberate Regarding Commercial or Financial Information that the City has Received from Business Prospects and Deliberate any Offers or Incentives to the Business Prospects, including the following:
  - (i) The City of Howe, Texas

<u>The Council reconvenes into General Session</u>

F.1 OPEN MEETING

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

F.2 ADJOURNMENT

COUNCIL CALENDAR

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 9-8-2009

Subject: Agenda Item No. A.1

CALL TO ORDER, QUORUM DETERMINED, MEETING DECLARED OPEN

The Honorable Bill Magers, Mayor

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 9-8-2009

Subject: Agenda Item No. A.2

PLEDGE OF ALLEGIANCE

The Honorable Robert G. Softly, Council Member

SHERMAN CITY COUNCIL

Agenda Communication Form

From: The Office of the City Manager **Date:** 9-8-2009

Subject: Agenda Item No. A.3

INVOCATION BY COUNCIL MEMBER ROBERT G. SOFTLY

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 9-8-2009

Subject: Agenda Item No. A.4

APPROVE MINUTES
THE REGULAR CITY COUNCIL MEETING OF AUGUST 17, 2009

STATE OF TEXTAS §

August 17, 2009

COUNTY OF GRAYSON §

BE IT REMEMBERED THAT A Regular Meeting of the City Council of the City of Sherman, Grayson County, Texas was begun and held in the Council Chambers of City Hall on August 17, 2009.

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

MEMBERS ABSENT: **NONE.**

<u>CALL TO ORDER</u> | **CALL TO ORDER**

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

Mayor Magers welcomed Grayson County Commissioner Gene Short and Grayson County Sheriff Keith Gary to the Council Meeting.

<u>APPROVE MINUTES</u> | **APPROVE MINUTES**

The Council reviewed the Minutes of the Called City Council Meeting of August 3, 2009 and the Regular City Council Meeting of August 3, 2009. Council Member Wacker moved to approve the Minutes as presented; Second by Council Member Softly. All present voted AYE.
MOTION CARRIED.

<u>INTRODUCTION AND PUBLIC HEARING OF ORDINANCES</u>

Mayor Magers said this Budget will raise more total property taxes than last year's budget by $211,000 and 3.1%, and of that amount $156,681 is tax revenue to be raised from new property added to the roll this year. He emphasized that the City has not changed their tax rate, however because of the growth in Sherman, the revenue has increased.

Mayor Magers introduced Ordinance 5614 and called for a public hearing: | **ORD 5614 ANNUAL BUDGET**

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, PROVIDING FOR THE APPROPRIATION OF FUNDS FOR OPERATING AND CAPITAL EXPENDITURES FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2009, AND ENDING SEPTEMBER 30, 2010; PROVIDING FOR A REPEALER.

ACTION TAKEN.

Motion by Deputy Mayor Smith to call for the final vote on Budget adoption at the September 8, 2009 Council Meeting. Second by Council Member Wacker.

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

No citizens appeared before the City Council to discuss Ordinance 5614.

ORD 5615
SUP FOR PATIO HOMES

Mayor Magers introduced Ordinance 5615 and called for a public hearing:
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 LAZY L ENTERPRISES (OWNERS), GREG EDWARDS ENGINEERING SERVICES, INC. (ENGINEER), AND COX LAND SURVEYING COMPANY (SURVEYORS) TO ALLOW PATIO HOMES IN AN R-1 (ONE FAMILY RESIDENTIAL) DISTRICT AND THE COLLEGE PARK OVERLAY DISTRICT IN THE 600 BLOCK OF EAST CARTER STREET, THE 600 BLOCK OF EAST COLLEGE STREET, AND THE 800 BLOCK OF NORTH BROUGHTON STREET, BEING LOTS 13-21, BLOCK 4, W.P. CARTER'S ADDITION AND 0.90 ACRES IN THE J.B. McANAIR SURVEY, ABSTRACT NO. 763 FOR A TOTAL OF 1.20 ACRES; 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.

No citizens appeared before the City Council to discuss Ordinance 5615.

ORD 5616
RECYCLING WAIVER FOR AGE 65 AND OVER

Mayor Magers introduced Ordinance 5616 and called for a public hearing:
AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING CHAPTER 13 OF THE CODE OF ORDINANCES, ENTITLED "UTILITIES", ARTICLE 13.06, ENTITLED "SOLID WASTE," AT SECTION 13.06.051(B) TO PROVIDE FOR MODIFIED CONDITIONS FOR OBTAINING A RECYCLING WAIVER FOR THE PRIMARY RESIDENCES ONLY OF CUSTOMERS AGED 65 AND OVER; PROVIDING FOR INCLUSION IN THE CODE OF ORDINANCES; PROVIDING FOR SEVERABILITY; PROVIDING FOR A REPEALER.

No citizens appeared before the City Council to discuss Ordinance 5616.

ORD 5617
SUP FOR BINGO GAMES

Mayor Magers introduced Ordinance 5617 and called for a public hearing:
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 CIRCLE SHERMAN, LLC (OWNERS), DAYS INN HOTEL & SUITES (TENANT), AND ZONA SANDERS (REPRESENTATIVE) TO ALLOW A COMMERCIAL AMUSEMENT CENTER (BINGO GAMES) IN A C-2 (GENERAL COMMERCIAL) DISTRICT, THE O-1.2 (SAM RAYBURN)

OVERLAY DISTRICT, AND THE O-1.1 (FM 1417) OVERLAY DISTRICT AT 3605 U.S. HIGHWAY 75 SOUTH, BEING 4.59 ACRES IN THE PRESTON KITCHEN SURVEY, ABSTRACT NO. 667; 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.

No citizens appeared before the City Council to discuss Ordinance 5617.

Mayor Magers introduced Ordinance 5618 and called for a public hearing:
AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING CHAPTER 12, OF THE CODE OF ORDINANCES, ENTITLED "TRAFFIC AND VEHICLES", PROVIDING FOR A NEW ARTICLE 12.06, TO BE ENTITLED "USE OF HAND-HELD WIRELESS COMMUNICATION DEVICES PROHIBITED IN ACTIVE SCHOOL ZONES"; PROVIDING FOR EXCEPTIONS; PROVIDING FOR A PENALTY OF A FINE NOT TO EXCEED TWO HUNDRED DOLLARS ($200.00) FOR EACH OFFENSE; PROVIDING FOR SIGNAGE; PROVIDING AN EFFECTIVE DATE; PROVIDING FOR INCLUSION IN THE CODE OF ORDINANCES; PROVIDING FOR SEVERABILITY; PROVIDING FOR A REPEALER.

ORD 5618
USE OF CELL PHONES IN SCHOOL ZONES

No citizens appeared before the City Council to discuss Ordinance 5618.

The Public Hearing was closed.

CLOSE PUBLIC HEARING

<u>ADOPTION OF ORDINANCES</u>
Ordinance 5615
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 LAZY L ENTERPRISES (OWNERS), GREG EDWARDS ENGINEERING SERVICES, INC. (ENGINEER), AND COX LAND SURVEYING COMPANY (SURVEYORS) TO ALLOW PATIO HOMES IN AN R-1 (ONE FAMILY RESIDENTIAL) DISTRICT AND THE COLLEGE PARK OVERLAY DISTRICT IN THE 600 BLOCK OF EAST CARTER STREET, THE 600 BLOCK OF EAST COLLEGE STREET, AND THE 800 BLOCK OF NORTH BROUGHTON STREET, BEING LOTS 13-21, BLOCK 4, W.P. CARTER'S ADDITION AND 0.90 ACRES IN THE J.B. McANAIR SURVEY, ABSTRACT NO. 763 FOR A TOTAL OF 1.20 ACRES; 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.

ORD 5615
SUP FOR PATIO HOMES

ACTION TAKEN.
Motion by Deputy Mayor Smith to approve Ordinance No. 5615, as presented. Second by Council Member Softly.

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

Ordinance 5616
AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING CHAPTER 13 OF THE CODE OF ORDINANCES, ENTITLED "UTILITIES", ARTICLE 13.06, ENTITLED "SOLID WASTE," AT SECTION 13.06.051(B) TO PROVIDE FOR MODIFIED CONDITIONS FOR OBTAINING A RECYCLING WAIVER FOR THE PRIMARY RESIDENCES ONLY OF CUSTOMERS AGED 65 AND OVER; PROVIDING FOR INCLUSION IN THE CODE OF ORDINANCES; PROVIDING FOR SEVERABILITY; PROVIDING FOR A REPEALER.

ORD 5616 RECYCLING WAIVER FOR AGE 65 AND OVER

ACTION TAKEN.
Motion by Council Member Adami to approve Ordinance No. 5616, as presented. Second by Council Member Steele.
VOTING AYE: Adami, Howeth, Smith, Softly, Steele, Wacker.
VOTING NAY: None.
MOTION CARRIED.

Ordinance 5617
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 CIRCLE SHERMAN, LLC (OWNERS), DAYS INN HOTEL & SUITES (TENANT), AND ZONA SANDERS (REPRESENTATIVE) TO ALLOW A COMMERCIAL AMUSEMENT CENTER (BINGO GAMES) IN A C-2 (GENERAL COMMERCIAL) DISTRICT, THE O.1.2 (SAM RAYBURN) OVERLAY DISTRICT, AND THE O-1.1 (FM 1417) OVERLAY DISTRICT AT 3605 U.S. HIGHWAY 75 SOUTH, BEING 4.59 ACRES IN THE PRESTON KITCHEN SURVEY, ABSTRACT NO. 667; 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.

ORD 5617 SUP FOR BINGO GAMES

Council Member Steele wanted to be sure that the 8-liner machines and the gambling machines will not be allowed. He asked how that would be enforced.

George Olson, City Manager, said they have applied for a bingo hall and no illegal gambling machines. Council Member Adami verified what bingo games actually are. Deputy Mayor Smith added that places holding bingo games must also be licensed by the State of Texas and subject to State regulations too. Council Member Wacker asked if the State inspectors also inspected the facilities.

Tom Watt, Police Chief, said there are State inspectors but he did not believe they would make a lot of on-site visits. The Police Department responds to complaints.

Council Member Howeth asked about their hours of operation. Scott Shadden, Director of Developmental Services, said the ordinance states they will close at midnight.

Council Member Adami asked if any of the neighbors objected. Mr. Shadden said one neighbor was concerned about the screening device and the hotel agreed to make sure the device was in good repair. Council Member Steele verified that those items were included in the Review Letter.

ACTION TAKEN.

Motion by Council Member Adami to approve Ordinance No. 5617, as presented. Second by Deputy Mayor Smith.

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

ORD 5618
USE OF CELL PHONES IN SCHOOL ZONES

Ordinance 5618
AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING CHAPTER 12, OF THE CODE OF ORDINANCES, ENTITLED "TRAFFIC AND VEHICLES", PROVIDING FOR A NEW ARTICLE 12.06, TO BE ENTITLED "USE OF HAND-HELD WIRELESS COMMUNICATION DEVICES PROHIBITED IN ACTIVE SCHOOL ZONES"; PROVIDING FOR EXCEPTIONS; PROVIDING FOR A PENALTY OF A FINE NOT TO EXCEED TWO HUNDRED DOLLARS ($200.00) FOR EACH OFFENSE; PROVIDING FOR SIGNAGE; PROVIDING AN EFFECTIVE DATE; PROVIDING FOR INCLUSION IN THE CODE OF ORDINANCES; PROVIDING FOR SEVERABILITY; PROVIDING FOR A REPEALER.

Council Member Adami asked if the request for this ordinance came from the State and the Police Department. Mr. Olson said previously the control was optional. During this Legislative Session it was passed and made a misdemeanor.

The staff tired to get clarification on whether this was now required or was still optional, however the staff felt they should err on the side of safety for the kids.

Council Member Adami asked if the City would keep the money from fines or would it go to the State. Chief Watt said there was nothing included in the law to designate, however he felt it would be handled as other fines with a percentage going to the State.

Deputy Mayor Smith questioned giving a municipal ticket for the same offense where they could be charged under a State statue. Chief Watt said all traffic offenses covered under

ordinances are State laws. This would be a Class C Misdemeanor with a fine up to $200. The Municipal Judge sets the actual fine.

Council Member Steele asked what the consequences were if the City did not approve the ordinance. Brandon Shelby, City Attorney, explained that there is some confusion with the way the law was written and the Texas Municipal League says cities are split as to whether it is a requirement or not. The staff feels it would be better to err on the side of safety.

Council Member Howeth verified that if a car is parked, the law would not apply. Chief Watt said there are several exceptions to the law including for emergency vehicles, if the person themselves are experiencing an emergency, or if the car is stopped. A hands-free device is also allowed.

ACTION TAKEN.

> **Motion by Council Member Steele to approve Ordinance No. 5618, as presented. Second by Council Member Wacker.**

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

CONSENT AGENDA

<u>CONSENT AGENDA</u>

The Council reviewed the Consent Agenda. Council Member Adami asked to remove Item D-2 entitled "Request to advertise – Construction of a concrete pad and ramp for the Solid Waste Transfer Station" from the Consent Agenda for consideration in its regular order of business.

Council Member Adami moved to approve the Consent Agenda, with the exception of Item D-2, which will be discussed in its regular order of business. Second by Council Member Wacker. All present voted AYE.

<u>RESOLUTIONS</u>

RES 5400
CODE RED
EMERGENCY
NOTIFICATION
SYSTEM

<u>RESOLUTION NO. 5400 – AUTHORIZING EXECUTION OF AN INTERLOCAL AGREEMENT BETWEEN THE CITY OF SHERMAN AND GRAYSON COUNTY FOR A MULTI-JURISDICTIONAL CODERED® EMERGENCY NOTIFICATION SYSTEM</u>

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF AN INTERLOCAL AGREEMENT BETWEEN THE CITY OF SHERMAN AND GRAYSON COUNTY FOR A MULTI-JURISDICTIONAL CODERED® EMERGENCY NOTIFICATION SYSTEM.

Council Member Wacker asked how this would coordinate with the City's current system. Mr. Olson said it would blend with the City's system. The City has had their system for two years and now the County Emergency Management Operations will have a system countywide.

The County's system will include a weather warning notification system that the City does not have. Citizens would be required to sign up for the new notification. The City will keep their current protocol for issuing emergency management notification within Sherman.

Mr. Olson said the City now pays $15,000 annually, but will not pay anything this year because the County has a grant. In future years the cost will be pro-rata and the City will pay about $15,000 per year but the system will include the weather notification.

ACTION TAKEN.
Motion by Council Member Wacker to approve Resolution No. 5400, as presented. Second by Council Member Adami.
VOTING AYE: Adami, Howeth, Smith, Softly, Steele, Wacker.
VOTING NAY: None.
MOTION CARRIED.

RES 5401
ACCEPTANCE OF JUSTICE GRANT FUNDS

<u>RESOLUTION NO. 5401 – AUTHORIZING THE ACCEPTANCE AND EXECUTION OF A GRANT AWARDED TO THE CITY OF SHERMAN FOR FY 09 RECOVERY ACT EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT PROGRAM FUNDS DISTRIBUTED BY THE U.S. DEPARTMENT OF JUSTICE AND TO BE ALLOCATED TO THE CITY OF SHERMAN, THE CITY OF DENISON, AND GRAYSON COUNTY</u>
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING THE ACCEPTANCE AND EXECUTION OF A GRANT AWARDED TO THE CITY OF SHERMAN FOR FY 09 RECOVERY ACT EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT PROGRAM FUNDS DISTRIBUTED BY THE U.S. DEPARTMENT OF JUSTICE AND TO BE ALLOCATED TO THE CITY OF SHERMAN, THE CITY OF DENISON, AND GRAYSON COUNTY.

ACTION TAKEN.
Motion by Council Member Wacker to approve Resolution No. 5401, as presented. Second by Council Member Softly.
VOTING AYE: Adami, Howeth, Smith, Softly, Steele, Wacker.
VOTING NAY: None.
MOTION CARRIED.

RES 5398
ANNUAL HISPANIC HERITAGE FESTIVAL

<u>RESOLUTION NO. 5398 – AUTHORIZING EXECUTION OF AN AGREEMENT WITH THE STATE OF TEXAS, ACTING BY AND THROUGH THE TEXAS DEPARTMENT OF TRANSPORTATION, FOR THE TEMPORARY CLOSURE OF STATE RIGHT OF WAY, BEING PORTIONS OF WEST BOUND HIGHWAY 56, AND AGREEING TO CLOSE PORTIONS OF TRAVIS AND CROCKETT STREETS FOR THE ANNUAL HISPANIC HERITAGE FESTIVAL ON SATURDAY, SEPTEMBER 19, 2009</u>

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF AN AGREEMENT WITH THE STATE OF TEXAS, ACTING BY AND THROUGH THE TEXAS DEPARTMENT OF TRANSPORTATION, FOR THE TEMPORARY CLOSURE OF STATE RIGHT OF WAY, BEING PORTIONS OF WEST BOUND HIGHWAY 56, AND AGREEING TO CLOSE PORTIONS OF TRAVIS AND CROCKETT STREETS FOR THE ANNUAL HISPANIC HERITAGE FESTIVAL ON SATURDAY, SEPTEMBER 19, 2009.
CONSENT AGENDA.

<u>RESOLUTION NO. 5402 – APPOINTING AND AUTHORIZING THE EXECUTION OF AN AGREEMENT WITH PATTILLO, BROWN & HILL, L.L.P. TO PERFORM THE FISCAL YEAR 2009 AUDIT</u>

RES 5402
ANNUAL AUDIT

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, APPOINTING AND AUTHORIZING THE EXECUTION OF AN AGREEMENT WITH PATTILLO, BROWN & HILL, L.L.P. TO PERFORM THE FISCAL YEAR 2009 AUDIT.
CONSENT AGENDA.

<u>RESOLUTION NO. 5403 – RELATING TO GREATER TEXOMA UTILITY AUTHORITY CONTRACT REVENUE BONDS, SERIES 2009 (CITY OF SHERMAN PROJECT); APPROVING THE ISSUANCE THEREOF AND THE FACILITIES TO BE CONSTRUCTED OR ACQUIRED BY SUCH AUTHORITY</u>

RES 5403
GTUA BONDS

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, RELATING TO GREATER TEXOMA UTILITY AUTHORITY CONTRACT REVENUE BONDS, SERIES 2009 (CITY OF SHERMAN PROJECT); APPROVING THE ISSUANCE THEREOF AND THE FACILITIES TO BE CONSTRUCTED OR ACQUIRED BY SUCH AUTHORITY.
CONSENT AGENDA.

<u>REQUEST TO ADVERTISE</u>
<u>CONSTRUCTION OF WASHINGTON STREET FROM HERITAGE PARKWAY TO THE WEST CITY LIMITS</u>

REQ TO ADVERTISE
WASHINGTON
STREET
CONSTRUCTION

The staff requested permission to advertise for the construction of Washington Street from Heritage Parkway to the west City Limits.

Council Member Adami said he removed Item D-2 from the Consent Agenda because he felt the large and small concrete jobs should be grouped together to get a better total bid. He felt the City could save money if they combined jobs such as the Washington Street construction and the pad and ramp for the Solid Waste Transfer Station.

Mr. Olson explained that the Washington Street project was being paid for from bond money and the Solid Waste Transfer Station was being paid from regular Capital Improvement Project money.

He said the staff would work toward combining these types of projects in the future. The money for the Solid Waste

Transfer Station was from good bid performance on another project for the Transfer Station and the money originally saved was being used for this project.

CONSTRUCTION OF A CONCRETE PAD AND RAMP FOR THE SOLID WASTE TRANSFER STATION

SOLID WASTE TRANSFER STATION PAD AND RAMP

The staff requested permission to advertise for the construction of a concrete pad and ramp for the Solid Waste Transfer Station.

ACTION TAKEN.

Motion by Council Member Adami to approve the request to advertise for the construction of Washington Street from Heritage Parkway to the West City Limits and for the construction of a concrete pad and ramp for the Solid Waste Transfer Station, as presented. Second by Council Member Howeth.

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

CHANGE ORDER NO. 1
TEXOMA PARKWAY WATERLINE, PHASE III – FRISCO ROAD TO FALLON DRIVE; COOK CONCRETE, L.P.; $452.47, INCREASE

CHANGE ORDER TEXOMA PKWY WATERLINE

The City Council approved Change Order No. 1 which is a final reconciliatory change order to adjust the final project quantities for the Texoma Parkway Phase III (Frisco Road to Fallon Drive) Water Main Replacement Project.

The project was funded through debt issued by Greater Texoma Utility Authority on the City's behalf. The change order results in a $452.47 increase in the contract amount, yielding a final contract price of $212,357.54.
CONSENT AGENDA.

OTHER BUSINESS
CONSIDER SCHEDULING A JOINT MEETING OF THE CITY COUNCIL AND THE SHERMAN ECONOMIC DEVELOPMENT CORPORATION BOARD OF DIRECTORS FOR 12:00 NOON ON THURSDAY, SEPTEMBER 17, 2009, TO REVIEW SEDCO'S ANNUAL BUDGET AND WORK PLAN

SET JOINT MEETING WITH SEDCO

Council Members considered scheduling a Joint Meeting with the Sherman Economic Development Corporation Board of Directors for Thursday, September 17, 2009 at 12:00 noon, to review their Annual Budget and Work Plan.

ACTION TAKEN.

Motion by Council Member Steele to schedule a Joint Meeting of the City Council and the Sherman Economic Development Corporation Board of Directors for Thursday, September 17, 2009 at 12:00 noon, as presented. Second by Council Member Wacker.

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

<u>SCHEDULING PUBLIC HEARINGS FOR THE PROPOSED TAX RATE FOR FISCAL YEAR 2009-2010</u>

TAX RATE FOR FY 2009-2010

Because more property tax revenues will be generated in the upcoming fiscal year, compared to the current year, a series of public hearings must be held, even though the proposed tax rate of $0.32 per $100 valuation will be maintained.

ACTION TAKEN.

Motion by Council Member Wacker to schedule two public hearings on the proposal to increase total tax revenues from properties on the tax roll in the preceding tax year by 3.5 percent. The public hearings will be held in the City Council Chambers at 5:00 p.m. on Tuesday, September 8, 2009 and at 12:00 noon on Monday, September 17, 2009. Second by Deputy Mayor Smith.

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

Council Members realized that September 17 was actually a Thursday and not a Monday.

ACTION TAKEN.

Motion by Deputy Mayor Smith to amend the motion to schedule two public hearings on the proposal to increase total tax revenues from properties on the tax roll in the preceding tax year by 3.5 percent. The public hearings will be held in the City Council Chambers at 5:00 p.m. on Tuesday, September 8, 2009 and at 12:00 noon on Thursday, September 17, 2009. Second by Council Member Wacker.

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

Mayor Magers passed the gavel to Deputy Mayor Smith at 5:24 p.m. due to a conflict of interest.

<u>FINAL PLAT APPROVAL OF AUSTIN PARK ADDITION, BEING PART OF A REPLAT OF LOTS 13-21, BLOCK 4, W.P. CARTER'S ADDITION AND 0.90 ACRES IN THE J.B. McANAIR SURVEY, ABSTRACT NO. 763; LAZY L ENTERPRISES, OWNER; GREG EDWARDS ENGINEERING SERVICES, INC., ENGINEER; AND COX LAND SURVEYING COMPANY, SURVEYORS (600 BLOCKS OF EAST COLLEGE AND CARTER STREETS AND 800 BLOCK OF NORTH BROUGHTON)</u>

APPROVE FINAL PLAT AUSTIN PARK ADDITION

ACTION TAKEN.

Motion by Council Member Wacker to approve the Final Plat of the Austin Park Addition, as presented. Second by Council Member Softly.

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

Deputy Mayor Smith passed the gavel back to Mayor Magers at 5:24 p.m. after the vote was taken.

APPROVE REPLAT NORTH HAVEN ADDITION

<u>REPLAT APPROVAL OF LOTS 1, 2 AND 3, BLOCK B, NORTH HAVEN ADDITION, BEING 0.64 ACRES IN THE J.B. McANAIR SURVEY, ABSTRACT NO. 763; SPAVINAW DEVELOPMENT LLC, OWNERS; AND SARTIN AND ASSOCIATES, INC., SURVEYORS (3104, 3108 AND 3112 RIVERCREST DRIVE)</u>
The City Council approved the Replat of Lots 1, 2 and 3, Block B of the North Haven Addition, containing 0.64 acres in the J.B. McAnair Survey, Abstract No. 763, located at 3104, 3108, and 3112 Rivercrest Drive. The owner would like to replat the property into two lots for residential development. The Planning and Zoning Commission recommended approval of the Replat.
CONSENT AGENDA.

BRIEFING ON MEETING WITH GRAYSON COUNTY CONCERNING THE JAIL LOCATION

<u>MAYOR'S BRIEFING OF COUNCIL CONCERNING THE MONDAY, AUGUST 10, 2009 MEETING ATTENDED BY HIMSELF, DEPUTY MAYOR JOE SMITH, CITY MANAGER GEORGE OLSON, SHERMAN POLICE CHIEF TOM WATT, GRAYSON COUNTY JUDGE DRUE BYNUM AND GRAYSON COUNTY SHERIFF KEITH GARY, REGARDING THE PROPOSED RELOCATION OF THE GRAYSON COUNTY JAIL</u>
Mayor Magers briefed the City Council on a meeting held recently with Grayson County Judge Drue Bynum and Sheriff Keith Gary regarding the proposed relocation of the Grayson County Jail. Deputy Mayor Smith, Mr. Olson and Police Chief Tom Watt also attended the meeting.

The goal of the meeting was to gather information so an informed decision can be made of the cost/benefit of keeping the Jail in Downtown Sherman. He addressed several studies and an engineering report that have been completed for the new Jail. Mayor Magers felt that both reports overstated the population growth and the incarceration rates.

He said there were three factors that should be considered for jail population. Those include population and growth of the County; incarceration rates, typically measured by the beds per 1,000; and operational efficiencies. He addressed the average daily population and the peaks and classification of types of prisoners. Those considerations will give a total capacity of beds needed.

Mayor Magers said the meeting participants agreed that a 20 to 25 year Jail should address the needs of a population between 150,000 and 180,000. Currently Grayson County is using about 350 beds per day. The Bogard Study says by 2010, the County will need 532 beds per day and the Wiginton Study said the County would need between 455 and 464 beds by 2004.

Both estimates are 100 to 180 beds more than the actual average daily population in the County. Both reports agree

that Grayson County's three beds per 1,000 is the median State average and they both erroneously projected a dramatic ratio increase from 3.1.

Mayor Magers said in March 1994, 73.3% of the inmates were convicted and 26.7% were unconvicted. In November 2004, 26.2% of the inmates were convicted and 73.8% were unconvicted. More local inmates are now unconvicted than convicted. He felt this change was caused by several inefficiencies.

He addressed changes that have been made to address these inefficiencies including a new full-time court, a new Federal Magistrate, new part-time District Attorneys, a new drug court, and a reduction in Immigration Services prisoners.

Two additional reports have also been completed by the Texas Commission on Jail Standards. One completed in November 2008 assumes a maximum incarceration rate of 3.20 and suggests a bed size of 528. The other assumes a maximum incarceration rate of 3.35 and suggests a bed size of 720. Both reports project the County population at 140,388.

Mayor Magers asked what changed between the two reports and why did the suggested bed size increase so much. Since the jail system is more efficient today than in previous years, he felt the increase must be based on peaking and classification.

In a side-by-side comparison of the two reports, Mayor Magers found that the November 2008 report was based on "average peak population" and the projected capacity was based on a factor of 6%. The May 2009 report was based on "peak population" and the projected capacity was based on a factor of 20%.

The 2009 report also added a fourth factor in determining the projected capacity needs, "due to Grayson's county's close proximity to the Dallas, Fort Worth Metropolitan Area an additional 10% is figured into the calculation." This would indicate that Grayson County needs 576 beds to accommodate prisoners in 2008. In actuality, Grayson County is currently using about 333 to 350 beds per day.

He referenced a letter written from Southwester Correctional that used the information and recommendations from the Wiginton Report. This report showed bed sizes much larger than the actual jail population. After clarification from Jim Wiginton, author of the report, it appears they were using increased growth rates because of growth in South Grayson County. Apparently Mr. Wiginton is now looking at between 500 and 600 beds between 2020 and 2030.

Mayor Magers also read an email received from Sheriff Gary stating that approximately three beds per 1,000 people residing in the County has been adequate. Based on this historical figure, he felt a facility with 500 beds should be adequate for the County's needs through a population of at least 140,000.

He questioned whether a larger facility would be needed. With a larger bed facility, there are economies of scale that make it more profitable for a private company.

Mayor Magers felt the City of Sherman was an accessory partner in the Jail project. Sherman is the only City in Grayson County that pays to house their prisoners in the County Jail. The Jail is a cornerstone of Sherman's economy and would cause a significant economic "ripple" if it moves.

He thanked the City Council for their patience and support as he dug for the facts, adding that not all of the Council Members agreed on the issue. He also referenced projects that have been jointly completed between the City of Sherman and Grayson County in the past.

Mayor Magers addressed the inconsistency in the source data for the Jail project and expressed concern that one study recommended a 528 bed facility and six months later recommended a 720 bed facility. That report also included a 10% increase because Sherman is close to Dallas.

He felt Downtown Sherman is a viable solution, if you rely on the source data for population growth, incarceration rate, and operational efficiencies. Grayson County doesn't need a 750 bed facility, nor should they assume the financial risks as Sherman residents.

<u>Gene Short, Grayson County Commissioner</u>
Commissioner Short thanked Mayor Magers for his diligence on the Jail project. He agreed with the assessment that there has been a lot of bad data used and misinformation presented to the public throughout the process.

He said he has recently found two more discrepancies and would like to make the Council aware of those tonight. First, the cost per inmate per day prepared by Southwest Correctional is not consistent with the County Auditor's figures. Judge Drue Bynum reported the County's current cost as $53.50 per inmate per day. However, the County Auditor's report for FY 2008 calculated the cost at both maximum capacity with current staff, as well as average population. Those costs were $37.64 and $43.89 respectively.

Secondly, Commissioner Short said he talked with the Financial Advisor that was previously used on jail bonds, and they said they are currently trading bonds at 4.08%,

which is significantly lower than the 4.32% or the 5.17% that was recently quoted by the County Judge.

Commissioner Short agreed with the Mayor that the public needs to be provided with all the unbiased facts and that the citizens of Grayson County deserve the right to vote on a bond election to keep the Jail downtown. This gives the taxpayers their well deserved due process.

Mayor Magers said Judge Bynum had previously asked him what the City of Sherman is prepared to do to help with the Downtown option. Before those decisions are made, Mayor Magers felt the City needed to see true costs on what a Downtown option actually is.

He said Jim Wiginton, Wiginton Hooker Jeffry, P.C. – Architects, has told him in an email that it would cost between $20 million and $23 million to build additional beds and remodel the facility. This would take the facility from the current 235 good beds to a 500 bed facility. The price does not include renovation of the existing building or project costs such as fees, furniture, land or other non-construction costs.

Mr. Wiginton said he could not estimate the cost for renovating the existing jail without a great deal of analysis. He estimated the cost of this analysis would be $45,000. A geotechnical engineer might also be needed to study the building, and if so, would add approximately $12,000 to the fee.

Mayor Magers asked the City Council to consider funding 25% of the study since Sherman uses 25% of the Jail. He did not feel that a true assessment of the Downtown option could be made without the study. He felt the cost would be in the mid $20 million range.

He confirmed with Commissioner Short, that the County did not have a contract with Southwest Correctional. He said the numbers "floating around" are $31 million.

He asked the Council to consider funding a portion of the study on the next Agenda. If approved, the Council would then need to ask the County Commissioners if they are interested in participating.

Mayor Magers said he would make all the information available to the Council Members for their consideration.

<u>CITIZENS REQUESTS</u>
<u>GRAYSON COUNTY JAIL</u>

GRAYSON COUNTY JAIL

George Rowland, 614 N. McKown, applauded the Mayor's efforts on the Jail and agreed with what he was doing. He asked if the County was short on Jail space, why did they continue to have a contract to house Federal prisoners. He understood that it is a revenue issue, however if they are taking up Jail space, it reduces the capacity.

Mayor Magers said he understood that the County was contractually obligated to accept Federal prisoners, but right now there are plenty of beds even for the Federal inmates.

Mr. Rowland said he also heard that people that cannot bond out stay in Jail for a longer period of time before they come to trial. He has heard this is because the District Attorney's Office doesn't have the personnel to move the cases through. Mr. Rowland said instead of building a Jail, it would be reasonable to add more resources instead.

GRAYSON COUNTY JAIL

GRAYSON COUNTY JAIL

Doris Hayes, 1702 W. Shields, said she has always been told that it is less expensive "to go up" with construction rather than build a new facility, mainly because of upkeep on the roof.

She said when the Piner School was originally constructed, citizens were told it would be constructed so another floor could be added because that type of construction would be cheaper. This type of construction also requires no new property. She asked if the Justice Center was also originally constructed with that type of renovation in mind.

Mayor Magers said he understood that the ongoing costs on a one-story facility are much less than on a taller facility. He did not know about construction costs.

Ms. Hayes said she heard parking was also an issue. She asked if parking could be off-site and located a block or two away. She said there are probably vacant lots that would be available for parking without disrupting nearby residences. Ms. Hayes said it seems to her that it would be a big inconvenience to the judges, attorneys, and police department for the Jail to be located farther out.

She said one of the main things that concerns her is that many years ago there were a number of people that tried to save Downtown Sherman. It was abandoned and almost became a ghost town. Ms. Hayes said many people have worked hard to get new businesses into Downtown and if the Jail moves out of the Downtown area it will cost Sherman millions of dollars in revenue.

Ms. Hayes said she asked many acquaintances about the Jail proposal and they had many negative comments and are angry that they are not being allowed to vote on the issue.

MEDIA QUESTIONS

MEDIA QUESTIONS

There were no media questions.

COUNCIL COMMENTS

STORM RESPONSE AND CLEAN UP

STORM RESPONSE & CLEAN UP

Council Member Howeth thanked the staff for the quick response and clean up after the recent storm. She also appreciated the advance notification about the storm.

TEXOMA AREA PARATRANSIT SYSTEM

TAPS

Council Member Wacker said as the City of Sherman's representative to the Texoma Area Paratransit System Board, she invited the public to attend the initiation of the inaugural Roo Route or Viking Route on Monday, August 24, 2009 at 11:00 a.m. at Austin College or at 1:00 p.m. at Grayson County College. TAPS currently serves a six County area and these are the first two fixed routes for the System. She also encouraged citizens to use the new routes.

KIWANIS BIKE RALLY

KIWANIS BIKE RALLY

Council Member Wacker congratulated the local Kiwanis Club that sponsored a bike rally this past weekend. The event was well done and it was good to see the cooperation of many groups.

GRAYSON COUNTY JAIL

GRAYSON COUNTY JAIL

Council Member Adami said concerning the Jail issue, he was most fearful that the Justice Center and the Court System would move. They are a big part of the Downtown economy.

He asked if the County Commissioners would specify that is not in the plans and include verbiage to that effect. He understood that wasn't in their plans, but would like to see it in writing. He keeps hearing that it's "not currently in the plans" and it would be better to know it's "not in the plans."

Council Member Adami was concerned about losing that viable part of the Downtown economy. He said he appreciated the hard work of the Commissioners and trusted that they would look at all the data and figures in making their decision.

BEARCAT YOUTH FOOTBALL

BEARCAT YOUTH FOOTBALL

Mayor Magers said Bearcat Youth Football started yesterday and he and Council Member Steele are coaching. The first home game will be September 12, 2009, in Bearcat Stadium and will be against Pottsboro.

Austin College and the Sherman Bearcats have combined to help out Youth Football, which is a great thing for the kids.

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

EXECUTIVE SESSION

THE CITY COUNCIL WILL NOW HOLD AN EXECUTIVE SESSION PURSUANT TO THE PROVISIONS OF THE OPEN MEETINGS LAW, CHAPTER 551, GOVERNMENT CODE,

VERNONS TEXAS CODES ANNOTATED, IN ACCORDANCE WITH THE AUTHORITY CONTAINED IN THE FOLLOWING SECTIONS.

SECTION 551.074	**PERSONNEL MATTERS: CONSIDER THE QUALIFICATIONS, APPOINTMENT OR REMOVAL OF MEMBERS TO BOARDS AND COMMISSIONS: RED RIVER GROUNDWATER CONSERVATION DISTRICT BOARD OF DIRECTORS (2)**

On Motion duly made and carried, the Open Meeting recessed and reconvened in Executive Session at 6:10 p.m.

On Motion duly made and carried, the Executive Session recessed at 6:17 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 6:17 p.m.

MAYOR

CITY CLERK

Judge Bynum Meeting
August 10, 2009

- Goal is to gather information so that we can make an informed decision as to the cost/benefit of the County jail remaining in downtown Sherman.

Jail Studies
Referenced for Meeting

- 2002 Wiginton Report
- 2005 – 2006 Bogard Report
- Dec 2008 Hale Mills “memo” – unsigned
- 2002 Isbell Engineering Report

- Both reports overstated population growth.
- Both reports overstated incarceration rates.

Jail Population Considerations

- Population (especially growth)
- Incarceration Rate Beds/1000
  - ADP
  - Peaking and Classification
  - Total Capacity (Beds)
- Operational Efficiencies
  - Every study said focus on this first.
  - All assumed that “nothing changes”.

- **US Census Grayson County Texas Population, 2008 estimate - 118,804**
- **Population, percent change, April 1, 2000 to July 1, 2008 7.4%**

Body	Current	2015	2020	2025	2030	2035	(%)
US Census	**119 (08)**						<1
MPO	120 (05)	139		162	176	184	1.25
02 Wiginton	117-120 (04)	135-145 (14)		158-178 (24)			1.5-2
05 Bogard	124	130	136	141	145	149	1-1.25

- We agreed that a 20 - 25 year jail should address the needs of a population between 150 – 180K?

Ratio of Beds to Population

- **Consultants ADP projections and recommended size in beds/1000**

Company	2010		2015		2020		2025	
*Bogard (pg106)	532.4	4.3	698	5.4	872.1	6.4	1052.1	7.5
	2004		2014				2024	
Wiginton	455-464	3.2	593-636	3.6			727-818	3.8

- 2004 and 2010 estimates are 100 – 180 beds more than actual ADP - off 30% -50%.
- Both agree that Grayson County’s 3 beds/ 1000 is the median state average.
- Both erroneously project a (dramatic) ratio increase from 3.1

Convicted vs. Unconvicted

Grayson County Comprehensive Correctional Needs Assessment
Final Report

FIGURE IV.8
Legal Status of Local Inmates, 1/1993 – 11/2004

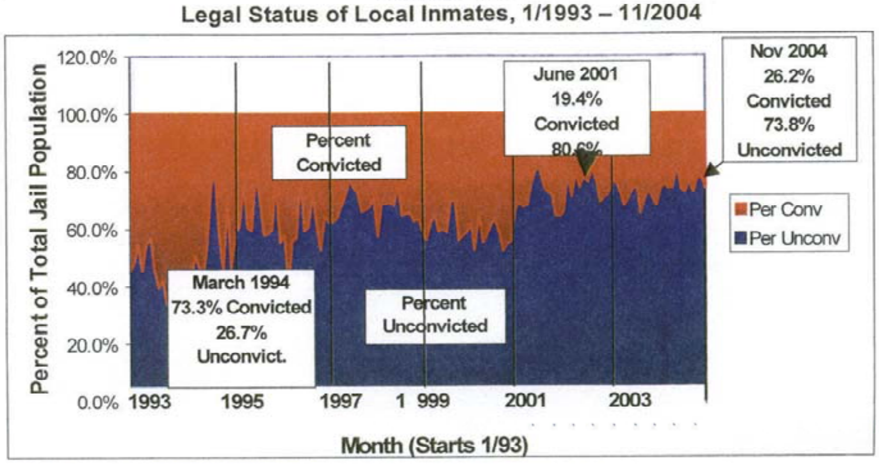

Figure IV.9 shows the number of convicted and unconvicted inmates by month.

Changes since Reports Published

– New full-time court
– New federal magistrate
– New part-time DA's
– New drug court
– Reduction in INS prisoners
– What else?

Additional Studies

- TCJS   November 24, 2008 Report
  - – Projects County population 140,388
  - – Assumes a maximum incarceration rate of 3.20
  - – Suggests size of 528
- TCJS   May 28, 2009 report
  - – Projects County population 140,388
  - – Assumes a maximum incarceration rate of 3.35
  - – Suggests size of 720

Jail Population Considerations

- Population (especially growth)
- Incarceration Rate beds/ 1000
  - ADP
  - ***Peaking and classification***
  - Total Capacity (beds)
- Operational Efficiencies
  - Every study said focus on this first.
  - All assumed that “nothing changes”.

Page 5 of the Reports

- May 28, 2009

The peak population during the last twelve months was 453 which occurred in August of 2008, based upon Grayson County Sheriff's population report. While the average daily population (ADP) was 375; this represents a difference of 78. To calculate the peak population factor, 78 is divided by the ADP of 375 This represents a factor of 20% which will be utilized in calculating the projected capacity needs in the next section.

PROJECTED CAPACITY NEEDS

Projected needs are based on the county incarceration rate, projected county population, the peak population factor, and a classification percentage.

First, the county population is multiplied by the incarceration rate (.00312) to yield expected inmate population. Second, a percentage is added to the anticipated population for peak populations (20%). Third, a classification percentage (10%) is added to ensure a sufficient number of beds are provided for objective jail classification. Fourth due to Grayson's county's close proximity to the Dallas, Fort Worth Metropolitan Area an additional 10% is figured into the calculation. The following table indicates projected future incarceration needs for Grayson County:

Year	Projected County Pop	Incarc-eration Rate	Projected Inmate Pop	Peak Population	Minimum Capacity	Classif-ication	Total Cap	10% DFW Metro Factor	Suggested size
2008	120,425	3.12	375.73	75.15	450.87	45.09	496	545	576
2010	122,883	3.15	387.08	77.42	464.50	46.45	511	562	576
2015	128,225	3.20	410.32	82.06	492.38	49.24	542	596	624
2020	133,568	3.25	434.10	86.82	520.92	52.09	573	630	672
2025	137,830	3.30	454.84	90.97	545.81	54.58	600	660	672
2028	140,388	3.35	470.30	94.06	564.36	56.44	621	683	720

- November 24, 2008

The average peak population during the last twelve months was 398 while the average daily population (ADP) was 375; this represents a difference of 23. To calculate the peak population factor, 23 is divided by the ADP of 375 This represents a factor of 6%, which will be utilized in calculating the projected capacity needs in the next section. The peak population of the jail during the last twelve months was 453 which occurred in August of 2008, based upon Grayson County Sheriff's population report.

PROJECTED CAPACITY NEEDS

Projected needs are based on the county incarceration rate, projected county population, the peak population factor, and a classification percentage.

First, the county population is multiplied by the incarceration rate (.00312) to yield expected inmate population. Second, a percentage is added to the anticipated population for peak populations (6%). Third, a classification percentage (10%) is added to ensure a sufficient number of beds are provided for objective jail classification. The following table indicates projected future incarceration needs for Grayson County:

Year	Projected County Pop	Incarceration Rate	Projected Inmate Pop	Peak Population	Minimum Capacity	Classification	Total Cap	Suggested size
2008	120,425	3.12	375.73	21.42	397.14	39.71	437	*429
2010	122,883	3.13	384.62	21.92	406.55	40.65	447	480
2015	128,225	3.15	403.91	23.02	426.93	42.69	470	480
2020	133,566	3.17	423.41	24.13	447.54	44.75	492	528
2025	137,830	3.19	439.68	25.06	464.74	46.47	511	528
2028	140,386	3.20	449.24	25.61	474.85	47.48	522	528

* current capacity

April 29, 2009 Letter – Not Provided

SOUTHWESTERN CORRECTIONAL

April 29, 2009

Texas Commission on Jail Standards
Attention: Brandon Wood
PO Box 12985
Austin Texas, 78711-2985
Email: Brandon.wood@tcjs.state.tx.us

Re: Grayson County

Dear Brandon,

On March 2nd our company, Southwestern Correctional, was chosen by the Grayson County Commissioners Court to design, build and manage a new jail in Grayson County. Since that time we have been working with the Sheriff, his staff and the County Commissioners subcommittee to determine the appropriate size for a new jail that will meet the county's needs for the next 20 years. As you are aware the County's current jail has reached its maximum capacity for inmates and is currently required to ship inmates in excess of capacity to other counties. This coupled with many structural issues and an evolution of additions that demand a greater number of employees to adequately staff the operation, has lead the Sheriff and the Commissioners to the decision to construct a new jail.

The current jail's physical plant issues and the shipping of inmates has been an occurring event for the last several years and has prompted the County to conduct a number of professional studies to help determine the optimal facility size for the

26228 Ranch Road 12
Dripping Springs, TX 78620
(512) 858-7202
timkswc@aol.com

Wiginton E-Mail

From: Jim Wiginton [mailto:WIGJIM@whjarch.com]
Sent: Tue 8/11/2009 4:35 PM
To: Magers, Bill
Subject:

I enjoyed our phone conversation and am glad to revisit, for you, the study we performed for Grayson County in 2002. Based upon a very quick analysis I have the following observations:

- Growth in Grayson County has slowed this decade and appears to be approximately half of the growth experienced between 1990 and 2000.
- The jails incarceration rate (inmates / 1,000 County population) has declined. The rate in 2000 was 3.0, in 2005 and 2006 it was 3.3 and in years 2007 and 2008 it was 2.8.

This recent data is lower than what was anticipated in 2002. Although I suspected the rate of growth experienced in the 1990's would slow, others felt that growth from the southern part of Grayson County would increase County population beyond the rate of the 1990's.

Based upon this more recent information and factoring in beds for classification, it appears that the County needs the following beds for the future:

2020 to 2022	– Approx. 500 beds
2025	- Approx. 540 beds
2030	- Approx. 580 - 600 beds

Must be 750 to be Private

- LaSalle Website Info

LOUISIANA FACILITIES	BEDS	POPULATION
Bayou Correctional Facility Rayville, Louisiana	400	Louisiana DOC
Catahoula Correctional Facility Rayvile, Louisiana	835	Louisiana DOC
River Correctional Facility Concordia, Louisiana	600	Louisiana DOC
Richwood Correctional Facility Richwood, Louisiana	666	Louisiana DOC City of Monroe
LaSalle Correctional Center Urania, Louisiana	755	Louisiana DOC Harris County, TX
Clairborne Correctional Center Clairborne, Louisiana	590	Louisiana DOC
Jackson Correctional Center Jackson, Louisiana	598	Louisiana DOC
Lincoln Parish Detention Center Ruston, Louisiana	101	Louisiana DOC
TEXAS FACILITIES	**BEDS**	**POPULATION**
Crystal City Correctional Center Crystal City, Texas	515	US Marshall/INS
Burnet County Jail Burnet, Texas	587	*Now Open* State of Texas inmates & County inmates
TOTAL NUMBER OF BEDS:	**5,647**	

Wiginton E-Mail 2nd half

Assuming renovation and continued use of the existing jail is still viable, I agree with the 2002 Study on which support areas would need to be built along with the additional housing. I would estimate that it will take an addition to the existing jail of approximately 70,000 to 75,000 square feet to make the total facility's bed count around 500 beds and build the needed support areas such as intake, holding, release, infirmary, laundry, kitchen expansion, visitation, etc. I estimate the current cost for this construction to be between $20 million and $23 million dollars. This price does <u>not</u> include renovation of the existing building or project costs such as fees, furniture, land or other non-construction costs.

It is impossible to put a price tag on renovating the existing jail without a great deal of analysis. Without this analysis it would be difficult to determine the feasibility of saving the building.

I have spoken with the five consultants needed for Wiginton Hooker Jeffry to provide this analysis. The fee for this work would be $45,000. The structural engineer said we may need a sixth consultant, a geotechnical engineer, to study the jail. If so, this will add approximately $12,000 to our fee. I know this is quite a bit higher than you had hoped. If the City of Sherman decides not to do this analysis, I would certainly understand. I hope the other information I provided is helpful. It has been my pleasure to assist you. If I can be of further assistance, please do not hesitate to call.

Sincerely,

Jim Wiginton, AIA
President
WIGINTON HOOKER JEFFRY, P.C. - ARCHITECTS
972-665-0657

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 9-8-2009

Subject: Agenda Item No. A.5

PROCLAMATION
German-American Partnership
between Wolnzach Gymnasium and Sherman High School

Issue
To present a proclamation to ten students and two teachers who are visiting from Wolnzach Gymnasium in Bavaria, Germany, to take part in an exchange program with students from Sherman High School

Background
Earlier this summer, ten Sherman High School students and two teachers visited Bavaria, Germany, to live and study with students from Wolnzach Gymnasium. Through the program, the German students then visit the Sherman students in a cultural exchange program.

Origination
Council Member Pam Howeth, a teacher at Sherman High School, requested the proclamation.

Financial Consideration
There is no financial consideration.

Staff Recommendation
It is recommended by the staff that the City Council present a proclamation welcoming the students participating in the exchange program with Wolnzach Gymnasium.

Alternatives
The Council could choose not to present the proclamation.

Attachments
A proclamation recognizing the German-American Partnership between Wolnzach Gymnasium and Sherman High School is attached.

Prepared by:
Linda Ashby, City Clerk

Approved by:
George Olson, City Manager

SHERMAN

Proclamation

WHEREAS, the German American Partnership Program (GAPP) is one of the most successful exchange programs in the United States and was developed between the United States and the Federal Republic of Germany to inspire international understanding, promote language instruction, and motivate personal friendships, and

WHEREAS, Sherman High School has partnered with Wolnzach Gymnasium, in Wolnzach, Germany, the State of Bavaria, for 11 years in a cultural exchange program for students and teachers, and

WHEREAS, ten Sherman High School students and two teachers, coordinated by Suzy Robinson, visited Bavaria, Germany to live and study with German students and their families from June 24 through July 16, 2009, and

WHEREAS, ten Wolnzach Gymnasium students and two teachers, lead by Uli Schiller, will visit Sherman, Texas to live and study with our local students from September 3 through September 24, 2009, and

WHEREAS, during the exchange, Sherman High School students also visited Salzburg, Austria, and Wolnzach Gymnasium students will visit Galveston, Texas, and

WHEREAS, all participating students will get a chance to promote the spirit of diversity and harmony by the various cultures that make up the fabric of our global society.

NOW THEREFORE, I, Bill Magers, Mayor of the City of Sherman, Texas, by the authority vested in me, do hereby recognize the

GERMAN – AMERICAN PARTNERSHIP
BETWEEN WOLNZACH GYMNASIUM
AND SHERMAN HIGH SCHOOL

and welcome students and teachers to our community. I also urge all citizens to do their part in the cause of international understanding and make these visitors feel welcome in Sherman.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of the City of Sherman to be affixed this the 8th day of September, 2009.

Mayor

ATTEST:

Linda Ashby

City Clerk

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 9-8-2009

Subject: Agenda Item No. B.1

PUBLIC HEARING
Capital Improvement Program 2009-2014

Issue
Holding a public hearing for the City of Sherman's Capital Improvement Program covering the period from October 1, 2009 through September 30, 2014

Background
Article V, Section 10 of the City Charter requires that the City Council, by resolution, to adopt a capital program. As required, before consideration of the resolution, the City published a summary of the program and gave notice of a public hearing in a newspaper of general circulation in the City.

Origination
Department 119, Engineering Services

Financial Consideration

2009-2014 Funding:	
General Fund	$12,471,700
Utility Fund	$33,613,000
Total Funding for 2009-2014	**$46,084,700**

Staff Recommendation
It is recommended that the City Council hold a public hearing for the Capital Improvement Program 2009-2014 at the September 8th City Council meeting.

Attachments
Summary of Capital Improvement Program 2009-2014

Prepared by:
Mark Gibson, Director of Utilities & Engineering

Approved by:
George Olson, City Manager

GENERAL SERVICES

2009-2010

	Drainage	Streets	Facilities	Parks	Water	Sewer		Totals
Practice Field Development at Hawn and MLK Parks				$25,000				$25,000
Canyon Grove to Hwy 82 Access		$100,000					***	$100,000
U.S. Highway 75 Ramp Reversal		$300,000					***	$300,000
Solid Waste Interior Driveway Rebuild, Phase IV		$60,000						$60,000
Travis Street - Washington to Jones St. Mill, Overlay, Curb Repair and striping		$180,000						$180,000
Drainage Improvement Projects	$300,000							$300,000
Street Right-of-Way and Street Oversize Funding		$100,000						$100,000
GIS System			$146,700					$146,700
Cemetery Building Resurfacing & Fencing			$30,000					$30,000
Total 2009-2010	$300,000	$740,000	$176,700	$25,000	$0	$0		$1,241,700

*** TxDOT Participation

2010-2011

	Drainage	Streets	Facilities	Parks	Water	Sewer		Totals
Travis Street Improvements - Phase I - Taylor to Lamberth - ROW and Utilities		$100,000						$100,000
Travis Street Improvements - Phase 2 - Lamberth to Canyon Grove		$50,000						$50,000
U.S. Highway 75 Fallon Drive Ramps		$800,000					**/***	$800,000
Solid Waste Interior Driveway Rebuild - Phase V		$60,000						$60,000
MLK Park Athletic Field Lighting				$130,000				$130,000
Cherry Park Playground				$150,000				$150,000
Southwest Fire Station			$2,500,000				*	$2,500,000
Drainage Improvement Projects	$250,000							$250,000
Fairview Park Spray Ground and Splash Expansion				$500,000				$500,000
Martin Luther King Park Restroom				$130,000				$130,000
Fielder Park Basketball Court Renovation and Playground Improvements				$135,000				$135,000
Street Right-of-Way and Street Oversize Funding		$100,000						$100,000
Total 2010-2011	$250,000	$1,010,000	$2,500,000	$1,045,000	$0	$0		$4,905,000

* Bonded

** SEDCO Funded

***TxDOT Participation

2011-2012

	Drainage	Streets	Facilities	Parks	Water	Sewer	Totals
Shady Oaks Drive Reconstruction		$700,000					$700,000
Cypress Grove Rd. Rebuild - Rex Cruse to Redbud		$450,000					$450,000
Travis Street Improvements - Phase 3 - Canyon Grove to North Creek		$50,000					$50,000
Fallon Drive Construction - Preliminary Engineering and ROW		$100,000					$100,000
Rosedale Park Field Renovation				$250,000			$250,000
Baker Park Group Pavilion and Fishing Pier				$125,000			$125,000
Fairview Park Pavilions				$50,000			$50,000
Rosedale Park Playground				$60,000			$60,000
Rosedale Park Restrooms				$130,000			$130,000
Recreation Center Study				$40,000			$40,000
Drainage Improvement Projects	$250,000						$250,000
Street Right-of-Way and Street Oversize Funding		$100,000					$100,000
Total 2011-2012	$250,000	$1,400,000	$0	$655,000	$0	$0	$2,305,000

2012-2013

	Drainage	Streets	Facilities	Parks	Water	Sewer	Totals
Hawn Skateboard Renovation - Phase II				$70,000			$70,000
Fallon Drive West Construction to U.S. Hwy 75		$1,500,000					$1,500,000
Old Settlers Park - Phase III Field Renovation				$1,000,000			$1,000,000
Hawn Park Pavilion				$75,000			$75,000
Hawn Park Sprayground Expansion				$300,000			$300,000
Drainage Improvement Projects	$250,000						$250,000
Street Right-of-Way and Street Oversize Funding		$100,000					$100,000
Recreation Center			??				$0
Total 2012-2013	$250,000	$1,600,000	$0	$1,445,000	$0	$0	$3,295,000

2013-2014

	Drainage	Streets	Facilities	Parks	Water	Sewer	Totals
Hillcrest Park Renovation				$150,000			$150,000
Ely Park Playground and Field Lighting				$175,000			$175,000
Pecan Grove Dog Park				$50,000			$50,000
Drainage Improvement Projects	$250,000						$250,000
Street Right-of-Way and Street Oversize Funding		$100,000					$100,000
Total 2013-2014	$250,000	$100,000	$0	$375,000	$0	$0	$725,000

GENERAL GRAND TOTAL	$1,300,000	$4,950,000	$2,676,700	$3,545,000	$0	$0	$12,471,700

UTILITY SERVICES

2009-2010

	Drainage	Streets	Facilities	Parks	Water	Sewer		Totals
Brents Street Sewer Replacement						$150,000		$150,000
Pelton Street Water Line Replacement					$250,000			$250,000
WTP - Raw Water Pump Station Upgrade						$2,000,000	*	$2,000,000
WTP - THHM Control Study					$250,000			$250,000
WWTP - Cover Biological Clarifiers						$1,100,000	*	$1,100,000
WWTP Storm Water Storage Contingency						$750,000	*	$750,000
WWTP - Upgrade Mixers, Phase I						$160,000		$160,000
Additional Water Storage					$4,000,000		*	$4,000,000
Utility Main Oversizing					$50,000	$50,000		$100,000
TOTAL 2009-2010	$0	$0	$0	$0	$4,550,000	$4,210,000		$8,760,000

* Bonded

2010-2011

	Drainage	Streets	Facilities	Parks	Water	Sewer		Totals
Texas Street Water Replacement					$170,000			$170,000
College Street Water Replacement					$125,000			$125,000
Dripping Springs Road Water Main Loop					$175,000			$175,000
Shannon Street Water Line Replacement					$135,000			$135,000
WWTP - Biosolids Processing Upgrade						$2,500,000	*	$2,500,000
WWTP - Headworks Variable Frequency Drive Update						$220,000		$220,000
WWTP - Upgrade Mixers, Phase II						$160,000		$160,000
Water Treatment Plant 2nd Feed					$3,000,000		*	$3,000,000
Utility Main Oversizing					$50,000	$50,000		$100,000
TOTAL 2010-2011	$0	$0	$0	$0	$3,655,000	$2,930,000		$6,585,000

* Bonded

2011-2012

	Drainage	Streets	Facilities	Parks	Water	Sewer		Totals
WWTP - Nutrient Removal Preliminary Engineering						$1,200,000	*	$1,200,000
WWTP Automated Dissolved Oxygen Control						$900,000	*	$900,000
WWTP Headworks Variable Frequency Drive Upgrade-Phase II						$220,000		$220,000
Ricketts Street Water Line Replacement Phase II					$450,000		*	$450,000
Woods Street Water Line Replacement					$100,000			$100,000
Lamberth Road Water Line Replacement					$85,000			$85,000
Texoma Parkway Water Replacement - Phase IV					$300,000		*	$300,000
Water Treatment Plant Second Feed, Phase II					$4,000,000		*	$4,000,000
Utility Main Oversizing					$50,000	$50,000		$100,000
TOTAL 2011-2012	$0	$0	$0	$0	$4,985,000	$2,370,000		$7,355,000

* Bonded

2012-2013

	Drainage	Streets	Facilities	Parks	Water	Sewer		Totals
Eastside Outfall Return Sewer						$500,000	*	$500,000
Texoma Parkway Water Replacement - Phase V					$300,000			$300,000
WWTP - Nutrient Removal Process						$8,000,000	*	$8,000,000
Relief Sewer D-1						$290,000		$290,000
Utility Main Oversizing					$50,000	$50,000		$100,000
TOTAL 2012-2013	$0	$0	$0	$0	$350,000	$8,840,000		$9,190,000

* Bonded

2013-2014

	Drainage	Streets	Facilities	Parks	Water	Sewer		Totals
WWTP - Security Upgrade						$150,000		$150,000
WWTP - Upgrade UV Disinfection System						$500,000		$500,000
Blalock Industrial Sewer Replacement						$500,000	**	$500,000
South Sherman Trunk Sewer Replacement						$135,000		$135,000
Texoma Parkway Sewer Relief Main						$200,000		$200,000
Highway 75 South Water Crossing Replacement					$138,000			$138,000
Utility Main Oversizing					$50,000	$50,000		$100,000
TOTAL 2013-2014	$0	$0	$0	$0	$188,000	$1,535,000		$1,723,000

** SEDCO Funded

UTILITY GRAND TOTAL	$0	$0	$0	$0	$13,728,000	$19,885,000	$33,613,000
TOTAL CIP	$1,300,000	$4,950,000	$2,676,700	$3,545,000	$13,728,000	$19,885,000	$46,084,700

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 9-8-2009

Subject: Agenda Item No. B.2

SECOND PUBLIC HEARING OF ORDINANCE NO. 5614
Providing for the Appropriation of Funds for Operating and Capital Expenditures for the Fiscal Year Beginning October 1, 2009, and Ending September 30, 2010

Issue
To hold the second public hearing and consider adoption of the proposed budget ordinance for the 2009-2010 fiscal year

Background
The proposed budget reflects the direction given by the Council at the recent budget workshop held on June 18, 2009, and at the first public hearing on August 17, 2009. The budget contains $67.6 million in appropriations, which represents an approximate 8.7% decrease from the prior year's original budget, the decrease of which relates primarily to capital improvements. In accordance with the discussions at the budget workshop, the draft budget maintains the property tax rate at $.32/$100; and increases in water/sewer rates and solid waste rates of about 1.5% and 12%, respectively, are included. More detailed information is available on the attachments. This will be the final action on the budget ordinance.

Origination
Assistant City Manager/Chief Financial Officer

Financial Consideration
The proposed budget contains appropriations of $67.6 million for the 2009-2010 fiscal year.

Staff Recommendation
The staff recommends that the Council accept the budget as presented.

Alternatives
The Council could make changes to the proposed budget, subject to existing available financial resources, and subject to statutory requirements relating to the timing of the budget adoption.

Attachments
Ordinance No. 5614; Summary Budget Text; Summary Budget Schedule; Individual Fund Statements

Prepared by:
Robby Hefton, Assistant City Manager/CFO

Approved by:
George Olson, City Manager

ORDINANCE NO. 5614

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, PROVIDING FOR THE APPROPRIATION OF FUNDS FOR OPERATING AND CAPITAL EXPENDITURES FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2009, AND ENDING SEPTEMBER 30, 2010; PROVIDING FOR A REPEALER; FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS ORDINANCE IS PASSED WAS NOTICED AND IS OPEN TO THE PUBLIC AS REQUIRED BY LAW.

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

SECTION 1. That, pursuant to Article V of the City Charter, there is hereby appropriated for Operating Expenditures the sums of money as established in the approved Operating Budget Document for fiscal year beginning October 1, 2009, and ending September 30, 2010.

SECTION 2. That, pursuant to Article V of the City Charter, there is hereby appropriated for Capital Expenditures the sums of money as established in the approved Capital Budget Document for fiscal year beginning October 1, 2009, and ending September 30, 2010.

SECTION 3. That all ordinances or parts of ordinances in conflict with the provisions of this ordinance are hereby repealed.

SECTION 4. 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 _________________, 2009.

ADOPTED on this the ________________ day of _________________, 2009.

EFFECTIVE DATE on this the _________ day of _________________, 2009.

CITY OF SHERMAN, TEXAS

BY: ______________________________

BILL MAGERS, MAYOR

ATTEST:

BY: ______________________________
LINDA ASHBY, CITY CLERK

APPROVED AS TO FORM
AND CONTENT:

BY: ______________________________
BRANDON S. SHELBY,
CITY ATTORNEY

This budget will raise more total property taxes than last year's budget by $211,000 and 3.1%, and of that amount $156,681 is tax revenue to be raised from new property added to the roll this year.

PROPOSED BUDGET FOR THE CITY OF SHERMAN
FOR FISCAL YEAR 2009-2010
September 8, 2009

SUMMARY:

The attached draft budget for 2009-2010 is based on the direction provided by the City Council at the budget workshop that was held on June 18, 2009.

The draft budget reflects a continued focus on completing prior development initiatives and adequate funding of our core competencies:

- Certificates of obligation of about $3.5 million to fund street initiatives
- Park and thoroughfare development projects including Washington Street west, Lamberth Road west and Pecan Grove Park Phase II
- Additional water storage purchase at Lake Texoma
- Additional resources for water quality and parks and streets maintenance
- Four grant funded police officers and an intelligence analyst
- Three firefighters, an aerial ladder truck and grant funded training and emergency equipment
- Water/Sewer and Solid Waste rate increases
- Street sweeping and bulky waste collection programs
- High priority items identified in the Comprehensive Master Plan

Appropriations for 2009-2010 total about $67.6 million, of which $12.2 million is earmarked for capital spending. This total is approximately 8.7% less than the $74.0 million in the original 2008-2009 budget. Decreased spending on capital projects and capital expenses represents the largest component of the decreased appropriations.

Total budgeted full-time positions in the draft budget are 407, up from 398 in fiscal year 2008-2009. This increase is the result of the budget's emphasis on efficiently providing core city services. To reduce overtime in the fire department, three additional firefighters are requested. One-hundred and sixty acres of parks requiring maintenance have been added in the past two years. To maintain this investment, three grounds maintenance employees are requested. In the street department, two additional employees are requested to repair curbs, gutters and potholes which have previously been repaired by a contractor. To assist the city in ensuring quality water and compliance with legal and regulatory laws, a senior water quality specialist in included in the utility fund budget.

The General Fund is balanced for FY 2010. A slight increase in property tax revenue is offset by decreases in revenue from our other non-tax sources such as ambulance fees, permits and licenses. General Fund transfers out to the debt service fund for debt payments and to fleet replacement fund are included. All things considered, healthy reserve balances in the General Fund of about $5.7 million are projected to exist at the end of fiscal year (FY) 2010.

For FY 2010, the Utility Fund is balanced, but requires a transfer from the Utility Improvement Fund to attain that. Although the fund is unbalanced on an ongoing basis currently, financial pressures should be relieved in FY 2012 when additional prospective revenues are expected from water sales to a major new industrial customer and in FY 2013 when the city's projected debt service decreases by about $1.0 million. Remaining fund balances are projected to be about $3.5 million, or about 66 days of ongoing operating expenses. Thus, only a modest rate increase of 1.5% is proposed. This will generate an additional $.3 million in revenues to help ensure that ongoing rates will support the operations of this fund.

The Solid Waste Fund is balanced on an on-going basis. However, for FY 2010, the fund is unbalanced because of a non-recurring transfer of $60 thousand to the General Improvement Fund. Recent cost increases related largely to landfill disposal and fuel/energy have contributed to the need for a rate increase of about 12% in this fund. Expected revenues from this increase total $.5 million. The overall rate increase will be applied as needed to each of the operating departments within this fund to ensure that each segment of operation is self-supporting. Fund balances in this fund continue to be healthy, with an expected $1.0 million, or 70 days of operating funds, available at the end of 2010.

The draft budget of about $5.9 million in the General Improvement Fund reflects about $5.0 million for various street and parks projects and transfers out of $.9 million. The most significant projects include Washington Street west, Lamberth Road west and Pecan Grove Park Phase II. Reserves of about $.7 million are expected after the completion of these projects.

In the Utility Improvement Fund, internal projects of about $1.0 million have been identified. Additionally, the City will issue an expected $7.9 million in revenue bonds through the Greater Texoma Utility Authority (GTUA) for various large utility projects. The largest projects to be managed and funded through this source are the additional water storage rights from Lake Texoma, the raw water pump upgrade, and the wastewater treatment plant cover for the biological clarifiers. These projects are not reflected on the City's books; rather they are paid through contractual debt payments to GTUA from the Utility Fund. Other utility projects are proposed to be funded through $4.0 million in available fund balance in the Utility Improvement Fund. A transfer to the Employee Insurance Fund of $1.0 million to help restore that fund's reserves and a transfer to the Utility Fund are included. Utility Improvement Fund reserves of about $1.7 million should be available in the fund at the completion of these projects.

DETAILED INFORMATION:

Additional information on major components of the 2009-2010 draft budget follows.

Certificates of Obligation: The draft budget includes the effects of issuing about $3.5 million in Certificates of Obligation (CO), funding of which could be used for projects such as Pecan Grove Park development, Washington Street west, and Lamberth Road west. Debt service for this bond issue will be provided through ad-valorem taxes and a general revenue pledge.

Pecan Grove Park Phase II: This nature and open-space park has a budgeted development cost of $2.4 million and will include such features as fishing piers, picnic pavilions, paved and unpaved hike/bike and walking trails, an amphitheater and playground equipment.

Thoroughfare and Street Improvements: Improvement of two of the City's thoroughfares continues in (FY) 2010 – Washington Street and Lamberth Road. Both of these thoroughfares are expected to pave the way for near-term growth and development in these areas of the city.

Water Treatment Plant Raw Water Pump Station Upgrade - The draft budget for the Utility Improvement Fund includes $2.0 million for this project. The project's costs are shared with the North Texas Municipal Water District and are for the purpose of pumping additional water from Lake Texoma. This project is funded by the Greater Texoma Utility Authority.

Additional Water Storage at Lake Texoma – The draft budget for the Utility Improvement Fund includes $4,000,000 to purchase additional storage. However, if more is available, this amount could increase. This project is funded by the Greater Texoma Utility Authority.

Water/Sewer and Solid Waste Rate Increases: Pressures on operating costs arising from things such as biosolids disposal, landfill disposal fees, fuel/energy costs and group health costs have contributed to the need for rate increases in these utility services. The overall water/sewer rate increase is expected to be about 1.5%, while the solid waste fees are expected to increase about 12% overall.

SUMMARY SCHEDULES, DETAILED FUND STATEMENTS, AND OTHER INFORMATION

The following pages include a schedule that summarizes the draft 2009-2010 budget, eliminating double counting for internal service funds and inter-fund transfers. Also included are statements of revenues and expenditures/expenses for each fund, and a debt schedule.

Summary of Budgeted Receipts and Expenditures/Expenses
Fiscal Year 2009-2010

	General Fund	Enterprise Funds	Internal Service Funds	Special Revenue Funds	Capital Improvement Funds	Trust Fund	Debt Service Funds	Elim. Interfund Transfers	Totals
Beginning Fund Balance	$ 5,783,160	$ 4,819,608	$ (110,913)	$ 2,053,882	$ 6,688,895	$ 971,219	$ 521,305	$ 74,118	$ 20,801,274
Receipts:									
Taxes	22,419,000	-	-	504,000	-		1,438,000		24,361,000
Water Sales	-	11,129,475	-	-	-		-		11,129,475
Sewer Sales	-	6,988,275	-	-	-		-		6,988,275
Solid Waste Sales	-	5,016,280	-	-	-		-		5,016,280
Other Fees for Services	3,303,760	112,000	6,962,280	806,625	-		-	(6,269,338)	4,915,327
Interest	126,500	84,000	3,000	16,280	200,000	-	3,300		433,080
Other	343,229	1,056,385	225,000	67,550	200,000	7,000	-		1,899,164
Lease/ Bond Proceeds	-	-	1,506,653	497,639	7,500,000		-		9,504,292
Transfers In	2,564,000	450,000	1,265,727	166,000	60,000		1,177,386	(5,433,113)	250,000
Total Receipts	28,756,489	24,836,415	9,962,660	2,058,094	7,960,000	7,000	2,618,686	(11,702,451)	64,496,893
Expenditures/Expenses:									
Personnel	20,452,914	6,070,456	1,013,381	135,023	-		-		27,671,774
Supplies	1,295,032	1,143,718	713,039	432,995	-		-		3,584,784
Maintenance	993,446	1,638,930	782,487	128,688	-		-		3,543,551
Utilities	1,352,840	2,551,120	79,400	44,940	-		-		4,028,300
Contract Wages	321,680	87,680	9,000	-	-		-		418,360
Computer Services	542,300	97,200	15,100	-	-		-	(653,858)	742
Debt Service	154,458	3,435,200	210,959		-		2,040,155		5,840,772
Contractual Services	1,926,148	1,197,250	4,321,940	353,964	-		-	(3,400,000)	4,399,302
Vehicle Usage	1,022,960	5,650,201	-	1,470	-		-	(2,215,480)	4,459,151
Capital Expenses	153,250	189,800	1,945,528	559,700	10,126,700		-		12,974,978
Other		174,200	-	211,562	-		-		385,762
Transfers Out	586,063	2,480,664	-	199,528	2,313,858		80,000	(5,433,113)	227,000
Total Expenditures/Expenses	28,801,091	24,716,419	9,090,834	2,067,870	12,440,558	-	2,120,155	(11,702,451)	67,534,476
Ending Fund Balance	$ 5,738,558	$ 4,939,604	$ 760,913	$ 2,044,106	$ 2,208,337	$ 978,219	$ 1,019,836	$ 74,118	$ 17,763,691

General Fund
Summary of Revenues & Expenditures (Budget Basis)

	Actual 2007-2008	Adjusted Budget 2008-2009	Projected 2008-2009	Proposed 2009-2010
Beginning Fund Balance	$ 8,827,470	$ 7,788,199	$ 7,728,766	$ 5,683,150
Revenues				
Property Taxes	7,496,564	6,550,000	6,568,000	6,728,000
Sales Taxes	10,551,390	11,850,000	11,480,000	11,870,000
Franchise Taxes	3,564,960	3,663,000	3,910,000	3,692,000
Other Taxes	127,747	123,000	130,000	129,000
Fines & Forfeitures	832,696	923,000	771,000	800,000
Recreation	219,295	236,000	241,000	272,000
Permits & Licenses	420,068	438,000	393,000	261,700
Rentals	5,280	79,700	60,000	66,500
Cemetery Sales and Services	161,456	148,000	140,000	125,000
Sales & Services	380,227	382,060	353,000	478,560
Ambulance Services	1,454,134	1,750,000	1,300,000	1,300,000
Interest	340,822	210,000	130,000	125,000
Grants and Miscellaneous	627,544	540,809	401,000	313,879
Total Revenues	26,182,183	26,893,569	25,877,000	26,161,639
Transfers In	2,095,938	2,312,496	2,312,493	2,564,000
Total Receipts	28,278,121	29,206,065	28,189,493	28,725,639
Total Funds Available	37,105,591	36,994,264	35,918,259	34,408,789
Expenditures				
Personnel	19,808,950	20,086,240	19,997,000	20,452,914
Supplies	1,114,359	1,192,473	1,119,000	1,295,032
Maintenance	1,014,942	1,063,943	1,067,484	993,446
Utilities	1,431,231	1,484,592	1,350,000	1,352,840
Contract Wages	351,699	343,810	343,810	321,680
Computer Services	302,204	566,575	550,000	542,300
Debt Service	196,441	195,237	195,237	154,458
Contractual and Sundry Services	1,371,652	2,058,902	1,850,000	1,848,898
Vehicle Usage	1,172,379	1,225,971	1,000,000	1,022,960
Equipment and Buildings	762,968	937,908	936,295	153,250
Transfer Out to Debt Service	150,000	-	-	375,000
Transfer Out to Fleet Fund	-	1,000,000	1,000,000	211,063
Transfer Out to Ins Fund	-	766,283	766,283	-
Transfer Out to Comp Svc	-	60,000	60,000	-
Transfers Out- CIP Fund	1,700,000	-	-	-
Total Expenditures	29,376,825	30,981,934	30,235,109	28,723,841
Excess Receipts over Expenditures	(1,098,704)	(1,775,869)	(2,045,616)	1,798
Ending Fund Balance	$ 7,728,766	$ 6,012,330	$ 5,683,150	$ 5,684,948

Utility Fund
Summary of Revenues & Expenses (Budget Basis)

	Actual 2006-2007	Actual 2007-2008	Projected 2008-2009	Proposed 2009-2010
Beginning Reserve	$ 6,410,850	$ 4,789,693	$ 4,247,383	$ 3,371,880
Revenues				
Water Revenues	10,218,635	10,328,401	10,750,000	11,129,475
Sewer Revenues	6,567,903	6,615,484	6,750,000	6,988,275
Laboratory Charges	116,285	111,960	106,000	107,000
Service & Penalties	413,427	428,118	436,000	450,000
Earned Interest	379,039	198,613	78,000	70,000
Intergovernmental	-	152,542	213,718	236,285
Miscellaneous	313,827	278,311	278,000	294,300
Total Revenues	18,009,116	18,113,429	18,611,718	19,275,335
Transfers-In	-	-	-	450,000
Total Receipts	18,009,116	18,113,429	18,611,718	19,725,335
Total Funds Available	24,419,966	22,903,122	22,859,101	22,647,215
Expenses				
Personnel	4,181,354	4,085,201	4,251,013	4,470,200
Supplies	660,427	814,421	1,018,882	1,022,838
Maintenance & Repair	1,212,385	1,516,463	1,730,127	1,618,930
Utilities	2,579,701	2,907,414	2,600,000	2,537,920
Computer Services	66,387	55,686	75,000	86,400
Debt Service	4,562,052	5,221,848	5,386,936	5,403,499
Contract Wages	58,849	47,594	65,000	84,000
Contractual & Special Services	702,668	1,142,592	1,600,000	1,904,858
Vehicle Usage	198,005	267,470	220,000	229,650
Other	159,506	105,549	290,000	172,200
Capital Expenses	251,113	191,501	381,000	189,800
Total Expenses	14,632,447	16,355,739	17,617,958	17,720,295
Transfers Out				
General Fund	1,497,826	1,500,000	1,696,733	1,850,000
Others	3,500,000	800,000	172,530	-
Total Transfers Out	4,997,826	2,300,000	1,869,263	1,850,000
Total Expenses	19,630,273	18,655,739	19,487,221	19,570,295
Excess Revenues over Expenditures	(1,621,157)	(542,310)	(875,503)	155,040
Ending Reserve	$ 4,789,693	$ 4,247,383	$ 3,371,880	$ 3,526,920

Solid Waste Fund
Summary of Revenues & Expenditures (Budget Basis)

	Actual 2006-2007	Actual 2007-2008	Projected 2008-2009	Proposed 2009-2010
Beginning Fund Balance	$ 2,726,010	$ 2,174,490	$ 1,442,165	$ 1,034,423
Revenues				
Solid Waste Fees	4,765,624	4,682,739	4,593,000	5,016,280
Service Penalties	69,556	59,283	52,000	55,000
Interest	94,377	44,734	7,500	6,000
Miscellaneous	133,600	268,826	39,755	20,800
Total Revenues	5,063,156	5,055,582	4,692,255	5,098,080
Total Funds Available	7,789,166	7,230,072	6,134,420	6,132,503
Expenses				
Personnel	1,456,465	1,543,233	1,501,648	1,600,256
Supplies	212,224	127,131	220,000	120,880
Maintenance & Repair	10,062	34,621	20,000	20,000
Utilities	7,796	9,491	10,000	13,200
Contract Wages	1,615	430	1,400	3,680
Computer Services	15,720	9,590	12,000	10,800
Solid Waste Debt Service	502,931	373,489	324,000	246,702
Contractual & Sundry Services	1,363,568	1,273,587	1,300,000	1,530,342
Vehicle Usage	757,073	1,010,205	800,000	967,600
Capital Expenses	191,285	210,192	234,000	-
Transfers Out	1,095,938	1,195,938	676,949	630,664
Total Expenses	5,614,677	5,787,907	5,099,997	5,144,124
Excess Receipts over Expenditures	(551,520)	(732,325)	(407,742)	(46,044)
Ending Fund Balance	$ 2,174,490	$ 1,442,165	$ 1,034,423	$ 988,379

General Improvement Fund
Summary of Revenues and Expenditures (Budget Basis)

	Actual 2007-2008	Projected 2008-2009	Proposed 2009-2010
Beginning Fund Balance	$ 1,438,368	$ 7,187,131	$ 2,738,158
Revenues:			
Transfers In	2,400,000	-	60,000
Austin College Participation	-	200,000	200,000
Bond Proceeds	4,950,500	3,650,000	3,500,000
Investment Interest	104,950	105,000	100,000
Miscellaneous Revenue	50,254	-	-
Total Revenues	7,505,704	3,955,000	3,860,000
Total Funds Available	8,944,072	11,142,131	6,598,158
Expenditures:			
Street Oversizing	22,933	9,573	-
Fairview/MLK Lighted Hike/Bike Trail	230,815	16,695	-
Aerial and Topographic Map Updates	131,655	38,345	-
Comprehensive Plan Study	189,770	75,000	-
* Pecan Grove Park - Phase I	943	327,569	-
Park Mapping Project	24,860	12,450	-
Travis Street Overlay - Hwy 75 to Washington	-	80,569	-
* Brockett St. - Grand to Travis	198,337	1,574,269	-
* Washington Street West	-	1,000,000	3,000,000
* Lamberth Rd West	-	100,000	800,000
* Canyon Creek Drive	-	671,066	-
* Pecan Grove Park - Phase II	-	2,400,000	-
* Center Street Sports Complex	550	1,388,908	-
Solid Waste Transfer Station Repairs	-	143,349	-
Bleacher Renovation - Fairview & OSP	-	166,180	-
US 75 W. Frontage Road Reversal	-	-	300,000
Canyon Grove Road - relocation	-	-	100,000
Hawn Park Practice Field Development	-	-	25,000
Solid Waste Interior Driveway Rebuild	-	-	60,000
Street Right-of-Way and Oversizing	-	-	100,000
Travis Street - Washington to Houston St.	-	-	180,000
Drainage Improvement Projects	-	-	300,000
GIS System	-	-	146,700
Blalock Land Purchase	-	300,000	-
Cemetery Building resurface & fencing	-	-	30,000
Transfer to Debt Service	-	100,000	688,858
Transfer to General Fund	-	-	175,000
Total Expenditures	1,756,941	8,403,973	5,905,558
Ending Fund Balance	$ 7,187,131	$ 2,738,158	$ 692,600
Designated for Transportation	120,000	120,000	120,000
Designated for Bond Projects	4,750,720	1,238,688	-
Not Designated	2,316,411	1,379,470	572,600

Utility Improvement Fund
Summary of Revenues and Expenses (Budget Basis)

	Actual 2007-2008	Projected 2008-2009	Proposed 2009-2010
Beginning Fund Balance	$ 6,698,237	$ 6,067,394	$ 3,950,737
Revenues			
Interest Income/Other Income	231,468	110,000	100,000
Debt Proceeds	-	-	4,000,000
Transfer-in from Utility Fund	1,245,162	-	-
Total Revenues	1,476,630	110,000	4,100,000
Total Funds Available	8,174,867	6,177,394	8,050,737
Expenses			
WTP - Upgrade Phase I	744,888	-	-
Texoma Parkway Water Line Replacement - Phase II	-	-	-
Hwy 56 Water Line Connection - West to Friendship	-	-	-
Dexter Street Water Line Replacement	-	-	-
West Washington Water Replacement	160,601	-	-
Texoma Parkway Sewer Replacement	14,500	-	-
Belden Street Water Line Replacement	71,645	-	-
Oakhill Water Line Replacement	59,129	-	-
WWTP Screw Lift Pump Replacement	48,599	550,000	
WTP - Upgrade Phase II	853,307	-	-
Relief Sewer K-4 Phase I	-	-	-
Highland Street Water Replacement	11,041	-	-
Travis Street Water Line Replacement - 75 to Washington	143,763	-	-
WTP - Upgrade Phase III	-	975,108	-
Fallon Drive Water Main Loop	-	92,308	-
Travis Street Water Line Replacement - Washington to Jo	-	250,000	-
Oak Creek Dr Water Line Replacement	-	64,241	-
Willow St Water Line Replacement	-	95,000	-
Brents Street Sewer Replacement	-	-	150,000
Pelton Street Water Line Replacement	-	-	250,000
WTP - THHM Control	-	-	250,000
WWTP - Upgrade Mixers, Phase I	-	-	160,000
Utility Main Oversizing	-	-	100,000
Additional Water Storage	-	-	4,000,000
Transfers Out-Utility Fund	-	-	450,000
Transfers Out-Employee Insurance Fund	-	200,000	1,000,000
	2,107,473	2,226,657	6,360,000
Ending Fund Balance	$ 6,067,394	$ 3,950,737	$ 1,690,737

Public Charities Fund
Summary of Receipts & Expenditures

This fund accounts for donations that are too small to warrant a separate fund.

	Actual 2007-2008	Projected 2008-2009	Proposed 2009-2010
Beginning Fund Balance	$ 94,610	$ 100,353	$ 33,428
Receipts			
Interest	2,860	1,100	1,100
F.E.M.A. Grant	4,660	-	-
Glennie O. Ham Donations	1,585	1,500	2,000
Altrusa (W.A.F.A.)	250	500	250
Library Donations	750	20,000	20,000
Animal Shelter Donations	6,675	5,000	5,000
Fishing Festival	160	500	100
Fire Dept Donations	1,100	3,500	2,000
Genealogical Donations	175	120	-
Total Receipts	18,215	32,220	30,450
Total Funds Available	112,825	131,673	63,878
Expenditures			
F.E.M.A. Grant	4,609	345	-
Library Donations	1,364	20,000	26,000
Glennie O. Ham Center	2,207	3,500	1,100
Altrusa (W.A.F.A.)	178	300	650
Senior Citizen's Dance Club	59	300	1,000
Sherman Beautification	-	-	15,000
Animal Shelter Donations	-	20,000	10,000
Fire Dept Donations	480	3,500	2,800
Fishing Festival	-	-	1,800
Genealogical	-	300	100
Remodeling Contingency	3,575	50,000	3,800
Total Expenditures	12,472	98,245	62,250
Ending Fund Balance	$ 100,353	$ 33,428	$ 1,628

Land Transaction Fund
Summary of Receipts & Expenditures

This fund is to account for small sales of city property, including abandoned alleys and streets, and to provide funding for City appraisals and associated expenditures incurred in purchasing land and right-of-ways under the direction of city management.

	Actual 2007-2008	Projected 2008-2009	Proposed 2009-2010
Beginning Fund Balance	$ 57,219	$ 44,082	$ 66,582
Receipts			
Land Sales	-	22,000	-
Interest Earned	1,603	500	400
Total Funds Available	58,822	66,582	66,982
Expenditures			
Miscellaneous	14,740	-	15,000
Ending Fund Balance	$ 44,082	$ 66,582	$ 51,982

Street Revolving Fund
Summary of Receipts & Expenditures

This fund accounts for street curb, gutter, paving and other capital improvements that are financed by the developer or citizen cost assessments.

	Actual 2007-2008	Projected 2008-2009	Proposed 2009-2010
Beginning Fund Balance	$ 416,623	$ 439,289	$ 447,289
Receipts			
Interest Income	22,666	8,000	8,000
Street Assessment	-	-	-
Total Receipts	22,666	8,000	8,000
Total Funds Available	439,289	447,289	455,289
Total Expenditures	-	-	-
Ending Fund Balance	$ 439,289	$ 447,289	$ 455,289

TIF #2 Construction Fund
Summary of Receipts & Expenditures

This fund accounts for accumulation of funds within this reinvestment zone located in downtown Sherman. Proceeds from the tax increment are to be used to pay for projects in this area on both a pay-as-you-go basis and to pay debt service on projects financed through long-term borrowings.

	Actual 2007-2008	Projected 2008-2009	Proposed 2009-2010
Beginning Fund Balance	$ 25,138	$ 99,803	$ 385,400
Receipts			
Property Tax	73,321	-	-
Bond Issuance Proceeds	-	450,000	-
Transfer from TIF Debt Service	-	-	80,000
Interest	1,344	400	400
Total Receipts	74,665	450,400	80,400
Total Funds Available	99,803	450,400	465,800
Expenditures			
Improvements	-	65,000	450,000
Total Expenditures	-	65,000	450,000
Ending Fund Balance	$ 99,803	$ 385,400	$ 15,800

Auditorium Debt Service Fund
Summary of Receipts & Expenditures

	Actual 2007-2008	Projected 2008-2009	Proposed 2009-2010
Beginning Fund Balance	$ 142,034	$ 144,521	$ 144,841
Receipts			
Transfers-in from Hotel/Motel Tax	113,437	115,986	113,528
Interest	2,786	620	500
Total Receipts	116,223	116,606	114,028
Total Funds Available	258,257	261,127	258,869
Expenditures			
Debt Service	113,436	115,986	113,528
Agent Fees	300	300	500
Total Expenditures	113,736	116,286	114,028
Ending Fund Balance	$ 144,521	$ 144,841	$ 144,841

Auditorium Debt Service Fund
Summary of Receipts & Expenditures

	Actual 2007-2008	Projected 2008-2009	Proposed 2009-2010
Beginning Fund Balance	$ 142,034	$ 144,521	$ 144,841
Receipts			
Transfers-in from Hotel/Motel Tax	113,437	115,986	113,528
Interest	2,786	620	500
Total Receipts	116,223	116,606	114,028
Total Funds Available	258,257	261,127	258,869
Expenditures			
Debt Service	113,436	115,986	113,528
Agent Fees	300	300	500
Total Expenditures	113,736	116,286	114,028
Ending Fund Balance	$ 144,521	$ 144,841	$ 144,841

TIF #1 Debt Service Fund
Summary of Receipts & Expenditures

Note: This Tax Increment Financing (TIF) Zone includes Sherman Town Center on the northwest corner of Hwy 75 and Hwy 82 intersections. This fund accounts for the debt service associated with purchase of infrastructure assets within the zone.

	Actual 2007-2008	Projected 2008-2009	Proposed 2009-2010
Beginning Fund Balance	$ 482,591	$ 580,185	$ 175,140
Receipts			
Property Tax	324,204	332,000	332,000
Interest	20,092	2,200	1,200
Total Receipts	344,296	334,200	333,200
Total Funds Available	826,887	914,385	508,340
Expenditures			
Debt Service	246,702	241,106	316,076
Transfer to TIF Construction Fund	-	497,639	-
Agent Fees	-	500	500
Total Expenditures	246,702	739,245	316,576
Ending Fund Balance	$ 580,185	$ 175,140	$ 191,764

TIF #2 Debt Service Fund
Summary of Receipts & Expenditures

Note: This Tax Increment Financing (TIF) Zone includes the downtown Sherman area. This fund is used to account for debt service payments associated with capital improvements made in the Downtown area and repaid by taxes generated within the zone.

	Projected 2008-2009	Proposed 2009-2010
Beginning Fund Balance	$ -	$ 61,270
Receipts		
Property Tax	61,270	60,000
Interest	-	400
Total Receipts	61,270	60,400
Total Funds Available	61,270	121,670
Expenditures		
Debt Service	-	37,760
Agent Fees		500
Transfer to TIF Construction	-	80,000
Total Expenditures	-	118,260
Ending Fund Balance	$ 61,270	$ 3,410

TIF #3 Fund
Summary of Receipts & Expenditures

Note: This TIF Fund is designed to accumulate funds for payment of debt service, debt issuance proceeds of which will be used to make infrastructure improvements within the Zone. This Zone is generally located on the northeast and southeast corners of the intersection of Hwy 75 and Loy Lake Road.

	Actual 2007-2008	Projected 2008-2009	Proposed 2009-2010
Beginning Fund Balance	$ -	$ 60,377	$ 116,577
Receipts			
Property Tax	59,184	56,000	56,000
Interest	1,193	200	200
Total Receipts	60,377	56,200	56,200
Total Funds Available	60,377	116,577	172,777
	-	-	
Expenditures			
Debt Service	-	-	-
Agent Fees	-	-	-
Total Expenditures	-	-	-
Ending Fund Balance	$ 60,377	$ 116,577	$ 172,777

2008 CO Debt Service Fund
Summary of Receipts & Expenditures

	Actual 2007-2008	Projected 2008-2009	Proposed 2009-2010
Beginning Fund Balance	$ -	$ 152,408	$ 19,064
Receipts			
Transfer from General Fund	150,000	-	200,000
Transfer from General CIP Fund		100,000	150,000
Property Tax Revenues	-	-	-
Miscellaneous Revenue	2,408	-	-
Total Receipts	152,408	100,000	350,000
Total Funds Available	152,408	252,408	369,064
Expenditures			
Debt Service	-	233,344	352,833
Agent Fees	-	-	500
Total Expenditures	-	233,344	353,333
Ending Fund Balance	$ 152,408	$ 19,064	$ 15,731

2009 CO Debt Service Fund
Summary of Receipts & Expenditures

	Proposed 2009-2010
Beginning Fund Balance	$ -
Receipts	
Transfer from General CIP Fund	288,858
Property Tax Revenues	-
Total Receipts	288,858
Total Funds Available	288,858
Expenditures	
Debt Service	281,619
Agent Fees	-
Total Expenditures	281,619
Ending Fund Balance	$ 7,239

2009A CO Bond Debt Service
Summary of Receipts & Expenditures

	Proposed 2009-2010
Beginning Fund Balance	$ -
Receipts	
Interest Revenue	1,000
Transfer from General Improvement Fund	250,000
Total Receipts	251,000
Total Funds Available	251,000
Expenditures	
Debt Service	160,554
Agent Fees	500
Total Expenditures	161,054
Ending Fund Balance	$ 89,946

2009 Tax Notes Debt Service
Summary of Receipts & Expenditures

	Projected 2008-2009	Proposed 2009-2010
Beginning Fund Balance	$ -	$ 4,413
Receipts		
Sales Tax Revenue	375,000	990,000
Interest Revenue	-	1,000
Transfer from Street Sales Tax Construction	410,000	-
Total Receipts	785,000	991,000
Total Funds Available	785,000	995,413
Expenditures		
Debt Service	780,087	775,285
Agent Fees	500	-
Total Expenditures	780,587	775,285
Ending Fund Balance	$ 4,413	$ 220,128

Auditorium & Ballroom Fund
Summary of Receipts & Expenditures

	Actual 2007-2008	Projected 2008-2009	Proposed 2009-2010
Beginning Fund Balance	$ 72,946	$ 66,940	$ 61,095
Receipts			
Transfer-In from Hotel/Motel	62,000	45,000	86,000
Interest	1,649	400	500
Auditorium/Ballroom Rental	25,270	25,000	27,000
Total Receipts	88,919	70,400	113,500
Total Funds Available	161,865	137,340	174,595
Expenditures			
Ballroom:			
Personnel	24,217	21,200	22,000
Supplies	7,560	500	720
Maintenance	8,586	5,500	3,108
Utilities	35,062	25,000	23,900
Contract Services	-	-	550
Equipment	-	-	5,000
Auditorium:			
Personnel	973	2,845	3,000
Supplies	-	-	500
Maintenance	6,568	11,900	43,755
Utilities	11,959	9,300	8,200
Total Expenditures	94,925	76,245	110,733
Ending Fund Balance	$ 66,940	$ 61,095	$ 63,862

Police Programs Fund
Summary of Receipts & Expenditures

	Actual 2007-2008	Projected 2008-2009	Proposed 2009-2010
Beginning Fund Balance	$ 227,645	$ 218,613	$ 228,941
Receipts			
E 9-1-1 Service Fees	192,680	250,000	250,000
Security and Technology Fees	52,729	90,000	99,000
Interest	5,679	1,200	1,000
Total Receipts	251,088	341,200	350,000
Total Funds Available	478,733	559,813	578,941
Expenditures			
Personnel	69,619	109,272	110,023
Supplies	7,719	8,700	21,950
Maintenance/Repairs	1,581	6,700	71,025
Contractual Payments	64,256	144,200	99,830
Equipment	116,945	62,000	104,700
Total Expenditures	260,120	330,872	407,528
Ending Fund Balance	$ 218,613	$ 228,941	$ 171,413

Parks Pride Fund
Summary of Receipts & Expenditures

	Actual 2007-2008	Projected 2008-2009	Proposed 2009-2010
Beginning Fund Balance	$ 37,716	$ 30,100	$ 26,300
Receipts			
PRIDE Donations	11,200	11,000	11,000
Interest Income	855	200	200
Total Receipts	12,055	11,200	11,200
Total Funds Available	49,771	41,300	37,500
Expenditures			
Park Improvements	2,999	15,000	30,000
Total Expenditures	2,999	15,000	30,000
Ending Fund Balance	$ 46,772	$ 26,300	$ 7,500

Police Pride Fund
Summary of Receipts & Expenditures

	Actual 2007-2008	Projected 2008-2009	Proposed 2009-2010
Beginning Fund Balance	$ 21,737	$ 20,291	$ 14,941
Receipts			
PRIDE Donations	11,254	11,000	11,000
Interest Income	472	150	200
Total Receipts	11,726	11,150	11,200
Total Funds Available	33,463	31,441	26,141
Expenditures			
Supplies	1,324	4,000	7,000
Travel/Tuition	1,582	3,500	3,500
Contractual Services	2,466	2,500	5,000
Canine Replacement Dog	7,800	6,500	10,500
Total Expenditures	13,172	16,500	26,000
Ending Fund Balance	$ 20,291	$ 14,941	$ 141

Donations Fund
Summary of Receipts & Expenditures

This fund includes donations for Holiday Decorating.

	Actual 2007-2008	Projected 2008-2009	Proposed 2009-2010
Beginning Fund Balance	$ 223	$ 698	$ 1,283
Receipts			
Donations	467	580	550
Interest Income	8	5	5
Total Receipts	475	585	555
Total Funds Available	698	1,283	1,838
Expenditures			
Supplies	-	-	1,800
Total Expenditures	-	-	1,800
Ending Fund Balance	$ 698	$ 1,283	$ 38

Hotel/Motel Tax Fund
Summary of Receipts & Expenditures

	Actual 2007-2008	Projected 2008-2009	Proposed 2009-2010
Beginning Fund Balance	$ 191,563	$ 334,532	$ 388,310
Receipts			
Hotel/Motel Tax 5%	479,622	360,000	363,000
Hotel/Motel Tax 2%	191,849	140,000	141,000
Penalties	15,689	20,000	15,000
Miscellaneous	100	12,425	-
Interest	3,375	1,000	800
Total Receipts	690,635	533,425	519,800
Total Funds Available	882,198	867,957	908,110
Expenditures			
Museum Support	82,500	82,500	82,500
Downtown Preservation	20,000	-	-
Tourism			
Administration	222,846	149,858	94,862
Programs	-	26,000	116,700
Downtown Building Incentive	13,712	25,000	25,000
Arts Council	33,171	35,303	35,778
Transfer to Auditorium/Ballroom	62,000	45,000	86,000
Transfer 2% to Auditorium Debt Service	113,437	115,986	113,528
Total Expenditures	547,666	479,647	554,368
Excess Receipts over Expenditures	142,969	53,778	(34,568)
Ending Fund Balance	$ 334,532	$ 388,310	$ 353,742

Drug Enforcement Fund
Summary of Receipts & Expenditures

This fund accounts for monies seized during drug investigations and subsequently awarded to the City by the court. State law restricts the use of this money for law enforcement purposes. Cash must be available in this fund prior to spending.

	Actual 2007-2008	Projected 2008-2009	Proposed 2009-2010
Beginning Fund Balance	$ 49,658	$ 17,130	$ 27,130
Receipts			
Police Confiscated Funds	12,730	40,000	30,000
Interest Income	960	100	75
Total Receipts	13,690	40,100	30,075
Total Funds Available	63,348	57,230	57,205
Expenditures			
Supplies	14,245	16,000	36,000
Maintenance and Repair	25	1,600	2,000
Travel & Tuition	13,948	12,500	12,900
Contractual Services	-	-	6,000
Machinery & Equipment	18,000	-	-
Total Expenditures	46,218	30,100	56,900
Ending Fund Balance	$ 17,130	$ 27,130	$ 305

Municipal Airport Fund
Summary of Receipts & Expenditures

This special revenue fund accounts for the state grant provided to the City of Sherman for improvements to the Municipal Airport and also for the maintenance and operational expenditures.

	Actual 2007-2008	Projected 2008-2009	Proposed 2009-2010
Beginning Fund Balance	$ 395,343	$ 465,330	$ 459,576
Receipts			
Interest Income	12,115	5,000	5,000
Airport Rentals	52,199	45,000	45,000
Oil & Gas Royalty	90,938	-	-
Fuel Sales	364,352	340,000	385,625
Grant Revenue	51,562	-	-
Total Receipts	571,166	390,000	435,625
Total Funds Available	966,509	855,330	895,201
Expenditures			
Fuel Purchases	351,810	315,000	360,625
Other Supplies	1,486	3,505	4,400
Maintenance	5,795	8,300	8,800
Contractual Services	124,125	52,356	42,406
Utilities	16,744	15,200	12,840
Vehicle Usage	1,219	1,393	1,470
Total Expenditures	501,179	395,754	430,542
Ending Fund Balance	$ 465,330	$ 459,576	$ 464,659

Street Sales Tax
Summary of Receipts & Expenditures

This special revenue fund accounts for the revenues generated from the additional one-eighth cent sales tax and expenditures for street improvements funded through these revenues.

	Actual 2007-2008	Projected 2008-2009	Proposed 2009-2010
Beginning Fund Balance	$ -	$ 318,117	$ 13,617
Receipts			
Street Sales Tax Revenues	317,795	600,000	-
Bond Proceeds	-	3,000,000	-
Interest Income	322	5,500	100
Total Receipts	318,117	3,605,500	100
Total Funds Available	318,117	3,923,617	13,717
Expenditures			
Street Improvements	-	3,500,000	-
Transfer to Street Sales Tax Debt	-	410,000	-
Total Expenditures	-	3,910,000	-
Ending Fund Balance	$ 318,117	$ 13,617	$ 13,717

Insurance Fund
Summary of Receipts & Expenditures

	Actual 2007-2008	Projected 2008-2009	Proposed 2009-2010
Beginning Fund Balance	$ 1,083,257	$ (303,116)	$ (383,316)
Receipts			
Employer Contributions	2,777,701	3,100,000	3,400,000
Employee Contributions	558,069	551,000	528,000
Retiree Contributions	139,233	137,000	144,000
COBRA Contributions	6,289	12,000	18,000
Interest Income	43,605	-	-
Transfers In	-	1,000,000	1,000,000
Total Receipts	3,524,897	4,800,000	5,090,000
Total Funds Available	4,608,154	4,496,884	4,706,684
Expenses			
Health & Dental Claims	4,214,962	4,296,000	3,600,000
Insurance Premiums & Cost	517,579	515,200	519,000
Life Insurance	53,730	44,000	48,000
Miscellaneous	24,999	25,000	25,000
Transfer out	100,000	-	-
Total Expenses	4,911,270	4,880,200	4,192,000
Ending Fund Reserve	$ (303,116)	$ (383,316)	$ 514,684

Computer Service Fund
Summary of Receipts & Expenditures

	Actual 2007-2008	Projected 2008-2009	Proposed 2009-2010
Beginning Fund Balance	$ 502,620	$ (105,287)	$ 366
Revenues			
Interest Income	8,829	-	-
Computer Usage:			
General Fund	302,204	573,000	542,300
Tourism	-	-	2,200
Equipment Services Fund	10,541	13,036	15,100
Utility Fund	55,686	84,735	86,400
Solid Waste Fund	9,590	13,036	10,800
Miscellaneous Revenue	-	50	-
Transfer In	-	60,000	-
Total Current Revenues	386,850	743,857	656,800
Total Funds Available	889,470	638,570	657,166
Expenses			
Personnel	256,602	260,722	263,249
Supplies	77,856	31,250	31,135
Maintenance & Repairs	132,206	148,000	171,642
Utilities	27,511	48,400	51,300
Contract Wages	118,145	12,000	9,000
Debt Service	12,635	95,232	95,232
Contractual Services & Other	103,297	20,100	16,300
Equipment, Capital Outlay	55,931	22,500	16,000
Total Expenses	784,183	638,204	653,858
Ending Fund Balance	$ (105,287)	$ 366	$ 3,308

Equipment Service Fund
Summary of Receipts & Expenditures

	Actual 2007-2008	Projected 2008-2009	Proposed 2009-2010
Beginning Fund Balance	$ (14,442)	$ (22,891)	$ 3,462
Revenues			
Equipment Service Revenue:			
General Fund	1,145,189	943,451	1,021,760
Airport Fund	1,219	1,393	1,470
Utility Fund	267,470	211,610	229,650
Solid Waste Fund	1,010,205	874,608	962,600
Miscellaneous Revenue	2,702	20,000	-
	2,426,785	2,051,062	2,215,480
Total Funds Available	2,412,343	2,028,171	2,218,942
Expenses			
Personnel	707,669	742,976	750,132
Supplies	979,367	570,959	681,904
Maintenance & Repair	590,635	562,822	610,845
Utilities	36,135	32,600	28,100
Computer Services	10,541	13,036	15,100
Contractual Services	110,887	102,316	113,640
Equipment	-	-	11,000
Total Expenses	2,435,234	2,024,709	2,210,721
Ending Fund Balance	$ (22,891)	$ 3,462	$ 8,221

Fleet Replacement Fund
Summary of Receipts & Expenditures

This new fund accounts for the purchase of fleet for use in the General, Utility and Solid Waste Funds.

	Projected 2008-2009	Proposed 2009-2010
Beginning Fund Balance	$ -	$ 268,575
Revenues		
Transfers-In	1,200,000	265,727
Grant Proceeds	-	225,000
Lease Proceeds	-	1,506,653
Interest	500	3,000
Total Revenues	1,200,500	2,000,380
Total Funds Available	1,200,500	2,268,955
Expenses		
Debt Service	-	115,727
Equipment-General Fund	814,925	1,668,375
Equipment-Utility Fund	117,000	18,500
Equipment-Solid Waste Fund	-	231,653
Total Expenses	931,925	2,034,255
Ending Fund Balance	$ 268,575	$ 234,700

Water Customer Deposits
Summary of Receipts and Expenses

	Actual 2007-2008	Projected 2008-2009	Proposed 2009-2010
Beginning Fund Balance	$ 214,008	230,992	236,492
Receipts			
Interest Income	16,984	5,500	6,000
Total Funds Available	230,992	236,492	242,492
Expenses			
Miscellaneous	-	-	-
Ending Fund Balance	$ 230,992	$ 236,492	$ 242,492

Water & Sewer Pro Rata Fund
Summary of Receipts and Expenses

	Actual 2007-2008	Projected 2008-2009	Proposed 2009-2010
Beginning Fund Balance	$ 161,202	$ 175,313	$ 176,813
Receipts			
Interest Income	5,070	2,000	2,000
Pro Rata Fees	11,281	1,500	5,000
Total Receipts	16,351	3,500	7,000
Total Funds Available	177,553	178,813	183,813
Expenses			
Miscellaneous	2,240	2,000	2,000
Ending Fund Balance	$ 175,313	$ 176,813	$ 181,813

TRANSFERS SCHEDULE

FUND	DETAILS	BUDGETED FY09/10 Expense TRANSFER FROM Debit	BUDGETED FY09/10 Revenue TRANSFER TO Credit
100	From fund 222		$ 175,000.00
	From fund 700 5% franchise, admin cost		$ 1,850,000.00
	From fund 790, dept 243, 244, 245		$ 539,000.00
	To fund 350 for debt service	$ 375,000.00	
	To fund 660	$ 234,063.00	
222	To fund 350	$ 150,000.00	
	To fund 351	$ 288,858.00	
	To fund 353	$ 250,000.00	
	To fund 100	$ 175,000.00	
	From fund 790		$ 60,000.00
310	From fund 460		$ 113,528.00
321	To fund 330	$ 80,000.00	
330	From fund 321		$ 80,000.00
350	From fund 222		$ 150,000.00
	From fund 100		$ 375,000.00
351	From fund 222		$ 288,858.00
353	From fund 222		$ 250,000.00
420	From fund 460		$ 86,000.00
460	To fund 310 and 420	$ 199,528.00	
600	From fund 770		$ 1,000,000.00
660	From fund 100		$ 234,063.00
	From fund 790		$ 31,664.00
700	To fund 100 5% franchise, admin cost	$ 1,850,000.00	
	From fund 770		$ 450,000.00
770	To fund 700	$ 450,000.00	
	To fund 600	$ 1,000,000.00	
790	To fund 100 8% franchise, admin cost	$ 204,000.00	
790	To fund 100 8% franchise, admin cost	$ 297,000.00	
790	To fund 100 8% franchise, admin cost	$ 38,000.00	
790	To fund 660 for debt service	$ 31,664.00	
790	To fund 222	$ 60,000.00	
	TOTALS	$ 5,683,113.00	$ 5,683,113.00

City of Sherman, Texas

Bonded Debt as of 7/31/09

	(1) *$1,700,000 Combination Tax & Hotel Occupancy Tax Revenue 2000 Series, Certificates of Obligation*				(2) *$2,840,000 Combination Tax & Tax Increment Revenue 2004 Series TIF Zone#1, Certificates of Obligation*			
Fiscal Yr	**Coupon**	**Principal**	**Interest**	**TOTAL**	**Coupon**	**Principal**	**Interest**	**TOTAL**
2010	5.30%	35,000.00	927.50	35,927.50	4.44%	130,000.00	110,556.00	240,556.00
2011				-	4.44%	135,000.00	104,784.00	239,784.00
2012				-	4.44%	140,000.00	98,790.00	238,790.00
2013				-	4.44%	150,000.00	92,574.00	242,574.00
2014				-	4.44%	155,000.00	85,914.00	240,914.00
2015				-	4.44%	160,000.00	79,032.00	239,032.00
2016				-	4.44%	170,000.00	71,928.00	241,928.00
2017				-	4.44%	180,000.00	64,380.00	244,380.00
2018				-	4.44%	185,000.00	56,388.00	241,388.00
2019				-	4.44%	195,000.00	48,174.00	243,174.00
2020				-	4.44%	205,000.00	39,516.00	244,516.00
2021				-	4.44%	215,000.00	30,414.00	245,414.00
2022				-	4.44%	230,000.00	20,868.00	250,868.00
2023				-	4.44%	240,000.00	10,656.00	250,656.00
2024				-				-
2025				-				-
2026				-				-
2027				-				-
2028				-				-
2029				-				-
2030				-				-
		35,000.00	927.50	35,927.50		2,490,000.00	913,974.00	3,403,974.00

City of Sherman, Texas

Bonded Debt as of 7/31/09

	(3)				(4)			
	$1,605,000 General Obligation Refunding, Series 2006				***$5,000,000 2008 Series Revenue Certificates of Obligation***			
Fiscal Yr	**Coupon**	**Principal**	**Interest**	**TOTAL**	**Coupon**	**Principal**	**Interest**	**TOTAL**
2010	3.50%	15,000.00	62,600.00	77,600.00	3.62%	175,000.00	177,832.50	352,832.50
2011	3.50%	55,000.00	61,375.00	116,375.00	3.62%	185,000.00	171,316.50	356,316.50
2012	3.50%	55,000.00	59,450.00	114,450.00	3.62%	190,000.00	164,529.00	354,529.00
2013	3.50%	60,000.00	57,437.50	117,437.50	3.62%	200,000.00	157,470.00	357,470.00
2014	3.50%	55,000.00	55,425.00	110,425.00	3.62%	210,000.00	150,049.00	360,049.00
2015	3.75%	60,000.00	53,337.50	113,337.50	3.62%	215,000.00	142,356.50	357,356.50
2016	3.75%	60,000.00	51,087.50	111,087.50	3.62%	225,000.00	134,392.50	359,392.50
2017	3.75%	65,000.00	48,743.75	113,743.75	3.62%	235,000.00	126,066.50	361,066.50
2018	3.75%	70,000.00	46,212.50	116,212.50	3.62%	245,000.00	117,378.50	362,378.50
2019	4.00%	70,000.00	43,500.00	113,500.00	3.62%	255,000.00	108,328.50	363,328.50
2020	4.00%	75,000.00	40,600.00	115,600.00	3.62%	265,000.00	98,916.50	363,916.50
2021	4.00%	80,000.00	37,500.00	117,500.00	3.62%	280,000.00	89,052.00	369,052.00
2022	4.00%	80,000.00	34,300.00	114,300.00	3.62%	290,000.00	78,735.00	368,735.00
2023	4.00%	85,000.00	31,000.00	116,000.00	3.62%	305,000.00	67,965.50	372,965.50
2024	4.00%	85,000.00	27,600.00	112,600.00	3.62%	315,000.00	56,743.50	371,743.50
2025	4.25%	85,000.00	24,093.75	109,093.75	3.62%	330,000.00	45,069.00	375,069.00
2026	4.25%	95,000.00	20,268.75	115,268.75	3.62%	345,000.00	32,851.50	377,851.50
2027	4.25%	100,000.00	16,125.00	116,125.00	3.62%	360,000.00	20,091.00	380,091.00
2028	4.375%	100,000.00	11,812.50	111,812.50	3.62%	375,000.00	13,575.00	388,575.00
2029	4.375%	105,000.00	7,328.13	112,328.13				-
2030	4.375%	115,000.00	2,515.63	117,515.63				-
		1,570,000.00	792,312.51	2,362,312.51		5,000,000.00	1,952,718.50	6,952,718.50

City of Sherman, Texas

Bonded Debt as of 7/31/09

	(5) $3,650,000 Capital Improvement Fund Projects 2009 Series Revenue Certificates of Obligation				(6) $900,000 TIF #1 2009 Series Revenue Certificates of Obligation			
Fiscal Yr	**Coupon**	**Principal**	**Interest**	**TOTAL**	**Coupon**	**Principal**	**Interest**	**TOTAL**
2010	3.98%	90,000.00	191,618.83	281,618.83	3.00%	30,000.00	45,520.04	75,520.04
2011	3.98%	140,000.00	136,941.26	276,941.26	3.00%	43,333.33	32,272.49	75,605.83
2012	3.98%	145,000.00	132,741.26	277,741.26	3.00%	43,333.33	30,972.49	74,305.83
2013	3.98%	145,000.00	128,391.26	273,391.26	3.00%	46,666.67	29,672.49	76,339.16
2014	3.98%	150,000.00	124,041.26	274,041.26	3.00%	46,666.67	28,272.49	74,939.16
2015	3.98%	155,000.00	119,541.26	274,541.26	3.00%	46,666.67	26,872.49	73,539.16
2016	3.98%	155,000.00	114,891.26	269,891.26	3.50%	50,000.00	25,472.49	75,472.49
2017	3.98%	160,000.00	109,466.26	269,466.26	3.50%	50,000.00	23,722.49	73,722.49
2018	3.98%	165,000.00	103,866.26	268,866.26	3.75%	53,333.33	21,972.49	75,305.83
2019	3.98%	170,000.00	97,678.76	267,678.76	4.00%	53,333.33	19,972.49	73,305.83
2020	3.98%	180,000.00	90,878.76	270,878.76	4.00%	56,666.67	17,839.16	74,505.83
2021	3.98%	185,000.00	83,678.76	268,678.76	4.00%	56,666.67	15,572.49	72,239.16
2022	3.98%	195,000.00	76,278.76	271,278.76	4.00%	60,000.00	13,305.83	73,305.83
2023	3.98%	200,000.00	68,478.76	268,478.76	4.00%	63,333.33	10,905.83	74,239.16
2024	3.98%	210,000.00	60,478.76	270,478.76	4.13%	63,333.33	8,372.49	71,705.83
2025	3.98%	220,000.00	51,816.26	271,816.26	4.13%	66,666.67	5,760.00	72,426.67
2026	3.98%	230,000.00	42,741.26	272,741.26	4.30%	70,000.00	3,010.00	73,010.00
2027	3.98%	240,000.00	32,851.26	272,851.26				-
2028	3.98%	250,000.00	22,531.26	272,531.26				-
2029	3.98%	265,000.00	11,593.76	276,593.76				-
2030	3.98%			-				-
		3,650,000.00	1,800,505.27	5,450,505.27		900,000.00	359,488.28	1,259,488.28

City of Sherman, Texas

Bonded Debt as of 7/31/09

	(7)				(8)						
	$450,000 TIF #2 2009 Series Revenue Certificates of Obligation				***$3,000,000 2009 Series Limited Tax Notes***				**TOTALS**		
Fiscal Yr	**Coupon**	**Principal**	**Interest**	**TOTAL**	**Coupon**	**Principal**	**Interest**	**TOTAL**	**Principal**	**Interest**	**TOTAL**
2010	3.00%	15,000.00	22,760.02	37,760.02	2.00%	735,000.00	40,285.00	775,285.00	1,225,000.00	652,099.89	1,877,099.89
2011	3.00%	21,666.67	16,136.25	37,802.91	1.70%	745,000.00	25,585.00	770,585.00	1,325,000.00	548,410.50	1,873,410.50
2012	3.00%	21,666.67	15,486.25	37,152.91	1.70%	760,000.00	12,920.00	772,920.00	1,355,000.00	514,889.00	1,869,889.00
2013	3.00%	23,333.33	14,836.25	38,169.58		-	-	-	625,000.00	480,381.50	1,105,381.50
2014	3.00%	23,333.33	14,136.25	37,469.58		-	-	-	640,000.00	457,838.00	1,097,838.00
2015	3.00%	23,333.33	13,436.25	36,769.58		-	-	-	660,000.00	434,576.00	1,094,576.00
2016	3.50%	25,000.00	12,736.25	37,736.25		-	-	-	685,000.00	410,508.00	1,095,508.00
2017	3.50%	25,000.00	11,861.25	36,861.25		-	-	-	715,000.00	384,240.25	1,099,240.25
2018	3.75%	26,666.67	10,986.25	37,652.91		-	-	-	745,000.00	356,804.00	1,101,804.00
2019	4.00%	26,666.67	9,986.25	36,652.91		-	-	-	770,000.00	327,640.00	1,097,640.00
2020	4.00%	28,333.33	8,919.58	37,252.91		-	-	-	810,000.00	296,670.00	1,106,670.00
2021	4.00%	28,333.33	7,786.25	36,119.58		-	-	-	845,000.00	264,003.50	1,109,003.50
2022	4.00%	30,000.00	6,652.91	36,652.91		-	-	-	885,000.00	230,140.50	1,115,140.50
2023	4.00%	31,666.67	5,452.91	37,119.58		-	-	-	925,000.00	194,459.00	1,119,459.00
2024	4.13%	31,666.67	4,186.25	35,852.91		-	-	-	705,000.00	157,381.00	862,381.00
2025	4.13%	33,333.33	2,880.00	36,213.33		-	-	-	735,000.00	129,619.01	864,619.01
2026	4.30%	35,000.00	1,505.00	36,505.00		-	-	-	775,000.00	100,376.51	875,376.51
2027				-		-	-	-	700,000.00	69,067.26	769,067.26
2028				-		-	-	-	725,000.00	47,918.76	772,918.76
2029				-		-	-	-	370,000.00	18,921.89	388,921.89
2030				-		-	-	-	115,000.00	2,515.63	117,515.63
		450,000.00	179,744.14	629,744.14		2,240,000.00	78,790.00	2,318,790.00	16,335,000.00	6,078,460.20	22,413,460.20

City of Sherman

Property Tax Historical Summary

Fiscal Year	Estimated Taxable Value (in 000)	Tax Levy (in 000)	Total Collections (in 000)
2003	$ 1,474,063	$ 5,896	$ 5,846
2004	$ 1,514,256	$ 6,057	$ 5,921
2005	$ 1,557,228	$ 6,229	$ 6,258
2006	$ 1,767,235	$ 7,069	$ 6,802
2007	$ 1,894,959	$ 7,580	$ 7,283
2008	$ 1,994,144	$ 7,921	$ 7,491
2009 (est)	$ 2,022,574	$ 6,535	$ 6,206

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 9-8-2009

Subject: Agenda Item No. B.3

INTRODUCTION AND FIRST PUBLIC HEARING OF ORDINANCE NO. 5619
Providing for the Levy of Ad Valorem Taxes for the City of Sherman, Texas, for the Tax Year 2009; Distributing the Same Among the Various Funds; Providing for a Penalty and Interest for Failure to Pay the Taxes Levied within the Time Provided by Law

Issue
To introduce and hold the first public hearing on the Ad Valorem Tax Rate proposed for the upcoming fiscal year, as mandated by revisions in the State of Texas Truth-In-Taxation Laws

Background
The effective tax rate is the rate that yields the same amount of revenue as the prior year on property that is taxed in both years. This year's effective tax rate is $0.309073, with a rollback rate of $0.506961. At the Budget Workshop in June, the City Council directed that the actual total tax rate be set at $0.320000 per $100 valuation. Since the City uses ad valorem taxes to pay debt service on Certificates of Obligation, the tax rate will have both a Maintenance & Operations (M&O) component and an Interest and Sinking (I&S) component. The M&O rate is $.300209 per $100 valuation and the required I&S rate is $.019791 per $100 valuation.

The second public hearing on the tax rate will be held at the September 17th joint meeting with the SEDCO Board; and adoption of the tax rate will be held at the September 21st City Council meeting.

Origination
Assistant City Manager/CFO

Financial Consideration
The proposed tax rate will generate approximately $7.0 million in property tax revenues.

Staff Recommendation
Based on the Budget Workshop and discussion of the draft budget, the staff recommends the adoption of the tax rates as indicated above.

Alternatives
No other alternatives are offered at this time since publication of rates and notices have already been made to the public, and changing the proposed rates would require re-publication of notices and setting additional public hearings.

Attachments
Ordinance No. 5619
"2009 Property Tax Rates in CITY OF SHERMAN"

Prepared by:
Robby Hefton, Assistant City Manager/CFO

Approved by:
George Olson, City Manager

ORDINANCE NO. 5619

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, PROVIDING FOR THE LEVY OF AD VALOREM TAXES FOR THE CITY OF SHERMAN, TEXAS, FOR THE TAX YEAR 2009; DISTRIBUTING THE SAME AMONG THE VARIOUS FUNDS; PROVIDING FOR A PENALTY AND INTEREST FOR FAILURE TO PAY THE TAXES LEVIED WITHIN THE TIME PROVIDED BY LAW; PROVIDING FOR A REPEALER; FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS ORDINANCE IS PASSED WAS NOTICED AND IS OPEN TO THE PUBLIC AS REQUIRED BY LAW.

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

SECTION 1. That there be, and there is hereby, levied and shall be collected a Maintenance and Operations (M&O) ad valorem tax of $0.300209 /$100 Dollars ($0.300209) and an Interest and Sinking (I&S) ad valorem tax of $0.019791/$100 Dollars ($0.019791) on all taxable property situated within the corporate limits of the City of Sherman on the first day of January, A.D., 2009, and not exempt from taxation by the constitution and laws of the State of Texas, apportioned as follows, to-wit:

FOR GENERAL FUND EXPENDITURES, $0.300209 on each One Hundred Dollars ($100.00) assessed valuation of such property;

FOR DEBT SERVICE EXPENDITURES, $0.019791 on each One Hundred Dollars ($100.00) assessed valuation on such property.

SECTION 2. That a penalty shall be charged and collected from all persons who do not pay their taxes prior to the first day of February, 2010. Penalty charges shall be in accordance with the following schedule:

If paid in February, 2010 …………………………………… 6%
If paid in March, 2010 ……………………………………… 7%
If paid in April, 2010 ……………………………………….. 8%
If paid in May, 2010 …………………………………………9%
If paid in June, 2010 ………………………………………..10%
If paid on or after July 1, 2010 ……………………………..12%

All delinquent taxes shall accrue interest from the date of delinquency at the rate of one percent (1%) for each month or portion of a month the tax remains unpaid. Pursuant to Section 33.07 of the Texas Property Tax Code, an additional penalty of 15% of the amount of taxes, penalty and interest that remain due after July 1, 2010, shall be assessed to defray the cost of collection.

<u>SECTION 3</u>. That all ordinances or parts of ordinances in conflict with the provisions of this ordinance are hereby repealed.

<u>SECTION 4</u>. 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 __________________, 2009.

ADOPTED on this the _________________ day of __________________, 2009.

EFFECTIVE DATE on this the _________ day of __________________, 2009.

CITY OF SHERMAN, TEXAS

BY: ________________________________
BILL MAGERS, MAYOR

ATTEST:

BY: ______________________________________
LINDA ASHBY, CITY CLERK

APPROVED AS TO FORM AND CONTENT:

BY: ______________________________________
BRANDON S. SHELBY,
CITY ATTORNEY

2009 Property Tax Rates in CITY OF SHERMAN

This notice concerns 2009 property tax rates for CITY OF SHERMAN. It presents information about three tax rates. Last year's tax rate is the actual rate the taxing unit used to determine property taxes last year. This year's effective tax rate would impose the same total taxes as last year if you compare properties taxed in both years. This year's rollback tax rate is the highest tax rate the taxing unit can set before taxpayers can start tax rollback procedures. In each case these rates are found by dividing the total amount of taxes by the tax base (the total value of taxable property) with adjustments as required by state law. The rates are given per $100 of property value.

Last year's tax rate:	
Last year's operating taxes	$5,874,306
Last year's debt taxes	$264,065
Last year's total taxes	$6,138,371
Last year's tax base	$1,918,240,938
Last year's total tax rate	0.320000/$100
This year's effective tax rate:	
Last year's adjusted taxes (after subtracting taxes on lost property)	$5,676,570
÷ This year's adjusted tax base (after subtracting value of new property)	$1,836,639,719
= This year's effective tax rate	0.309073/$100
(Maximum rate unless unit publishes notices and holds hearings.)	
This year's rollback tax rate:	
Last year's adjusted operating taxes (after subtracting taxes on lost property and adjusting for any transferred function, tax increment financing, state criminal justice mandate, and/or enhance indigent health care expenditures)	$8,284,781
÷ This year's adjusted tax base	$1,836,639,719
= This year's effective operating rate	0.451084/$100
x 1.08 = this year's maximum operating rate	0.487170/$100
+ This year's debt rate	0.019791/$100
= This year's total rollback rate	0.506961/$100
- Sales tax adjustment rate	0.182238/$100
= Rollback tax rate	0.324723/$100

Statement of Increase/Decrease

If CITY OF SHERMAN adopts a 2009 tax rate equal to the effective tax rate of $0.309073 per $100 of value, taxes would decrease compared to 2008 taxes by $282,115.

Schedule A - Unencumbered Fund Balances

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

Type of Property Tax Fund	Balance
ESTIMATED BALANCE FOR M&O	$5,683,150
ESTIMATED BALANCE FOR I&S	$587,916

Schedule B - 2009 Debt Service

The unit plans to pay the following amounts for long-term debts that are secured by property taxes. These amounts will be paid from property tax revenues (or additional sales tax revenues, if applicable).

Description of Debt	Principal or Contract Payment to be Paid from Property Taxes	Interest to be Paid from Property Taxes	Other Amounts to be Paid	Total Payment
2008 Cert. of Oblig.	$175,000	$177,833	$0	$352,833
2009 Cert. of Oblig.	$90,000	$191,619	$0	$281,619
2009A Cert. of Oblig.	$0	$160,554	$0	$160,554

Total Required for 2009 Debt Service	$795,006
- Amount (if any) paid from funds listed in Schedule A	$420,006
- Amount (if any) paid from other resources	$0
- Excess collections last year	$0
= Total to be paid from taxes in 2009	$375,000
+ Amount added in anticipation that the unit will collect only 100.00% of its taxes in 2009	$0
= Total Debt Levy	$375,000

Schedule C - Expected Revenue from Additional Sales Tax

In calculating its effective and rollback tax rates, the unit estimated that it will receive $3,453,005 in additional sales and use tax revenues.

This notice contains a summary of actual effective and rollback tax rates' calculations. You can inspect a copy of the full calculations at 100 W. Houston (Courthouse), Sherman, TX 75090.

Name of person preparing this notice: JOHN RAMSEY RTA
Title: ASSESSOR COLLECTOR OF TAXES
Date Prepared: August 6, 2009

8/14/2009

SHERMAN CITY COUNCIL

Agenda Communication Form

From: The Office of the City Manager **Date:** 9-8-2009

Subject: Agenda Item No. B.4

INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 5620
Authorizing the Issuance of "CITY OF SHERMAN, TEXAS, TAX AND WATERWORKS AND SEWER SYSTEM (LIMITED PLEDGE) REVENUE CERTIFICATES OF OBLIGATION, SERIES 2009A"; Specifying the Terms and Features of said Certificates; Providing for the Payment of said Certificates of Obligation by the Levy of an Ad Valorem Tax upon all Taxable Property within the City and a Limited Pledge of the Net Revenues from the Operation of the City's Waterworks and Sewer System; Resolving Other Matters Incident and Relating to the Issuance, Payment, Security, Sale and Delivery of said Certificates, including the Approval and Execution of a Paying Agent/Registrar Agreement and the Approval and Distribution of an Official Statement; Providing an Effective Date

Issue
To authorize issuance of $3.5 million in tax exempt Certificates of Obligation (Certificates) for the construction of thoroughfare projects

Background
As part of the budget development process for fiscal year 2009 (FY09), the City Council directed the staff to pursue issuing the third and final portion of the planned Certificates of Obligation bond issue to fund the construction of thoroughfare projects. The Council approved the Notice to Proceed with issuance of these Certificates at the July 20, 2009 Council Meeting. This Ordinance authorizes the City to actually issue the Certificates, which will be repaid over twenty years. The proceeds from issuance are expected to be received by the end of September. Although the Certificates call for a limited pledge of water and sewer revenues as security, the source of repayment for these Certificates will be ad valorem taxes.

The proceeds from the Certificates will be used to finance various street improvement projects, including drainage, utility line relocations, sidewalks, entryways, landscaping, lighting, curbs and gutters and the acquisition of land and rights-of-way.

Origination
City Manager's Office

Financial Consideration
The cost of issuance for these Certificates will be about $45,000, the cost of which will be netted against the proceeds from issuance.

Staff Recommendation
The staff recommends that the Council approve this Ordinance as presented.

Alternatives
No alternatives can be recommended by staff at this time.

Attachments
Ordinance No. 5620

Prepared by:
Robby Hefton, Assistant City Manager/CFO

Approved by:
George Olson, City Manager

ORDINANCE NO. 5620

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING THE ISSUANCE OF "CITY OF SHERMAN, TEXAS, TAX AND WATERWORKS AND SEWER SYSTEM (LIMITED PLEDGE) REVENUE CERTIFICATES OF OBLIGATION, SERIES 2009A"; SPECIFYING THE TERMS AND FEATURES OF SAID CERTIFICATES; PROVIDING FOR THE PAYMENT OF SAID CERTIFICATES OF OBLIGATION BY THE LEVY OF AN AD VALOREM TAX UPON ALL TAXABLE PROPERTY WITHIN THE CITY AND A LIMITED PLEDGE OF THE NET REVENUES FROM THE OPERATION OF THE CITY'S WATERWORKS AND SEWER SYSTEM; RESOLVING OTHER MATTERS INCIDENT AND RELATING TO THE ISSUANCE, PAYMENT, SECURITY, SALE AND DELIVERY OF SAID CERTIFICATES, INCLUDING THE APPROVAL AND EXECUTION OF A PAYING AGENT/REGISTRAR AGREEMENT AND THE APPROVAL AND DISTRIBUTION OF AN OFFICIAL STATEMENT; PROVIDING AN EFFECTIVE DATE; FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS ORDINANCE IS PASSED WAS NOTICED AND IS OPEN TO THE PUBLIC AS REQUIRED BY LAW.

WHEREAS, notice of the City Council's intention to issue certificates of obligation in the maximum principal amount of $3,500,000 for the purpose of paying contractual obligations to be incurred for (i) the construction of public works, to wit: street improvements, including drainage, utility line relocations, sidewalks, entryways, landscaping, lighting, curbs and gutters related thereto and the acquisition of land and rights-of-way therefor, and (ii) professional services rendered in relation to such projects and the financing thereof, has been duly published in Herald Democrat, a newspaper hereby found and determined to be of general circulation in the City of Sherman, Texas, on July 26, 2009 and August 2, 2009, the date the first publication of such notice being not less than thirty-one (31) days prior to the tentative date stated therein for the passage of the ordinance authorizing the issuance of such certificates; and

WHEREAS, no petition protesting the issuance of the certificates of obligation and bearing valid petition signatures of at least 5% of the qualified electors of the City has been presented to or filed with the Mayor, City Clerk or any other official of the City on or prior to the date of the passage of this Ordinance; and

WHEREAS, the City Council hereby finds and determines that the certificates of obligation described in the aforesaid notice should be issued and sold at this time in the amount and manner as hereinafter provided;

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

SECTION 1. Authorization, Designation, Principal Amount, Purpose. Certificates of obligation of the City shall be and are hereby authorized to be issued in the aggregate principal amount of $3,500,000, to be designated and bear the title "CITY OF SHERMAN, TEXAS, TAX

AND WATERWORKS AND SEWER SYSTEM (LIMITED PLEDGE) REVENUE CERTIFICATES OF OBLIGATION, SERIES 2009A" (hereinafter referred to as the "Certificates"), for the purpose of paying contractual obligations to be incurred for (i) the construction of public works, to wit: street improvements, including drainage, utility line relocations, sidewalks, entryways, landscaping, lighting, curbs and gutters related thereto and the acquisition of land and rights-of-way therefor, and (ii) professional services rendered in relation to such projects and the financing thereof, pursuant to authority conferred by and in conformity with the Constitution and laws of the State of Texas, including V.T.C.A., Local Government Code, Subchapter C of Chapter 271, as amended.

SECTION 2. Fully Registered Obligations - Authorized Denominations - Stated Maturities - Date. The Certificates are issuable in fully registered form only; shall be dated September 1, 2009 (the "Certificate Date") and shall be in denominations of $5,000 or any integral multiple thereof (within a Stated Maturity) and the Certificates shall become due and payable on August 15 in each of the years and in principal amounts (the "Stated Maturities") and bear interest at the per annum rate(s) in accordance with the following schedule:

Year of Stated Maturity	Principal Amount	Interest Rate(s)
2010	$ 115,000	%
2011	115,000	%
2012	120,000	%
2013	125,000	%
2014	130,000	%
2015	135,000	%
2016	145,000	%
2017	150,000	%
2018	155,000	%
2019	165,000	%
2020	170,000	%
2021	180,000	%
2022	190,000	%
2023	200,000	%
2024	210,000	%
2025	215,000	%
2026	230,000	%
2027	240,000	%
2028	250,000	%
2029	260,000	%

The Certificates shall bear interest on the unpaid principal amounts from the Certificate Date at the rates per annum shown above in this Section (calculated on the basis of a 360-day year of twelve 30-day months), and such interest shall be payable on February 15 and August 15 of each year, commencing February 15, 2010, until maturity or prior redemption.

SECTION 3. Terms of Payment - Paying Agent/Registrar. The principal of, premium, if any, and the interest on the Certificates, due and payable by reason of maturity, redemption, or otherwise, shall be payable only to the registered owners or holders of the Certificates (hereinafter called the "Holders") appearing on the registration and transfer books maintained by the Paying Agent/Registrar and the payment thereof shall be in any coin or currency of the United States of America, which at the time of payment is legal tender for the payment of public and private debts, and shall be without exchange or collection charges to the Holders.

The selection and appointment of The Bank of New York Mellon Trust Company, N.A., Dallas, Texas, to serve as Paying Agent/Registrar for the Certificates is hereby approved and confirmed. Books and records relating to the registration, payment, transfer and exchange of the Certificates (the "Security Register") shall at all times be kept and maintained on behalf of the City by the Paying Agent/Registrar, as provided herein and in accordance with the terms and provisions of a "Paying Agent/Registrar Agreement", substantially in the form attached hereto as Exhibit A, and such reasonable rules and regulations as the Paying Agent/Registrar and the City may prescribe. The Mayor or Deputy Mayor and City Clerk are authorized to execute and deliver such Agreement in connection with the delivery of the Certificates. The City covenants to maintain and provide a Paying Agent/Registrar at all times until the Certificates are paid and discharged, and any successor Paying Agent/Registrar shall be a bank, trust company, financial institution or other entity qualified and authorized to serve in such capacity and perform the duties and services of Paying Agent/Registrar. Upon any change in the Paying Agent/Registrar for the Certificates, the City agrees to promptly cause a written notice thereof to be sent to each Holder by United States Mail, first class postage prepaid, which notice shall also give the address of the new Paying Agent/Registrar.

Principal of and premium, if any, on the Certificates shall be payable at the Stated Maturities or upon prior redemption thereof only upon presentation and surrender of the Certificates to the Paying Agent/Registrar at its designated offices, initially in Dallas, Texas, or, with respect to a successor Paying Agent/Registrar, at the designated offices of such successor (the "Designated Payment/Transfer Office"). Interest on the Certificates shall be paid to the Holders whose names appear in the Security Register at the close of business on the Record Date (the last business day of the month next preceding each interest payment date) and shall be paid by the Paying Agent/Registrar (i) by check sent United States Mail, first class postage prepaid, to the address of the Holder recorded in the Security Register or (ii) by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the Holder. If the date for the payment of the principal of or interest on the Certificates shall be a Saturday, Sunday, a legal holiday, or a day when banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day when banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.

In the event of a nonpayment of interest on a scheduled payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be 15 days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States Mail, first class postage prepaid, to the address of each Holder appearing on the Security Register at the close of business on the last business next preceding the date of mailing of such notice.

SECTION 4. Redemption.

(a) Optional Redemption. The Certificates having Stated Maturities on and after August 15, 2019 shall be subject to redemption prior to maturity, at the option of the City, in whole or in part in principal amounts of $5,000 or any integral multiple thereof (and if within a Stated Maturity by lot by the Paying Agent/Registrar), on August 15, 2018, or on any date thereafter at the redemption price of par plus accrued interest to the date of redemption.

At least forty five (45) days prior to a redemption date for the Certificates (unless a shorter notification period shall be satisfactory to the Paying Agent/Registrar), the City shall notify the Paying Agent/Registrar of the decision to redeem Certificates, the principal amount of each Stated Maturity to be redeemed, and the date of redemption therefor. The decision of the City to exercise the right to redeem Certificates shall be entered in the minutes of the governing body of the City.

(b) *[Mandatory Redemption. The Certificates having Stated Maturities of August 15, 20__, August 15, 20__, August 15, 20__, August 15, 20__ and August 15, 20__ (the "Term Certificates") shall be subject to mandatory redemption in part prior to maturity at the redemption price of par and accrued interest to the date of redemption on the respective dates and in principal amounts as follows:*

Term Certificates due August 15, 20__

Redemption Date	*Principal Amount*
August 15, 20__	*$,000*
August 15, 20__	*$,000 (maturity)*

Term Certificates due August 15, 20__

Redemption Date	*Principal Amount*
August 15, 20__	*$,000*
August 15, 20__	*$,000 (maturity)*

Term Certificates due August 15, 2025

Redemption Date	*Principal Amount*
August 15, 2024	*$,000*
August 15, 2025	*$,000 (maturity)*

Term Certificates due August 15, 20__

Redemption Date	*Principal Amount*
August 15, 20__	*$,000*
August 15, 20__	*$,000 (maturity)*

Term Certificates due August 15, 20__

Redemption Date	*Principal Amount*
August 15, 20__	*$,000*
August 15, 20__	*$,000 (maturity)*

Approximately forty-five (45) days prior to each mandatory redemption date for the Term Certificates, the Paying Agent/Registrar shall select by lot the numbers of the Term Certificates within the applicable Stated Maturity to be redeemed on the next following August 15 from moneys set aside for that purpose in the Certificate Fund (as hereinafter defined). Any Term Certificate not selected for prior redemption shall be paid on the date of their Stated Maturity.

The principal amount of the Term Certificates for a Stated Maturity required to be redeemed on a mandatory redemption date may be reduced, at the option of the City, by the principal amount of Term Certificates of like Stated Maturity which, at least 50 days prior to the mandatory redemption date, (1) shall have been acquired by the City at a price not exceeding the principal amount of such Term Certificates plus accrued interest to the date of purchase thereof, and delivered to the Paying Agent/Registrar for cancellation or (2) shall have been redeemed pursuant to the optional redemption provisions set forth in paragraph(a) of this Section and not theretofore credited against a mandatory redemption requirement.]

(c) Selection of Certificates for Redemption. If less than all Outstanding Certificates of the same Stated Maturity are to be redeemed on a redemption date, the Paying Agent/ Registrar shall treat such Certificates as representing the number of Certificates Outstanding which is obtained by dividing the principal amount of such Certificates by $5,000 and shall select the Certificates to be redeemed within such Stated Maturity by lot.

(d) Notice of Redemption. Not less than thirty (30) days prior to a redemption date for the Certificates, a notice of redemption shall be sent by United States Mail, first class postage prepaid, in the name of the City and at the City's expense, to each Holder of a Certificate to be redeemed in whole or in part at the address of the Holder appearing on the Security Register at the close of business on the business day next preceding the date of mailing such notice, and any notice of redemption so mailed shall be conclusively presumed to have been duly given irrespective of whether received by the Holder.

All notices of redemption shall (i) specify the date of redemption for the Certificates, (ii) identify the Certificates to be redeemed and, in the case of a portion of the principal amount to be redeemed, the principal amount thereof to be redeemed, (iii) state the redemption price, (iv) state that the Certificates, or the portion of the principal amount thereof to be redeemed, shall become due and payable on the redemption date specified and the interest thereon, or on the portion of the principal amount thereof to be redeemed, shall cease to accrue from and after the redemption date, provided moneys sufficient for the payment of such Certificate (or the principal amount thereof to be redeemed) at the then applicable redemption price are held for the purpose of such payment by the Paying Agent/Registrar and (v) specify that payment of the redemption price for the Certificates, or the principal amount thereof to be redeemed, shall be made at the Designated Payment/Transfer Office of the Paying Agent/Registrar only upon presentation and surrender of the Certificates. If a Certificate is subject by its terms to prior redemption and has been called for redemption and notice of redemption has been duly given as hereinabove provided, such Certificate (or the principal amount thereof to be redeemed) shall become due and payable and interest thereon shall cease to accrue from and after the redemption date therefor.

(e) Conditional Notice of Redemption. With respect to any optional redemption of the Certificates, unless certain prerequisites to such redemption required by this Ordinance have been met and moneys sufficient to pay the principal of and premium, if any, and interest on the Certificates to be redeemed shall have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice shall state that said redemption may, at the option of the City, be conditional upon the satisfaction of such prerequisites and receipt of such moneys by the Paying Agent/Registrar on or prior to the date fixed for such redemption, or upon any prerequisite set forth in such notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption and sufficient moneys are not received, such notice shall be of no force and effect, the City shall not redeem such Certificates and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that the Certificates have not been redeemed.

SECTION 5. Registration - Transfer - Exchange of Certificates - Predecessor Certificates. The Paying Agent/Registrar shall obtain, record, and maintain in the Security Register the name and address of each and every owner of the Certificates issued under and pursuant to the provisions of this Ordinance, or if appropriate, the nominee thereof. Any Certificate may be transferred or exchanged for Certificates of other authorized denominations by the Holder, in person or by his duly authorized agent, upon surrender of such Certificate to the Paying Agent/Registrar for cancellation, accompanied by a written instrument of transfer or request for exchange duly executed by the Holder or by his duly authorized agent, in form satisfactory to the Paying Agent/Registrar.

Upon surrender of any Certificate (other than the Initial Certificate(s) authorized in Section 8 hereof) for transfer at the Designated Payment/Transfer Office of the Paying Agent/Registrar, the Paying Agent/Registrar shall register and deliver, in the name of the designated transferee or transferees, one or more new Certificates of authorized denominations and having the same Stated Maturity and of a like aggregate principal amount as the Certificate or Certificates surrendered for transfer.

At the option of the Holder, Certificates (other than the Initial Certificate(s) authorized in Section 8 hereof) may be exchanged for other Certificates of authorized denominations and having the same Stated Maturity, bearing the same rate of interest and of like aggregate principal amount as the Certificates surrendered for exchange, upon surrender of the Certificates to be exchanged at the Designated Payment/Transfer Office of the Paying Agent/ Registrar. Whenever any Certificates are surrendered for exchange, the Paying Agent/Registrar shall register and deliver new Certificates to the Holder requesting the exchange.

All Certificates issued in any transfer or exchange of Certificates shall be delivered to the Holders at the Designated Payment/Transfer Office of the Paying Agent/Registrar or sent by United States Mail, first class, postage prepaid to the Holders, and, upon the registration and delivery thereof, the same shall be the valid obligations of the City, evidencing the same obligation to pay, and entitled to the same benefits under this Ordinance, as the Certificates surrendered in such transfer or exchange.

All transfers or exchanges of Certificates pursuant to this Section shall be made without expense or service charge to the Holder, except as otherwise herein provided, and except that the Paying Agent/Registrar shall require payment by the Holder requesting such transfer or exchange of any tax or other governmental charges required to be paid with respect to such transfer or exchange.

Certificates cancelled by reason of an exchange or transfer pursuant to the provisions hereof are hereby defined to be "Predecessor Certificates," evidencing all or a portion, as the case may be, of the same obligation to pay evidenced by the new Certificate or Certificates registered and delivered in the exchange or transfer therefor. Additionally, the term

"Predecessor Certificates" shall include any mutilated, lost, destroyed, or stolen Certificate for which a replacement Certificate has been issued, registered and delivered in lieu thereof pursuant to the provisions of Section 21 hereof and such new replacement Certificate shall be deemed to evidence the same obligation as the mutilated, lost, destroyed, or stolen Certificate.

Neither the City nor the Paying Agent/Registrar shall be required to issue or transfer to an assignee of a Holder any Certificate called for redemption, in whole or in part, within 45 days of the date fixed for the redemption of such Certificate; provided, however, such limitation on transferability shall not be applicable to an exchange by the Holder of the unredeemed balance of a Certificate called for redemption in part.

SECTION 6. Book-Entry-Only Transfers and Transactions. Notwithstanding the provisions contained in Sections 3, 4 and 5 hereof relating to the payment, and transfer/exchange of the Certificates, the City hereby approves and authorizes the use of "Book-Entry-Only" securities clearance, settlement and transfer system provided by The Depository Trust Company ("DTC"), a limited purpose trust company organized under the laws of the State of New York, in accordance with the operational arrangements referenced in the Blanket Issuer Letter of Representations by and between the City and DTC (the "Depository Agreement").

Pursuant to the Depository Agreement and the rules of DTC, the Certificates shall be deposited with DTC who shall hold said Certificates for its participants (the "DTC Participants"). While the Certificates are held by DTC under the Depository Agreement, the Holder of the Certificates on the Security Register for all purposes, including payment and notices, shall be Cede & Co., as nominee of DTC, notwithstanding the ownership of each actual purchaser or owner of each Certificate (the "Beneficial Owners") being recorded in the records of DTC and DTC Participants.

In the event DTC determines to discontinue serving as securities depository for the Certificates or otherwise ceases to provide book-entry clearance and settlement of securities transactions in general or the City determines that DTC is incapable of properly discharging its duties as securities depository for the Certificates, the City covenants and agrees with the Holders of the Certificates to cause Certificates to be printed in definitive form and issued and delivered to DTC Participants and Beneficial Owners, as the case may be. Thereafter, the Certificates in definitive form shall be assigned, transferred and exchanged on the Security Register maintained by the Paying Agent/Registrar and payment of such Certificates shall be made in accordance with the provisions of Sections 3, 4 and 5 hereof.

SECTION 7. Execution - Registration. The Certificates shall be executed on behalf of the City by the Mayor under its seal reproduced or impressed thereon and countersigned by the City Clerk. The signature of said officers on the Certificates may be manual or facsimile. Certificates bearing the manual or facsimile signatures of individuals who are or were the proper officers of the City on the Certificate Date shall be deemed to be duly executed on behalf of the City, notwithstanding that one or more of the individuals executing the same shall cease to be such officer at the time of delivery of the Certificates to the initial purchaser(s) and with respect to Certificates delivered in subsequent exchanges and transfers, all as authorized and provided in V.T.C.A., Government Code, Chapter 1201, as amended.

No Certificate shall be entitled to any right or benefit under this Ordinance, or be valid or obligatory for any purpose, unless there appears on such Certificate either a certificate of registration substantially in the form provided in Section 9(c), manually executed by the Comptroller of Public Accounts of the State of Texas, or his duly authorized agent, or a certificate of registration substantially in the form provided in Section 9(d), manually executed by an authorized officer, employee or representative of the Paying Agent/Registrar, and either such certificate duly signed upon any Certificate shall be conclusive evidence, and the only evidence, that such Certificate has been duly certified, registered and delivered.

SECTION 8. Initial Certificate(s). The Certificates herein authorized shall be initially issued either (i) as a single fully registered certificate in the total principal amount stated in Section 1 hereof with principal installments to become due and payable as provided in Section 2 hereof and numbered T-1, or (ii) as multiple fully registered certificates, being one certificate for each year of maturity in the applicable principal amount and denomination and to be numbered consecutively from T-1 and upward (hereinafter called the "Initial Certificate(s)") and, in either case, the Initial Certificate(s) shall be registered in the name of the initial purchaser(s) or the designee thereof. The Initial Certificate(s) shall be the Certificate(s) submitted to the Office of the Attorney General of the State of Texas for approval, certified and registered by the Office of the Comptroller of Public Accounts of the State of Texas and delivered to the initial purchaser(s). Any time after the delivery of the Initial Certificate(s), the Paying Agent/Registrar, pursuant to written instructions from the initial purchaser(s), or the designee thereof, shall cancel the Initial Certificate(s) delivered hereunder and exchange therefor definitive Certificates of authorized denominations, Stated Maturities, principal amounts and bearing applicable interest rates for transfer and delivery to the Holders named at the addresses identified therefor; all pursuant to and in accordance with such written instructions from the initial purchaser(s), or the designee thereof, and such other information and documentation as the Paying Agent/Registrar may reasonably require.

SECTION 9. Forms.

(a) Forms Generally. The Certificates, the Registration Certificate of the Comptroller of Public Accounts of the State of Texas, the Registration Certificate of Paying Agent/Registrar, and the form of Assignment to be printed on each of the Certificates, shall be substantially in the forms set forth in this Section with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Ordinance and may have such letters, numbers, or other marks of identification (including identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association) and such legends and endorsements (including insurance legends in the event the Certificates, or any maturities thereof, are purchased with insurance and any reproduction of an opinion of counsel) thereon as may, consistently herewith, be established by the City or determined by the officers executing such Certificates as evidenced by their execution. Any portion of the text of any Certificates may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Certificate.

The definitive Certificates and the Initial Certificate(s) shall be printed, lithographed, engraved, typewritten, photocopied or otherwise reproduced in any other similar manner, all as determined by the officers executing such Certificates as evidenced by their execution.

(b) Form of Definitive Certificates.

REGISTERED NO. ____ REGISTERED $____________

UNITED STATES OF AMERICA
STATE OF TEXAS
CITY OF SHERMAN, TEXAS,
TAX AND WATERWORKS AND SEWER SYSTEM
(LIMITED PLEDGE) REVENUE
CERTIFICATE OF OBLIGATION,
SERIES 2009A

Certificate Date:	Interest Rate:	Stated Maturity:	CUSIP NO:
September 1, 2009	__________%	August 15, 20__	___________

Registered Owner:

Principal Amount: DOLLARS

The City of Sherman (hereinafter referred to as the "City"), a body corporate and municipal corporation in the County of Grayson, State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the Registered Owner named above, or the registered assigns thereof, on the Stated Maturity date specified above the Principal Amount hereinabove stated (or so much thereof as shall not have been paid upon prior redemption) and to pay interest on the unpaid principal amount hereof from the interest payment date next preceding the "Registration Date" of this Certificate appearing below (unless this Certificate bears a "Registration Date" as of an interest payment date, in which case it shall bear interest from such date, or unless the "Registration Date" of this Certificate is prior to the initial interest payment date in which case it shall bear interest from the Certificate Date) at the per annum rate of interest specified above computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on February 15 and August 15 in each year, commencing February 15, 2010, until maturity or prior redemption. Principal of this Certificate is payable at its Stated Maturity or on a redemption date to the registered owner hereof, upon presentation and surrender, at the Designated Payment/Transfer Office of the Paying Agent/Registrar executing the registration certificate appearing hereon, or its successor; provided, however, while this Certificate is registered to Cede & Co., the payment of principal upon a partial redemption of the principal amount hereof may be accomplished without presentation and surrender of this Certificate. Interest is payable to the registered owner of this Certificate (or one or more Predecessor Certificates, as defined in the Ordinance hereinafter referenced) whose name appears on the "Security Register" maintained by the Paying Agent/Registrar at the close of business on the "Record Date", which is the last business day of the month next preceding each interest payment date, and interest shall be paid by the Paying Agent/Registrar by check sent United States Mail, first class postage prepaid, to the address of the registered owner recorded in the Security Register or by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the registered owner. If the date for the payment of the principal of or interest on the Certificates shall be a Saturday, Sunday, a legal holiday, or a day when banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day when banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due. All payments of principal of, premium, if any, and interest on this Certificate shall be without exchange or collection charges to the owner hereof and in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

This Certificate is one of the series specified in its title issued in the aggregate principal amount of $3,500,000 (herein referred to as the “Certificates”) for the purpose of paying contractual obligations to be incurred for (i) the construction of public works, to wit: street improvements, including drainage, utility line relocations, sidewalks, entryways, landscaping, lighting, curbs and gutters related thereto and the acquisition of land and rights-of-way therefor, and (ii) professional services rendered in relation to such projects and the financing thereof, under and in strict conformity with the Constitution and laws of the State of Texas, particularly V.T.C.A., Local Government Code, Subchapter C of Chapter 271, as amended, and pursuant to an Ordinance adopted by the City Council of the City (herein referred to as the “Ordinance”).

[The Certificates maturing on dates hereinafter identified (the “Term Certificates”) are subject to mandatory redemption prior to maturity with funds on deposit in the Certificate Fund established and maintained for the payment thereof in the Ordinance, and shall be redeemed in part prior to maturity at the price of par and accrued interest thereon to the mandatory redemption date on the respective dates and in principal amounts as follows:

Term Certificates due August 15, 20__

Redemption Date	Principal Amount
August 15, 20__	$,000
August 15, 20__	$,000 (maturity)

Term Certificates due August 15, 20__

Redemption Date	Principal Amount
August 15, 20__	$,000
August 15, 20__	$,000 (maturity)

Term Certificates due August 15, 20__

Redemption Date	Principal Amount
August 15, 20__	$,000
August 15, 20__	$,000 (maturity)

Term Certificates due August 15, 20__

Redemption Date	Principal Amount
August 15, 20__	$,000
August 15, 20__	$,000 (maturity)

Term Certificates due August 15, 20__

Redemption Date	Principal Amount
August 15, 20__	$,000
August 15, 20__	$,000 (maturity)

The particular Term Certificates of a stated maturity to be redeemed on each redemption date shall be chosen by lot by the Paying Agent/Registrar; provided, however, that the principal amount of Term Certificates for a stated maturity required to be redeemed on a mandatory redemption date may be reduced, at the option of the City, by the principal amount of Term Certificates of like stated maturity which, at least 50 days prior to the mandatory redemption date, (1) shall have been acquired by the City at a price not exceeding the principal amount of such Term Certificates plus accrued interest to the date of purchase thereof, and delivered to the Paying Agent/Registrar for cancellation or (2) shall have been redeemed pursuant to the optional redemption provisions appearing below and not theretofore credited against a mandatory redemption requirement.]

The Certificates maturing on and after August 15, 2019, may be redeemed prior to their Stated Maturities, at the option of the City, in whole or in part in principal amounts of $5,000 or any integral multiple thereof (and if within a Stated Maturity by lot by the Paying Agent/Registrar), on August 15, 2018, or on any date thereafter, at the redemption price of par, together with accrued interest to the date of redemption.

At least thirty (30) days prior to a redemption date, the City shall cause a written notice of such redemption to be sent by United States Mail, first class postage prepaid, to the registered owners of each Certificate to be redeemed at the address shown on the Security Register and subject to the terms and provisions relating thereto contained in the Ordinance. If a Certificate (or any portion of its principal sum) shall have been duly called for redemption and notice of such redemption duly given, then upon the redemption date such Certificate (or the portion of its principal sum to be redeemed) shall become due and payable, and, if moneys for the payment of the redemption price and the interest accrued on the principal amount to be redeemed to the date of redemption are held for the purpose of such payment by the Paying Agent/Registrar, interest shall cease to accrue and be payable from and after the redemption date on the principal amount redeemed.

In the event a portion of the principal amount of a Certificate is to be redeemed and the registered owner is someone other than Cede & Co., payment of the redemption price of such principal amount shall be made to the registered owner only upon presentation and surrender of such Certificate to the Designated Payment/Transfer Office of the Paying Agent/Registrar, and a new Certificate or Certificates of like maturity and interest rate in any authorized denominations provided by the Ordinance for the then unredeemed balance of the principal sum thereof will be issued to the registered owner, without charge. If a Certificate is selected for redemption, in whole or in part, the City and the Paying Agent/Registrar shall not be required to transfer such Certificate to an assignee of the registered owner within forty-five (45) days of the redemption date therefor; provided, however, such limitation on transferability shall not be applicable to an exchange by the registered owner of the unredeemed balance of a Certificate redeemed in part.

With respect to any optional redemption of the Certificates, unless certain prerequisites to such redemption required by this Ordinance have been met and moneys sufficient to pay the principal of and premium, if any, and interest on the Certificates to be redeemed shall have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice shall state that said redemption may, at the option of the City, be conditional upon the satisfaction of such prerequisites and receipt of such moneys by the Paying Agent/Registrar on or prior to the date fixed for such redemption, or upon any prerequisite set forth in such notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption and sufficient moneys are not received, such notice shall be of no force and effect, the City shall not redeem such Certificates and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that the Certificates have not been redeemed.

The Certificates are payable from the proceeds of an ad valorem tax levied, within the limitations prescribed by law, upon all taxable property in the City, and are additionally payable from and equally and ratably secured by a lien on and limited pledge of the Net Revenues (as defined in the Ordinance) of the City's combined Waterworks and Sewer System (the "System"), such lien and pledge being limited to an amount of $1,000 and, together with a parity pledge securing the payment of the Previously Issued Certificates, being junior and subordinate to the lien on and pledge of the Net Revenues of the System securing the payment of "Prior Lien Obligations" (identified and defined in the Ordinance) hereafter issued by the City. In the Ordinance, the City reserves and retains the right to issue Prior Lien Obligations while the Certificates are outstanding without limitation as to principal amount but subject to any terms, conditions or restrictions as may be applicable thereto under law or otherwise, as well as the right to issue Additional Obligations payable from the same sources as the Certificates and, together with the Previously Issued Certificates and the Certificates, equally and ratably secured by a parity lien on and pledge of the Net Revenues of the System.

Reference is hereby made to the Ordinance, a copy of which is on file in the Designated Payment/Transfer Office of the Paying Agent/Registrar, and to all the provisions of which the owner or holder of this Certificate by the acceptance hereof hereby assents, for definitions of terms; the description of and the nature and extent of the tax levied for the payment of the Certificates; the nature and extent of the pledge of the Net Revenues securing the payment of the Certificates; the terms and conditions relating to the transfer or exchange of this Certificate; the conditions upon which the Ordinance may be amended or supplemented with or without the consent of the Holders; the rights, duties, and obligations of the City and the Paying Agent/Registrar; the terms and provisions upon which the tax levy and the pledge of the Net Revenues and covenants made in the Ordinance may be discharged at or prior to the maturity of this Certificate, and this Certificate deemed to be no longer Outstanding thereunder; and for the other terms and provisions contained therein. Capitalized terms used herein have the meanings assigned in the Ordinance.

This Certificate, subject to certain limitations contained in the Ordinance, may be transferred on the Security Register only upon its presentation and surrender at the Designated Payment/Transfer Office of the Paying Agent/Registrar, with the Assignment hereon duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Paying Agent/Registrar duly executed by, the registered owner hereof, or his duly authorized agent. When a transfer on the Security Register occurs, one or more new fully registered Certificates of the same Stated Maturity, of authorized denominations, bearing the same rate of interest, and of the same aggregate principal amount will be issued by the Paying Agent/Registrar to the designated transferee or transferees.

The City and the Paying Agent/Registrar, and any agent of either, shall treat the registered owner whose name appears on the Security Register (i) on the Record Date as the owner entitled to payment of interest hereon, (ii) on the date of surrender of this Certificate as the owner entitled to payment of principal hereof at its Stated Maturity or upon its prior redemption, in whole or in part, and (iii) on any other date as the owner for all other purposes, and neither the City nor the Paying Agent/Registrar, or any agent of either, shall be affected by notice to the contrary. In the event of nonpayment of interest on a scheduled payment date and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be 15 days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States Mail, first class postage prepaid, to the address of each Holder appearing on the Security Register at the close of business on the last business day next preceding the date of mailing of such notice.

It is hereby certified, recited, represented and declared that the City is a body corporate and political subdivision duly organized and legally existing under and by virtue of the Constitution and laws of the State of Texas; that the issuance of the Certificates is duly authorized by law; that all acts, conditions and things required to exist and be done precedent to and in the issuance of the Certificates to render the same lawful and valid obligations of the City have been properly done, have happened and have been performed in regular and due time, form and manner as required by the Constitution and laws of the State of Texas, and the Ordinance; that the Certificates do not exceed any Constitutional or statutory limitation; and that due provision has been made for the payment of the principal of and interest on the Certificates as aforestated. In case any provision in this Certificate shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby. The terms and provisions of this Certificate and the Ordinance shall be construed in accordance with and shall be governed by the laws of the State of Texas.

IN WITNESS WHEREOF, the City Council of the City has caused this Certificate to be duly executed under the official seal of the City as of the Certificate Date.

CITY OF SHERMAN, TEXAS

____
Mayor

COUNTERSIGNED:

____
City Clerk

(SEAL)

(c) Form of Registration Certificate of Comptroller of Public Accounts to appear on Initial Certificate(s) only.

REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS

OFFICE OF THE COMPTROLLER	)	
OF PUBLIC ACCOUNTS	)	REGISTER NO.________________
THE STATE OF TEXAS	)	

I HEREBY CERTIFY that this Certificate has been examined, certified as to validity and approved by the Attorney General of the State of Texas, and duly registered by the Comptroller of Public Accounts of the State of Texas.

WITNESS my signature and seal of office this ______________________.

____
Comptroller of Public Accounts
of the State of Texas

(SEAL)

(d) Form of Certificate of Paying Agent/Registrar to appear on Definitive Certificates only.

REGISTRATION CERTIFICATE OF PAYING AGENT/REGISTRAR

This Certificate has been duly issued and registered under the provisions of the within mentioned Ordinance; the certificate or certificates of the above entitled and designated series originally delivered having been approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts, as shown by the records of the Paying Agent/Registrar.

The designated offices of the Paying Agent/Registrar located in Dallas, Texas, is the "Designated Payment/Transfer Office" for this Certificate.

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A., Dallas, Texas,
as Paying Agent/Registrar

Registration Date:

__________________________ By ___________________________________
Authorized Signature

(e) Form of Assignment.

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns, and transfers unto (Print or typewrite name, address, and zip code of transferee:)____________________________

____

____

(Social Security or other identifying number____________________________) the within Certificate and all rights thereunder, and hereby irrevocably constitutes and appoints

____

attorney to transfer the within Certificate on the books kept for registration thereof, with full power of substitution in the premises.

DATED:

____

Signature guaranteed:

____

____

NOTICE: The signature on this assignment must correspond with the name of the registered owner as it appears on the face of the within Certificate in every particular.

(f) The Initial Certificate(s) shall be in the form set forth in paragraph (b) of this Section, except that the form of a single fully registered Initial Certificate shall be modified as follows:

REGISTERED
NO. T-1

REGISTERED
$3,500,000

UNITED STATES OF AMERICA
STATE OF TEXAS
CITY OF SHERMAN, TEXAS,
TAX AND WATERWORKS AND SEWER SYSTEM
(LIMITED PLEDGE) REVENUE
CERTIFICATE OF OBLIGATION,
SERIES 2009A

Certificate Date: September 1, 2009

Registered Owner:

Principal Amount: THREE MILLION FIVE HUNDRED THOUSAND DOLLARS

The City of Sherman (hereinafter referred to as the “City”), a body corporate and municipal corporation in the County of Grayson, State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the Registered Owner named above, or the registered assigns thereof, the Principal Amount hereinabove stated on August 15 in each of the years and in principal installments in accordance with the following schedule:

YEAR	PRINCIPAL INSTALLMENTS	INTEREST RATE

(Information to be inserted from schedule in Section 2 hereof).

(or so much thereof as shall not have been prepaid prior to maturity) and to pay interest on the unpaid principal amounts hereof from the Certificate Date at the per annum rate(s) of interest specified above computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on February 15 and August 15 of each year, commencing February 15, 2010, until maturity or prior redemption. Principal installments of this Certificate are payable at its Stated Maturity or on a prepayment date to the registered owner hereof by The Bank of New York Mellon Trust Company, N.A. (the "Paying Agent/Registrar"), upon presentation and surrender, at its designated offices in Dallas, Texas (the "Designated Payment/Transfer Office"). Interest is payable to the registered owner of this Certificate whose name appears on the "Security Register" maintained by the Paying Agent/Registrar at the close of business on the "Record Date", which is the last business day of the month next preceding each interest payment date hereof and interest shall be paid by the Paying Agent/Registrar by check sent United States Mail, first class postage prepaid, to the address of the registered owner recorded in the Security Register or by such other method, acceptable to the Paying Agent/ Registrar, requested by, and at the risk and expense of, the registered owner. If the date for the payment of the principal of or interest on the Certificates shall be a Saturday, Sunday, a legal holiday, or a day when banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day when banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due. All payments of principal of, premium, if any, and interest on this Certificate shall be without exchange or collection charges to the owner hereof and in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

SECTION 10. Definitions. For purposes of this Ordinance and for clarity with respect to the issuance of the Certificates herein authorized, and the levy of taxes and appropriation of Net Revenues therefor, the following words or terms, whenever the same appears herein without qualifying language, are defined to mean as follows:

(a) The term "Additional Obligations" shall mean combination tax and revenue obligations hereafter issued which by their terms are payable from ad valorem taxes and additionally payable from and secured by a parity lien on and pledge of the Net Revenues of the System of equal rank and dignity with the lien and pledge securing the payment of the Previously Issued Certificates and the Certificates.

(b) The term "Certificates" shall mean the "City of Sherman, Texas Tax and Waterworks and Sewer System (Limited Pledge) Revenue Certificates of Obligation, Series 2009A" authorized by this Ordinance.

(c) The term "Certificate Fund" shall mean the special Fund created and established under the provisions of Section 11 of this Ordinance.

(d) The term "Collection Date" shall mean, when reference is being made to the levy and collection of annual ad valorem taxes, the date the annual ad valorem taxes levied each year by the City become delinquent.

(e) The term "Fiscal Year" shall mean the twelve month financial accounting period used by the City in connection with the operation of the System which may be any twelve consecutive month period established by the City.

(f) The term "Government Securities" shall mean (i) direct noncallable obligations of the United States of America, including obligations the principal of and interest on which are unconditionally guaranteed by the United States of America, (ii) noncallable obligations of an agency or instrumentality of the United States, including obligations unconditionally guaranteed or insured by the agency or instrumentality and, on the date of their acquisition or purchase by the City, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent and (iii) noncallable obligations of a state or an agency or a county, municipality or other political subdivision of a state that have been refunded and, on the date of their acquisition or purchase by the City, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent.

(g) The term “Gross Revenues” shall mean all income, receipts and revenues of every nature derived or received from the operation and ownership (excluding refundable meter deposits, restricted gifts and grants in aid of construction) of the System, including earnings and income derived from the investment or deposit of moneys in any special funds or accounts created and established for the payment and security of the Prior Lien Obligations and other obligations payable solely from and secured only by a lien on and pledge of the Net Revenues.

(h) The term "Net Revenues" shall mean Gross Revenues of the System, with respect to any period, after deducting the System's Operating and Maintenance Expenses during such period.

(i) The term “Operating and Maintenance Expenses” shall mean all current expenses of operating and maintaining the System, including all salaries, labor, materials, repairs and extensions necessary to render efficient service; provided, however, that only such repairs and extensions, as in the judgment of the City Council, reasonably and fairly exercised, are necessary to maintain the operations and render adequate service to the City and the inhabitants thereof, or such as might be necessary to meet some physical accident or condition which would otherwise impair obligations payable from Net Revenues shall be deducted in determining “Net Revenues”. Depreciation charges shall not be considered Operating and Maintenance Expenses. Operating and Maintenance Expenses shall include payments under contracts for the purchase of water supply, treatment of sewage or other materials, goods, services, or facilities for the System to the extent authorized by law and the provisions of such contract.

(j) The term "Outstanding", when used in this Ordinance with respect to Certificates, means, as of the date of determination, all Certificates theretofore issued and delivered under this Ordinance, except:

(1) those Certificates cancelled by the Paying Agent/Registrar or delivered to the Paying Agent/Registrar for cancellation;

(2) those Certificates deemed to be duly paid by the City in accordance with the provisions of Section 22 hereof; and

(3) those Certificates that have been mutilated, destroyed, lost or stolen and replacement Certificates have been registered and delivered in lieu thereof as provided in Section 21 hereof.

(k) The term "Previously Issued Certificates" shall mean the outstanding "City of Sherman, Texas, Tax and Waterworks and Sewer System (Limited Pledge) Revenue Certificates of Obligation, Series 2008", dated March 1, 2008, originally issued in the principal amount of $5,000,000 and the outstanding "City of Sherman, Texas, Tax and Waterworks and Sewer System (Limited Pledge) Revenue Certificates of Obligation, Series 2009", dated April 1, 2009, originally issued in the principal amount of $5,000,000.

(l) The term "Prior Lien Obligations" shall mean all revenue bonds or other obligations hereafter issued, payable from and secured, in whole or in part, by a lien on and pledge of all or a portion of the Net Revenues of the System prior to the right and claim on the Net Revenues of the System securing the payment of the Previously Issued Certificates and the Certificates.

(m) The term "System" shall mean all properties, facilities and plants currently owned, operated and maintained by the City for the supply, treatment, transmission and distribution of treated potable water and the collection, treatment and disposal of water carried wastes, together with all future improvements, extensions, enlargements and additions thereto and replacements thereof.

SECTION 11. Certificate Fund. For the purpose of paying the interest on and to provide a sinking fund for the payment, redemption and retirement of the Certificates, there shall be and is hereby created a special account or fund on the books and records of the City known as the "SPECIAL SERIES 2009A TAX AND REVENUE CERTIFICATE OF OBLIGATION FUND", and all moneys deposited to the credit of such Fund shall be kept and maintained in a special banking account at the depository bank of the City. The City Manager and Assistant City Manager/Chief Financial Officer, individually or collectively, are hereby authorized and directed to make withdrawals from said Fund sufficient to pay the principal of and interest on the Certificates as the same become due and payable, and shall cause to be transferred to the Paying Agent/Registrar from moneys on deposit in the Certificate Fund an amount sufficient to pay the amount of principal and/or interest falling due on the Certificates, such transfer of funds to the Paying Agent/Registrar to be made in such manner as will cause immediately available funds to be deposited with the Paying Agent/Registrar on or before the last business day next preceding each interest and principal payment date for the Certificates.

Pending the transfer of funds to the Paying Agent/Registrar, money in the Certificate Fund may, at the option of the City, be invested in obligations identified in, and in accordance with the provisions of the "Public Funds Investment Act" (V.T.C.A., Government Code, Chapter 2256, as amended) relating to the investment of "bond proceeds"; provided that all such investments shall be made in such a manner that the money required to be expended from said Fund will be available at the proper time or times. All interest and income derived from deposits and investments in said Certificate Fund shall be credited to, and any losses debited to, the said Certificate Fund. All such investments shall be sold promptly when necessary to prevent any default in connection with the Certificates.

SECTION 12. Tax Levy. To provide for the payment of the "Debt Service Requirements" on the Certificates, being (i) the interest on said Certificates and (ii) a sinking fund for their redemption at maturity or a sinking fund of 2% (whichever amount shall be the greater), there shall be and there is hereby levied a sufficient tax on each one hundred dollars' valuation of taxable property in said City, within the limitations prescribed by law, adequate to pay such Debt Service Requirements while the Certificates remain Outstanding, full allowance being made for delinquencies and costs of collection; and said tax shall be assessed and collected each year and applied to the payment of the Debt Service Requirements, and the same shall not be diverted to any other purpose. The taxes so levied and collected shall be paid into the Certificate Fund. The City Council hereby declares its purpose and intent to provide and levy a tax legally and fully sufficient to pay the said Debt Service Requirements, it having been determined that the existing and available taxing authority of the City for such purpose is adequate to permit a legally sufficient tax in consideration of all other outstanding indebtedness.

The amount of taxes to be provided annually for the payment of the principal of and interest on the Certificates shall be determined and accomplished in the following manner:

(a) Prior to the date the City Council establishes the annual tax rate and passes an ordinance levying ad valorem taxes each year, the City Council shall determine:

(1) The amount on deposit in the Certificate Fund after (a) deducting therefrom the total amount of Debt Service Requirements to become due on Certificates prior to the Collection Date for the ad valorem taxes to be levied and (b) adding thereto the amount of the Net Revenues of the System and other lawfully available funds appropriated and allocated to pay such Debt Service Requirements prior to the Collection Date for the ad valorem taxes to be levied.

(2) The amount of Net Revenues of the System and other lawfully available funds appropriated and to be set aside for the payment of the Debt Service Requirements on the Certificates between the Collection Date for the taxes then to be levied and the Collection Date for the taxes to be levied during the next succeeding calendar year.

(3) The amount of Debt Service Requirements to become due and payable on the Certificates (or a sinking fund of 2% if greater than the amount due and payable on the Certificates) between the Collection Date for the taxes

then to be levied and the Collection Date for the taxes to be levied during the next succeeding calendar year.

(b) The amount of taxes to be levied annually each year to pay the Debt Service Requirements on the Certificates shall be the amount established in paragraph (3) above less the sum total of the amounts established in paragraphs (1) and (2), after taking into consideration delinquencies and costs of collecting such annual taxes.

SECTION 13. Limited Pledge of Net Revenues. The City hereby covenants and agrees that, subject to the prior lien on and pledge of the Net Revenues of the System to the payment and security of Prior Lien Obligations, the Net Revenues of the System in the amount of $1,000 are hereby irrevocably pledged, equally and ratably, to the payment of the principal of and interest on the Certificates, and the limited pledge of $1,000 of the Net Revenues of the System herein made for the payment of the Certificates shall constitute a lien on the Net Revenues of the System in accordance with the terms and provisions hereof and shall be on a parity in all respects with the lien on the Net Revenues securing the payment of the Previously Issued Certificates. Furthermore, such lien on and pledge of the Net Revenues securing the payment of the Certificates shall be valid and binding and fully perfected from and after the date of adoption of this Ordinance without physical delivery or transfer or transfer of control of the Net Revenues, the filing of this Ordinance or any other act; all as provided in Chapter 1208 of the Texas Government Code.

V.T.C.A., Chapter 1208, Government Code, as amended, applies to the issuance of the Certificates and the pledge of the revenues granted by the City under this Section of this Ordinance, and such pledge is therefore valid, effective and perfected. If Texas law is amended at any time while the Certificates are Outstanding and unpaid such that the pledge of the revenues granted by the City under this Section of this Ordinance is to be subject to the filing requirements of V.T.C.A., Chapter 9, Business & Commerce Code, as amended, then in order to preserve to the Holders of the Certificates the perfection of the security interest in said pledge, the City agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of V.T.C.A., Chapter 9, Business & Commerce Code, as amended, and enable a filing to perfect the security interest in said pledge to occur.

SECTION 14. System Fund. The City covenants and agrees that all Gross Revenues (excluding earnings from the investment of money held in any special funds or accounts created for the payment and security of the Prior Lien Obligations) shall be deposited as collected into a fund maintained at an official depository of the City and known on the books of the City as the "Water and Sewer System Fund" (hereinafter called the "System Fund"). All moneys deposited to the credit of the System Fund shall be allocated, dedicated and disbursed to the extent required for the following purposes and in the order of priority shown, to wit:

> First: To the payment of reasonable and proper Operating and Maintenance Expenses of the System as defined herein or required by statute to be a first charge on and claim against the Gross Revenues of the System.

> Second: To the payment of all amounts required to be deposited in the special Funds created and established for the payment, security and benefit of Prior Lien Obligations in accordance with the terms and provisions of the ordinances authorizing the issuance of Prior Lien Obligations.
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> Third: To the payment of the limited amount pledged to the payment of the Previously Issued Certificates and the Certificates.

Any Net Revenues remaining in the System Fund after satisfying the foregoing payments, or making adequate and sufficient provision for the payment thereof, may be appropriated and used for any other City purpose now or hereafter permitted by law.

SECTION 15. Deposits to Certificate Fund. Subject to the provisions of Section 13 hereof, the City hereby covenants and agrees that the amount of pledged Net Revenues of the System ($1,000), together with other lawfully available revenues appropriated by the City for payment of the Debt Service Requirements on the Certificates and ad valorem taxes levied, collected and deposited in the Certificate Fund for and on behalf of the Certificates, will be an amount equal to one hundred percent (100%) of the amount required to fully pay the interest and principal due and payable on the Certificates. In addition, any surplus proceeds from the sale of the Certificates not expended for authorized purposes shall be deposited in the Certificate Fund, or another fund created for the payment of the principal of and interest on any Certificates, and such amounts so deposited shall reduce the sums otherwise required to be deposited in said Fund from ad valorem taxes and the Net Revenues of the System.

SECTION 16. Security of Funds. All moneys on deposit in the Funds for which this Ordinance makes provision (except any portion thereof as may be at any time properly invested) shall be secured in the manner and to the fullest extent required by the laws of the State of Texas for the security of public funds, and moneys on deposit in such Funds shall be used only for the purposes permitted by this Ordinance.

SECTION 17. Remedies in Event of Default. In addition to all the rights and remedies provided by the laws of the State of Texas, the City covenants and agrees particularly that in the event the City (a) defaults in the payments to be made to the Certificate Fund, or (b) defaults in the observance or performance of any other of the covenants, conditions or obligations set forth in this Ordinance, the Holder of any of the Certificates shall be entitled to a writ of mandamus issued by a court of proper jurisdiction compelling and requiring the governing body of the City and other officers of the City to observe and perform any covenant, condition or obligation prescribed in this Ordinance.

No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power, or shall be construed to be a waiver of any such default or acquiescence therein, and every such right and power may be exercised from time to time and as often as may be deemed expedient. The specific remedies herein provided shall be cumulative of all other existing remedies and the specification of such remedies shall not be deemed to be exclusive.

SECTION 18. Special Covenants. The City hereby further covenants as follows:

(a) It has the lawful power to pledge the Net Revenues of the System to the payment of the Certificates in the manner herein contemplated and has lawfully exercised such power under the Constitution and laws of the State of Texas, including said power existing under V.T.C.A, Government Code, Chapter 1502, as amended, and V.T.C.A., Local Government Code, Subchapter C of Chapter 271, as amended.

(b) Other than for the payment of the Previously Issued Certificates and the Certificates, the Net Revenues of the System have not in any manner been pledged to the payment of any debt or obligation of the City or of the System.

SECTION 19. Issuance of Prior Lien Obligations. The City hereby expressly reserves the right to hereafter issue Prior Lien Obligations, without limitation as to principal amount but subject to any terms, conditions or restrictions applicable thereto under law or otherwise, payable, in whole or in part, from the Net Revenues (without impairment of the obligation of contract with the Holders of the Certificates) upon such terms and conditions as the City Council may determine.

Additionally, the City reserves the right to issue Additional Obligations, without limitation or any restriction or condition being applicable to their issuance under the terms of this Ordinance, payable from and secured by a lien on and pledge of the Net Revenues of the System of equal rank and dignity, and on a parity in all respects, with the lien thereon and pledge thereof securing the payment of the Previously Issued Certificates and the Certificates.

SECTION 20. Application of Prior Lien Obligations Covenants and Agreements. It is the intention of this governing body and accordingly hereby recognized and stipulated that the provisions, agreements and covenants contained herein bearing upon the management and operations of the System, and the administering and application of revenues derived from the operation thereof, shall to the extent possible be harmonized with like provisions, agreements and covenants contained in the ordinances authorizing the issuance of the Prior Lien Obligations, and to the extent of any irreconcilable conflict between the provisions contained herein and in the ordinances authorizing the issuance of the Prior Lien Obligations, the provisions, agreements and covenants contained therein shall prevail to the extent of such conflict and be applicable to this Ordinance but in all respects subject to the priority of rights and benefits, if any, conferred thereby to the holders of the Prior Lien Obligations.

SECTION 21. Mutilated - Destroyed - Lost and Stolen Certificates. In case any Certificate shall be mutilated, or destroyed, lost or stolen, the Paying Agent/Registrar may execute and deliver a replacement Certificate of like form and tenor, and in the same denomination and bearing a number not contemporaneously outstanding, in exchange and substitution for such mutilated Certificate, or in lieu of and in substitution for such destroyed, lost or stolen Certificate, only upon the approval of the City and after (i) the filing by the Holder thereof with the Paying Agent/Registrar of evidence satisfactory to the Paying Agent/Registrar of the destruction, loss or theft of such Certificate, and of the authenticity of the ownership thereof and (ii) the furnishing to the Paying Agent/Registrar of indemnification in an amount satisfactory to hold the City and the Paying Agent/Registrar harmless. All expenses and charges associated with such indemnity and with the preparation, execution and delivery of a replacement Certificate shall be borne by the Holder of the Certificate mutilated, or destroyed, lost or stolen.

Every replacement Certificate issued pursuant to this Section shall be a valid and binding obligation, and shall be entitled to all the benefits of this Ordinance equally and ratably with all other Outstanding Certificates; notwithstanding the enforceability of payment by anyone of the destroyed, lost, or stolen Certificates. The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement and payment of mutilated, destroyed, lost or stolen Certificates.

SECTION 22. Satisfaction of Obligation of City. If the City shall pay or cause to be paid, or there shall otherwise be paid to the Holders, the principal of, premium, if any, and interest on the Certificates, at the times and in the manner stipulated in this Ordinance, then the limited pledge of taxes levied under this Ordinance and the Net Revenues of the System and all covenants, agreements, and other obligations of the City to the Holders shall thereupon cease, terminate, and be discharged and satisfied.

Certificates or any principal amount(s) thereof shall be deemed to have been paid within the meaning and with the effect expressed above in this Section when (i) money sufficient to pay in full such Certificates or the principal amount(s) thereof at maturity or the redemption date therefor, together with all interest due thereon, shall have been irrevocably deposited with and held in trust by the Paying Agent/Registrar, or an authorized escrow agent, or (ii) Government Securities shall have been irrevocably deposited in trust with the Paying Agent/Registrar, or an authorized escrow agent, which Government Securities have been certified by an independent accounting firm to mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money, together with any moneys deposited therewith, if any, to pay when due the principal of and interest on such Certificates, or the principal amount(s) thereof, on and prior to the Stated Maturity thereof or (if notice of redemption has been duly given or waived or if irrevocable arrangements therefor acceptable to the Paying Agent/ Registrar have been made) the redemption date thereof. The City covenants that no deposit of moneys or Government Securities will be made under this Section and no use made of any such deposit which would cause the Certificates to be treated as "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, or regulations adopted pursuant thereto.

Any moneys so deposited with the Paying Agent/ Registrar, or an authorized escrow agent, and all income from Government Securities held in trust by the Paying Agent/Registrar, or an authorized escrow agent, pursuant to this Section which is not required for the payment of the Certificates, or any principal amount(s) thereof, or interest thereon with respect to which such moneys have been so deposited shall be remitted to the City or deposited as directed by the City. Furthermore, any money held by the Paying Agent/Registrar for the payment of the principal of and interest on the Certificates and remaining unclaimed for a period of three (3) years after the Stated Maturity, or applicable redemption date, of the Certificates such moneys were deposited and are held in trust to pay shall upon the request of the City be remitted to the City against a written receipt therefor. Notwithstanding the above and foregoing, any remittance of funds from the Paying Agent/Registrar to the City shall be subject to any applicable unclaimed property laws of the State of Texas.

SECTION 23. Ordinance a Contract - Amendments. This Ordinance shall constitute a contract with the Holders from time to time, be binding on the City, and shall not be amended or repealed by the City so long as any Certificate remains Outstanding except as permitted in this Section and in Section 39 hereof. The City may, without the consent of or notice to any Holders, from time to time and at any time, amend this Ordinance in any manner not detrimental to the interests of the Holders, including the curing of any ambiguity, inconsistency, or formal defect or omission herein. In addition, the City may, with the consent of Holders holding a majority in aggregate principal amount of the Certificates then Outstanding affected thereby, amend, add to, or rescind any of the provisions of this Ordinance; provided that, without the consent of all Holders of Outstanding Certificates, no such amendment, addition, or rescission shall (1) extend the time or times of payment of the principal of, premium, if any, and interest on the Certificates, reduce the principal amount thereof, the redemption price, or the rate of interest thereon, or in any other way modify the terms of payment of the principal of, premium, if any, or interest on the Certificates, (2) give any preference to any Certificate over any other Certificate, or (3) reduce the aggregate principal amount of Certificates required to be held by Holders for consent to any such amendment, addition, or rescission.

SECTION 24. Covenants to Maintain Tax-Exempt Status.

(a) Definitions. When used in this Section, the following terms have the following meanings:

"Closing Date" means the date on which the Certificates are first authenticated and delivered to the initial purchasers against payment therefor.

"Code" means the Internal Revenue Code of 1986, as amended by all legislation, if any, effective on or before the Closing Date.

"Computation Date" has the meaning set forth in Section 1.148 1(b) of the Regulations.

"Gross Proceeds" means any proceeds as defined in Section 1.148 1(b) of the Regulations, and any replacement proceeds as defined in Section 1.148 1(c) of the Regulations, of the Certificates.

"Investment" has the meaning set forth in Section 1.148-1(b) of the Regulations.

"Nonpurpose Investment" means any investment property, as defined in section 148(b) of the Code, in which Gross Proceeds of the Certificates are invested and which is not acquired to carry out the governmental purposes of the Certificates.

"Rebate Amount" has the meaning set forth in Section 1.148 1(b) of the Regulations.

"Regulations" means any proposed, temporary, or final Income Tax Regulations issued pursuant to Sections 103 and 141 through 150 of the Code, and 103 of the Internal Revenue Code of 1954, which are applicable to the Certificates. Any reference to any specific Regulation shall also mean, as appropriate, any proposed, temporary or final Income Tax Regulation designed to supplement, amend or replace the specific Regulation referenced.

"Yield" of (1) any Investment has the meaning set forth in Section 1.148-5 of the Regulations and (2) the Certificates has the meaning set forth in Section 1.148-4 of the Regulations.

(b) Not to Cause Interest to Become Taxable. The City shall not use, permit the use of, or omit to use Gross Proceeds or any other amounts (or any property the acquisition, construction or improvement of which is to be financed directly or indirectly with Gross Proceeds) in a manner which if made or omitted, respectively, would cause the interest on any Certificate to become includable in the gross income, as defined in section 61 of the Code, of the owner thereof for federal income tax purposes. Without limiting the generality of the foregoing, unless and until the City receives a written opinion of counsel nationally recognized in the field of municipal bond law to the effect that failure to comply with such covenant will not adversely affect the exemption from federal income tax of the interest on any Certificate, the City shall comply with each of the specific covenants in this Section.

(c) No Private Use or Private Payments. Except as permitted by section 141 of the Code and the Regulations and rulings thereunder, the City shall at all times prior to the last Stated Maturity of Certificates:

> (1) exclusively own, operate and possess all property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with Gross Proceeds of the Certificates, and not use or permit the use of such Gross Proceeds (including all contractual arrangements with terms different than those applicable to the general public) or any property acquired, constructed or improved with such Gross Proceeds in any activity carried on by any person or entity (including the United States or any agency, department and instrumentality thereof) other than a state or local government, unless such use is solely as a member of the general public; and
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> (2) not directly or indirectly impose or accept any charge or other payment by any person or entity who is treated as using Gross Proceeds of the Certificates or any property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with such Gross Proceeds, other than taxes of general application within the City or interest earned on investments acquired with such Gross Proceeds pending application for their intended purposes.

(d) No Private Loan. Except to the extent permitted by section 141 of the Code and the Regulations and rulings thereunder, the City shall not use Gross Proceeds of the Certificates to make or finance loans to any person or entity other than a state or local government. For purposes of the foregoing covenant, such Gross Proceeds are considered to be "loaned" to a person or entity if: (1) property acquired, constructed or improved with such Gross Proceeds is sold or leased to such person or entity in a transaction which creates a debt for federal income tax purposes; (2) capacity in or service from such property is committed to such person or entity under a take-or-pay, output or similar contract or arrangement; or (3) indirect benefits, or burdens and benefits of ownership, of such Gross Proceeds or any property acquired, constructed or improved with such Gross Proceeds are otherwise transferred in a transaction which is the economic equivalent of a loan.

(e) Not to Invest at Higher Yield. Except to the extent permitted by section 148 of the Code and the Regulations and rulings thereunder, the City shall not at any time prior to the final Stated Maturity of the Certificates directly or indirectly invest Gross Proceeds in any Investment (or use Gross Proceeds to replace money so invested), if as a result of such investment the Yield from the Closing Date of all Investments acquired with Gross Proceeds (or with money replaced thereby), whether then held or previously disposed of, exceeds the Yield of the Certificates.

(f) Not Federally Guaranteed. Except to the extent permitted by section 149(b) of the Code and the Regulations and rulings thereunder, the City shall not take or omit to take any action which would cause the Certificates to be federally guaranteed within the meaning of section 149(b) of the Code and the Regulations and rulings thereunder.

(g) Information Report. The City shall timely file the information required by section 149(e) of the Code with the Secretary of the Treasury on Form 8038 G or such other form and in such place as the Secretary may prescribe.

(h) Rebate of Arbitrage Profits. Except to the extent otherwise provided in Section 148(f) of the Code and the Regulations and rulings thereunder:

> (1) The City shall account for all Gross Proceeds (including all receipts, expenditures and investments thereof) on its books of account separately and apart from all other funds (and receipts, expenditures and investments thereof) and shall retain all records of accounting for at least six years after the day on which the last Outstanding Certificate is discharged. However, to the extent permitted by law, the City may commingle Gross Proceeds of the Certificates with other money of the City, provided that the City separately accounts for each receipt and expenditure of Gross Proceeds and the obligations acquired therewith.
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> (2) Not less frequently than each Computation Date, the City shall calculate the Rebate Amount in accordance with rules set forth in Section 148(f) of the Code and the Regulations and rulings thereunder. The City shall maintain such calculations with its official transcript of proceedings relating to the issuance of the Certificates until six years after the final Computation Date.
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> (3) As additional consideration for the purchase of the Certificates by the Purchasers and the loan of the money represented thereby and in order to induce such purchase by measures designed to insure the excludability of the interest thereon from the gross income of the owners thereof for federal income tax purposes, the City shall pay to the United States out of the construction fund, other appropriate fund or, if permitted by applicable Texas statute, regulation or opinion of the Attorney General of the State of Texas, the Certificate Fund, the amount that when added to the future value of previous rebate payments made for the Certificates equals (i) in the case of a Final Computation Date as defined in

Section 1.148-3(e)(2) of the Regulations, one hundred percent (100%) of the Rebate Amount on such date; and (ii) in the case of any other Computation Date, ninety percent (90%) of the Rebate Amount on such date. In all cases, the rebate payments shall be made at the times, in the installments, to the place and in the manner as is or may be required by Section 148(f) of the Code and the Regulations and rulings thereunder, and shall be accompanied by Form 8038-T or such other forms and information as is or may be required by Section 148(f) of the Code and the Regulations and rulings thereunder.

(4) The City shall exercise reasonable diligence to assure that no errors are made in the calculations and payments required by paragraphs (2) and (3), and if an error is made, to discover and promptly correct such error within a reasonable amount of time thereafter (and in all events within one hundred eighty (180) days after discovery of the error), including payment to the United States of any additional Rebate Amount owed to it, interest thereon, and any penalty imposed under Section 1.148 3(h) of the Regulations.

(i) Not to Divert Arbitrage Profits. Except to the extent permitted by Section 148 of the Code and the Regulations and rulings thereunder, the City shall not, at any time prior to the earlier of the Stated Maturity or final payment of the Certificates, enter into any transaction that reduces the amount required to be paid to the United States pursuant to Subsection (h) of this Section because such transaction results in a smaller profit or a larger loss than would have resulted if the transaction had been at arm's length and had the Yield of the Certificates not been relevant to either party.

(j) Elections. The City hereby directs and authorizes the Mayor, Deputy Mayor, City Manager, Assistant City Manager/Chief Financial Officer and City Clerk, individually or jointly, to make elections permitted or required pursuant to the provisions of the Code or the Regulations, as they deem necessary or appropriate in connection with the Certificates, in the Certificate as to Tax Exemption or similar or other appropriate certificate, form or document.

(k) Qualified Tax Exempt Obligations. In accordance with the provisions of paragraph (3) of subsection (b) of Section 265 of the Code, the City hereby designates the Certificates to be "qualified tax exempt obligations" in that the Certificates are not "private activity bonds" as defined in the Code and the reasonably anticipated amount of "qualified tax exempt obligations" to be issued by the City (including all subordinate entities of the City) for the calendar year 2009 will not exceed $30,000,000.

SECTION 25. Sale of Certificates. Pursuant to a public sale for the Certificates, the bid submitted by _________________ (herein referred to as the "Purchasers") is declared to be the best bid received producing the lowest true interest cost rate to the City; such bid is hereby accepted and incorporated herein by reference as a part of this Ordinance for all purposes and the sale of the Certificates to said Purchasers at the price of par and accrued interest to the date of delivery, plus a premium of $_______ is hereby approved and confirmed. Delivery of the Certificates to the Purchasers shall occur as soon as possible upon payment being made therefor in accordance with the terms of sale.

SECTION 26. Official Statement. The use of the Preliminary Official Statement, dated July 20, 2009, in the offering and sale of the Certificates is hereby ratified, confirmed and approved in all respects, and the City Council hereby finds that the information and data contained in said Preliminary Official Statement pertaining to the City and its financial affairs is true and correct in all material respects and no material facts have been omitted therefrom which are necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. The final Official Statement, which reflects the terms of sale (together with such changes approved by the Mayor, Deputy Mayor, City Manager, Assistant City Manager/Chief Financial Officer and City Clerk, any one or more of said officials, shall be and is hereby in all respects approved and the Purchasers are hereby authorized to use and distribute said final Official Statement, dated September 8, 2009, in the reoffering, sale and delivery of the Certificates to the public.

SECTION 27. Proceeds of Sale. The proceeds of sale of the Certificates, excluding the accrued interest received from the Purchasers and amounts to pay costs of issuance, shall be deposited in a construction fund maintained at the City's depository bank or used to pay costs of issuance. Pending expenditure for authorized projects and purposes, such proceeds of sale may be invested in authorized investments in accordance with the provisions of V.T.C.A., Government Code, Chapter 2256, including guaranteed investment contracts permitted by V.T.C.A., Section 2256.015 et seq., and the City's investment policies and guidelines, and any investment earnings realized may be expended for such authorized projects and purposes or deposited in the Certificate Fund as shall be determined by the City Council. Accrued interest received from the Purchasers as well as all surplus proceeds of sale of the Certificates, including investment earnings, remaining after completion of all authorized projects or purposes shall be deposited to the credit of the Certificate Fund.

SECTION 28. Control and Custody of Certificates. The Mayor of the City shall be and is hereby authorized to take and have charge of all necessary orders and records pending the sale of the Certificates, the investigation by the Attorney General of the State of Texas, including the printing and supply of definitive Certificates, and shall take and have charge and control of the Initial Certificate(s) pending the approval thereof by the Attorney General, the registration thereof by the Comptroller of Public Accounts and the delivery thereof to the Purchasers.

SECTION 29. Notices to Holders - Waiver. Wherever this Ordinance provides for notice to Holders of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and sent by United States Mail, first class postage prepaid, to the address of each Holder appearing in the Security Register at the close of business on the business day next preceding the mailing of such notice.

In any case where notice to Holders is given by mail, neither the failure to mail such notice to any particular Holders, nor any defect in any notice so mailed, shall affect the sufficiency of such notice with respect to all other Certificates. Where this Ordinance provides for notice in any manner, such notice may be waived in writing by the Holder entitled to receive such notice, either before or after the event with respect to which such notice is given, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders shall be filed with the Paying Agent/Registrar, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

SECTION 30. Cancellation. All Certificates surrendered for payment, redemption, transfer, exchange, or replacement, if surrendered to the Paying Agent/Registrar, shall be promptly cancelled by it and, if surrendered to the City, shall be delivered to the Paying Agent/Registrar and, if not already cancelled, shall be promptly cancelled by the Paying Agent/Registrar. The City may at any time deliver to the Paying Agent/Registrar for cancellation any Certificates previously certified or registered and delivered which the City may have acquired in any manner whatsoever, and all Certificates so delivered shall be promptly cancelled by the Paying Agent/Registrar. All cancelled Certificates held by the Paying Agent/Registrar shall be returned to the City.

SECTION 31. Bond Counsel's Opinion. The Purchasers' obligation to accept delivery of the Certificates is subject to being furnished a final opinion of Fulbright & Jaworski L.L.P., Dallas, Texas, approving the Certificates as to their validity, said opinion to be dated and delivered as of the date of delivery and payment for the Certificates. An executed counterpart of said opinion shall accompany the global certificates deposited with The Depository Trust Company or a reproduction thereof shall be printed on the definitive Certificates in the event the book-entry-only system shall be discontinued.

SECTION 32. CUSIP Numbers. CUSIP numbers may be printed or typed on the definitive Certificates. It is expressly provided, however, that the presence or absence of CUSIP numbers on the definitive Certificates shall be of no significance or effect as regards the legality thereof and neither the City nor attorneys approving the Certificates as to legality are to be held responsible for CUSIP numbers incorrectly printed or typed on the definitive Certificates.

SECTION 33. Benefits of Ordinance. Nothing in this Ordinance, expressed or implied, is intended or shall be construed to confer upon any person other than the City, the Paying Agent/Registrar and the Holders, any right, remedy, or claim, legal or equitable, under or by reason of this Ordinance or any provision hereof, and this Ordinance and all its provisions is intended to be and shall be for the sole and exclusive benefit of the City, the Paying Agent/Registrar and the Holders.

SECTION 34. Inconsistent Provisions. All ordinances, orders or resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Ordinance are hereby repealed to the extent of such conflict, and the provisions of this Ordinance shall be and remain controlling as to the matters contained herein.

SECTION 35. Governing Law. This Ordinance shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

SECTION 36. Effect of Headings. The Section headings herein are for convenience of reference only and shall not affect the construction hereof.

SECTION 37. Construction of Terms. If appropriate in the context of this Ordinance, words of the singular number shall be considered to include the plural, words of the plural number shall be considered to include the singular, and words of the masculine, feminine or neuter gender shall be considered to include the other genders.

SECTION 38. Severability. If any provision of this Ordinance or the application thereof to any circumstance shall be held to be invalid, the remainder of this Ordinance and the application thereof to other circumstances shall nevertheless be valid, and the City Council hereby declares that this Ordinance would have been enacted without such invalid provision.

SECTION 39. Continuing Disclosure Undertaking.

(a) Definitions. As used in this Section, the following terms have the meanings ascribed to such terms below:

"MSRB" means the Municipal Securities Rulemaking Board.

"Rule" means SEC Rule 15c2 12, as amended from time to time.

"SEC" means the United States Securities and Exchange Commission.

(b) Annual Reports. The City shall provide annually to the MSRB: (1) within six months after the end of each fiscal year ending in or after 2009, financial information and operating data with respect to the City of the general type included in the final Official Statement approved in Section 26 of this Ordinance, being the information described in **Exhibit B** hereto, and (2) if not provided as part of such financial information and operating data, audited financial statements of the City, when and if available. Financial statements to be provided shall be (1) prepared in accordance with the accounting principles described in **Exhibit B** hereto and (2) audited, if the City commissions an audit of such statements and the audit is completed within the period during which they must be provided. If audited financial statements are not available at the time the financial information and operating data must be provided, then the City shall provide unaudited financial statements for the applicable fiscal year and shall provide audited financial statements, when and if the same become available.

If the City changes its fiscal year, it will notify the MSRB of the change (and of the date of the new fiscal year end) prior to the next date by which the City otherwise would be required to provide financial information and operating data pursuant to this Section.

The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any documents available to the public on the MSRB's Internet web site or filed with the SEC.

(c) Material Event Notices. The City shall notify the MSRB, in a timely manner, of any of the following events with respect to the Certificates, if such event is material within the meaning of the federal securities laws:

(1) Principal and interest payment delinquencies;
(2) Non-payment related defaults;
(3) Unscheduled draws on debt service reserves reflecting financial difficulties;

(4) Unscheduled draws on credit enhancements reflecting financial difficulties;
(5) Substitution of credit or liquidity providers, or their failure to perform;
(6) Adverse tax opinions or events affecting the tax-exempt status of the Certificates;
(7) Modifications to rights of holders of the Certificates;
(8) Certificate calls;
(9) Defeasances;
(10) Release, substitution, or sale of property securing repayment of the Certificates; and
(11) Rating changes.

The City shall notify the MSRB, in a timely manner, of any failure by the City to provide financial information or operating data in accordance with subsection (b) of this Section by the time required by such Section.

(d) Filings with the MSRB. All financial information, operating data, financial statements, notices, and other documents provided to the MSRB in accordance with this Section shall be provided in an electronic format prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB.

(e) Limitations, Disclaimers, and Amendments. The City shall be obligated to observe and perform the covenants specified in this Section while, but only while, the City remains an "obligated person" with respect to the Certificates within the meaning of the Rule, except that the City in any event will give the notice required by subsection (c) hereof of any Certificate calls and defeasance that cause the City to be no longer such an "obligated person."

The provisions of this Section are for the sole benefit of the Holders and beneficial owners of the Certificates, and nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The City undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Section and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the City's financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Section or otherwise, except as expressly provided herein. The City does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Certificates at any future date.

UNDER NO CIRCUMSTANCES SHALL THE CITY BE LIABLE TO THE HOLDER OR BENEFICIAL OWNER OF ANY CERTIFICATE OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE CITY, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS SECTION, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

No default by the City in observing or performing its obligations under this Section shall constitute a breach of or default under this Ordinance for purposes of any other provision of this Ordinance.

Nothing in this Section is intended or shall act to disclaim, waive, or otherwise limit the duties of the City under federal and state securities laws.

Notwithstanding anything herein to the contrary, the provisions of this Section may be amended by the City from time to time to adapt to changed circumstances resulting from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the City, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Certificates in the primary offering of the Certificates in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (2) either (a) the Holders of a majority in aggregate principal amount (or any greater amount required by any other provision of this Ordinance that authorizes such an amendment) of the Outstanding Certificates consent to such amendment or (b) a Person that is unaffiliated with the City (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the Holders and beneficial owners of the Certificates. The provisions of this Section may also be amended from time to time or repealed by the City if the SEC amends or repeals the applicable provisions of the Rule or a court of final jurisdiction determines that such provisions are invalid, but only if and to the extent that reservation of the City's right to do so would not prevent underwriters of the initial public offering of the Certificates from lawfully purchasing or selling Certificates in such offering. If the City so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided in accordance with subsection (b) an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information or operating data so provided.

SECTION 40. Further Procedures. Any one or more of the Mayor, Deputy Mayor, City Manager, Assistant City Manager/Chief Financial Officer or City Clerk are hereby expressly authorized, empowered and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge and deliver in the name and on behalf of the City all agreements, instruments, certificates or other documents, whether mentioned herein or not, as may be necessary or desirable in order to carry out the terms and provisions of this Ordinance and the issuance, sale and delivery of the Certificates. In addition, prior to the initial delivery of the Certificates, the Mayor, Deputy Mayor, City Manager, Assistant City Manager/Chief Financial Officer or City Clerk or Bond Counsel to the City are each hereby authorized and directed to approve any changes or corrections to this Ordinance or to any of the documents authorized and approved by this Ordinance: (i) in order to cure any ambiguity, formal defect, or omission in the Ordinance or such other document; or (ii) as requested by the Attorney General of the State of Texas or his representative to obtain the approval of the Certificates by the Attorney General. In the event that any officer of the City whose signature shall appear on any document shall cease to be such officer before the delivery of such document, such signature nevertheless shall be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

SECTION 41. Incorporation of Findings and Determinations. The findings and determinations of the City Council contained in the preamble hereof are hereby incorporated by reference and made a part of this Ordinance for all purposes as if the same were restated in full in this Section.

SECTION 42. Public Meeting. It is officially found, determined, and declared that the meeting at which this Ordinance is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Ordinance, was given, all as required by V.T.C.A., Government Code, Chapter 551, as amended.

SECTION 43. Effective Date. This Ordinance shall take effect and be in full force immediately from and after its adoption on the date hereof in accordance with the provisions of V.T.C.A., Government Code, Section 1201.028, as amended.

[Remainder of page left blank intentionally]

INTRODUCED AND ADOPTED on this the 8th day of September, 2009.

EFFECTIVE DATE on this the 8th day of September, 2009.

CITY OF SHERMAN, TEXAS

BY: ______________________________
BILL MAGERS, MAYOR

ATTEST:

BY: ____________________________________
LINDA ASHBY, CITY CLERK

APPROVED AS TO FORM AND CONTENT:

BY: ____________________________________
BRANDON S. SHELBY,
CITY ATTORNEY

(City Seal)

Exhibit A

PAYING AGENT/REGISTRAR AGREEMENT

THIS AGREEMENT is entered into as of September 8, 2009 (this "Agreement"), by and between The Bank of New York Mellon Trust Company, N.A., Dallas, Texas, a banking association duly organized and existing under the laws of the United States of America (the "Bank") and the City of Sherman, Texas (the "Issuer"),

RECITALS

WHEREAS, the Issuer has duly authorized and provided for the issuance of its "City of Sherman, Texas, Tax and Waterworks and Sewer System (Limited Pledge) Revenue Certificates of Obligation, Series 2009A" (the "Securities"), dated September 1, 2009, such Securities scheduled to be delivered to the initial purchasers thereof on or about September 30, 2009; and

WHEREAS, the Issuer has selected the Bank to serve as Paying Agent/Registrar in connection with the payment of the principal of, premium, if any, and interest on said Securities and with respect to the registration, transfer and exchange thereof by the registered owners thereof; and

WHEREAS, the Bank has agreed to serve in such capacities for and on behalf of the Issuer and has full power and authority to perform and serve as Paying Agent/Registrar for the Securities;

NOW, THEREFORE, it is mutually agreed as follows:

ARTICLE ONE
APPOINTMENT OF BANK AS PAYING AGENT AND REGISTRAR

Section 1.01 Appointment. The Issuer hereby appoints the Bank to serve as Paying Agent with respect to the Securities, and, as Paying Agent for the Securities, the Bank shall be responsible for paying on behalf of the Issuer the principal, premium (if any), and interest on the Securities as the same become due and payable to the registered owners thereof; all in accordance with this Agreement and the "Authorizing Document" (hereinafter defined). The Issuer hereby appoints the Bank as Registrar with respect to the Securities and, as Registrar for the Securities, the Bank shall keep and maintain for and on behalf of the Issuer books and records as to the ownership of said Securities and with respect to the transfer and exchange thereof as provided herein and in the Authorizing Document.

The Bank hereby accepts its appointment, and agrees to serve as the Paying Agent and Registrar for the Securities.

Section 1.02 Compensation. As compensation for the Bank's services as Paying Agent/Registrar, the Issuer hereby agrees to pay the Bank the fees and amounts set forth in Annex A attached hereto.

In addition, the Issuer agrees to reimburse the Bank upon its request for all reasonable expenses, disbursements and advances incurred or made by the Bank in accordance with any of the provisions hereof (including the reasonable compensation and the expenses and disbursements of its agents and counsel).

ARTICLE TWO
DEFINITIONS

Section 2.01 Definitions. For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

"Acceleration Date" on any Security means the date on and after which the principal or any or all installments of interest, or both, are due and payable on any Security which has become accelerated pursuant to the terms of the Security.

"Authorizing Document" means the resolution, order, or ordinance of the governing body of the Issuer pursuant to which the Securities are issued, as the same may be amended or modified, including any pricing certificate related thereto, certified by the secretary or any other officer of the Issuer and delivered to the Bank.

"Bank Office" means the designated office of the Bank at the address shown in Section 3.01 hereof. The Bank will notify the Issuer in writing of any change in location of the Bank Office.

"Fiscal Year" means the fiscal year of the Issuer, ending September 30th.

"Holder" and "Security Holder" each means the Person in whose name a Security is registered in the Security Register.

"Issuer Request" and "Issuer Order" means a written request or order signed in the name of the Issuer by the Mayor, Deputy Mayor, City Manager, Assistant City Manager/Chief Financial Officer, or City Clerk, any one or more of said officials, and delivered to the Bank.

"Legal Holiday" means a day on which the Bank is required or authorized to be closed.

"Person" means any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision of a government.

"Predecessor Securities" of any particular Security means every previous Security evidencing all or a portion of the same obligation as that evidenced by such particular Security (and, for the purposes of this definition, any mutilated, lost, destroyed, or stolen Security for which a replacement Security has been registered and delivered in lieu thereof pursuant to Section 4.06 hereof and the Authorizing Document).

"Redemption Date", when used with respect to any Security to be redeemed, means the date fixed for such redemption pursuant to the terms of the Authorizing Document.

"Responsible Officer", when used with respect to the Bank, means the Chairman or Vice-Chairman of the Board of Directors, the Chairman or Vice-Chairman of the Executive Committee of the Board of Directors, the President, any Vice President, the Secretary, any Assistant Secretary, the Treasurer, any Assistant Treasurer, the Cashier, any Assistant Cashier, any Trust Officer or Assistant Trust Officer, or any other officer of the Bank customarily performing functions similar to those performed by any of the above designated officers and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of his knowledge of and familiarity with the particular subject.

"Security Register" means a register maintained by the Bank on behalf of the Issuer providing for the registration and transfers of Securities.

"Stated Maturity" means the date specified in the Authorizing Document the principal of a Security is scheduled to be due and payable.

Section 2.02 Other Definitions. The terms "Bank," "Issuer," and "Securities (Security)" have the meanings assigned to them in the recital paragraphs of this Agreement.

The term "Paying Agent/Registrar" refers to the Bank in the performance of the duties and functions of this Agreement.

ARTICLE THREE
PAYING AGENT

Section 3.01 Duties of Paying Agent. As Paying Agent, the Bank shall pay, provided adequate collected funds have been provided to it for such purpose by or on behalf of the Issuer, on behalf of the Issuer the principal of each Security at its Stated Maturity, Redemption Date or Acceleration Date, to the Holder upon surrender of the Security to the Bank at the following address:

First Class/ Registered/Certified	**Express Delivery Only**	**By Hand Only**
The Bank of New York Mellon Trust Company, N.A. Global Corporate Trust P. O. Box 2320 Dallas, Texas 75221-2320	The Bank of New York Mellon Trust Company, N.A. Global Corporate Trust 2001 Bryan Street, 9th Floor Dallas, Texas 75201	The Bank of New York Mellon Trust Company, N.A. Global Corporate Trust Corporate Trust Window 101 Barclay Street, 1st Floor East New York, New York 10286

As Paying Agent, the Bank shall, provided adequate collected funds have been provided to it for such purpose by or on behalf of the Issuer, pay on behalf of the Issuer the interest on each Security when due, by computing the amount of interest to be paid each Holder and making payment thereof to the Holders of the Securities (or their Predecessor Securities) on the Record Date (as defined in the Authorizing Document). All payments of principal and/or interest on the Securities to the registered owners shall be accomplished (1) by the issuance of checks, payable to the registered owners, drawn on the paying agent account provided in Section 5.05 hereof, sent by United States mail, first class postage prepaid, to the address appearing on the Security Register or (2) by such other method, acceptable to the Bank, requested in writing by the Holder at the Holder's risk and expense.

Section 3.02 Payment Dates. The Issuer hereby instructs the Bank to pay the principal of and interest on the Securities on the dates specified in the Authorizing Document.

ARTICLE FOUR
REGISTRAR

Section 4.01 Security Register - Transfers and Exchanges. The Bank agrees to keep and maintain for and on behalf of the Issuer at the Bank Office books and records (herein sometimes referred to as the "Security Register") for recording the names and addresses of the Holders of the Securities, the transfer, exchange and replacement of the Securities and the payment of the principal of and interest on the Securities to the Holders and containing such other information as may be reasonably required by the Issuer and subject to such reasonable regulations as the Issuer and the Bank may prescribe. All transfers, exchanges and replacements of Securities shall be noted in the Security Register.

Every Security surrendered for transfer or exchange shall be duly endorsed or be accompanied by a written instrument of transfer, the signature on which has been guaranteed by an officer of a federal or state bank or a member of the National Association of Securities Dealers, such written instrument to be in a form satisfactory to the Bank and duly executed by the Holder thereof or his agent duly authorized in writing.

The Bank may request any supporting documentation it feels necessary to effect a re-registration, transfer or exchange of the Securities.

To the extent possible and under reasonable circumstances, the Bank agrees that, in relation to an exchange or transfer of Securities, the exchange or transfer by the Holders thereof will be completed and new Securities delivered to the Holder or the assignee of the Holder in not more than three (3) business days after the receipt of the Securities to be cancelled in an exchange or transfer and the written instrument of transfer or request for exchange duly executed by the Holder, or his duly authorized agent, in form and manner satisfactory to the Paying Agent/Registrar.

Section 4.02 Securities. The Issuer shall provide additional Securities when needed to facilitate transfers or exchanges thereof. The Bank covenants that such additional Securities, if and when provided, will be kept in safekeeping pending their use and reasonable care will be exercised by the Bank in maintaining such Securities in safekeeping, which shall be not less than the care maintained by the Bank for debt securities of other governments or corporations for which it serves as registrar, or that is maintained for its own securities.

Section 4.03 Form of Security Register. The Bank, as Registrar, will maintain the Security Register relating to the registration, payment, transfer and exchange of the Securities in accordance with the Bank's general practices and procedures in effect from time to time. The Bank shall not be obligated to maintain such Security Register in any form other than those which the Bank has currently available and currently utilizes at the time.

The Security Register may be maintained in written form or in any other form capable of being converted into written form within a reasonable time.

Section 4.04 List of Security Holders. The Bank will provide the Issuer at any time requested by the Issuer, upon payment of the required fee, a copy of the information contained in the Security Register. The Issuer may also inspect the information contained in the Security Register at any time the Bank is customarily open for business, provided that reasonable time is allowed the Bank to provide an up-to-date listing or to convert the information into written form.

The Bank will not release or disclose the contents of the Security Register to any person other than to, or at the written request of, an authorized officer or employee of the Issuer, except upon receipt of a court order or as otherwise required by law. Upon receipt of a court order and prior to the release or disclosure of the contents of the Security Register, the Bank will notify the Issuer so that the Issuer may contest the court order or such release or disclosure of the contents of the Security Register.

Section 4.05 Return of Cancelled Securities. The Bank will, at such reasonable intervals as it determines, surrender to the Issuer, all Securities in lieu of which or in exchange for which other Securities have been issued, or which have been paid.

Section 4.06 Mutilated, Destroyed, Lost or Stolen Securities. The Issuer hereby instructs the Bank, subject to the provisions of the Authorizing Document, to deliver and issue Securities in exchange for or in lieu of mutilated, destroyed, lost, or stolen Securities as long as the same does not result in an overissuance.

In case any Security shall be mutilated, destroyed, lost or stolen, the Bank may execute and deliver a replacement Security of like form and tenor, and in the same denomination and bearing a number not contemporaneously outstanding, in exchange and substitution for such mutilated Security, or in lieu of and in substitution for such mutilated, destroyed, lost or stolen Security, only upon the approval of the Issuer and after (i) the filing by the Holder thereof with the Bank of evidence satisfactory to the Bank of the destruction, loss or theft of such Security, and of the authenticity of the ownership thereof and (ii) the furnishing to the Bank of indemnification in an amount satisfactory to hold the Issuer and the Bank harmless. All expenses and charges associated with such indemnity and with the preparation, execution and delivery of a replacement Security shall be borne by the Holder of the Security mutilated, destroyed, lost or stolen.

Section 4.07 Transaction Information to Issuer. The Bank will, within a reasonable time after receipt of written request from the Issuer, furnish the Issuer information as to the Securities it has paid pursuant to Section 3.01, Securities it has delivered upon the transfer or exchange of any Securities pursuant to Section 4.01, and Securities it has delivered in exchange for or in lieu of mutilated, destroyed, lost, or stolen Securities pursuant to Section 4.06.

ARTICLE FIVE
THE BANK

Section 5.01 Duties of Bank. The Bank undertakes to perform the duties set forth herein and agrees to use reasonable care in the performance thereof.

Section 5.02 Reliance on Documents, Etc.

(a) The Bank may conclusively rely, as to the truth of the statements and correctness of the opinions expressed therein, on certificates or opinions furnished to the Bank.

(b) The Bank shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it shall be proved that the Bank was negligent in ascertaining the pertinent facts.

(c) No provisions of this Agreement shall require the Bank to expend or risk its own funds or otherwise incur any financial liability for performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity satisfactory to it against such risks or liability is not assured to it.

(d) The Bank may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note, security or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. Without limiting the generality of the foregoing statement, the Bank need not examine the ownership of any Securities, but is protected in acting upon receipt of Securities containing an endorsement or instruction of transfer or power of transfer which appears on its face to be signed by the Holder or an agent of the Holder. The Bank shall not be bound to make any investigation into the facts or matters stated in a resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note, security or other paper or document supplied by the Issuer.

(e) The Bank may consult with counsel, and the written advice of such counsel or any opinion of counsel shall be full and complete authorization and protection with respect to any action taken, suffered, or omitted by it hereunder in good faith and in reliance thereon.

(f) The Bank may exercise any of the powers hereunder and perform any duties hereunder either directly or by or through agents or attorneys of the Bank.

(g) The Bank is also authorized to transfer funds relating to the closing and initial delivery of the Securities in the manner disclosed in the closing memorandum or letter as prepared by the Issuer, Issuer's financial advisor or other agent. The Bank may act on a facsimile or e-mail transmission of the closing memorandum or letter acknowledged by the Issuer, the Issuer's financial advisor or other agent as the final closing memorandum or letter. The Bank shall not be liable for any losses, costs or expenses arising directly or indirectly from the Bank's reliance upon and compliance with such instructions.

Section 5.03 Recitals of Issuer. The recitals contained herein with respect to the Issuer and in the Securities shall be taken as the statements of the Issuer, and the Bank assumes no responsibility for their correctness.

The Bank shall in no event be liable to the Issuer, any Holder or Holders of any Security, or any other Person for any amount due on any Security from its own funds.

Section 5.04 May Hold Securities. The Bank, in its individual or any other capacity, may become the owner or pledgee of Securities and may otherwise deal with the Issuer with the same rights it would have if it were not the Paying Agent/Registrar, or any other agent.

Section 5.05 Moneys Held by Bank - Paying Agent Account/Collateralization. A paying agent account shall at all times be kept and maintained by the Bank for the receipt, safekeeping, and disbursement of moneys received from the Issuer under this Agreement for the payment of the Securities, and money deposited to the credit of such account until paid to the Holders of the Securities shall be continuously collateralized by securities or obligations which qualify and are eligible under both the laws of the State of Texas and the laws of the United States of America to secure and be pledged as collateral for paying agent accounts to the extent such money is not insured by the Federal Deposit Insurance Corporation. Payments made from such paying agent account shall be made by check drawn on such account unless the owner of the Securities shall, at its own expense and risk, request an alternative method of payment.

Subject to the applicable unclaimed property laws of the State of Texas, any money deposited with the Bank for the payment of the principal of, premium (if any), or interest on any Security and remaining unclaimed for three years after final maturity of the Security has become due and payable will be held by the Bank and disposed of only in accordance with Title 6 of the Texas Property Code, as amended. The Bank shall have no liability by virtue of actions taken in compliance with this provision.

The Bank is not obligated to pay interest on any money received by it under this Agreement.

This Agreement relates solely to money deposited for the purposes described herein, and the parties agree that the Bank may serve as depository for other funds of the Issuer, act as trustee under indentures authorizing other bond transactions of the Issuer, or act in any other capacity not in conflict with its duties hereunder.

Section 5.06 Indemnification. To the extent permitted by law, the Issuer agrees to indemnify the Bank for, and hold it harmless against, any loss, liability, or expense incurred without negligence or bad faith on its part, arising out of or in connection with its acceptance or administration of its duties hereunder, including the cost and expense against any claim or liability in connection with the exercise or performance of any of its powers or duties under this Agreement.

Section 5.07 Interpleader. The Issuer and the Bank agree that the Bank may seek adjudication of any adverse claim, demand, or controversy over its person as well as funds on deposit, in either a Federal or State District Court located in the State and County where the administrative offices of the Issuer are located, and agree that service of process by certified or registered mail, return receipt requested, to the address referred to in Section 6.03 of this

Agreement shall constitute adequate service. The Issuer and the Bank further agree that the Bank has the right to file a Bill of Interpleader in any court of competent jurisdiction in the State of Texas to determine the rights of any Person claiming any interest herein.

In the event the Bank becomes involved in litigation in connection with this Section, the Issuer, to the extent permitted by law, agrees to indemnify and save the Bank harmless from all loss, cost, damages, expenses, and attorney fees suffered or incurred by the Bank as a result. The obligations of the Bank under this Agreement shall be performable at the principal corporate office of the Bank in the City of Dallas, Texas.

Section 5.08 DTC Services. It is hereby represented and warranted that, in the event the Securities are otherwise qualified and accepted for "Depository Trust Company" services or equivalent depository trust services by other organizations, the Bank has the capability and, to the extent within its control, will comply with the "Operational Arrangements", which establishes requirements for securities to be eligible for such type depository trust services, including, but not limited to, requirements for the timeliness of payments and funds availability, transfer turnaround time, and notification of redemptions and calls.

ARTICLE SIX
MISCELLANEOUS PROVISIONS

Section 6.01 Amendment. This Agreement may be amended only by an agreement in writing signed by both of the parties hereto.

Section 6.02 Assignment. This Agreement may not be assigned by either party without the prior written consent of the other.

Section 6.03 Notices. Any request, demand, authorization, direction, notice, consent, waiver, or other document provided or permitted hereby to be given or furnished to the Issuer or the Bank shall be mailed or delivered to the Issuer or the Bank, respectively, at the addresses shown on the signature page hereof.

Section 6.04 Effect of Headings. The Article and Section headings herein are for convenience of reference only and shall not affect the construction hereof.

Section 6.05 Successors and Assigns. All covenants and agreements herein by the Issuer shall bind its successors and assigns, whether so expressed or not.

Section 6.06 Severability. In case any provision herein shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 6.07 Merger, Conversion, Consolidation, or Succession. Any corporation or association into which the Bank may be merged or converted or with which it may be consolidated, or any corporation or association resulting from any merger, conversion, or consolidation to which the Bank shall be a party, or any corporation or association succeeding to all or substantially all of the corporate trust business of the Bank shall be the successor of the

Bank as Paying Agent under this Agreement without the execution or filing of any paper or any further act on the part of either parties hereto.

Section 6.08 Benefits of Agreement. Nothing herein, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder, any benefit or any legal or equitable right, remedy, or claim hereunder.

Section 6.09 Entire Agreement. This Agreement and the Authorizing Document constitute the entire agreement between the parties hereto relative to the Bank acting as Paying Agent/Registrar and if any conflict exists between this Agreement and the Authorizing Document, the Authorizing Document shall govern.

Section 6.10 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which shall constitute one and the same Agreement.

Section 6.11 Termination. This Agreement will terminate (i) on the date of final payment of the principal of and interest on the Securities to the Holders thereof or (ii) may be earlier terminated by either party upon sixty (60) days written notice; provided, however, an early termination of this Agreement by either party shall not be effective until (a) a successor Paying Agent/Registrar has been appointed by the Issuer and such appointment accepted and (b) notice has been given to the Holders of the Securities of the appointment of a successor Paying Agent/Registrar. However, if the Issuer fails to appoint a successor Paying Agent/Registrar within a reasonable time, the Bank may petition a court of competent jurisdiction within the State of Texas to appoint a successor. Furthermore, the Bank and the Issuer mutually agree that the effective date of an early termination of this Agreement shall not occur at any time which would disrupt, delay or otherwise adversely affect the payment of the Securities.

Upon an early termination of this Agreement, the Bank agrees to promptly transfer and deliver the Security Register (or a copy thereof), together with the other pertinent books and records relating to the Securities, to the successor Paying Agent/Registrar designated and appointed by the Issuer.

The provisions of Section 1.02 and of Article Five shall survive and remain in full force and effect following the termination of this Agreement.

Section 6.12 Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of Texas.

[remainder of page left blank intentionally]

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

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., Dallas, Texas

BY:______________________________________
Title:_____________________________________

Address: 2001 Bryan Street, 8th Floor
Dallas, Texas 75201

Attest:

____
Title:_________________________________

CITY OF SHERMAN, TEXAS

BY: ______________________________________
Mayor

Address: 220 West Mulberry Street
Sherman, Texas 75090

Attest:

____
City Clerk

Exhibit B

DESCRIPTION OF ANNUAL FINANCIAL INFORMATION

The following information is referred to in Section 39 of this Ordinance.

Annual Financial Statements and Operating Data

The financial information and operating data with respect to the City to be provided annually in accordance with such Section are as specified (and included in the Appendix or under the headings of the Official Statement referred to) below:

(1) The financial statements of the City appended to the Official Statement as Appendix C for the most recently concluded fiscal year.

(2) The information contained in Tables 1 through 5 and 7 through 11. in the Official Statement.

Accounting Principles

The accounting principles referred to in such Section are generally those described in Appendix C to the Official Statement, as such principles may be changed from time to time to comply with state law or regulation.

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 9-8-2009

Subject: Agenda Item No. B.5

INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 5621
Amending Chapter 13 of the Code of Ordinances, entitled "Utilities", at Article 13.08, entitled "Utility Billing", at Sections 13.08.005 and 13.08.006, Revising Rates for Water and Sewer for Fiscal Year 2009-2010

Issue
Increase in water and sewer rates

Background
As part of the budget process for the Fiscal Year 2009-2010, the Council approved a modest increase in water and sewer rates to offset increasing costs and declining revenues in the Utility Fund. This ordinance increases water and sewer rates by 1.5%, which is expected to generate about $270,000 in additional revenue. The rate increase will take effect October 1, 2009.

Origination
City Council

Financial Consideration
This rate change is expected to generate an additional $270,000 in revenue.

Staff Recommendation
Staff recommends adoption of the ordinance.

Alternatives
The Council could elect not to increase rates or could adopt rates different than those proposed.

Attachments
Ordinance No. 5621

Prepared by:
Robby Hefton, Assistant City Manager/CFO

Approved by:
George Olson, City Manager

ORDINANCE NO. 5621

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING CHAPTER 13 OF THE CODE OF ORDINANCES, ENTITLED "UTILITIES", AT ARTICLE 13.08, ENTITLED "UTILITY BILLING", AT SECTIONS 13.08.005 AND 13.08.006, REVISING RATES FOR WATER AND SEWER FOR FISCAL YEAR 2009-2010; PROVIDING FOR INCLUSION IN THE CODE OF ORDINANCES; PROVIDING FOR SEVERABILITY; PROVIDING FOR A REPEALER; FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS ORDINANCE IS PASSED WAS NOTICED AND IS OPEN TO THE PUBLIC AS REQUIRED BY LAW.

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

SECTION 1. That Chapter 13, Article 13.08, Section 13.08.005 of the Code of Ordinances of the City of Sherman, Texas, be and is hereby amended so that such section shall read as follows:

Sec. 13.08.005 Water rates

(a) Water furnished by the city to a customer, other than any customer who dwells or resides in a multiunit dwelling within the city limits shall be charged for at the following rates for the fiscal year beginning October 1, ~~2008~~ *2009* for the first fifteen hundred (1,500) gallons of water used according to meter size and unit of measurement of the meter register:

Meter Sizes (in inches)	Monthly Amount Oct 1, ~~2008~~ *2009*
5/8 or 3/4	$~~18.21~~ *18.48*
1	$~~35.88~~ *36.42*
1-1/2	$~~72.12~~ *73.20*
2	$~~122.87~~ *124.71*
3	$~~267.85~~ *271.87*
4	$~~470.83~~ *477.89*
6	$~~1,050.77~~ *1,066.53*

8	$~~1,862.69~~ *1,890.63*
10	$~~2,906.59~~ *2,950.19*

(b) Volume charge. Except as noted below, the charge for all water consumed in excess of the minimum fifteen hundred (1,500) gallons shall be billed at a rate of two dollars and sixty-*four* cents ($~~2.60~~ *2.64*) per one thousand (1,000) gallons of water used for the rates beginning October 1, ~~2008~~ *2009*. Water meters utilized for lawn sprinkling systems shall be charged according to meter size plus the consumption rate of two dollars and sixty-*four* cents ($~~2.60~~ *2.64*) per one thousand (1,000) gallons of water used in excess of the minimum fifteen hundred (1,500) gallons during months of July through October, beginning October 1, ~~2008~~ *2009*. During the billing months of November through June of any fiscal year, such water sprinkler meters shall be billed a minimum monthly charge as would be billed to a 5/8-inch or 3/4-inch meter.

(c) All multiunit dwellings within the city shall be charged for water consumption and availability utilizing the following formula:

Gallons Calculation Beginning October 1, ~~2008~~ *2009*:

(number of units X $~~18.21~~ *18.48*) +

<u>(gallons of water used) – (number of units X 1,500 gallons) X</u>
1,000

$~~2.60~~ *2.64* = Billing

(d) All customers whose combined average daily use for the past twelve (12) months exceeds 700,000 gallons per day shall be charged for water consumption at the same rates as stated in the above subsections. The customers who qualms for this subsection shall receive a rebate, to be paid annually, calculated as follows:

Water Rebate = Total annual water revenues for previous twelve (12) months X .05.

<u>SECTION 2.</u> That Chapter 13, Article 13.08, Section 13.08.006 of the Code of Ordinances of the City of Sherman, Texas, be and is hereby amended so that such section shall read as follows:

Sec. 13.08.006 Sewer charges

(a) All persons using the sanitary sewer system and lines of the city shall be charged as follows:

(1) Sewage charges. The sewage charge will be based upon the amount of water used. Each sanitary sewer system customer, except multiunit dwelling complexes, shall be charged for sewage at the following rates:

Amount	**Minimum Charge, Whether 1,500 Gallons of Water are Used**
	Oct 1, ~~2008~~ *2009*
First 1,500 gallons of water used	$ ~~6.53~~ *6.63*

Additional charges shall be two dollars and ~~seventy-nine~~ *eighty-three* cents ($~~2.79~~ *2.83*) for each one thousand (1,000) gallons used above the fifteen hundred (1,500) gallons minimum charge for fiscal year beginning October 1, ~~2008~~ *2009*. For residential living units, the maximum sewer charge will be twenty-seven dollars and ~~forty-four~~ *eighty-five* cents ($~~27.44~~ *27.85*) per residential living unit for fiscal year beginning October 1, ~~2008~~ *2009*.

(b) For multiunit dwelling complexes, the total sewage charge will be based on the amount of water used and will be the lower figure calculated from either of the two (2) following formulas:

Gallons Calculation Beginning October 1, ~~2008~~ *2009*:

(number of dwelling units X $~~6.53~~ *6.63*) +

$$\frac{\text{(gallons of water used)} - \text{(number of units X 1,500 gallons)}}{1{,}000} \text{ X } \$\cancel{2.79}\ \mathit{2.83}$$

or

number of dwelling units X ~~27.44~~ *27.85*

(c) Industrial surcharge. An additional surcharge is to be added to the above charge for the total sewage charge whenever the customer's sewage exceeds that of normal domestic wastewater, as defined in article 13.07, Water, Sewers and Sewage Disposal, section 13.07.~~141~~ *140*. The industrial waste surcharge represents an apportionment of the cost of handling the excess load imposed on the sewage treatment plant by wastes stronger than "~~nomad~~ *normal* domestic wastewater." The amount of surcharge shall reflect the cost incurred by the city in removing the excess BOD and TSS, as determined by regularly monitored effluent. *During the fiscal year beginning October 1, 2009, industrial surcharges shall be calculated and charged for at the following rates:*

$$Cu - Vu\ [B(Bu - 250 \text{ mg/l}) + S(Su - 250 \text{ mg/l})]$$

Where:

Cu is the surcharge for users X;

Vu is the billing volume for user X per 1,000 gallons;

Bu is the tested BOD levels for user X or 250 mg/l, whichever is greater;

B is the unit cost factor for treating one (1) unit of BOD per 1,000 gallons ($0.003035 ~~beginning October 1, 2008~~);

Su is the tested TSS level for user X or 250 mg/l, whichever is greater;

S is the unit cost factor for treating one (1) unit of TSS per 1,000 gallons ($0.002231 ~~beginning October 1, 2008~~).

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 the provisions of this ordinance are severable and the invalidity of any word, phrase or part of this ordinance shall not affect the validity of effectiveness of the remainder of the ordinance.

SECTION 5. That all ordinances or parts of ordinances in conflict with the provisions of this ordinance are hereby repealed.

SECTION 6. That it is hereby officially found and determined that the meetings at which this ordinance was introduced and passed were open to the public and that public notice of the time, place and purpose of said meetings were given all as required by law.

INTRODUCED on this the ______________ day of __________________, 2009.

ADOPTED on this the _________________ day of __________________, 2009.

EFFECTIVE DATE on this the _________ day of __________________, 2009.

CITY OF SHERMAN, TEXAS

ATTEST:

BY: ________________________________
LINDA ASHBY, CITY CLERK

BY: ________________________________
BILL MAGERS, MAYOR

APPROVED AS TO FORM AND CONTENT:

BY: ________________________________
BRANDON S SHELBY,
CITY ATTORNEY

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 9-8-2009

Subject: Agenda Item No. B.6

INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 5622
Amending Section 8, Subsection (5)(a), Ordinance No. 2280, so as to Grant a Specific Use Permit to Grayson County Physician's Property, LLC (Owners), Heritage Park Surgical Hospital (Tenant), and David Vilbig, Vilbig & Associates (Engineers) to Allow a Hospital in a C-1 (Retail Business) District at 3603 North Calais Drive, being Lot 6R, Block 1 of the Replat of Lots 6 and 7, Block 1, Heritage Park Addition, Phase 2; Providing that this Specific Use Permit Shall be Granted Subject to Certain Conditions; Providing a Penalty Not to Exceed $2,000

Issue
To consider granting a Specific Use Permit to Grayson County Physician's Property, LLC (Owners), Heritage Park Surgical Hospital (Tenant), and David Vilbig, Vilbig & Associates (Engineers) concerning the property located at 3603 North Calais Drive, to allow a hospital in a C-1 (Retail Business) District, being Lot 6R, Block 1 of the Replat of Lots 6 and 7, Block 1, Heritage Park Addition, Phase 2.

Background
The property is located at 3603 North Calais Drive, the northeast corner of Calais and Pecan Grove Road East; Heritage Park Surgery Center is the tenant. The owners would like to add a 31,013 square foot surgical hospital to the existing 17,300 square foot surgery center. Exterior materials include face brick, smooth metal panels, cut stone, and an Exterior Insulation Finishing System (EIFS).

Origination
Grayson County Physician's Property, LLC (Owners), Heritage Park Surgical Hospital (Tenant), and David Vilbig, Vilbig & Associates (Engineers)

Board Recommendation
At the August 18, 2009 regular meeting, the Planning and Zoning Board voted 9/0 to recommend to the City Council that the Specific Use Permit be approved subject to the Staff Review Letter.

Attachments
Ordinance No. 5622
Location Map
Photograph
Site Plan
P&Z Communication Form
Staff Review Letter

Prepared by:
Scott Shadden, Development Services Director

Approved by:
George Olson, City Manager

ORDINANCE NO. 5622

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 GRAYSON COUNTY PHYSICIAN'S PROPERTY, LLC (OWNERS), HERITAGE PARK SURGICAL HOSPITAL (TENANT), AND DAVID VILBIG, VILBIG & ASSOCIATES (ENGINEERS) TO ALLOW A HOSPITAL IN A C-1 (RETAIL BUSINESS) DISTRICT AT 3603 NORTH CALAIS DRIVE, BEING LOT 6R, BLOCK 1 OF THE REPLAT OF LOTS 6 AND 7, BLOCK 1, HERITAGE PARK ADDITION, PHASE 2; 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; FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS ORDINANCE IS PASSED WAS NOTICED AND IS OPEN TO THE PUBLIC AS REQUIRED BY LAW.

WHEREAS, the City Planning and Zoning Commission and the City Council, in accordance with the state law, and the ordinances of the City of Sherman, have given the required notices and have held the required public hearings regarding this specific use permit; and

WHEREAS, the City Council finds that this use will complement or be compatible with the surrounding uses and community facilities; contribute to, enhance, or promote the welfare of the area of request and adjacent properties; not be detrimental to the public health, safety, or general welfare; and conform in all other respects to all applicable zoning regulations and standards; and

WHEREAS, the City Council finds that it is in the public interest to grant this specific use permit, subject to certain conditions;

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

SECTION 1. That from and after the passage of this ordinance, Grayson County Physician's Property, LLC (Owners), Heritage Park Surgical Hospital (Tenant), and David Vilbig, Vilbig & Associates (Engineers) are granted a Specific Use Permit to allow a hospital in a C-1 (Retail Business) District at 3603 North Calais Drive, and that Section 8, Subsection (5)(a), Ordinance No. 2280 is hereby amended so as to hereafter include the following described property:

BEING Lot 6R, Block 1 of the Replat of Lots 6 & 7, Block 1, Heritage Park Addition, Phase 2.

SECTION 2. That this specific use permit is granted on the following conditions;

Zoning:

1. All aspects of the C-1 (Retail Business) District and the Commercial Tree and Landscaping Ordinance must be followed.
2. Fire lanes shall be coordinated with the Fire Marshal, (903.892.7267)
3. City Council approval is required for the encroachment into the 10’ TXU easement.
4. Masonry or equivalent shall be required on the sides of all commercial buildings in the C-1 (Retail Business) District, masonry shall be brick, stone, EFIS or concrete lap siding.
5. A minimum 6’ screening height is required abutting any residential uses.
6. All parking shall be on private property; parking is permitted on paved surfaces only.
7. Site plan approval is valid for a period of one year, if progress has not been made within that time period; resubmission to the Planning & Zoning Commission is required

Engineering:

8. Drive approaches and sidewalks shall conform to City of Sherman standards.
9. No permanent structures are to be placed on the utility easements.
10. All flumes and/or outlets for drainage structures to be extended across the east side of the utility easement on the east side of the buildings.
11. Fire hydrant spacing is to be verified by the Fire Marshal.

SECTION 3. That this ordinance shall not become effective until entered upon the official zoning map as provided in Section 8, Subsection (5)(a), Ordinance No. 2280.

SECTION 4. That a person who violates a provision of this ordinance, upon conviction, is punishable by a fine not to exceed $2,000.

SECTION 5. That all ordinances or parts of ordinances in conflict with the provisions of this ordinance are hereby repealed.

SECTION 6. That it is hereby officially found and determined that the meetings at which this ordinance was introduced and passed were open to the public and that public notice of the time, place and purpose of said meetings were given all as required by law.

INTRODUCED on this the ______________ day of __________________, 2009.

ADOPTED on this the _________________ day of __________________, 2009.

EFFECTIVE DATE on this the _________ day of __________________, 2009.

CITY OF SHERMAN, TEXAS

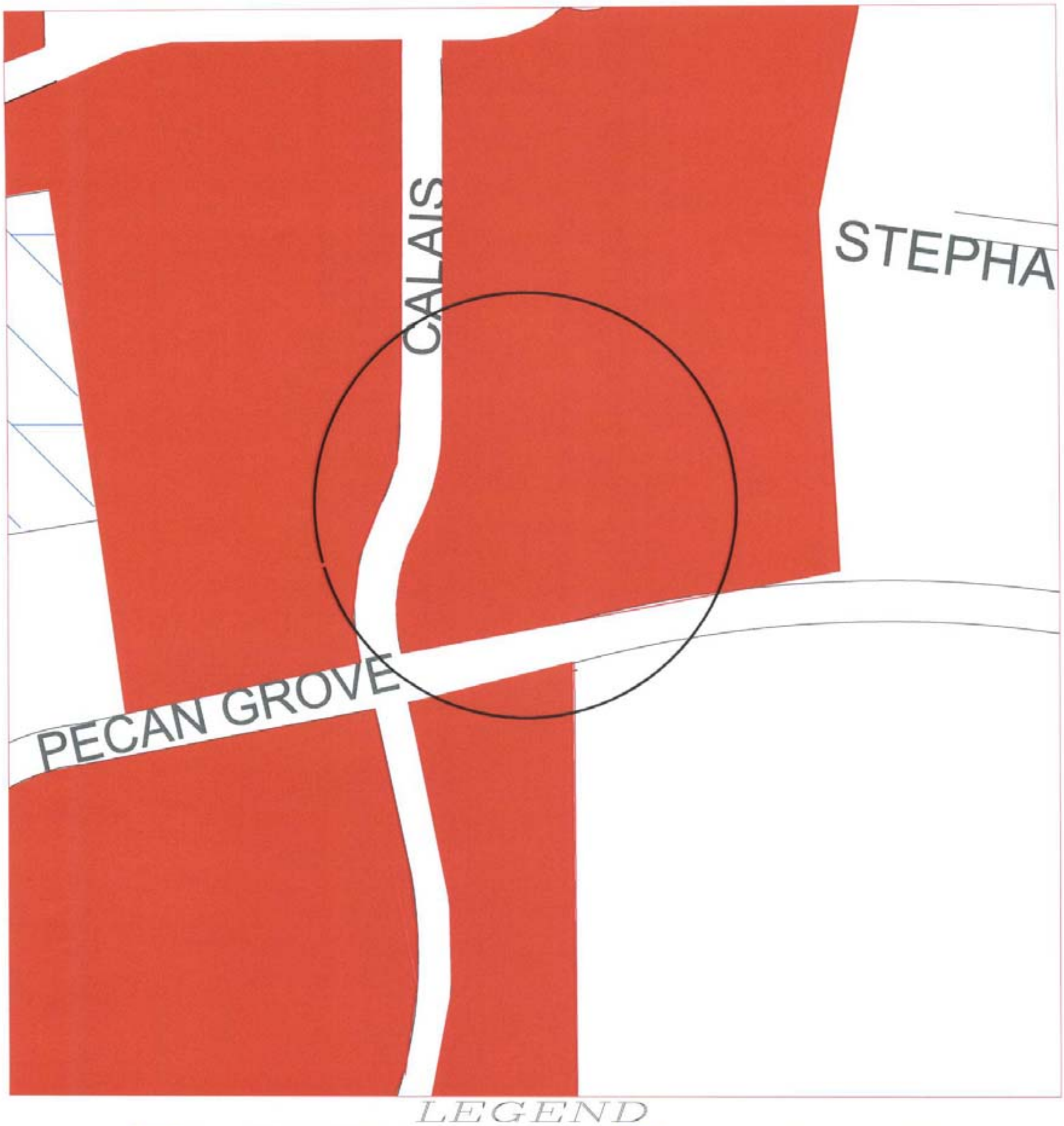
BY: ________________________________
BILL MAGERS, MAYOR

ATTEST:

BY: ________________________________
LINDA ASHBY, CITY CLERK

APPROVED AS TO FORM AND CONTENT:

BY: ________________________________
BRANDON S. SHELBY,
CITY ATTORNEY



LEGEND

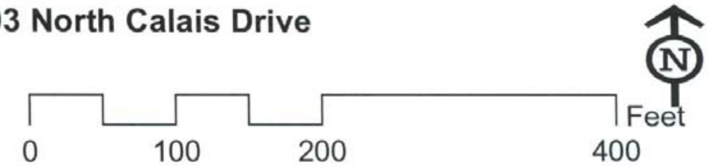
R-A	SINGLE FAMILY AGRICULTURAL DISTRICT	
SF-1	SINGLE FAMILY RESIDENTIAL DISTRICT	
R-1	ONE FAMILY RESIDENTIAL DISTRICT	
R-2	MULTI-FAMILY RESIDENTIAL DISTRICT	
C-1	RETAIL BUSINESS DISTRICT	
C-2	GENERAL COMMERCIAL DISTRICT	
CO	OFFICE DISTRICT	
M-1	LIGHT MANUFACTURING DISTRICT	
M-1.5	MEDIUM MANUFACTURING DISTRICT	
M-2	HEAVY MANUFACTURING DISTRICT	
M H	MANUFACTURED HOUSING DISTRICT	
	BLALOCK INDUSTRIAL PARK	
O-1	OVERLAY DISTRICT - 75 & 82	
O-1.1	OVERLAY DISTRICT - 1417	
O-1.2	OVERLAY DISTRICT -SAM RAYBURN FREEWAY	
CPO	COLLEGE PARK OVERLAY	
A&C	ARTS & CULTURAL OVERLAY DISTRICT	
CBD	CENTRAL BUSINESS DISTRICT	

3603 N. CALAIS DRIVE

ENGINEERING DEPARTMENT

N

3603 North Calais Drive



City of Sherman, Texas
Engineering Department

3603 N. Calais Dr.

IRMSCHER Since 1892 Construction

HERITAGE PARK SURGICAL HOSPITAL

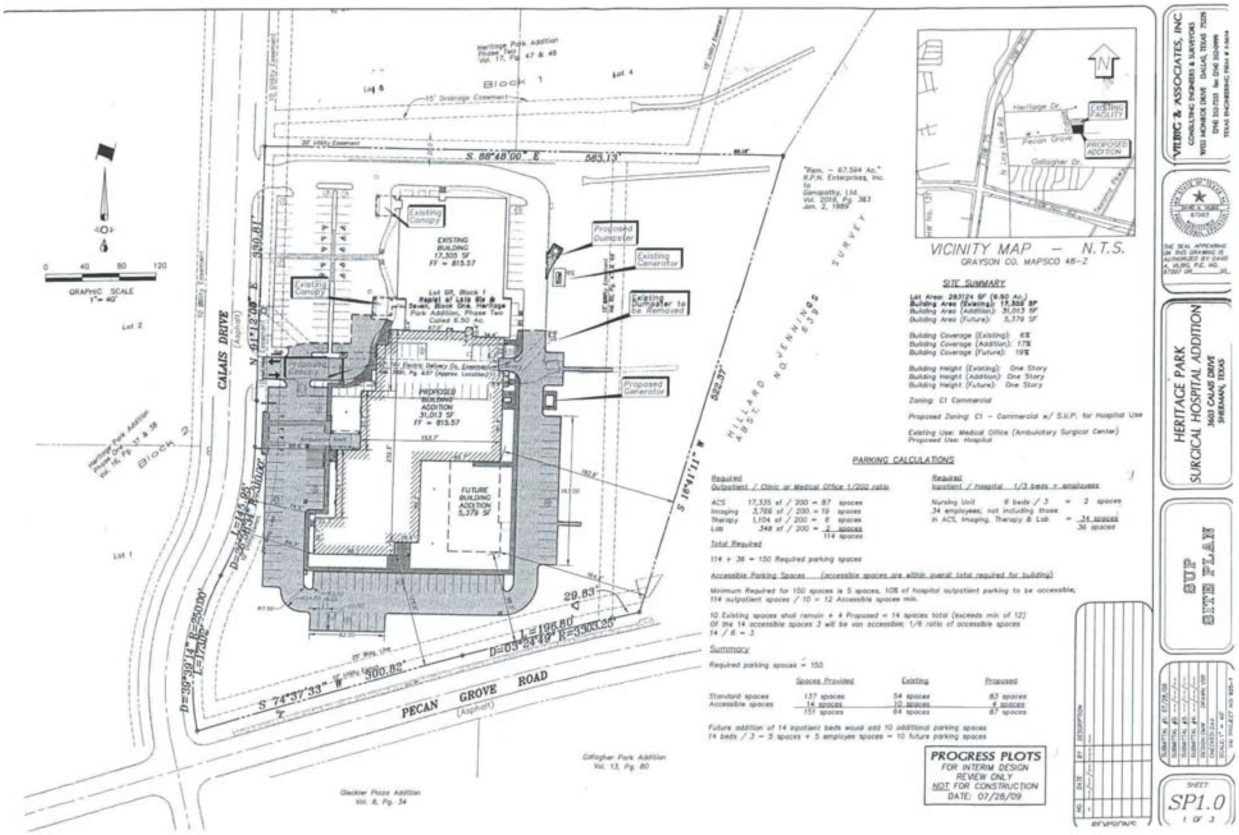
PROJECT NARRATIVE

This project entails adding a 31,013 square foot Surgical Hospital to the existing 17,300 square foot Surgery Center on a site of 6.50 acres at 3606 Calais Drive. This occupancy type of I-2 (Institutional) will be separated by a one-hour fire barrier from the existing B (Business) occupancy of the Surgery Center. The Surgical Hospital construction will be Type II-B, fully sprinklered; same as the Surgery Center. Exterior materials include face brick, smooth metal panels, cut stone and EIFS (synthetic stucco).

A separate covered entrance for the hospital will lead into the main lobby with reception, security, admitting, waiting and a sandwich shop. The hospital's nursing unit will contain six private beds for 24-hour care. The surgical suite will have three multi-specialty operating rooms and a 24-hour emergency room with a dedicated entrance. In-patient and out-patient services will include imaging, laboratory, physical therapy and pharmacy. The facility includes support spaces for administration, medical records, dietary, laundry and central services.

The site is designed for 150 on-site parking spaces, a fire lane the full perimeter of the building and service deliveries in the back. The two existing drive-under canopies will remain with one new hospital drive-under canopy located at the front of the facility. Appropriate site lighting, signage and landscaping will complete the exterior design.

1030 Osage Street, P.O. Box 11078 (46855)
Fort Wayne, IN 46808
Phone: (260) 422-5572 Fax: (260) 424-1487
e-mail: build@irmscherinc.com



Heritage Park Addition
Phase Two
Vol. 17, Pg. 47 & 48
Block 1
Lot 6
Lot 4
15' Drainage Easement
S. 88°48'00" E 563.13'
GRAPHIC SCALE
1" = 40'
CALAIS DRIVE
(Asphalt)
N 01°12'00" E 330.81'
Existing Canopy
EXISTING BUILDING
17,305 SF
FF = 815.57
Lot 5R, Block 1
Replat of Lots Six & Seven, Block One, Heritage Park Addition, Phase Two
Called 6.50 Ac.
Proposed Canopy
PROPOSED BUILDING ADDITION
31,013 SF
FF = 815.57
FUTURE BUILDING ADDITION
5,379 SF
Proposed Dumpster
Existing Generator
Existing Dumpster to be Removed
Proposed Generator
Heritage Park Addition
Block 2
Lot 2
Lot 1
"Rem. – 67.594 Ac."
R.P.N. Enterprises, Inc.
to
Genopathy, Ltd.
Vol. 2019, Pg. 383
Jan. 2, 1989
HILLARD NQ JENNINGS SURVEY
ABST. 639
522.37'
S 16°41'11" W
29.83'
L=196.80'
D=03°24'49" R=3303.25'
S 74°37'33" W 300.85'
D=39°39'14" R=250.00'
L=173.00'
PECAN GROVE ROAD
(Asphalt)
Gallagher Park Addition
Vol. 13, Pg. 80
Gleckler Plaza Addition
Vol. 8, Pg. 34
Heritage Dr.
Pecan Grove
Gallagher Dr.
EXISTING FACILITY
PROPOSED ADDITION
VICINITY MAP – N.T.S.
GRAYSON CO. MAPSCO 48-Z
SITE SUMMARY
Lot Area: 283124 SF (6.50 Ac.)
Building Area (Existing): 17,305 SF
Building Area (Addition): 31,013 SF
Building Area (Future): 5,379 SF
Building Coverage (Existing): 6%
Building Coverage (Addition): 17%
Building Coverage (Future): 19%
Building Height (Existing): One Story
Building Height (Addition): One Story
Building Height (Future): One Story
Zoning: C1 Commercial
Proposed Zoning: C1 – Commercial w/ S.U.P. for Hospital Use
Existing Use: Medical Office (Ambulatory Surgical Center)
Proposed Use: Hospital
PARKING CALCULATIONS
Required
Outpatient / Clinic or Medical Office 1/200 ratio
ACS 17,335 sf / 200 = 87 spaces
Imaging 3,766 sf / 200 = 19 spaces
Therapy 1,104 sf / 200 = 6 spaces
Lab 348 sf / 200 = 2 spaces
114 spaces
Required
Inpatient / Hospital 1/3 beds + employees
Nursing Unit 6 beds / 3 = 2 spaces
34 employees; not including those in ACS, Imaging, Therapy & Lab = 34 spaces
36 spaces
Total Required
114 + 36 = 150 Required parking spaces
Accessible Parking Spaces (accessible spaces are within overall total required for building)
Minimum Required for 150 spaces is 5 spaces, 10% of hospital outpatient parking to be accessible;
114 outpatient spaces / 10 = 12 Accessible spaces min.
10 Existing spaces shall remain + 4 Proposed = 14 spaces total (exceeds min of 12)
Of the 14 accessible spaces 3 will be van accessible; 1/6 ratio of accessible spaces
14 / 6 = 3
Summary
Required parking spaces = 150
Spaces Provided / Existing / Proposed
Standard spaces 137 spaces 54 spaces 83 spaces
Accessible spaces 14 spaces 10 spaces 4 spaces
151 spaces 64 spaces 87 spaces
Future addition of 14 inpatient beds would add 10 additional parking spaces
14 beds / 3 = 5 spaces + 5 employee spaces = 10 future parking spaces
PROGRESS PLOTS
FOR INTERIM DESIGN
REVIEW ONLY
NOT FOR CONSTRUCTION
DATE: 07/28/09
REVISIONS
VILBIG & ASSOCIATES, INC
CONSULTING ENGINEERS & SURVEYORS
DALLAS, TEXAS
HERITAGE PARK
SURGICAL HOSPITAL ADDITION
3603 CALAIS DRIVE
SHERMAN, TEXAS
SUP
SITE PLAN
SHEET
SP1.0
1 OF 3

AGENDA ITEM #7

City of Sherman

Planning and Zoning Commission

Board of Adjustments

Agenda Communication Form

August 18, 2009

Jason Sofey, Chairman

3603 North Calais Drive
Being Lot 6R, Blk 1 of the Replat of Lots 6 & 7, Blk 1, Heritage Park Addition, Phase 2
Specific Use Permit and Site Plan Approval

Requested Action/Proposed Use:

Planning and Zoning Commission

Specific Use Permit and site plan approval to allow a hospital in a C-1 (Retail Business) District.

Background

The property is located at 3603 North Calais Drive, the northeast corner of Calais and East Pecan Grove Road, Heritage Park Surgery Center is the tenant. The owners would like to add a 31,013 square foot surgical hospital to the existing 17,300 square foot surgery center. Exterior materials include face brick, smooth metal panels, cut stone and EIFS.

Adjacent Zoning:

C-1 (Retail Business) District, C-O (Office) District and R-1 (One Family Residential) District

Origination:

Grayson County Physician's Property, LLC (Owners) Heritage Park Surgical Hospital (Tenant) and David Vilbig, Vilbig & Associates (Engineers)

Master Plan Designation:

Public/Institutional

Attachments:

Location map
Photographs
Site Plan
Staff Review Letter

Prepared by:	**Approved by:**
Patsy Reeves,	**Scott Shadden,**
Developmental Services Secretary	**Director of Developmental Services**

STAFF REVIEW LETTER

August 13, 2009

Grayson County Physician's Property LLC
3603 Calais Drive
Sherman, Texas 75090

David Vilbig, PE, RPLS
10132 Monroe Dr.
Dallas, TX 75229

Dear Applicants,

The request for a Specific Use Permit and site plan approval to allow a hospital in a C-1 (Retail Business) District for the property located at 3603 North Calais Drive has been scheduled to be heard by the Planning and Zoning Board on the day of Tuesday, August 18, 2009 at 5:00 P.M., in the City Council Chambers, City Hall at 220 W. Mulberry.

City staff has reviewed your request with regards to engineering and development guidelines and finds the following items need to be addressed:

<u>Zoning:</u>

1. All aspects of the C-1 (Retail Business) District and the Commercial Tree and Landscaping Ordinance must be followed.
2. Fire lanes shall be coordinated with the Fire Marshal, (903.892.7267)
3. City Council approval is required for the encroachment into the 10' TXU easement.
4. Masonry or equivalent shall be required on the sides of all commercial buildings in the C-1 (Retail Business) District, masonry shall be brick, stone, EFIS or concrete lap siding.
5. A minimum 6' screening height is required abutting any residential uses.
6. All parking shall be on private property; parking is permitted on paved surfaces only.
7. Site plan approval is valid for a period of one year, if progress has not been made within that time period; resubmission to the Planning & Zoning Commission is required

<u>Engineering:</u>

8. Drive approaches and sidewalks shall conform to City of Sherman standards.
9. No permanent structures are to be placed on the utility easements.
10. All flumes and/or outlets for drainage structures to be extended across the east side of the utility easement on the east side of the buildings.
11. Fire hydrant spacing is to be verified by the Fire Marshal.

Any other changes made to the site plan prior to the final fulfillment of the conditions of the staff review, must be considered minor by the staff, as to not require resubmission to the Planning and Zoning Commission.

You are hereby notified to be present, either in person or by a legally authorized representative to present your case on the date and time stated above.

If additional information or clarification is needed, do not hesitate to contact Scott Shadden at 903-892-7229 prior to the meeting.

Respectfully,

Scott Shadden
Secretary, Planning and Zoning Board and Board of Adjustment

cc: George Olson, City Manager
Mark Gibson, Director Utilities & Engineering Services
Brandon Shelby, City Attorney
Lisa Whitfield, Engineering & Development Coordinator
Danny Fuller, Fire Marshal
Jeff Miller, Director of Public Works

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 9-8-2009

Subject: Agenda Item No. B.7

ADOPTION OF ORDINANCES
Consider Adoption of Ordinance Numbers: 5614, 5620, 5621 and 5622

B.2 SECOND PUBLIC HEARING OF ORDINANCE NO. 5614
Providing for the Appropriation of Funds for Operating and Capital Expenditures for the Fiscal Year Beginning October 1, 2009, and Ending September 30, 2010

B.4 INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 5620
Authorizing the Issuance of “CITY OF SHERMAN, TEXAS, TAX AND WATERWORKS AND SEWER SYSTEM (LIMITED PLEDGE) REVENUE CERTIFICATES OF OBLIGATION, SERIES 2009A”; Specifying the Terms and Features of said Certificates; Providing for the Payment of said Certificates of Obligation by the Levy of an Ad Valorem Tax upon all Taxable Property within the City and a Limited Pledge of the Net Revenues from the Operation of the City's Waterworks and Sewer System; Resolving Other Matters Incident and Relating to the Issuance, Payment, Security, Sale and Delivery of said Certificates, including the Approval and Execution of a Paying Agent/Registrar Agreement and the Approval and Distribution of an Official Statement; Providing an Effective Date

B.5 INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 5621
Amending Chapter 13 of the Code of Ordinances, entitled “Utilities”, at Article 13.08, entitled “Utility Billing”, at Sections 13.08.005 and 13.08.006, Revising Rates for Water and Sewer for Fiscal Year 2009-2010

B.6 INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 5622
Amending Section 8, Subsection (5)(a), Ordinance No. 2280, so as to Grant a Specific Use Permit to Grayson County Physician’s Property, LLC (Owners), Heritage Park Surgical Hospital (Tenant), and David Vilbig, Vilbig & Associates (Engineers) to Allow a Hospital in a C-1 (Retail Business) District at 3603 North Calais Drive, being Lot 6R, Block 1 of the Replat of Lots 6 and 7, Block 1, Heritage Park Addition, Phase 2; Providing that this Specific Use Permit Shall be Granted Subject to Certain Conditions; Providing a Penalty Not to Exceed $2,000

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 9-8-2009

Subject: Agenda Item No. B.8

CONSENT AGENDA

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

C.2 **** RESOLUTION NO. 5404***
Authorizing the Execution of a Field Use Agreement with Austin College for the Use of Field #6 at Old Settlers Park

C.3 **** RESOLUTION NO. 5405***
Authorizing the Extension of and the Execution of an Addendum to the Ambulance Service Agreement with Grayson County, Extending the Term for Two Additional Years and Providing for an Increased Consideration; Waiving the Three-Month Notice Requirement

C.4 **** RESOLUTION NO. 5406***
Authorizing Execution of Agreements with the Sherman Housing Authority, the Texoma Area Paratransit System, Inc., the Grayson County Crisis Center, and the Boys & Girls Club of Sherman, Inc. for the Use of Community Development Block Grant Funds

C.5 **** RESOLUTION NO. 5407***
Authorizing the Acceptance of Fiscal Year 2008 Assistance to Firefighters – Fire Prevention and Safety Grant Agreement Number EMW-2008-FP-01379 from the Federal Emergency Management Agency and the U.S. Department of Homeland Security

C.6 **** RESOLUTION NO. 5408***
Accepting the Proposals of M&M Industrial Control Services related to the Acquisition of Hardware, Software and Programming Services for the Electro Dialysis Reversal (EDR) Membrane Stack Project at the Sherman Water Treatment Plant

C.7 **** RESOLUTION NO. 5409***
Adopting an Investment Policy for the City of Sherman

D.1 **** REQUEST TO ADVERTISE***
Construction of the South Lane of West Lamberth Road from Heritage Parkway to the West City Limits

D.6 **** OTHER BUSINESS***
Acceptance of the Public Street Dedication of Cinrose Lane and Longhorn Trail

D.7 * OTHER BUSINESS

Final Plat Approval of the Broiles Addition, being Part of Lot 1, Block 1 of the Replat of Lots 19-21 of the L.C. Chapman's Addition and all of Lot 9 and Part of Lot 12, together with the Alley Running Southerly from Brockett Street and Lying West of and Adjacent to the West Line of Lots 9-11 in the L.C. Chapman's Addition and Containing 1.25 Acres in the J.B. McAnair Survey, Abstract No. 763; Mack Broiles, Owner and Sartin & Associates, Inc., Surveyors (214, 218 and 222 West Brockett Street)

D.8 * OTHER BUSINESS

Final Plat Approval of the Gregg Addition, being Two Acres in the William Martin Survey, Abstract No. 765; Scott and Abbie Gregg, Owners and Ringley & Associates, Inc., Surveyors (1901 West Shepherd Road)

SHERMAN CITY COUNCIL

Agenda Communication Form

From: The Office of the City Manager **Date:** 9-8-2009

Subject: Agenda Item No. C.1

RESOLUTION NO. 5399
Approving and Adopting a Five-Year Capital Improvement Program for the City of Sherman, Texas

Issue
To approve and adopt the City of Sherman's Capital Improvement Program 2009-2014

Background
Article V, Section 10 of the City Charter requires that the City Council, by resolution, to adopt a capital program. As required, before consideration of the resolution, the City published a summary of the program and gave notice of a public hearing in a newspaper of general circulation in the City.

Origination
Department 119, Engineering Services

Financial Consideration

2009-2014 Funding:	
General Fund	$12,471,700
Utility Fund	$33,613,000
Total Funding for 2009-2014	**$46,084,700**

Staff Recommendation
The staff recommends approval of this item following the public hearing being conducted under Item C.1 on this agenda.

Attachments
Resolution No. 5399
Exhibit "A" – Five-Year Capital Improvement Program

Prepared by:
Mark Gibson, Director of Utilities & Engineering

Approved by:
George Olson, City Manager

RESOLUTION NO. 5399

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, APPROVING AND ADOPTING A FIVE-YEAR CAPITAL IMPROVEMENT PROGRAM FOR THE CITY OF SHERMAN, TEXAS; PROVIDING FOR AN EFFECTIVE DATE; FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS RESOLUTION IS PASSED IS OPEN TO THE PUBLIC AS REQUIRED BY LAW.

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

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

WHEREAS, the City Council met to review said plan on August 3, 2009 at a regular City Council meeting;

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

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

SECTION 2. That the effective date of this resolution shall be the 8th day of September, 2009.

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 ________________, 2009.

CITY OF SHERMAN, TEXAS

BY: ______________________________

BILL MAGERS, MAYOR

ATTEST:

BY: ______________________________
LINDA ASHBY, CITY CLERK

APPROVED AS TO FORM AND CONTENT:

BY: ______________________________
BRANDON S. SHELBY,
CITY ATTORNEY

Exhibit "A"

GENERAL SERVICES

2009-2010

	Drainage	Streets	Facilities	Parks	Water	Sewer		Totals
Practice Field Development at Hawn and MLK Parks				$25,000				$25,000
Canyon Grove to Hwy 82 Access		$100,000					***	$100,000
U.S. Highway 75 Ramp Reversal		$300,000					***	$300,000
Solid Waste Interior Driveway Rebuild, Phase IV		$60,000						$60,000
Travis Street - Washington to Jones St. Mill, Overlay, Curb Repair and striping		$180,000						$180,000
Drainage Improvement Projects	$300,000							$300,000
Street Right-of-Way and Street Oversize Funding		$100,000						$100,000
GIS System			$146,700					$146,700
Cemetery Building Resurfacing & Fencing			$30,000					$30,000
Total 2009-2010	$300,000	$740,000	$176,700	$25,000	$0	$0		$1,241,700

*** TxDOT Participation

2010-2011

	Drainage	Streets	Facilities	Parks	Water	Sewer		Totals
Travis Street Improvements - Phase I - Taylor to Lamberth - ROW and Utilities		$100,000						$100,000
Travis Street Improvements - Phase 2 - Lamberth to Canyon Grove		$50,000						$50,000
U.S. Highway 75 Fallon Drive Ramps		$800,000					**/***	$800,000
Solid Waste Interior Driveway Rebuild - Phase V		$60,000						$60,000
MLK Park Athletic Field Lighting				$130,000				$130,000
Cherry Park Playground				$150,000				$150,000
Southwest Fire Station			$2,500,000				*	$2,500,000
Drainage Improvement Projects	$250,000							$250,000
Fairview Park Spray Ground and Splash Expansion				$500,000				$500,000
Martin Luther King Park Restroom				$130,000				$130,000
Fielder Park Basketball Court Renovation and Playground Improvements				$135,000				$135,000
Street Right-of-Way and Street Oversize Funding		$100,000						$100,000
Total 2010-2011	$250,000	$1,010,000	$2,500,000	$1,045,000	$0	$0		$4,905,000

* Bonded

** SEDCO Funded

***TxDOT Participation

2011-2012

	Drainage	Streets	Facilities	Parks	Water	Sewer	Totals
Shady Oaks Drive Reconstruction		$700,000					$700,000
Cypress Grove Rd. Rebuild - Rex Cruse to Redbud		$450,000					$450,000
Travis Street Improvements - Phase 3 - Canyon Grove to North Creek		$50,000					$50,000
Fallon Drive Construction - Preliminary Engineering and ROW		$100,000					$100,000
Rosedale Park Field Renovation				$250,000			$250,000
Baker Park Group Pavilion and Fishing Pier				$125,000			$125,000
Fairview Park Pavilions				$50,000			$50,000
Rosedale Park Playground				$60,000			$60,000
Rosedale Park Restrooms				$130,000			$130,000
Recreation Center Study				$40,000			$40,000
Drainage Improvement Projects	$250,000						$250,000
Street Right-of-Way and Street Oversize Funding		$100,000					$100,000
Total 2011-2012	$250,000	$1,400,000	$0	$655,000	$0	$0	$2,305,000

2012-2013

	Drainage	Streets	Facilities	Parks	Water	Sewer	Totals
Hawn Skateboard Renovation - Phase II				$70,000			$70,000
Fallon Drive West Construction to U.S. Hwy 75		$1,500,000					$1,500,000
Old Settlers Park - Phase III Field Renovation				$1,000,000			$1,000,000
Hawn Park Pavilion				$75,000			$75,000
Hawn Park Sprayground Expansion				$300,000			$300,000
Drainage Improvement Projects	$250,000						$250,000
Street Right-of-Way and Street Oversize Funding		$100,000					$100,000
Recreation Center			??				$0
Total 2012-2013	$250,000	$1,600,000	$0	$1,445,000	$0	$0	$3,295,000

2013-2014

	Drainage	Streets	Facilities	Parks	Water	Sewer	Totals
Hillcrest Park Renovation				$150,000			$150,000
Ely Park Playground and Field Lighting				$175,000			$175,000
Pecan Grove Dog Park				$50,000			$50,000
Drainage Improvement Projects	$250,000						$250,000
Street Right-of-Way and Street Oversize Funding		$100,000					$100,000
Total 2013-2014	$250,000	$100,000	$0	$375,000	$0	$0	$725,000

GENERAL GRAND TOTAL	$1,300,000	$4,950,000	$2,676,700	$3,545,000	$0	$0	$12,471,700

UTILITY SERVICES

2009-2010

	Drainage	Streets	Facilities	Parks	Water	Sewer		Totals
Brents Street Sewer Replacement						$150,000		$150,000
Pelton Street Water Line Replacement					$250,000			$250,000
WTP - Raw Water Pump Station Upgrade						$2,000,000	*	$2,000,000
WTP - THHM Control Study					$250,000			$250,000
WWTP - Cover Biological Clarifiers						$1,100,000	*	$1,100,000
WWTP Storm Water Storage Contingency						$750,000	*	$750,000
WWTP - Upgrade Mixers, Phase I						$160,000		$160,000
Additional Water Storage					$4,000,000		*	$4,000,000
Utility Main Oversizing					$50,000	$50,000		$100,000
TOTAL 2009-2010	$0	$0	$0	$0	$4,550,000	$4,210,000		$8,760,000

* Bonded

2010-2011

	Drainage	Streets	Facilities	Parks	Water	Sewer		Totals
Texas Street Water Replacement					$170,000			$170,000
College Street Water Replacement					$125,000			$125,000
Dripping Springs Road Water Main Loop					$175,000			$175,000
Shannon Street Water Line Replacement					$135,000			$135,000
WWTP - Biosolids Processing Upgrade						$2,500,000	*	$2,500,000
WWTP - Headworks Variable Frequency Drive Update						$220,000		$220,000
WWTP - Upgrade Mixers, Phase II						$160,000		$160,000
Water Treatment Plant 2nd Feed					$3,000,000		*	$3,000,000
Utility Main Oversizing					$50,000	$50,000		$100,000
TOTAL 2010-2011	$0	$0	$0	$0	$3,655,000	$2,930,000		$6,585,000

* Bonded

2011-2012

	Drainage	Streets	Facilities	Parks	Water	Sewer		Totals
WWTP - Nutrient Removal Preliminary Engineering						$1,200,000	*	$1,200,000
WWTP Automated Dissolved Oxygen Control						$900,000	*	$900,000
WWTP Headworks Variable Frequency Drive Upgrade-Phase II						$220,000		$220,000
Ricketts Street Water Line Replacement Phase II					$450,000		*	$450,000
Woods Street Water Line Replacement					$100,000			$100,000
Lamberth Road Water Line Replacement					$85,000			$85,000
Texoma Parkway Water Replacement - Phase IV					$300,000		*	$300,000
Water Treatment Plant Second Feed, Phase II					$4,000,000		*	$4,000,000
Utility Main Oversizing					$50,000	$50,000		$100,000
TOTAL 2011-2012	$0	$0	$0	$0	$4,985,000	$2,370,000		$7,355,000

* Bonded

2012-2013

	Drainage	Streets	Facilities	Parks	Water	Sewer		Totals
Eastside Outfall Return Sewer						$500,000	*	$500,000
Texoma Parkway Water Replacement - Phase V					$300,000			$300,000
WWTP - Nutrient Removal Process						$8,000,000	*	$8,000,000
Relief Sewer D-1						$290,000		$290,000
Utility Main Oversizing					$50,000	$50,000		$100,000
TOTAL 2012-2013	$0	$0	$0	$0	$350,000	$8,840,000		$9,190,000

* Bonded

2013-2014

	Drainage	Streets	Facilities	Parks	Water	Sewer		Totals
WWTP - Security Upgrade						$150,000		$150,000
WWTP - Upgrade UV Disinfection System						$500,000		$500,000
Blalock Industrial Sewer Replacement						$500,000	**	$500,000
South Sherman Trunk Sewer Replacement						$135,000		$135,000
Texoma Parkway Sewer Relief Main						$200,000		$200,000
Highway 75 South Water Crossing Replacement					$138,000			$138,000
Utility Main Oversizing					$50,000	$50,000		$100,000
TOTAL 2013-2014	$0	$0	$0	$0	$188,000	$1,535,000		$1,723,000

** SEDCO Funded

	Drainage	Streets	Facilities	Parks	Water	Sewer	Totals
UTILITY GRAND TOTAL	$0	$0	$0	$0	$13,728,000	$19,885,000	$33,613,000
TOTAL CIP	$1,300,000	$4,950,000	$2,676,700	$3,545,000	$13,728,000	$19,885,000	$46,084,700

CAPITAL IMPROVEMENT PROGRAM
GENERAL SERVICES
2009-2010

Project		Cost
Practice Field Development at Hawn and MLK Parks		$25,000
Canyon Grove to Hwy 82 Access	***	$100,000
U.S. Highway 75 Ramp Reversal	***	$300,000
Solid Waste Interior Driveway Rebuild, Phase IV		$60,000
Travis Street - Washington to Jones St. Mill, Overlay, Curb Repair and striping		$180,000
Drainage Improvement Projects		$300,000
Street Right-of-Way and Street Oversize Funding		$100,000
GIS System		$146,700
Cemetery Building Resurfacing & Fencing		$30,000
Total 2009-2010		$1,241,700

*** TxDOT Participation

CAPITAL IMPROVEMENT PROGRAM
GENERAL SERVICES
2010-2011

Project		Cost
Travis Street Improvements - Phase I - Taylor to Lamberth - ROW and Utilities		$100,000
Travis Street Improvements - Phase 2 - Lamberth to Canyon Grove		$50,000
U.S. Highway 75 Fallon Drive Ramps	**/***	$800,000
Solid Waste Interior Driveway Rebuild - Phase V		$60,000
MLK Park Athletic Field Lighting		$130,000
Cherry Park Playground		$150,000
Southwest Fire Station	*	$2,500,000
Drainage Improvement Projects		$250,000
Fairview Park Spray Ground and Splash Expansion		$500,000
Martin Luther King Park Restroom		$130,000
Fielder Park Basketball Court Renovation and Playground Improvements		$135,000
Street Right-of-Way and Street Oversize Funding		$100,000
Total 2010-2011		$4,905,000

* Bonded

** SEDCO Funded

*** TxDOT Participation

CAPITAL IMPROVEMENT PROGRAM
GENERAL IMPROVEMENT
2011-2012

Project	Cost
Shady Oaks Drive Reconstruction	$700,000
Cypress Grove Rd. Rebuild - Rex Cruse to Redbud	$450,000
Travis Street Improvements - Phase 3 - Canyon Grove to North Creek	$50,000
Fallon Drive Construction - Preliminary Engineering and ROW	$100,000
Rosedale Park Field Renovation	$250,000
Baker Park Group Pavilion and Fishing Pier	$125,000
Fairview Park Pavilions	$50,000
Rosedale Park Playground	$60,000
Rosedale Park Restrooms	$130,000
Recreation Center Study	$40,000
Drainage Improvement Projects	$250,000
Street Right-of-Way and Street Oversize Funding	$100,000
Total 2011-2012	$2,305,000

CAPITAL IMPROVEMENT PROGRAM
GENERAL IMPROVEMENT
2012-2013

Project	Cost
Hawn Skateboard Renovation - Phase II	$70,000
Fallon Drive West Construction to U.S. Hwy 75	$1,500,000
Old Settlers Park - Phase III Field Renovation	$1,000,000
Hawn Park Pavilion	$75,000
Hawn Park Sprayground Expansion	$300,000
Drainage Improvement Projects	$250,000
Street Right-of-Way and Street Oversize Funding	$100,000
Recreation Center	?
Total 2012-2013	$3,295,000

CAPITAL IMPROVEMENT PROGRAM
GENERAL IMPROVEMENT
2013-2014

Project	Cost
Hillcrest Park Renovation	$150,000
Ely Park Playground and Field Lighting	$175,000
Pecan Grove Dog Park	$50,000
Drainage Improvement Projects	$250,000
Street Right-of-Way and Street Oversize Funding	$100,000
Total 2013-2014	$725,000

CAPITAL IMPROVEMENT PROGRAM
UTILITY IMPROVEMENTS
2009-2010

Project		Cost
Brents Street Sewer Replacement		$150,000
Pelton Street Water Line Replacement		$250,000
WTP - Raw Water Pump Station Upgrade	*	$2,000,000
WTP - THHM Control Study		$250,000
WWTP - Cover Biological Clarifiers	*	$1,100,000
WWTP Storm Water Storage Contingency	*	$750,000
WWTP - Upgrade Mixers, Phase I		$160,000
Additional Water Storage	*	$4,000,000
Utility Main Oversizing		$100,000
Total 2009-2010		$8,760,000

* Bonded

CAPITAL IMPROVEMENT PROGRAM
UTILITY IMPROVEMENTS
2010-2011

Project	Cost
Texas Street Water Replacement	$170,000
College Street Water Replacement	$125,000
Dripping Springs Road Water Main Loop	$175,000
Shannon Street Water Line Replacement	$135,000
WWTP - Biosolids Processing Upgrade	* $2,500,000
WWTP - Headworks Variable Frequency Drive Upgrade	$220,000
WWTP - Upgrade Mixers, Phase II	$160,000
Water Treatment Plant 2nd Feed	* $3,000,000
Utility Main Oversizing	$100,000
Total 2010-2011	$6,585,000

* Bonded

CAPITAL IMPROVEMENT PROGRAM
UTILITY IMPROVEMENTS
2011-2012

Project		Cost
WWTP - Nutrient Removal Preliminary Engineering	*	$1,200,000
WWTP Automated Dissolved Oxygen Control	*	$900,000
WWTP Headworks Variable Frequency Drive Upgrade- Phase II		$220,000
Ricketts Street Water Line Replacement Phase II	*	$450,000
Woods Street Water Line Replacement		$100,000
Lamberth Road Water Line Replacement		$85,000
Texoma Parkway Water Replacement - Phase IV	*	$300,000
Water Treatment Plant Second Feed, Phase II	*	$4,000,000
Utility Main Oversizing		$100,000
Total 2011-2012		$7,355,000

* Bonded

CAPITAL IMPROVEMENT PROGRAM
UTILITY IMPROVEMENTS
2012-2013

Project	Cost
Eastside Outfall Return Sewer	* $500,000
Texoma Parkway Water Replacement - Phase V	$300,000
WWTP - Nutrient Removal Process	* $8,000,000
Relief Sewer D-1	$290,000
Utility Main Oversizing	$100,000
Total 2012-2013	$9,190,000

* Bonded

UTILITY IMPROVEMENTS
2013-2014

Project		Cost
WWTP - Security Upgrade		$150,000
WWTP - Upgrade UV Disinfection System		$500,000
Blalock Industrial Sewer Replacement	**	$500,000
South Sherman Trunk Sewer Replacement		$135,000
Texoma Parkway Sewer Relief Main		$200,000
Highway 75 South Water Crossing Replacement		$138,000
Utility Main Oversizing		$100,000
TOTAL 2013-2014		$1,723,000

* Bonded

** SEDCO Funded

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 9-8-2009

Subject: Agenda Item No. C.2

**** RESOLUTION NO. 5404***
Authorizing the Execution of a Field Use Agreement with Austin College for the Use of Field #6 at Old Settlers Park

Issue
To consider the renewal of a Cooperative Agreement between the City of Sherman and Austin College for the use of Field #6 at Old Settlers Park for the Austin College Varsity Women's Softball practices and games during the period of August 31, 2009 through April 30, 2011

Background
Austin College and the City of Sherman completed the initial Cooperative Agreement for the use of Field #6 at Old Settlers Park by the Austin College Varsity Women's Softball team. The agreement was for fall and spring practices and games at a cost of $3,145.00 to Austin College. The Cooperative Agreement was renewed for an additional two-year term, 2007-2008 and 2008-2009, at a cost of $3,500.00 for each of the two years and completed on April 30, 2009. A new Cooperative Agreement is being proposed for the use and maintenance associated with Old Settlers Field #6 during the years 2009-2010 and 2010-2011 at a cost of $5,200.00 for each of the two years.

Origination
Timothy Millerick, Vice President for Student Affairs and Athletics – Austin College

Financial Consideration
The City of Sherman will receive $5,200.00 from Austin College for the use and maintenance of Field #6 at Old Settlers Park during fiscal year (FY) 2009-2010 and FY 2010-2011, to cover the City's costs associated with such use.

Staff Recommendation
It is recommended that the Sherman City Council approve the attached two-year Cooperative Agreement with Austin College for the use of Field #6 at Old Settlers Park for their Varsity Women's Softball practices and games.

Alternatives
As may be directed by the Sherman City Council

Attachments
Resolution No. 5404
Field Use Agreement and Exhibits A, B and C

Prepared by:
Kevin Winkler, Parks & Recreation Administrator

Approved by:
George Olson, City Manager

RESOLUTION NO. 5404

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING THE EXECUTION OF A FIELD USE AGREEMENT WITH AUSTIN COLLEGE FOR THE USE OF FIELD #6 AT OLD SETTLERS PARK; FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS RESOLUTION IS PASSED WAS NOTICED AND IS OPEN TO THE PUBLIC AS REQUIRED BY LAW.

WHEREAS, the City of Sherman, Texas owns the public park named Old Settlers Park; and

WHEREAS, Austin College would like to use Field #6 at Old Settlers Park for Austin College Women's Softball practices and games; and

WHEREAS, Austin College wishes to enter into a Field Use Agreement with the City of Sherman permitting such use;

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, to execute an Agreement between the City of Sherman and Austin College for the use of Field #6 at Old Settlers Park, in accordance with the contract documents attached hereto and incorporated herein for all purposes.

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

PASSED AND APPROVED on this the _____ day of ________________, 2009.

CITY OF SHERMAN, TEXAS

ATTEST:

BY: ______________________________
LINDA ASHBY, CITY CLERK

BY: ______________________________
BILL MAGERS, MAYOR

APPROVED AS TO FORM AND CONTENT:

BY: __________________________________
BRANDON S. SHELBY,
CITY ATTORNEY

FIELD USE AGREEMENT
BY AND BETWEEN
<u>THE CITY OF SHERMAN AND AUSTIN COLLEGE</u>

THIS AGREEMENT entered into on the 31st day of August, 2009, by and between the **CITY OF SHERMAN, TEXAS**, hereinafter referred to as "CITY" and **AUSTIN COLLEGE,** hereinafter referred to as "AC". All payments made under this agreement shall be paid from current revenues of CITY and AC.

1. CITY and AC will participate in a Field Use Agreement with each other for the use of Field #6 at Old Settlers Park.

2. CITY and AC will designate an appointee to act under the direction of and on behalf of each of the contracting parties hereto in relation to the field use agreement, with such persons being authorized agents of each of the respective parties hereto.

3. CITY does hereby authorize AC to use Field #6 at Old Settlers Park and its surrounding parking areas, public restrooms, bleachers and scoreboard.

4. CITY and AC agree that any permanent structure(s) added to the facility by AC shall become the property of CITY, under its control and operation.

5. CITY and AC agree upon an effective date of August 31st, 2009, through April 30, 2011, as specified in Exhibit "A", attached hereto and made a part hereof for all purposes (AC Softball Practice/Game Schedule 2010-2011), wherefore AC will have priority on said facility only during the times specified. CITY reserves the right to schedule said facility when not in use by AC.

6. CITY will have the following rights, duties and obligations:

    a. CITY will, at its own expense, keep and maintain the facilities in a good and usable condition;

    b. CITY will provide keys to AC staff for designated ball field entrances, lights, and restrooms. Within two (2) weeks after the AC season ends, all keys provided by CITY to AC shall be returned to the designated CITY appointee;

    c. CITY will provide EMERGENCY PHONE LIST of CITY staff to AC;

    d. CITY will be responsible for electricity, water, sewer and waste disposal utility expenses.

7. CITY will maintain in a good and usable condition the infield and all turf areas in the outfield to include mowing, weed control, fertilizing and herbicide spraying as allowed by its budget, and will be the sole judge of the acceptability of such maintenance.

8. CITY will be responsible for dragging the infield and marking the baselines, one time per day only, for scheduled games.

9. CITY will perform maintenance of Field #6. AC will be prohibited from performing any maintenance to any turf, infield, equipment, or building owned by CITY, without permission of the Sherman Parks and Recreation Department.

10. CITY will be responsible for the maintenance of all irrigation systems and the watering of the infield (dirt) and outfield (turf).

11. CITY will be responsible for the maintenance of area and ball field lighting systems, including scoreboard and control box.

12. CITY will maintain all bleachers, dug-outs, backstops, fences and gates in a safe, secure and functional condition.

13. CITY will service and maintain cleanliness of restroom facilities prior to each scheduled game.

14. CITY will provide appropriate litter receptacles and the emptying of these receptacles.

15. CITY reserves the right to appoint concession operator(s).

16. CITY will be solely responsible for making field closure decisions prior to or on game day, but not during play, as specified in Exhibit "B", attached hereto and made a part hereof for all purposes.

17. AC will have the following rights, duties and obligations:

   a. AC will pay the CITY a flat fee of FIVE THOUSAND TWO HUNDRED DOLLARS AND NO CENTS ($5,200.00), for this Field Use Agreement, to be paid during the month of January 2010 and January 2011;

   b. AC will pay CITY additional fees as shown in Exhibit "C" attached hereto and made a part hereof for all purposes for "After-Hour/Weekend" maintenance, as may be necessary due to inclement weather;

   c. AC will comply with all Federal, State and Local laws;

   d. AC has the sole responsibility and obligation for ensuring that the field and equipment are in a safe, usable condition, suitable for play, immediately before the start of any practice and/or game, continuing and during the play of such practice and/or game, and shall immediately stop play when such play can not be conducted safely for any reason, including, but not limited to, the condition of the grounds, equipment or weather;

e. AC has the sole responsibility for providing an infield tarp for the field, placing the tarp on the field prior to inclement weather, as well as, the removal of the tarp prior to any practice and/or game;

f. AC will provide all required field equipment (i.e., bases, pitching rubber, home plate, etc…) which are not standard at the facility;

g. AC will not have any other use of the facilities for the time not designated herein; On game days AC will be allowed to have use of field #4 for the opposing team to do pre game warm up.

h. AC will not sub-lease the facilities;

i. AC will provide an EMERGENCY CONTACT PHONE LIST of AC staff to CITY.

18. AC will provide adequate laborers from their staff, as necessary, to perform associated maintenance/preparation of the facility as appropriate and/or required during times of inclement weather. These laborers will assist and perform duties as coordinated and assigned by CITY.

19. AC will be responsible for and/or may drag and line a field between scheduled games, as necessary, and/or may drag and prep the home plate area/pitchers pad prior to each practice with appropriate equipment and materials approved by CITY.

20. AC will be prohibited from performing any maintenance to any turf or infield areas except as stated in #18 and #19 above.

21. AC will ensure that all secured areas remain locked or are relocked at the completion of each game and/or practice.

22. AC will only use athletic field lights directly associated with Field #6. When play concludes, AC will be responsible for ensuring that lights are turned off. Athletic field lights will not be turned on before dusk unless atmospheric conditions create a condition necessitating lights for safe use of the field.

23. AC will be responsible for daily collection and policing of all litter on and around Field #6, to include playing areas, warm-up areas, dug-outs, fences, and bleachers. All litter will be placed in receptacles provided by CITY.

24. AC will be responsible for opening all entrances prior to scheduled practices/games and closing/locking all entrances at the completion of all scheduled practices/games.

25. AC will not use any other facilities at Old Settlers Park, unless otherwise specified and/or approved.

26. AC will be prohibited from installing permanent signs of any kind at the facilities or within the park. Furthermore, the placement of temporary signs must be pre-approved by the Parks and Recreation Department prior to placement.

27. AC will accept responsibility for any and all costs, damages, or expenses arising from any accident or other occurrence to persons or property on the premises belonging to CITY which occurs while AC has control of the subject premises and which are attributable to the negligence of AC.

28. AC will be solely responsible for any additional security at the premises during scheduled games.

29. AC understands that all goods and personal property of any kind of AC's in or on the premises will be the sole responsibility of AC, and in no event will CITY be liable for any loss or damage to these goods or property for any reason whatsoever.

30. AC is responsible for obtaining its own general liability insurance, and the CITY shall be named as additional insured on AC policies covering the use of the CITY facilities.

31. INDEMNIFICATION. AC agrees to defend, indemnify and hold harmless the CITY and its officers, agents and employees from and against all damages, injuries (including death), claims, property damages (including loss of use), losses, demands, suits, judgments and costs, including reasonable attorney's fees and expenses, in any way arising out of, related to, or resulting from the usage of Field #6 at Old Settlers Park by AC, or caused by any intentional or negligent act or omission of AC, its officers, agents, employees, subcontractors, licensees, invitees or any other third parties. In addition, this indemnification and hold harmless shall apply to any imputed or actual joint enterprise liability. AC further agrees to defend, indemnify and hold harmless the CITY and its officers, agents and employees from any claim arising from a negligent act of the CITY or its officers, agents and employees related to AC's usage of Field #6.

32. Notwithstanding anything to the contrary herein, both CITY and AC agree to execute and deliver any instruments in writing necessary to carry out any agreement, term, or condition within this Agreement whenever needed.

33. By executing this Agreement, each party represents that such party has full capacity and authority to grant all rights and assume all obligations that have been granted and assumed under this Agreement, and that the governing body of the respective party has authorized this Agreement.

34. This agreement may not be terminated, amended or altered in any manner without sixty (60) days prior written notice to the other party.

35. This agreement does not waive any governmental or other immunity otherwise available to either party hereto, nor does it create any right or cause of action by persons or entity not a party hereto.

AUSTIN COLLEGE

BY: Heidi B. Ellis
Heidi Ellis
Vice President for Business Affairs

ATTEST:

BY:
Timothy Millerick
Vice President for Student Affairs and Athletics

CITY OF SHERMAN, TEXAS

BY: ____________________
George Olson, City Manager

ATTEST:

BY: ____________________
Linda Ashby, City Clerk

APPROVED AS TO FORM:

____
Brandon Shelby, City Attorney

EXHIBIT A

Austin College Softball Fall Schedule 2009
Old Settlers Park - Field #6

Date	Event	Time
Monday, September 7		
Tuesday, September 8	Practice	4:00-6:15
Wednesday, September 9	Practice	4:00-6:15
Thursday, September 10	Practice	4:00-6:15
Friday, September 11	Practice	4:00-6:15
Saturday, September 12	OFF	
Sunday, September 13	OFF	
Monday, September 14	OFF	
Teusday, September 15	Practice	4:00 - 6:15
Wednesday, Septmber 16	Practice	4:00 - 6:15
Thursday, September 17	Practice	4:00-6:15
Friday, September 18	Practice	4:00 - 6:15
Saturday, September 19	OFF	
Sunday, September 20	OFF	
Monday, September 21	OFF	
Tuesday, September 22	Practice	4:00 - 6:15
Wednesday,September 23	Practice	4:00 - 6:15
Thursday, September 24	Practice	4:00-6:15
Friday, September 25	Practice	4:00 - 6:15
Saturday, September 26	OFF	
Sunday, September 27	OFF	
Monday, September 28	OFF	
Tuesday September 29	Practice	4:00 - 6:15
Wednesday, September 30	Practice	4:00 - 6:15
Thursday, October 1	Practice	4:00-6:15
Friday, October 2	Practice	4:00 - 6:15
Saturday, October 3	SOSU Invitational	Durant, OK

Austin College Softball Spring Schedule February 2009

Old Settlers Field - #6

Date	Event	Time
Monday, February 1	Practice	4:00 - 6:15
Tuesday, February 2	Practice	4:00 - 6:15
Wednesday, February 3	Practice	4:00- 6:15
Thursday, February 4	Practice	4:00 - 6:15
Friday, February 5	Practice	4:00 - 6:15
Saturday, February 6	OFF	OFF
Sunday, February 7	OFF	OFF
Monday, February 8	Practice	4:00 - 6:15
Tuesday, February 9	Practice	4:00 - 6:15
Wednesday, February 10	Practice	4:00 - 6:15
Thursday, February 11	Practice	4:00 - 6:15
Friday, February 12	Practice	4:00 - 6:15
Saturday, February 13	AC @ Howard Payne	12:00/2:00
Sunday, February 14	OFF	OFF
Monday, February 15	Practice	4:00 - 6:15
Tuesday, February 16	Practice	4:00 - 6:15
Wednesday, February 17	AC vs U of Dallas	5:00/7:00
Thursday, February 18	Practice	4:00 - 6:15
Friday, February 19	Practice	4:00 - 6:15
Saturday, February 20	AC vs Howard Payne	12:00/2:00
Sunday, February 21	OFF	OFF
Monday, February 22	Practice	4:00 - 6:15
Tuesday, February 23	AC vs UT Dallas	5:00/7:00
Wednesday, February 24	Practice	4:00 - 6:15
Thursday, February 25	Travel Day	
Friday, February 26	at Longview Tourny	
Saturday, February 27	at Longview Tourny	
Sunday, February 28		

Austin College Softball Spring Schedule March 2009
Old Settlers Park - Field #6

Date	EVENT	Time
Monday, March 1	Practice	4:00 - 6:15
Tuesday, March 2	Practice	4:00 - 6:15
Wednesday, March 3	Practice	4:00 - 6:15
Thursday, March 4	Practice	4:00 - 6:15
Friday, March 5	Practice	4:00 - 6:15
Saturday, March 6	AC vs MSC	12:00/2:00
Sunday, March 7	OFF	OFF
Monday, March 8	Practice	4:00 - 6:15
Tuesday, March 9	AC vs U of Ozarks	5:00/7:00
Wednesday, March 10	Practice	4:00-6:15
Thursday, March 11	Practice	4:00 - 6:15
Friday, March 12	Practice	4:00 - 6:15
Saturday, March 13	AC @ MSC	2:00/4:00
Sunday, March 14	OFF	OFF
Monday, March 15	Practice	4:00 - 6:15
Tuesday, March 16	Practice	4:00 - 6:15
Wednesday, March 17	AC @ U of Dallas	5:00/7:00
Thursday, March 18	Practice	4:00 - 6:15
Friday, March 19	Practice	4:00 - 6:15
Saturday, March 20	AC @ Southwestern	1:00/3:00
Sunday, March 21	AC @ Southwestern	11:00/1:00
Monday, March 22	OFF	OFF
Tuesday, March 23	Practice	4:00 - 6:15
Wednesday, March 24	Practice	4:00 - 6:15
Thursday, March 25	Practice	4:00 - 6:15
Friday, March 26	Practice	4:00 - 6:15
Saturday, March 27	AC vs Hendrix	1:00/3:00
Sunday, March 28	AC vs Hendrix	11:00/1:00
Monday, March 29	OFF	OFF
Tuesday, March 30	Practice	4:00 - 6:15
Wednesday, March 31	Practice	4:00- 6:15

Austin College Softball Spring Schedule April 2009
Old Settlers Park - Field #6

Date	Event	Time
Thursday, April 1	Practice	4:00 - 6:15
Friday, April 2	AC vs Trinity	5:00/7:00
Saturday, April 3	AC vs Trinity	1:00/3:00
Sunday, April 4	OFF	OFF
Monday, April 5	Practice	4:00 - 6:15
Tuesday, April 6	Practice	4:00 - 6:15
Wednesday, April 7	Practice	4:00 - 6:15
Thursday, April 8	Practice	4:00 - 6:15
Friday, April 9	Travel Day	
Saturday, April 10	AC @ Millsaps	1:00/3:00
Sunday, April 11	AC @ Millsaps	11:00/1:00
Monday, April 12	OFF	OFF
Tuesday, April 13	Practice	4:00 - 6:15
Wednesday, April 14	Practice	4:00 - 6:15
Thursday, April 15	Practice	4:00 - 6:15
Friday, April 16	Travel Day	
Saturday, April 17	OFF	OFF
Sunday, April 18	OFF	OFF
Monday, April 19	Practice	4:00 - 6:15
Tuesday, April 20	Practice	4:00 - 6:15
Wednesday, April 21	Practice	4:00 - 6:15
Thursday, April 22	AC @ SCAC TOURNY	
Friday, April 23	AC @ SCAC TOURNY	
Saturday, April 24	AC @ SCAC TOURNY	
Sunday, April 25	AC @ SCAC TOURNY	

EXHIBIT B

GENERAL GUIDELINES FOR FIELD INSPECTION AND CLOSURE

Reasons for Athletic Field Closure or Postponement

1. Raining at practice and/or game time.

2. Playing field too wet.

3. Field needs to be closed in the interest of participant safety and/or preservation of good playing surfaces.

4. Renovation or construction conditions exist.

Procedures for Athletic Field Closures

1. CITY (Parks and Recreation Department Representative) will take sole responsibility for making decisions based upon field condition and weather, and this decision will be final. CITY and AC maintenance crews will make every effort available to accommodate games during times of inclement weather.

2. After games have begun and inclement weather becomes a factor, the umpire crew and AC will follow the same guidelines for deciding cancellation or postponement.

3. Field damage caused by play during inclement weather may make the field unavailable for the next scheduled game and/or practice. The costs to repair any damages caused to the field will be the responsibility of AC and will be repaired by CITY, as appropriate and necessary, and billed directly to AC for payment.

EXHIBIT C

CITY OF SHERMAN
AFTER HOUR/WEEKEND
INCLEMENT WEATHER MAINTENANCE COSTS

The following cost schedule will apply and be billed directly to AC, only in circumstances where inclement weather causes the need for additional field maintenance after normal business hours during the week days and/or week ends.

Weekday Games (After Business Hours)

Labor Costs:

- (1) Crew Leader $25.00/hour
- (1) Operator $20.00/hour
- (1-2) Laborer(s) $18.00/hour

Stand-By/On-Call Pay:

- $25.00/employee (3 employees maximum)

Drying Agents: $10.00/bag

Weekend Games

Labor Costs:

- (1) Crew Leader $25.00/hour
- (1) Operator $20.00/hour
- (1-2) Laborer(s) $18.00/hour

Stand-By/On-Call:

- $50.00/employee (3 employees maximum)

Drying Agents: $10.00/bag

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 9-8-2009

Subject: Agenda Item No. C.3

**** RESOLUTION NO. 5405***

Authorizing the Extension of and the Execution of an Addendum to the Ambulance Service Agreement with Grayson County, Extending the Term for Two Additional Years and Providing for an Increased Consideration; Waiving the Three-Month Notice Requirement

Issue
To consider approval of an extension and addendum to the contract between the City of Sherman and Grayson County regarding EMS services in the County to extend the agreement for two additional years, from October 1, 2009, through September 30, 2011, and to provide for increased consideration for services

Background
The Sherman Fire Department provides EMS protection for certain areas of Grayson County, per an annual contract. In 2006, the City and County agreed to a three-year contract with an option for two-year extensions. The original contract requires that any decision regarding possible renewal of this agreement or any extension thereof shall be made at least three months prior to the scheduled termination date. On August 5, 2009, County Judge Drue Bynum requested the two-year extension. This Resolution waives the three-month notice requirement and extends the original three-year contract for an additional two years with an increase of 3.1%.

Origination
Grayson County and the City of Sherman

Financial Consideration
With the 3.1% increase, the City will receive $104,421.00 for fiscal year (FY) 2009 and an increase for FY 2010 based on the Consumer Price Index (CIP). The County will pay the City the annual amount in equal quarterly payments in advance.

Staff Recommendation
Approve the two-year extension of and addendum to the agreement to provide ambulance services to the County through September 30, 2011.

Alternatives
As directed by Council

Attachments
Letter from County Judge Drue Bynum
Resolution No. 5405
Resolution No. 4870 with Original Ambulance Services Agreement and Addendum No. 1
Addendum No. 2 to Ambulance Services Agreement

Prepared by:
Jeffrey J. Jones, Fire Chief

Approved by:
George Olson, City Manager

Drue Bynum
Grayson County Judge

August 5, 2009

Ambulance Services Providers

During our budget hearings, the Commissioners' Court had an in-depth discussion about our ambulance contracts. We are extremely satisfied with the service that has been provided to the County. We have also been very pleased with the contract that is in place. Because of this, the Court has authorized a CPI increase for a two (2) year extension per paragraph XII of the original contract. This increase will be for each year during the two year extension.

The calculated increase for this year will bring the total annual subsidy to $835,110 based on a CPI increase of 3.1%.

Please send me a letter of approval from your governing body for this contract extension.

Thank you for the services you provide the citizens of Grayson County.

Feel free to call if you have any questions.

Respectfully,

Drue Bynum

Drue Bynum
County Judge

100 W. Houston, Suite 15 • Sherman, Texas 75090
Office: 903 813-4228 • Fax: 903 892-4085
Email: bynumd@co.grayson.tx.us

RESOLUTION NO. 5405

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING THE EXTENSION OF AND THE EXECUTION OF AN ADDENDUM TO THE AMBULANCE SERVICE AGREEMENT WITH GRAYSON COUNTY, EXTENDING THE TERM FOR TWO ADDITIONAL YEARS AND PROVIDING FOR AN INCREASED CONSIDERATION; WAIVING THE THREE-MONTH NOTICE REQUIREMENT; FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS RESOLUTION IS PASSED WAS NOTICED AND IS OPEN TO THE PUBLIC AS REQUIRED BY LAW.

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

SECTION 1. That the Mayor be and is hereby authorized and directed, subject to any and all documentation being properly completed and approved as to form and content by the City Attorney, to extend the existing Ambulance Service Agreement with Grayson County for an additional two-year period of October 1, 2009 through September 30, 2011. A copy of the existing Agreement for Ambulance Services is attached hereto and made a part hereof for all purposes.

SECTION 2. That the Mayor be and is hereby authorized and directed to waive the three-month notice requirement for this instance as provided for in the existing Ambulance Service Agreement with Grayson County at Article XII, "Term of Agreement and Renewal Provisions."

SECTION 3. That the Mayor be and is hereby further authorized and directed, subject to any and all documentation being properly completed and approved as to form and content by the City Attorney, to execute Addendum No. 2 to the Ambulance Service Agreement, amending Article VII, "Consideration", to increase the total annual subsidy by 3.1% to $104,421.00 for fiscal year (FY) 2009 and an increase for FY 2010 based on the Consumer Price Index (CPI). The amendment entitled "Addendum No. 2 to Agreement for Ambulance Services" is attached hereto and made a part hereof for all purposes.

SECTION 4. 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 ________________, 2009.

CITY OF SHERMAN, TEXAS

BY: ______________________________

BILL MAGERS, MAYOR

ATTEST:

BY: ________________________________

LINDA ASHBY, CITY CLERK

APPROVED AS TO FORM
AND CONTENT:

BY: ________________________________

BRANDON S. SHELBY,
CITY ATTORNEY

Ambulance agreement
with Grayson County

RESOLUTION NO. 4870

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING THE EXECUTION OF AN AMBULANCE SERVICE AGREEMENT AND THE ADDENDUM TO THE AGREEMENT WITH GRAYSON COUNTY; FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS RESOLUTION IS PASSED WAS NOTICED AND IS OPEN TO THE PUBLIC AS REQUIRED BY LAW.

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

SECTION 1. That the Mayor be and is hereby authorized and directed, subject to all contract documents being properly completed and approved as to form and content by the City Attorney, to execute an Ambulance Service Agreement and the Addendum to the Agreement with Grayson County for the period of October 1, 2006 through September 30, 2009, in the same form as the Agreement and the Addendum, 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 18th day of September, 2006.

CITY OF SHERMAN, TEXAS

BY: [signature]
BILL MAGERS, MAYOR

ATTEST:

BY: Linda Ashby
LINDA ASHBY,
CITY CLERK

APPROVED AS TO FORM AND CONTENT:

BY: [signature]
DOREEN E. MCGOOKEY,
CITY ATTORNEY

STATE OF TEXAS

COUNTY OF GRAYSON

AGREEMENT FOR AMBULANCE SERVICES

The Agreement for Ambulance Services (the "Agreement"), dated this 1st day of October, 2006, by and between Grayson County, Texas, (the "County"), and City of Sherman, a duly licensed Texas EMS ambulance provider (the "Contractor").

Whereas, County has a tradition of Contractor and other providers being important participants in the Emergency Medical Services ("EMS") system in Grayson County; and

Whereas, Contractor desires to provide emergency medical services to the County for the rural citizens of the City of Sherman; and

Whereas, Contractor desires certain funding from the County to enable it to provide such emergency medical services.

NOW, THEREFORE, in consideration of the premises and the mutual promises herein contained, the parties agree as follows:

I. Description of Contractor Services and Services Area

During the term of this Agreement, contractor agrees to furnish ambulance and emergency medical services to rural residents of the Sherman ambulance district, the service area shown in the attached Exhibit A. It being understood and agreed that the Contractor may provide ambulance and emergency medical services 7 days a week, 24 hours a day to persons requiring service within the municipal boundaries of any city within the District, and will for persons requiring services in the unincorporated County portions of the District service area.

The Contractor shall manage all day-to-day operations, including field operations, dispatch, billing, collections, purchasing and other operational functions. The Contractor will negotiate all mutual aid agreements, maintain all facilities and equipment, hire/fire and provide or arrange for in-service training of all field personnel, manage all billing and collection functions, provide reports to the County, cooperate with and respond to the County on matters related to patient care, and generally manage all aspects of the ambulance system operations. The services to be provided will comply with all applicable county, state, and federal laws, regulations and ordinances in effect on the date that such Emergency Medical Services are performed by Contractor.

II. Employee Character and Competence

All persons employed or used by the Contractor in the performance of work under this Agreement shall be competent and hold all required and appropriate professional certifications, permits and/or licenses.

III. Standards for Vehicles and Equipment Maintenance

Contractor shall: Maintain and meet current vehicle specifications as specified by the *Federal Specification Ambulance Emergency Medical Care Vehicle* as published by the *General Service Administration, Department of Transportation Federal Specification KKK 1822*, requirements as set forth by the *Texas Department of Health;*

Equip each ambulance with all items for operations as required for the licensed level of service by the *Texas Department of Health;*

Provide motor vehicles used for providing ambulance service designed to transport ill, sick, or injured persons in comfort and safety. Vehicles shall be maintained in a clean, sanitary and first class mechanical condition at all times, in compliance with all applicable state of federal standards for ambulances.

IV. Disaster Assistance

During a declared disaster (locally or in a neighboring jurisdiction) Contractor shall follow the County Emergency Management Plans and commit such resources as are necessary and appropriate given the nature of the disaster.

V. Outside Work

Contractor shall not be prohibited from doing other work provided the services do not interfere with Contractor's primary responsibility for EMS response and transport within the assigned ambulance district.

VI. Medical Director

Contractor shall be responsible for State requirements for provider organizations regarding Medical Directors and their role in purchasing controlled drugs and other controlled supplies, as well as for issuing and signing written standing orders.

VII. Consideration

For consideration of the provision of ambulance and emergency medical services delineated in this agreement, the County agrees to pay, for the duration of this Agreement, an annual subsidy of $94,556.00, plus an ambulance inflation factor for FY 2008 and FY 2009 as determined by Medicare in December of the preceding year, quarterly in advance:

October 1	$23,639.00
January 1	$23,639.00
April 1	$23,639.00
July	$23,639.00
Annual	$94,556.00

VIII. Charges for Services

Any billing and collection procedures used will be developed by the Contractor. The County does not require nor shall it be responsible for any billing or collection for services provided under this Agreement.

The service rate for all 911 and non-emergency transports shall be set by the Contractor without consideration and approval from the County. Rates for services will be provided to the County by the Contractor and any change will require notification within thirty days of the change.

IX. County Ambulance Data Requirements

Contractor shall provide to the County operating reports in a form included as Exhibit B. to this Agreement.

X. Insurance

Throughout the term of this agreement, and any extensions thereof, Contractor shall procure, pay for, and maintain insurance coverage for the provision of ambulance service. Copies of this insurance shall be evidenced by delivery to the County of certificates of insurance, including general and professional medical and automobile liability.

XI. Cooperation with Other EMS Providers

Contractor agrees to exchange appropriate and pertinent information with other EMS providers, including service areas, primary locations and numbers of ambulances available for immediate response.

XII. Term of Agreement and Renewal Provisions

Unless mutually initiated, canceled, extended or terminated earlier, this Agreement shall commence at **12:01 A.M. on October 1, 2006** and terminate at **midnight, September 30, 2009.**

It is understood and agreed that this Agreement may be extended for additional two-year terms by agreement of the parties. Any decision regarding possible renewal of this Agreement or any extension shall be made at least three months prior to the scheduled termination date.

XIII. Amendment and Modification

No amendment, modification or alteration of the terms of this Agreement shall be binding unless in writing, dated after the date of this Agreement and executed by the parties.

XIV. Miscellaneous Provisions

The following miscellaneous provisions apply to this Agreement:

Compliance with Applicable Laws, Rules and Regulations — All services furnished by Contractor shall be rendered in full compliance with all applicable federal, state and local laws, rules and regulations;

Non-Transferable Agreement — This Agreement shall not be assigned or transferred without the County's written permission;

Permits — Contractor shall be the holder of the state Ambulance license and of all state and local vehicle permits, and shall make all necessary payments for those licenses and permits;

XV. Notice and Addresses of Parties

Any notice required under this Agreement shall be delivered by certified mail, return receipt requested, addressed to the proper party, at the following addresses:

To the County: Grayson County
Attention Jeff Schneider, Purchasing Agent
Grayson County Courthouse
100 W. Houston, Suite 27
Sherman, Tx 75090

To Contractor: City of Sherman
Honorable Mayor
P.O. Box 1106
Sherman, TX 75091

XVI. Independent Contractor

It is expressly understood and agreed that Contractor is an independent contractor in its relationship with the County. The County is interested only in the results obtained under this Agreement; the manner and means of conducting the work are under the sole control of the Contractor. None of the benefits provided by the County to their employees are available to Contractor employees, agents, or representatives. Contractor is solely and entirely responsible for its acts and for the acts of its agents, employees, representatives and sub-contractors under this Agreement. Nothing in this Agreement at any time or in any manner shall be construed to 1) effect an agreement of partnership or joint venture, or 2) render the County the employer or master of Contractor, its employees, agents or representatives.

XVII. Indemnification and Assumption of Liability

Contractor expressly agrees to indemnify and hold the County harmless from and against any claims or suits arising in any manner from Contractor's actions or omissions under this Agreement.

XVIII. Governmental Immunity

The County does not waive, nor shall they be deemed to waive, any immunity or defense that would otherwise be available to them against claims arising from the exercise of governmental powers and functions. The doctrine of governmental immunity shall be (and it is by this Agreement) invoked to the extent possible under the law.

XIX. Severability

In the event any provisions of this Agreement are for any reason held invalid, illegal, or unenforceable, they shall not affect any other provision, and this Agreement shall be construed as if such invalid, illegal, or unenforceable they shall not affect any other provision, and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained in this Agreement.

XX. Process for Obtaining Grayson County Financial Support for an Additional Full Time Staffed Ambulance.

Grayson County will consider adding additional ambulances under its financial support plan if clear need is established by an ambulance district based on the following guidelines. See exhibit C.

XXI. Applicable Law

This agreement shall be construed under and in accordance with the laws of the State of Texas, and all of this Agreement's obligations are performable in Grayson County, Texas.

Signed this 18th day of September ,2006
City of Sherman

By: ____________________

Signed this 14 day of Aug , 2006
Grayson County, Texas

By: ____________________
County Judge

ADDENDUM TO AGREEMENT FOR AMBULANCE SERVICES

THIS ADDENDUM makes the following changes to the Agreement for Ambulance Services (hereinafter "Original Agreement") between Grayson County, Texas (the "County") and the City of Sherman (the "Contractor"). This Addendum, which is signed by all the parties, has the same effect as is if in the Original Agreement signed by the parties. The Original Agreement remains in effect, except as amended by this Addendum:

Insert this Article II in place of Article II in the Original Agreement:

ARTICLE II. Employee Certifications

All persons employed or used by the Contractor in the performance of work under this Agreement shall hold all required and appropriate professional certifications, permits and/or licenses.

Insert this Article XIII in place of Article XIII in the Original Agreement:

Article XIII. Amendment and Modification

Any alterations or deletions to the terms of this Agreement shall be by written amendment executed by both parties to this Agreement. Any alterations, additions or deletions to the terms of this Agreement that are required by changes in federal, state, or local law, or regulations, will be automatically incorporated into this Agreement without written amendment, and shall become effective on the date designated by such law or regulation.

Insert a new Article XIIIa. Termination of Contract:

Either party may terminate this Agreement by giving thirty (30) day written notice in accordance with Article XV. Notice and Addresses of Parties.

Amend Article XIV. Miscellaneous Provisions as follows:

Change the "Non-Transferable Agreement" sentence to the following:

Non-Transferable Agreement – Neither party may assign this Agreement or any rights, interests or obligations under this Agreement without the prior written approval of the other party.

The remainder of Article XIV remains the same.

Delete, in its entirety, the following Article XVII. Indemnification and Assumptions of Liability:

~~XVII. Indemnification and Assumption of Liability~~

~~Contractor expressly agrees to indemnify and hold the County harmless from and against any claims or suits arising in any manner from Contractor's actions or omissions under this Agreement.~~

Insert this Article XVIII in place of Article XVIII of the Original Agreement:

Article XVIII. Governmental Immunity

This Agreement does not waive, nor shall it be deemed to waive, any immunity or defense, including, but not limited to, governmental immunity, that would otherwise be available to the parties against claims arising from the exercise of governmental powers and functions.

IN WITNESS WHEREOF, COUNTY and CONTRACTOR have signed this Addendum in duplicate. One counterpart each has been delivered to the COUNTY and CONTRACTOR.

This Addendum will be effective on September 18, 2006 (which is the Effective Date of the Agreement).

CONTRACTOR: **CITY OF SHERMAN, TEXAS**	COUNTY: **GRAYSON COUNTY**
By: ______________________ Mayor	By: ______________________ County Judge
Attest Linda Ashby City Clerk	Attest Wilma Bush County Clerk
Approved as to form and content:	Approved as to form and content:
______________________ Doreen E. McGookey City Attorney	Van Price Van Price Assistant County Attorney

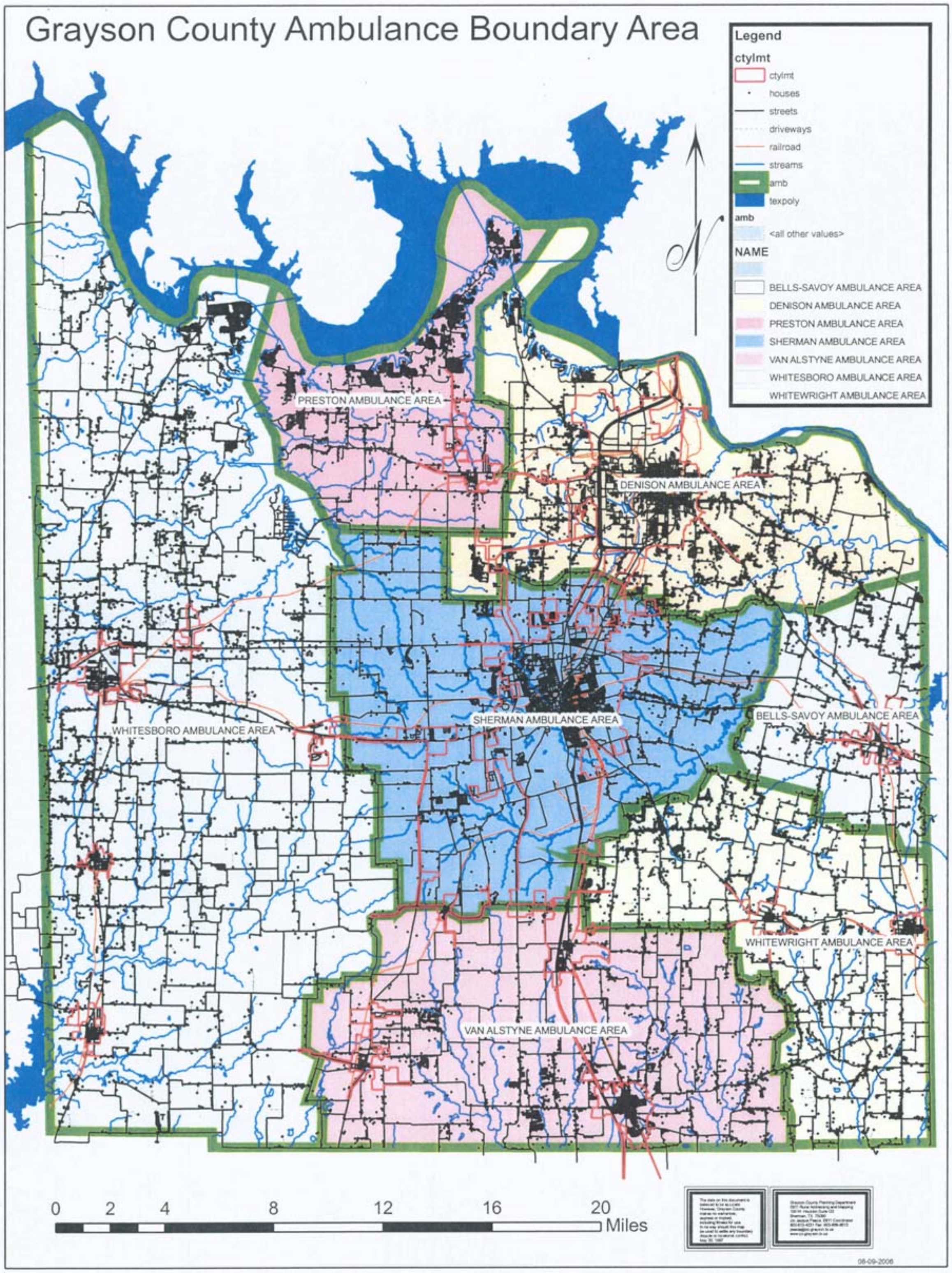

Grayson County Ambulance Boundary Area
Legend
ctylmt
ctylmt
houses
streets
driveways
railroad
streams
amb
texpoly
amb
<all other values>
NAME
BELLS-SAVOY AMBULANCE AREA
DENISON AMBULANCE AREA
PRESTON AMBULANCE AREA
SHERMAN AMBULANCE AREA
VAN ALSTYNE AMBULANCE AREA
WHITESBORO AMBULANCE AREA
WHITEWRIGHT AMBULANCE AREA
N
PRESTON AMBULANCE AREA
DENISON AMBULANCE AREA
SHERMAN AMBULANCE AREA
BELLS-SAVOY AMBULANCE AREA
WHITESBORO AMBULANCE AREA
WHITEWRIGHT AMBULANCE AREA
VAN ALSTYNE AMBULANCE AREA
0 2 4 8 12 16 20
Miles
08-09-2006

Exhibit A

Quarterly Grayson

County Ambulance Data Requirements

District: Sherman   Report for _______ Qtr, FY _____

Date of report: _______________   Number of Ambulances:____

Number of Calls

Run Type	City of Sherman	Sherman Rural	Denison District	Preston District	Bells District	Whitesboro District	Van Alstyne District	Whitewright District	Out of Grayson	Totals
	Locations									
911 calls										
Transfers by FTSA										
Transfers by non-FTSA										
Non-Transports										
Others										
Total Calls										
Calls turned over to mutual aid EMS										
Calls turned over to air ambulance										

Response time (minutes)

	City of Sherman	Sherman Rural	Weighted Average
E911 calls*			

*Transports & non-transports

This quarter last FY Average Ambulance Response time: ______

Total average time/ E911 call ______

Exhibit B

Quarterly Grayson
County Ambulance Data Requirements

- **District:** Area covered
- **911 Calls**: Number of 911 generated calls this quarter for each area to the right.
- **Transfer by FTSA**: Number of Transfers by Full Time Staffed Ambulance (FTSA) for each of the areas to the right.
- **Transfers by Non-FTSA:** Same as above only with non-FTSA personal/assets.
- **Non-Transports:** A 911 call that did not require a transport (patient refusal, false alarm, cancelled, etc).
- **Others:** Any other call not covered above. An example would be a **standby at a football game** or other event.
- **Total Calls: The sum of the above less non-transports.**
- **Calls turned over to Mutual Aid EMS:** Any calls handed over to another district because of no ambulance available within your district or to an air ambulance.

Response Time

- **E911 calls:** Average time in minutes from the time call is received until the ambulance arrives on the scene. For in house dispatch, it is the time from the call is received to arrival on scene. For dispatched from the county or off site dispatch: it is the time from the time you receive the call until arriving on scene.
- **Total Average Time/911 Call.** The sum of the total time the ambulance(s) is dedicated to a call (from call received to back in service) divided by the number of calls.
- **Weighted average:** The sum of all response time minutes for all calls divided by the total number of calls.

Process for obtaining Grayson County financial support for an additional Full Time Staffed Ambulance

Grayson County will consider adding additional ambulances under its financial support plan if clear need is established by an ambulance district based on the following guidelines:

1. A district applying to add an ambulance shall file all required justification data with the court no later than 6 months prior to the start of the fiscal year in which support is requested (April 1).
2. The district shall have submitted all quarterly reports required by the County on a timely basis as required by contract.
3. The district shall keep records of billing revenue for each month in the following categories:
    a. Transports (911 calls)
    b. Transfers by FTSA
    c. Transfers by non-FTSA
    d. Total billing revenue
4. The revenue data noted in (4) above shall be updated each month by category as collections continue. Revenue data for months more than 8 months past will be considered final data for that month. This revenue data shall be submitted with the application along with information regarding sources of funding for the 70% of FTSA standard cost not provided by the county.
5. The Commissioners Court will accept or reject the districts application based upon the following considerations:
    Positive factors:
    - Adverse changes in response times due to numbers of calls requested.
    - Increasing numbers of dropped calls (calls given to another district) due to FTSA not available
    - High percentage of calls from a high growth area
    - High number of transports per ambulance

    Negative factors:
    - Impact of excessive transfers on FTSA availability. However, transfers conducted by a non-FTSA which is not currently supported by the county would not be a negative consideration.

6. The final decision on accepting the application for support of a new ambulance shall be at the discretion of the Commissioners Court.

ADDENDUM NO. 2 TO AGREEMENT FOR AMBULANCE SERVICES

THIS ADDENDUM makes the following changes to the Agreement for Ambulance Services dated the 1st day of October, 2006 (hereinafter "Original Agreement") by and between Grayson County, Texas (the "County") and the City of Sherman, a duly licensed Texas EMS ambulance provider (the "Contractor"). This Addendum, which is signed by all the parties, has the same effect as in the Original Agreement signed by the parties. The Original Agreement and its Addendum No. 1 remains in effect, except as amended by this Addendum:

Insert this Article VII in place of Article VII in the Original Agreement:

VII. Consideration

For consideration of the provision of ambulance and emergency medical services delineated in this agreement, the County agrees to pay, for the duration of this Agreement, an annual subsidy of $104,421.00 for fiscal year (FY) 2009, plus an ambulance inflation factor for FY 2010 as determined by Medicare in December of the preceding year, quarterly in advance:

October 1	$ 26,105.25
January 1	$ 26,105.25
April 1	$ 26,105.25
July 1	$ 26,105.25
Annual	$104,421.00

IN WITNESS WHEREOF, County and Contractor have signed this Addendum in duplicate. One counterpart each has been delivered to the County and Contractor.

This Addendum No. 2 will be effective on ________________, 2009 (which is the Effective Date of the Extension to the Ambulance Service Agreement).

CONTRACTOR:
CITY OF SHERMAN, TEXAS

By:_________________________________
Bill Magers, Mayor

Attest:______________________________
Linda Ashby, City Clerk

Approved as to Form and Content:

____
Brandon S. Shelby, City Attorney

COUNTY:
GRAYSON COUNTY

By:_________________________________
Drue Bynum, County Judge

Attest:______________________________
Wilma Bush, County Clerk

Approved as to Form and Content:

____
Van Price, Assistant District Attorney

SHERMAN CITY COUNCIL

Agenda Communication Form

From: The Office of the City Manager **Date:** 9-8-2009

Subject: Agenda Item No. C.4

**** RESOLUTION NO. 5406***

Authorizing Execution of Agreements with the Sherman Housing Authority, the Texoma Area Paratransit System, Inc., the Grayson County Crisis Center, and the Boys & Girls Club of Sherman, Inc. for the Use of Community Development Block Grant Funds

Issue

Public Service Contracts for the Fiscal Year (FY) 2009 Community Development Block Grant (CDBG) Program

Background

The FY 2009 CDBG Program, previously adopted by the Sherman City Council via Resolution No. 5363 at the June 1, 2009 meeting, allocated certain CDBG funds to provide various public services through sub-recipient agencies. These agreements were designed to coincide with the CDBG funding cycle and covered the period of October 1, 2009, through September 30, 2010.

Origination

Theresa Caudle, Neighborhood Services Coordinator

Financial Consideration

Funds have been appropriately allocated through the specific public hearing and grant submission process as required by the U.S. Department of Housing and Urban Development.

Staff Recommendation

Staff recommends the Sherman City Council approve and authorize the City Manager to execute the required contract documents.

Alternatives

The Sherman City Council could choose to amend the FY 2009 Community Development Block Grant Statement/Action Plan as they deem necessary and appropriate.

Attachments

Resolution No. 5406
Resolution No. 5363
FY 2009 Community Development Block Grant Final Statement/Action Plan

Prepared by:
Theresa Caudle, Neighborhood Services Coordinator

Approved by:
George Olson, City Manager

RESOLUTION NO. 5406

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF AGREEMENTS WITH THE SHERMAN HOUSING AUTHORITY, THE TEXOMA AREA PARATRANSIT SYSTEM, INC., THE GRAYSON COUNTY CRISIS CENTER, AND THE BOYS & GIRLS CLUB OF SHERMAN, INC. FOR THE USE OF COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS; 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 documents being properly completed and approved as to form by the City Attorney, to execute agreements with the Sherman Housing Authority, the Texoma Area Paratransit System, Inc., the Grayson County Crisis Center, and the Boys & Girls Club of Sherman, Inc. for the use of Community Development Block Grant Funds in accordance with the terms and provisions of the Agreements to be attached hereto and incorporated herein for all purposes.

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

PASSED AND APPROVED on this the _____ day of ________________, 2009.

CITY OF SHERMAN, TEXAS

ATTEST:

BY: ________________________________
BILL MAGERS, MAYOR

BY: ________________________________
LINDA ASHBY, CITY CLERK

APPROVED AS TO FORM AND CONTENT:

BY: ________________________________
BRANDON S. SHELBY,
CITY ATTORNEY

Final action statement action
plan for the CDBG for FY 2009

RESOLUTION NO. 5363

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING PUBLICATION OF THE PROPOSED FINAL STATEMENT/ACTION PLAN FOR THE COMMUNITY DEVELOPMENT BLOCK GRANT FOR FISCAL YEAR 2009; AUTHORIZING SUBMISSION OF THE BLOCK GRANT APPLICATION; AUTHORIZING EXECUTION OF CERTAIN ASSURANCES OF COMPLIANCE IN CONNECTION WITH THE ADMINISTRATION AND CONDUCT OF THE COMMUNITY DEVELOPMENT PROGRAM FOR FISCAL YEAR 2009; FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS RESOLUTION IS PASSED IS OPEN TO THE PUBLIC AS REQUIRED BY LAW.

WHEREAS, under the Housing and Community Development Act of 1974, as amended, the City of Sherman is eligible to receive an estimated $324,514.00 for fiscal year 2009, to be expended on eligible activities primarily benefiting low/moderate income families; and

WHEREAS, the Community Development Block Grant regulations require the opportunity for citizen participation in the development of the final statement and authorizing of the expenditure of such funds; and

WHEREAS, after proper notice was published in the Herald Democrat, a newspaper of general circulation in the City of Sherman, public hearings were held by said Community Development Staff to receive citizen participation and input on March 13, 2009 and March 15, 2009; and

WHEREAS, the City Council, after due consideration of the proposed Community Development Final Statement and of all matters raised at public meetings, is of the opinion that, unless public comment warrants revisions, said final statement should be submitted as the Community Development Application for the City of Sherman for the program year 2009 to the U.S. Department of Housing and Urban Development, in order to secure funding as provided herein;

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

SECTION 1. That the Community Development Final Statement, embodying those projects set forth on Attachment "A", attached hereto and made a part hereof for all purposes, is hereby approved and adopted as the Community Development Plan of the City of Sherman, Texas, for the program year 2009.

SECTION 2. That the City Council of the City of Sherman hereby certifies and assures the U.S. Department of Housing and Urban Development that development of this application for funds under the Housing and Community Development Act of 1974, as amended, and the implementation of the Block Grant Program will be conducted in accordance with all applicable provisions of the "Assurances" as required.

SECTION 3. That the City Manager of the City of Sherman is hereby authorized to execute, on behalf of the City of Sherman, the "Assurances" set forth on Attachment "B", attached hereto and made a part hereof for all purposes. These Assurances concern compliance with certain guidelines, regulations, and policies in preparation of this application and in conducting the Community Development Program of the City of Sherman.

SECTION 4. That the City Manager of the City of Sherman is hereby authorized to submit, as the Chief Executive Officer of the City of Sherman, and on behalf of the City of Sherman, the Community Development Final Statement and a certified copy of this resolution and all attachments thereto to the U.S. Department of Housing and Urban Development, in application for funds available to the City of Sherman under the Housing and Community Development Act of 1974, as amended. Said application shall be made on forms required by the U.S. Department of Housing and Urban Development.

SECTION 5. That the City Manager of the City of Sherman is hereby authorized and designated to act as Chief Executive Officer in connection with this application, and is hereby authorized and directed to provide such additional information as may be required in connection with said application.

SECTION 6. 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 1st day of June, 2009.

CITY OF SHERMAN, TEXAS

ATTEST:

BY: [signature]
BILL MAGERS, MAYOR

BY: Linda Ashby
LINDA ASHBY, CITY CLERK

APPROVED AS TO FORM AND CONTENT:

[signature]
BRANDON S. SHELBY, CITY ATTORNEY

CITY OF SHERMAN, TEXAS
FINAL STATEMENT/ACTION PLAN OF
COMMUNITY DEVELOPMENT OBJECTIVES
AND PROJECTED USE OF FUNDS FOR PROGRAM YEAR 2009

GRANT NO: B-2009-MC-48-0027

The City of Sherman has received notice from the U.S. Department of Housing and Urban Development (HUD) that its entitlement grant for the Community Development Program (CDBG) for fiscal year 2009 is $324,514.00. These funds will be received on October 1, 2009. Activities that directly benefit low and moderate-income persons will be available citywide. Other activities which have an area benefit will only be available in areas of the city which are populated by a majority of low and moderate-income persons. The City has met citizen participation requirements.

The City of Sherman's Consolidated Plan is a document which is required by the U.S. Department of Housing and Urban Development, and includes the following subjects: (1) Housing and Homeless Needs Assessment - A description of the jurisdiction's estimated housing needs for the ensuing five-year period; (2) Housing Market Analysis - A description of the significant characteristics of the jurisdiction's housing market, including supply, demand, condition and cost of housing and the housing stock and services available {i.e., public and assisted housing, homeless, elderly, frail elderly, persons with disabilities (mental/physical/developmental), persons with alcohol and other drug addictions, and persons with HIV/AIDS and related diseases; (3) Strategic Plan - A description of the five-year strategy and plan to address affordable housing, homelessness, other special needs and non-housing community development plan; and, (4) Action Plan - A description of the jurisdiction's one-year plan of activities to be undertaken during the coming year.

The overall goal of this community development planning and development program is to develop viable urban communities by providing decent housing, a suitable living environment and expanded economic opportunities principally for low and moderate-income persons of the City of Sherman. Therefore, based on these objectives, the following use of funds is being proposed:

COMMUNITY DEVELOPMENT PROGRAM ACTION PLAN
PROGRAM YEAR 2009

OWNER-OCCUPIED HOUSING REHABILITATION:..$194,909
A program of specific housing repairs will be provided to low and moderate income homeowners who reside within the city limits of Sherman, to bring their properties to code requirements. Expenditures will be limited to $5,000 per housing unit under this activity. This activity will cause no displacement of low and moderate income persons.
FIRST-TIME HOMEOWNERSHIP PROGRAM:... $ 25,000
A program, in cooperation with local lending institutions, to provide technical, educational and financial assistance to low and moderate income first-time homebuyers through a variety of services, including basic closing-cost assistance, at a maximum of $2,000.
DEMOLITION/CLEARANCE PROGRAM:..$ 10,725
A program to demolish vacant, substandard structures and clear property lots which pose a risk to health/safety of low-moderate income target neighborhoods.
PROGRAM ADMINISTRATION:..$ 63,000
The City proposes to use the Administration funds for personnel and support for all phases of the application process, environmental reviews, fair labor standard compliance, contract management, fair housing Grantee Performance Report, preparation of annual Action Plan and Performance Report associated with the City of Sherman Five-Year Consolidated Plan and Strategy.

PUBLIC SERVICE ACTIVITIES:

Sherman Housing Authority:...$ 8,800
A program to address the problems of drug abuse and associated crime in public housing. Activities include increasing law enforcement services to stop the sell of illegal drugs in and around assisted housing, apprehend sellers of such drugs and an overall reduction of crime in the assisted housing area.

Texoma Area Paratransit System, Inc:..$ 17,600
A program that will provide transportation assistance to low and moderate income individuals who reside within the city limits of Sherman including transportation to and from work, to and from school, and to doctor and grocery trips for the elderly.
Crisis Center:...$ 3,080
A program of activities that will provide emergency assistance to homeless women and children of domestic violence, who at one time, resided within the city limits of Sherman.
Boys & Girls Club of Sherman, Inc:..$ 1,400
A program to provide scholarships for the low and moderate income Sherman youth. Scholarship funding will provide the opportunity for low/moderate income youth to participate in organized sports activities that would not otherwise be able to participate.

TOTAL PROGRAM ALLOCATION:..$324,514

The City of Sherman seeks, through the following program objectives, to improve housing conditions, neighborhood appearance, employment opportunities, and the overall quality of life for low and moderate-income citizens. No activities will be undertaken which cause involuntary displacement of persons.

CITY OF SHERMAN COMMUNITY DEVELOPMENT OBJECTIVES

1. Encourage citizen participation and input to obtain maximum public involvement in program activities.

2. Promote the rehabilitation and repair of deteriorating housing through the City's rehabilitation program.

3. Promote homeownership opportunities for low-moderate income persons through the City’s First-time Homeownership closing cost assistance program.

4. Eliminate slum and blight through the removal of structures that create unsafe, unsanitary and hazardous situations for the public.

5. Promote drug elimination programs for low and moderate income assisted housing families/households.

6. Provide support for transportation assistance to low and moderate income persons.

7. Provide support for provision of emergency shelter/assistance to the homeless.

8. Assist in providing youth activities for children from low and moderate income families.

The Action Plan of Community Development Objectives and Projected Use of Funds for Program Year 2009 are available in the Community Development Office of the City of Sherman. Any citizen or agency interested in commenting on this Final Statement of Objectives is invited to submit written comments c/o Theresa Caudle, CD Coordinator, City of Sherman, P. O. Box 1106 Sherman, TX 75091-1106. Written comments must be received prior to 5:00 p.m. on Monday, July 6, 2009. A summary of comments received will be made a part of the summary of citizen participation of this Plan.

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 9-8-2009

Subject: Agenda Item No. C.5

**** RESOLUTION NO. 5407***

Authorizing the Acceptance of Fiscal Year 2008 Assistance to Firefighters – Fire Prevention and Safety Grant Agreement Number EMW-2008-FP-01379 from the Federal Emergency Management Agency and the U.S. Department of Homeland Security

Issue

On July 27, 2009, the Federal Emergency Management Agency (FEMA) and the U.S. Department of Homeland Security awarded the Sherman Fire Department a grant in the amount of $16,310. Council approval is required for the receipt and expenditure of these funds.

Background

In February 2009, the City of Sherman applied for a grant under the Assistance to Firefighters Program through cooperation with the City's established grant writing function and several members of the Fire Department. The grant application was for $16,310 and designated to fund fire prevention programs designed to reduce the number of deaths and injuries caused by fire and related hazards in the following targeted high-risk groups: 1) citizens age 65 years old and over; 2) children from preschool thru 8th grade; and 3) non-English speaking members of the Hispanic population. The grant award is for 100% of the amount requested and will be implemented using the Fire Department "Klown Kompany" on-duty and off-duty fire fighters. The award provides for equipment, supplies, and personnel costs related to this program.

Origination

Tammy Davis, Grant Writer; and Jeffrey J. Jones, Fire Chief

Financial Consideration

The grant award of $16,310 represents 100% of the total project cost.

Staff Recommendation

It is recommended that the City Council approve acceptance of the award. Acceptance of the grant and grant agreement is automatic upon request for reimbursement of funds spent on the identified projects.

Alternatives

Though not recommended, the City Council could decline the award and not provide the programs as designed.

Attachments

Resolution No. 5407
Grant Award Package (Notice and Grant Agreement Articles)

Prepared by:
Jeffrey J. Jones, Fire Chief

Approved by:
George Olson, City Manager

RESOLUTION NO. 5407

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING THE ACCEPTANCE OF FISCAL YEAR 2008 ASSISTANCE TO FIREFIGHTERS – FIRE PREVENTION AND SAFETY GRANT AGREEMENT NUMBER EMW-2008-FP-01379 FROM THE FEDERAL EMERGENCY MANAGEMENT AGENCY AND THE U.S. DEPARTMENT OF HOMELAND SECURITY; FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS RESOLUTION IS PASSED WAS NOTICED AND IS OPEN TO THE PUBLIC AS REQUIRED BY LAW.

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

SECTION 1. That the Mayor be and is hereby authorized and directed, subject to all documents being properly completed and approved as to form and content by the City Attorney, to accept the Fiscal Year 2008 Assistance to Firefighters Grant - Fire Prevention and Safety Agreement Number EMW-2008-FP-01379 from the Federal Emergency Management Agency (FEMA) and the U.S. Department of Homeland Security, in accordance with all contract documents attached hereto and incorporated herein for all purposes.

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

PASSED AND APPROVED on this the _____ day of ________________, 2009.

CITY OF SHERMAN, TEXAS

BY: ________________________________
BILL MAGERS, MAYOR

ATTEST:

BY: ________________________________
LINDA ASHBY, CITY CLERK

APPROVED AS TO FORM AND CONTENT:

BY: ________________________________
BRANDON S. SHELBY
CITY ATTORNEY

Award Package

U.S. Department of Homeland Security
Washington, D.C. 20472

FEMA

Ms. Tammy Davis
City of Sherman
P.O. Box 1106
Sherman, Texas 75091-1106

Re: Grant No.EMW-2008-FP-01379

Dear Ms. Davis:

On behalf of the Federal Emergency Management Agency (FEMA) and the Department of Homeland Security (DHS), I am pleased to inform you that your grant application submitted under the FY 2008 Assistance to Firefighters Grant Program - Fire Prevention and Safety Grants has been approved. FEMA is responsible for carrying out the Federal responsibilities of administering your grant. The approved project costs total to $16,310.00.

As part of your award package, you will find Grant Agreement Articles. Please make sure you read and understand the Articles as they outline the terms and conditions of your Grant award. Maintain a copy of these documents for your official file. **You establish acceptance of the Grant and Grant Agreement Articles when you request and receive any of the Federal Grant funds awarded to you.** By accepting the grant, you agree not to deviate from the approved scope of work without prior written approval from DHS.

If your SF 1199A has been reviewed and approved, you will be able to request payments online. Remember, you should basically request found when you have an immediate cash need (i.e. you have a bill in-hand that is due within 30 days). If you have any questions or concerns regarding the process to request your grant funds, please call the helpdesk at 1-866-274-0960.

Sincerely,

W. Ross Ashley, III, Assistant Administrator

Agreement Articles

FEMA

U.S. Department of Homeland Security
Washington, D.C. 20472

AGREEMENT ARTICLES

ASSISTANCE TO FIREFIGHTERS GRANT PROGRAM - FIRE PREVENTION AND SAFETY

GRANTEE: City of Sherman

PROGRAM: Fire Prevention

AGREEMENT NUMBER: EMW-2008-FP-01379

AMENDMENT NUMBER:

TABLE OF CONTENTS

Article I - Project Description

The purpose of the Assistance to Firefighters – Fire Prevention and Safety Grants is to provide funds to national, State, local or community organizations that are recognized for their experience and expertise with respect to fire prevention or fire safety programs and activity. After careful consideration, DHS has determined that the grantee's project submitted as part of the grantee's application, and detailed in the project narrative as well as the request details section of the application – including budget information – was consistent with the program's purpose and worthy of award. Therefore, the grantee shall perform the work described in the approved grant application as itemized in the request details section of the application and further described in the approved grant application's narrative. That narrative is made a part of these grant agreement articles by reference. These sections of the application are made a part of the approved scope of work outlined in the above referenced sections of the application without prior written approval from DHS.

Article II - Grantee Concurrence

By requesting and receiving Federal grant funds provided by this grant program, the grantee accepts and agrees to abide by the terms and conditions of the grant as set forth in this document and the documents identified below. By receiving funds under this grant, grantees agree that they will use the funds provided through the Fiscal Year 2008 Assistance to Firefighters Grant Program in accordance with these Articles of Agreement and the program guidelines provided in the Fiscal Year 2008 Assistance to Firefighters program guidance. All documents submitted as part of the application are made a part of this agreement by reference.

Article III - Period of Performance

The period of performance shall be from 31-JUL-09 to 30-JUL-10.

Article IV - Amount Awarded

The amount of the award is detailed on the Obligating Document for Award attached to these articles. Following are the budgeted estimates for object classes for this grant (including Federal share plus grantee match):

Personnel	$5,300.00
Fringe Benefits	$3,060.00
Travel	$0.00
Equipment	$1,350.00
Supplies	$6,150.00
Contractual	$0.00
Construction	$0.00
Other	$450.00
Indirect Charges	$0.00
Total	$16,310.00

Article V - Financial Guidelines

The grantee and any subgrantee shall comply with the most recent version of the Administrative Requirements, Cost Principles, and Audit Requirements. A non-exclusive list of regulations commonly applicable to DHS grants are listed below:

A. *Administrative Requirements*

1. 44 CFR Part 13, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments
2. 2 CFR Part 215, Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations (OMB Circular A-110)

B. *Cost Principles*

1. 2 CFR Part 225, Cost Principles for State, Local, and Indian Tribal Governments (OMB Circular A-87)
2. 2 CFR Part 220, Cost Principles for Educational Institutions (OMB Circular A-21)
3. 2 CFR Part 230, Cost Principles for Non-Profit Organizations (OMB Circular A-122)
4. Federal Acquisition Regulations (FAR), Part 31.2 Contract Cost Principles and Procedures, Contracts with Commercial Organizations

C. *Audit Requirements*

1. OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations

Article VI - Prohibition on Using Federal Funds

Recipient understands and agrees that it cannot use any federal funds, either directly or indirectly, in support of the enactment, repeal, modification or adoption of any law, regulation or policy, at any level of government, without the express prior written approval of FEMA.

Article VII - GPD Allocations

The recipient agrees that all allocations and use of funds under this grant will be in accordance with the Assistance to Firefighters Grant Program 2008 Fire Prevention and Safety Grants Program and Application Guidance and application kit.

Article VIII - Financial Reporting

The grantee must complete an on-line, semiannual financial status report to meet FEMA requirements. Semiannual financial reports are due within 30 days of the end of every six month period for the life of the grant. At the end of the performance period, or upon completion of the grantee's final program narrative, the grantee must complete an on-line final financial status report that is required to close out the grant. If a grantee's performance period is extended beyond the initial 12-month period, a periodic performance report is due every six month increment until closeout.

Article IX - DHS Officials

Program Officer: Catherine Patterson, is the Program Officer for the Fire Prevention and Safety Grants. The Program Officer is responsible for the technical monitoring of the stages of work and technical performance of the activities described in the approved grant application.

Grants Assistance Officer: Andrea Gordon, is the Assistance Officer for this grant program. The Assistance Officer is the Federal official responsible for negotiating, administering, and executing all grant business matters.

Grants Management Specialist: The Grants Management Specialist shall be contacted to address all financial and administrative grant business matters for this award. If you have any questions regarding your grant please call ASK-GMD at 866-927-5646 to be directed to a specialist.

FEDERAL EMERGENCY MANAGEMENT AGENCY
OBLIGATING DOCUMENT FOR AWARD/AMENDMENT

1a. AGREEMENT NO.
EMW-2008-FP-01379

2. AMENDMENT NO.
0

3. RECIPIENT NO.
75-6000669

4. TYPE OF ACTION
AWARD

5. CONTROL NO.
W462197N

6. RECIPIENT NAME AND ADDRESS
City of Sherman
220 W. Mulberry
Sherman
Texas, 75090-5832

7. ISSUING OFFICE AND ADDRESS
Grants Management, Operations Directorate
245 Murray Lane - Building 410, SW
Washington DC, 20528-7000
POC: Andrea Gordon

8. PAYMENT OFFICE AND ADDRESS
FEMA, Financial Services Branch
500 C Street, S.W., Room 723
Washington DC, 20472

9. NAME OF RECIPIENT PROJECT OFFICER
Tammy Davis

PHONE NO.
9038927228

10. NAME OF PROJECT COORDINATOR
Catherine Patterson

PHONE NO.
1-866-274-0960

11. EFFECTIVE DATE OF THIS ACTION
31-JUL-09

12. METHOD OF PAYMENT
SF-270

13. ASSISTANCE ARRANGEMENT
Cost Sharing

14. PERFORMANCE PERIOD
From:31-JUL-09 To:30-JUL-10

Budget Period
From:14-JAN-09 To:30-SEP-09

15. DESCRIPTION OF ACTION
a. (Indicate funding data for awards or financial changes)

PROGRAM NAME ACRONYM	CFDA NO.	ACCOUNTING DATA (AACS CODE) XXXX-XXX-XXXXXX-XXXXX-XXXX-XXXX-X	PRIOR TOTAL AWARD	AMOUNT AWARDED THIS ACTION + OR (-)	CURRENT TOTAL AWARD	CUMMULATIVE NON-FEDERAL COMMITMENT
FP	97.044	2009-M8-0001GF-25000000-4101-D	$0.00	$16,310.00	$16,310.00	$0.00
		TOTALS	$0.00	$16,310.00	$16,310.00	$0.00

b. To describe changes other than funding data or financial changes, attach schedule and check here.
N/A

16 a. FOR NON-DISASTER PROGRAMS: RECIPIENT IS REQUIRED TO SIGN AND RETURN THREE (3) COPIES OF THIS DOCUMENT TO FEMA (See Block 7 for address)

Assistance to Firefighters Grant - Fire Prevention and Safety Program recipients are not required to sign and return copies of this document. However, recipients should print and keep a copy of this document for their records.

16b. FOR DISASTER PROGRAMS: RECIPIENT IS NOT REQUIRED TO SIGN

This assistance is subject to terms and conditions attached to this award notice or by incorporated reference in program legislation cited above.

17. RECIPIENT SIGNATORY OFFICIAL (Name and Title)
N/A

DATE
N/A

18. FEMA SIGNATORY OFFICIAL (Name and Title)
Andrea Gordon

DATE
27-JUL-09

Go Back

SHERMAN CITY COUNCIL

Agenda Communication Form

From: The Office of the City Manager **Date:** 9-8-2009

Subject: Agenda Item No. C.6

**** RESOLUTION NO. 5408***

Accepting the Proposals of M&M Industrial Control Services related to the Acquisition of Hardware, Software and Programming Services for the Electro Dialysis Reversal (EDR) Membrane Stack Project at the Sherman Water Treatment Plant

Issue

Acquiring required hardware, software and programming services associated with the Electro Dialysis Reversal (EDR) Membrane Stacks at the Water Treatment Plant

Background

The EDR units that were recently replaced at the Water Treatment Plant (WTP) require new hardware, software and programming in order to communicate and correlate operations with the remainder of the WTP processes. In the contract approved at the November 17, 2008 Council meeting for replacement of the EDR units, replacement of this equipment was provided for.

Origination

Department 119, Engineering Services

Financial Consideration

The total cost of these upgrades is $78,290. Funds are available in the budget for these required upgrades.

Staff Recommendation

It is recommended that the City Council authorize the staff to coordinate with M&M Industrial Control services to provide the required hardware, software, and programming services associated with the instrumentation/SCADA upgrade.

Alternatives

As may be directed by the Council

Attachments

Resolution No. 5408
ACF and Resolution No. 5290
M&M Proposals

Prepared by:
Mark Gibson, Director of Utilities & Engineering

Approved by:
George Olson, City Manager

RESOLUTION NO. 5408

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, ACCEPTING THE PROPOSALS OF M&M INDUSTRIAL CONTROL SERVICES RELATED TO THE ACQUISITION OF HARDWARE, SOFTWARE AND PROGRAMMING SERVICES FOR THE ELECTRO DIALYSIS REVERSAL (EDR) MEMBRANE STACK PROJECT AT THE SHERMAN WATER TREATMENT PLANT; FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS RESOLUTION IS PASSED IS OPEN TO THE PUBLIC AS REQUIRED BY LAW.

WHEREAS, at the November 17, 2008 meeting, the City Council approved Resolution No. 5290 to award a contract with GE Ionics, Inc. for the purchase of thirty-two (32) Electro Dialysis Reversal (EDR) Membrane Stacks for the Sherman Water Treatment Plant; and

WHEREAS, the EDR units require new hardware, software and programming in order to communicate and correlate operations with the remainder of the Water Treatment Plant processes; and

WHEREAS, the City has received proposals from M&M Industrial Control Service to provide the required hardware, software and programming services;

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

<u>SECTION 1</u>. That the City Manager be and is hereby authorized to accept the two proposals for hardware, software and programming services received from M&M Industrial Control Services of Sugarland, Texas, in relation to the Electro Dialysis Reversal (EDR) Membrane Stack Project at the Sherman Water Treatment Plant, pursuant to the terms and conditions of the proposals attached hereto and made a part hereof for all purposes.

<u>SECTION 2</u>. 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 ________________, 2009.

CITY OF SHERMAN, TEXAS

BY: ________________________________

BILL MAGERS, MAYOR

ATTEST:

BY: ______________________________
LINDA ASHBY, CITY CLERK

APPROVED AS TO FORM AND CONTENT:

BY: ______________________________
BRANDON SHELBY,
CITY ATTORNEY

SHERMAN CITY COUNCIL

Agenda Communication Form

From: The Office of the City Manager **Date:** 11-17-2008

Subject: Agenda Item No. C.3

*** RESOLUTION NO. 5290**
Awarding a Bid to and Authorizing Execution of a Contract with GE Ionics, Inc. for the Purchase of Thirty-Two (32) Electro Dialysis Reversal (EDR) Membrane Stacks for the Water Treatment Plant

Issue
To authorize the purchase of thirty-two (32) electro dialysis reversal (EDR) membrane stacks from GE Ionics, Inc. to replace original equipment at the Sherman Water Treatment Plant

Background
Thirty-two (32) existing EDR units at the Water Treatment Plant will be replaced as part of the final phase of the replacement program. Sixty-four (64) units have been replaced over the last two (2) years. The replacements are included in this years' Capital Improvement Program. Installation of these units will complete the installation process.

Origination
Mark Gibson, Director of Utilities and Engineering

Financial Consideration
Funds for purchasing the EDR unit replacements are available in the Capital Improvement Fund.

Staff Recommendation
It is recommended that the City Council authorize the purchase of thirty-two (32) EDR units from GE Ionics, Inc. in the amount of $1,023,456.00, including any associated transportation, preparation, installation, instrumentation, or technician costs.

Alternatives
As may be directed by the City Council

Attachments
Resolution No. 5290
GE Proposal
Contract

Prepared by: **Approved by:**

RESOLUTION NO. 5290

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AWARDING A BID TO AND AUTHORIZING EXECUTION OF A CONTRACT WITH GE IONICS, INC. FOR THE PURCHASE OF THIRTY-TWO (32) ELECTRO DIALYSIS REVERSAL (EDR) MEMBRANE STACKS FOR THE WATER TREATMENT PLANT; 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 GE Ionics, Inc. is hereby awarded the bid in the total amount of One Million Twenty-Three Thousand Four Hundred Fifty-Six Dollars and No Cents ($1,023,456.00) for the purchase of thirty-two (32) Electro Dialysis Reversal (EDR) Membrane Stacks for the Water Treatment Plant, and that the City Manager be and is hereby authorized and directed, subject to all contract documents being properly completed and approved as to form by the Interim City Attorney, to execute a contract with GE Ionics, Inc. for said purchase, 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 17th day of November, 2008.

CITY OF SHERMAN, TEXAS

BY: [signature]
BILL MAGERS, MAYOR

ATTEST:

BY: Linda Ashby
LINDA ASHBY, CITY CLERK

APPROVED AS TO FORM AND CONTENT:

BY: [signature]
INTERIM CITY ATTORNEY

CERTIFIED COPY- DOCUMENT
THIS IS CERTIFIED TO BE A TRUE COPY OF THE PERMANENT RECORD AS FILED IN THE OFFICE OF THE CITY CLERK.
Linda Ashby
CITY CLERK, SHERMAN, TEXAS
ISSUED: 11/19/08

M&M Industrial Control Services

2903 Edgewood Drive
Sugar Land, Tx. 77479

Telephone: **281 980-7498**
Facsimile: **281 980-7501**

August 8, 2009

Dewayne Sutherland
City of Sherman Water Treatment

Re: Conversion of Main Conventional Plant HMI (Lookout to Wonderware) rev.2

Dewayne:

M&M Industrial Control Services is pleased to provide the following proposal for labor and Wonderware software associated with the conversion of the current Main Conventional Plant HMI application (Lookout) to a Wonderware application.

Scope of supply to include:

M&M In-house Services

Create similar graphic screens and database to match existing Lookout HMI screens and database for the Main Conventional Plant application. Conversion of existing alarms and data logging from Lookout to Wonderware.

Software

(2) Wonderware Runtime w/ AB DF-1 driver to communicate with master radio (tag count as required)
(2) Wonderware Runtime without I/O driver (tag count as required)

M&M Field Services

(lot) Install of (4) PC systems
(lot) testing & verification of Main Conventional Plant Wonderware application

Travel time and expenses are included.

Total Estimate **$ 43,690.00**

Notes:

(4) Wonderware CTI 2572 DDE Server drivers are not included and will be provided by client.

Payment Schedule:

Completion of on-site set-up and test Net 30 days

Respectfully Submitted,

Michael Mack
M&M Industrial Control Services

M&M Industrial Control Services

2903 Edgewood Drive
Sugar Land, Tx. 77479

Telephone: **281 980-7498**
Facsimile: **281 980-7501**

August 8, 2009

Dewayne Sutherland
City of Sherman Water Treatment

Re: Conversion of EDR Demineralization HMI (Lookout to Wonderware) Rev - 3

Dewayne:

M&M Industrial Control Services is pleased to provide the following proposal for Wonderware software and labor to convert the current EDR Demineralization HMI application (Lookout) to a Wonderware application.

Scope of supply to include:

M&M In-house Services

Create similar graphic screens and database to match existing Lookout HMI screens and database for the EDR Demineralization application. Conversion of existing alarms and data logging from Lookout to Wonderware.

Software

(1) Wonderware Development Studio (5K/3K/500 tags)
(2) Wonderware Runtime without I/O driver (tag count as required)

M&M Field Services

(lot) Install of (3) PC systems
(lot) testing & verification of EDR Demineralization Wonderware application

Travel time and expenses are included.

Total Estimate **$ 34,600.00**

Notes:

(3) Wonderware CTI 2572 DDE Server drivers are not included and will be provided by the client.

Payment Schedule:

Completion of on-site set-up and test Net 30 days

Respectfully Submitted,

Michael Mack
M&M Industrial Control Services

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 9-8-2009

Subject: Agenda Item No. C.7

**** RESOLUTION NO. 5409***
Adopting an Investment Policy for the City of Sherman

Issue
Obtaining Council approval for revisions to the City of Sherman's Investment Policy (Policy)

Background
By law, at least annually, the Council must review and adopt an investment policy that governs the investing of public funds by the City. The most recent revision to the Policy was in September, 2008. The changes to the policy are administrative in nature and are relatively minor, and relate primarily to allowing the City to invest in certificates of deposit at banks other than the City's depository bank. 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.

Committee Recommendation
It is recommended that the Council approve the Policy as presented.

Alternatives
The Council could offer alternative changes to those recommended by the staff and the Investment Committee.

Attachments
Resolution No. 5409 adopting the Policy
Memo to Investment Committee
Investment Policy

Prepared by:
Robby Hefton, Assistant City Manager/CFO

Approved by:
George Olson, City Manager

RESOLUTION NO. 5409

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 ________________, 2009.

CITY OF SHERMAN, TEXAS

ATTEST:

BY: ________________________________ **BY:** ________________________________

LINDA ASHBY, CITY CLERK **BILL MAGERS, MAYOR**

APPROVED AS TO FORM AND CONTENT:

BY: ________________________________

BRANDON S. SHELBY,
CITY ATTORNEY

memorandum

DATE: Monday, August 24, 2009

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

FROM: Robby Hefton, Assistant City Manager/CFO RH

SUBJECT: Investment Policy Revisions

Enclosed is a copy of the City's Investment Policy, including proposed changes to the existing 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 activities.

The Investment Officers are recommending some administrative changes to the policy to clarify the City's ability to invest in certificates of deposit (CDs) at various banks. Also, the Investment Officers are proposing to strike one previously approved broker from the list of approved brokers (Appendix B) to reflect that this broker is no longer used to purchase securities for the City.

Approval of this policy is scheduled for the September 8, 2009 Council meeting. Please contact me prior to that meeting if you have any questions regarding the Policy or related changes.

RH:pc

attachment (as stated above)

Sherman

CITY OF SHERMAN
INVESTMENT POLICY
September 8, 2009

1.0 Policy:

It is the policy of the City of Sherman, Texas 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. All funds will be pooled for investment purposes. The strategy developed for this pooled fund group will address the varying needs, goals, and objectives of each fund.

This policy shall not govern funds which are managed under separate investment programs in accordance with Section 2256.004 of the Public Fund investment act. Such funds currently include Retirement/Pension 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 insure 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 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 six-month U.S. Treasury Bill will be used as a prudent yield target.

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; and (2) whether the investment decision was consistent with this written investment policy of the City of Sherman.

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 of 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 on August 20, 2007, 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, Assistant City Manager/Chief Financial Officer (CFO), and Controller. The investment officers are authorized to deposit, withdraw, invest, transfer, or manage in any other manner funds of the City of Sherman.

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 provide guidance on investment matters. Also, the committee shall approve the list of approved brokers dealers and financial institutions annually.

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: All investment officers of the City shall attend an investment training session not less than once in a two-year period and receive not less than ten hours of instruction from an independent source approved by the City Council or the Investment Committee.

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. This strategy uses investment pools to achieve diversification. 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.

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. The strategy of the City of Sherman calls for the use of investment pools as a primary source of diversification and a supplemental source of liquidity. 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 Direct Investments: The City of Sherman purchases securities of the U.S. Treasury and U.S. Agencies in the secondary market. For purposes of this policy, the term "U. S. Agencies" shall refer to obligations of agencies or instrumentalities of the United States. The majority of the direct investments have a remaining maturity of two years or less. The City employs a laddered maturity strategy for these instruments. With that method, some investments reach maturity at regularly-recurring intervals, enhancing liquidity. However, the yields are those of two year investments rather than securities having a single month to maturity, enhancing yield. 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 5.5 below.

5.5 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.

5.6 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.

5.7 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 9.0 do not apply. The following investments are available for this strategy: treasury securities, demand deposits, certificates of deposit, 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.

<u>6.0 Authorized Financial Dealers and Institutions:</u>

6.1 Approved List of Investment Service Providers: All banking services will be governed by the depository contract. In addition, the Assistant City Manager/Chief Financial Officer shall maintain a list of security brokers, dealers, <u>financial institutions</u>, 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, or regulated by Federal banking authorities. To be eligible to be approved to do business with the City of Sherman, an investment pool must meet all the requirements of State law. More details on investment pool qualifications are listed in Section 7.5. Annually, the Investment Committee must review, revise and adopt a list of qualified brokers <u>and financial institutions</u> that are authorized to engage in investment transactions with the City.

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. An authorized 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.

<u>7.0 Authorized Investments, Including Diversification Limits and Maximum Maturities:</u>

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 limits on the amount of that type of security that can be held, expressed as a percentage of the entire City portfolio. Also, the maximum maturity that is allowable for each type of security is specified.

7.1 Demand Deposits at Depository Bank: Governed by the depository contract and provisions of State law, collateralized demand deposits at the depository bank have unsurpassed liquidity and safety but do not usually provide the highest yield. By definition their maturity is immediate. One hundred percent (100%) of the City's portfolio may be maintained in properly collateralized demand deposits at the depository bank.

<u>**7.2 Certificates of Deposit:** These investments are permitted if deposited with a financial institution eligible under Section 2256.010 of the Public Funds Investment Act.</u> The maximum authorized length of maturity for certificates of deposit is five years. The target investment level is twenty-five percent (25%), and the portfolio cap is thirty percent (30%). The target investment level is that level of investment, expressed as a percentage of the total portfolio, which the City should strive not to exceed. The portfolio cap is that level of investment, also expressed as a percentage of the total portfolio, which the City must not exceed.

7.3 Obligations of the United States Treasury: United States Treasury Bills, Notes and Bonds are authorized investments of the City of Sherman. For purposes of direct investment by the

City, the maximum length of remaining maturity is five years. The target investment level is eighty percent (80%), and the portfolio cap is eighty-five percent (85%). 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 Obligations of Agencies or Instrumentalities of the United States: United States Agency securities 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 direct investment by the City, the maximum length of remaining maturity is five years. The target investment level is forty-five percent (45%) and the portfolio cap is fifty percent (50%). 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.

7.5 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. The target investment level and portfolio cap are forty-five percent (45%) and fifty percent (50%), respectively. Deposits in investment pools that contain commercial paper are not authorized.

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.

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; 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 Limits on Maturity of Entire Portfolio:

The following limits on the maturities of investments apply to the entire City portfolio, except for the bond proceeds. The funds on deposit at the bank depository are included in the calculation of these percentages:

Available within 1 month	At least 25% of the portfolio
Available within 3 months	At least 33% of the portfolio
Available within 6 months	At least 45% of the portfolio
Available within 1 year	At least 60% of the portfolio
Available within 2 years	At least 70% of the portfolio
Available within 3 years	At least 80% of the portfolio
Available within 4 years	At least 90% of the portfolio
Available within 5 years	100% of the portfolio

For the City portfolio, excluding any bond proceeds, the maximum average dollar-weighted maturity shall be 500 days.

10.0 Collateralization:

In accordance with state law 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 CFO or his 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.

11.0 Safekeeping:

All investment transactions, other than those with investment pools, shall be conducted on a delivery-versus-payment basis. Securities shall be held by a third party custodian and evidenced by current safekeeping receipts.

12.0 Internal Control:

The CFO 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:

12.1 Competitive Bids: To purchase a direct investment, the CFO or his designee shall seek at least three bids from firms listed on the approved list of brokers and dealers. Bids shall be in writing and may be delivered to the City in person or via electronic facsimile or email. The award shall be on the basis of the highest yield to the City. Records of the bids and award shall be maintained by the CFO's office, or the office of his designee.

12.2 Delivery-Versus-Payment: The safekeeping agent must receive all investments, other than investment pool funds, before funds are released for their purchase.

12.3 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.

12.4 Daily Collateral Comparison: Each business day, the market value of the collateral pledged against the funds maintained at the bank depository shall be compared to the amount of those deposits. If the total funds in the depository approach the market value of the collateral, the CFO shall take appropriate action. Records of this comparison shall be maintained in the CFO's office, or the office of his designee.

12.5 Other Components: 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.

13.0 Valuation:

The market value of each investment in the City's portfolio will be calculated quarterly, on the following basis:

13.1 Bank Deposits: Bank deposits are denominated in cash and, therefore, their face value and market value are identical. Deposit levels will be monitored daily via telephone or electronic means and confirmed on the monthly bank statement.

13.2 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.

13.3 Treasury Notes: The market value of Treasury Notes will be obtained from the City's third-party securities custodian.

13.4 Treasury Bills: The market value of Treasury Bills will be obtained from the City's third-party securities custodian.

13.5 Agencies: The market value of Agency securities will be obtained from the City's third-party securities custodian.

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 Bill 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. The report must contain all the disclosures mandated by state law, including Section .023 of the PFIA, and must be prepared in compliance with generally accepted accounting principles.

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., S&L's, small business firms, students, farmers, farm cooperatives, and exporters.

Federal Deposit Insurance Corporation (FDIC): A federal agency that insures bank deposits, currently up to $100,000 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

Bank of Texas/BOSC, Inc.
Sherman, TX

JPMorgan Securities, Inc.
Dallas, TX

First Southwest Company
Dallas, TX

First Tennessee Financial Bank
Dallas, TX

Merrill Lynch Pierce Fenner & Smith, Inc.
Dallas, TX

SAMCO Capital Markets
Dallas, TX

Southwest Securities
Dallas, TX

~~MBIA Municipal Investors Service Corp.~~
~~Armonk, NY~~

TexPool Participant Services
Dallas, TX

TexStar Participant Services
Dallas, TX

<u>Landmark Bank</u>
<u>Sherman, TX</u>

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 9-8-2009

Subject: Agenda Item No. D.1

REQUEST TO ADVERTISE
Construction of the South Lane of West Lamberth Road from Heritage Parkway to the West City Limits

Issue
Requesting permission to advertise for the construction of the south lane of West Lamberth Road from Heritage Parkway to the west city limits

Background
The construction plans and specifications being prepared by Teague Nall & Perkins for the construction of the south lane of West Lamberth Road are nearing completion. After acquiring the required right-of-way, the project will be ready to bid.

Origination
Department of Public Works

Financial Consideration
Staff is prepared to bid the project as soon as practical to take advantage of the current favorable bidding environment.

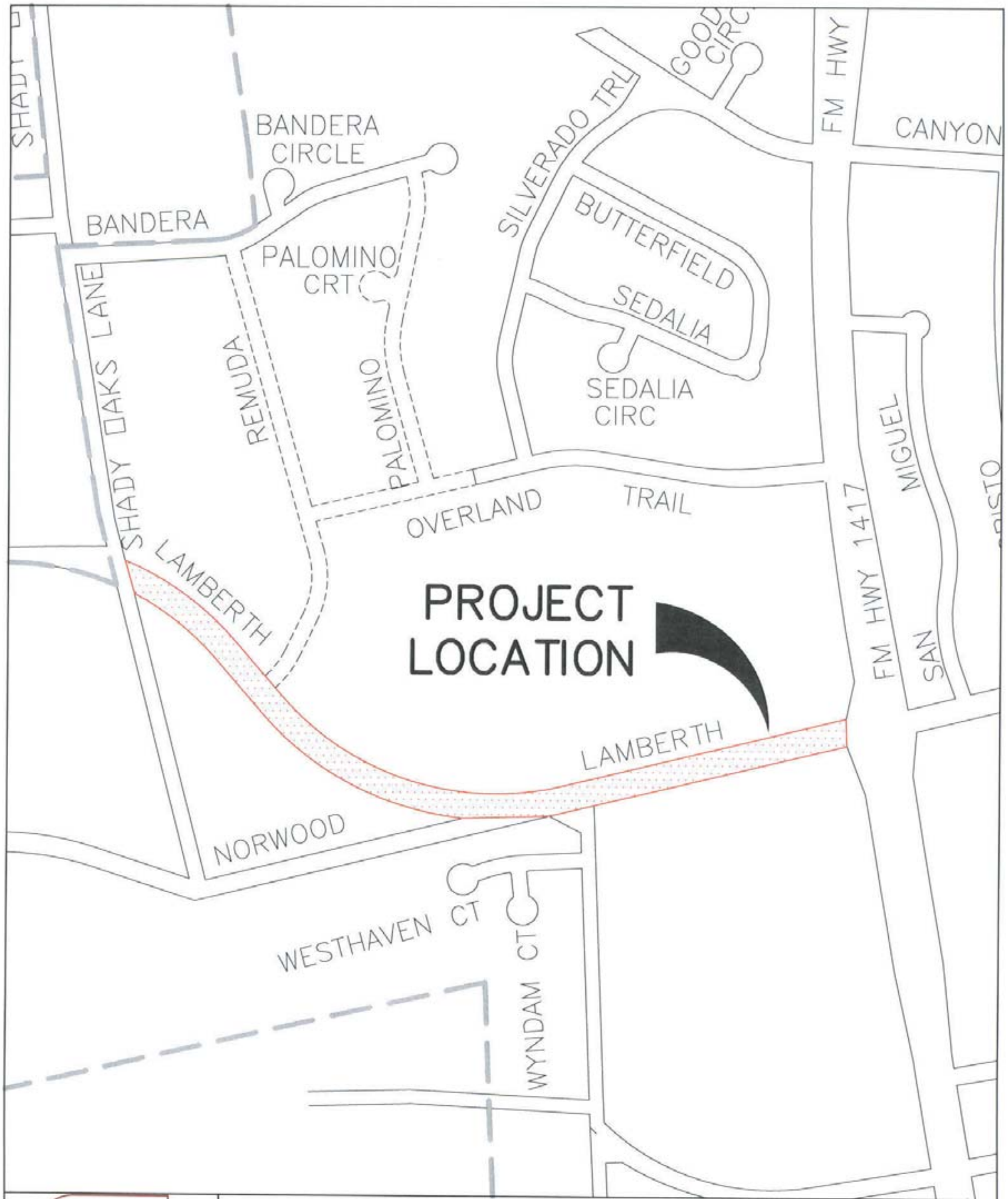
Staff Recommendation
Advertise for bids as soon as all construction and right-of-way related issues are resolved. Advertising costs are expected to total no more than $200.00.

Alternatives
Those as may be recommended by the City Council

Attachments
Location Map

Prepared by:
Jeff Miller, Director of Public Works

Approved by:
George Olson, City Manager



CONSTRUCTION OF
WEST LAMBERTH ROAD

City of Sherman, Texas

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 9-8-2009

Subject: Agenda Item No. D.2

OTHER BUSINESS
Receive Presentation from Project Manager Don W. Keene on the City of Sherman's Capital Improvement Projects

Issue
This item is a status update of the City of Sherman's Capital Improvement Program (CIP).

Background
Highlights of this presentation:
- 11 CIP projects ($8M budget) have been completed since the 2Q09 update.
- 17 CIP projects ($17.6M budget) are currently in progress.
- The above projects are diversified:
  - ➢ Maintenance/Upgrades (59%)
  - ➢ New (41%)

  - ✓ Parks (18%)
  - ✓ Streets (33%)
  - ✓ Sewer (33%)
  - ✓ Water (16%)
- All projects are currently within budget.
- Pecan Grove Park – Phase 2 construction is underway.
- Right-of-Way acquisition has begun for the Washington St. and Lamberth Rd. projects.
- Planning is underway for 2010 CIP projects (18 projects/$10M budget) which will begin 4Q09 upon Council's final approval.

Origination
City Manager

Financial Consideration
There is no cost associated with this presentation.

Staff Recommendation
No Council action is needed on this presentation.

Alternatives
None recommended.

Attachments
None

Prepared by:
Don Keene, Project Manager

Approved by:
George Olson, City Manager

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 9-8-2009

Subject: Agenda Item No. D.3

OTHER BUSINESS
Review Draft Debt Policy with Assistant City Manager/CFO Robby Hefton

Issue
Review of a proposed Debt Policy

Background
In an effort to more formally establish criterion and guidelines for the use of debt in financing the City's capital spending, a written debt policy has been drafted by the staff. This policy is designed to provide a framework under which these financing decisions can be made. The policy addresses the types of debt that can be used by the City, limitations on amount of debt, and other issues, such as conditions under which debt should be issued.

This policy will not only provide the staff and Council with direction in these decisions, but also will improve the City's formalized policies, which should help enhance the City's bond ratings. At the approval of the Council, staff will bring back a resolution adopting the Debt Policy.

Origination
Finance

Financial Consideration
There is no cost associated with this presentation.

Staff Recommendation
The staff recommends adopting a resolution to adopt the policy as presented.

Alternatives
The Council could offer suggested changes to the proposed policy.

Attachments
"Draft" City of Sherman Governing Policy – Long-Term Debt

Prepared by:
Robby Hefton, Assistant City Manager/CFO

Approved by:
George Olson, City Manager

CITY OF SHERMAN GOVERNING POLICY--LONG-TERM DEBT

The City of Sherman establishes the following policy concerning the issue and management of debt. This debt policy, as presented to City Council and the citizens, was established by the City of Sherman Finance Department to ensure the quality of decisions in relation to the City's financing activities, provide a comprehensive view of the City's long-term debt picture and make it easier for decision-makers to understand issues concerning debt issuance and management.

Conditions of Debt Issuance

Debt should be issued for the purpose of meeting the needs of the community through funding of capital projects and equipment but without constituting an unreasonable burden to taxpayers.

Long-term debt is only issued to finance the acquisition and/or construction of capital improvements with an economic or useful life greater than five years and the term of the debt. Additionally, only capital needs identified in the capital improvement program will be considered. Refunding bonds will only be issued if the present value of debt service savings exceeds three percent of the outstanding par value of the refunded bonds. Debt for other purposes, such as acquisition of capital assets, is covered separately in this policy.

Types of Debt

General Obligation Bonds General Obligation Bonds may only be issued with a majority approval of a popular vote. The use of the proceeds from GO Bonds is limited to the acquisition or improvement of real property and other uses allowed by law and applicable bond ordinances. Libraries, parks and public safety facilities are all types of facilities that could be financed with GO Bonds. To the extent that property tax revenues are used to fund debt service, a separate property tax will be levied.

Enterprise Revenue Bonds Enterprise Revenue Bonds finance facilities for a revenue producing enterprise, and are payable from revenue sources within that enterprise. Municipal Water and Sewer and Solid Waste are examples of revenue producing enterprises within the City.

Refunding Obligations Pursuant to the Government Code and various other financing statutes applicable in particular situations, the City Council is authorized to provide for the issuance of bonds for the purpose of refunding any long-term obligation of the City. Absent any significant non-economic factors, a refunding should produce minimum net debt service savings (net of reserve fund earnings and other offsets) of at least 3% of the then outstanding par value of the refunded bonds on a net present value basis, using the refunding issue's True Interest Cost (TIC) as the discount rate, unless the Finance Department determines that a lower savings percentage is acceptable for issues or maturities with short maturity dates.

Tax Anticipation Notes Proceeds from Tax Anticipation Notes are used to fund projects whose source of payment is future tax revenues. These instruments have a term of one to three years and are for a specific purpose such as temporary financing for capital improvements, cash flow needs and major equipment leasing.

Tax Increment Financing Bonds The City may use these bonds to finance capital improvements within the tax increment reinvestment zone. Repayment is from property taxes generated within the zone.

Leases Leases may be used to finance major capital purchases, other than infrastructure, including fleet, major system upgrades and large equipment purchases. The useful life of the asset should not exceed the term of the lease.

Assessment Bonds Proceeds from Assessment Bonds may be used to finance local public improvements, provided that said improvements benefit the parcels of land to be assessed. Local streets, street lights, landscaping, sidewalks and sanitary sewers are some examples of local improvements commonly financed by assessment bonds.

Other Obligations There may be special circumstances when other forms of debt are appropriate and may be evaluated on a case-by-case basis. Such other forms include, but are not limited to limited tax notes, non-enterprise revenue bonds, bond anticipation notes, grant anticipation notes and judgment or settlement obligation bonds.

Restrictions on Debt Issuance

- The City of Sherman will not use long-term debt to finance current operations or normal maintenance.
- Derivative products will not be used by the City.
- General obligation debt will not be issued if other, more financially efficient financing sources are available such as certificates of obligation, limited tax notes, leases or revenue bonds.
- Short-term debt will not be used to refinance long-term debt.
- All debt issuances shall be approved by the City Council.

Before any debt may be issued, the City will perform an analysis of the requirements to determine the impact on future budgets, the sufficiency of revenues to fund the debt service requirements and additional operating costs of the capital asset acquired. The analysis will ensure that debt service payments funded by the General Fund shall be not greater than 10% of current General Fund revenues. Payments on bonds that are tied to a specified revenue stream such as waterworks bonds are not subject to this 10% limit. Additionally, twenty percent of debt capacity is reserved for emergency purposes.

Limitations on Outstanding Debt

Limitations on the City's outstanding bonded debt include:

- The total of gross bonded tax-supported debt of the City of Sherman will not exceed 10 percent of the assessed valuation of the City for the same year.
- The total gross bonded debt of the City of Sherman, the municipal authorities for which it has direct debt responsibility (SEDCO), if and only to the extent that such authority has issued debt backed by the City's taxing ability, and the Sherman Independent School District will not exceed 35 percent of the assessed valuation of the City of Sherman.
- Certificates of obligation payable from the General Fund shall not exceed 2%, excluding self-supporting debt, of the assessed valuation of the City.

These limitations shall be periodically compared with other cities to determine if the City is still within the norm for comparably-sized cities.

Characteristics of Debt Issuance

When the City finances capital projects by issuing bonds, it will pay back the bonds in a period not exceeding the expected life of those projects. Other standard terms shall include the following:

- Term may be up to 30 years depending on cash flow assumptions, and useful life of asset being financed.
- Call provisions will be shortest possible optional call consistent with optimal pricing.
- The City will seek to retire 50 percent of the total General Fund-supported principal outstanding within the next 10 fiscal years.
- The City will seek level or declining debt repayment schedules and will avoid issuing debt that provides for balloon principal payments reserved at the end of the term of the issue.
- The City will avoid variable-rate debt due to the potential volatility of such instruments. Therefore, the City will avoid the use of variable-rate debt for its general obligation bond issues. However, the City will permit its authorities to consider the use of variable-rate debt on a case-by-case basis.
- Debt service reserve will be in conformity with bond covenant.
- Commercial insurance or other credit enhancements to the bond rating shall be considered when cost-effective.
- Repayment of debt shall be made with revenues derived from the projects that benefitted from the bond issuance when possible.

Debt Issuance Process

The City of Sherman will strive to achieve a bond rating of AAA by Standard and Poor's rating service. The City will maintain good communications with bond rating agencies about its financial condition and will follow a policy of full disclosure on every financial report and bond prospectus. The City will also comply with all federal tax law provisions, including arbitrage requirements.

The City shall utilize the services of independent financial advisor(s) on debt financing when deemed prudent. Although not required, the City may utilize an RFP-selected pool of such financial advisors to mitigate time constraints and reduce overhead costs of the City in procuring such services. Bond counsel will be used for each transaction.

The Finance Department shall review each debt issuance transaction on a case-by-case basis to determine the most appropriate method of sale.

- **Competitive Sale** In a competitive sale, bids for the purchase of the bonds are opened at a specified place and time and are awarded to the underwriter (or syndicate) whose conforming bid represents the lowest true interest cost to the City (TIC). This method is most advantageous when the debt to be issued is less complex, the municipal bond market for high-grade credits is stable, and the sale of the City's bonds is assured.
    - ◊ Bond sales shall be cancelable at any time prior to the time bids are to be received.
    - ◊ Upon award to the bidder whose conforming bid represents the lowest true interest cost, the City may restructure the bonds in accordance with the Official Notice of Sale. The City shall reserve the unfettered right to reject all bids or waive bid irregularities.

- **Negotiated Sale** In a negotiated sale, the City chooses the initial buyer of the bonds in advance of the sale date. The initial buyer is usually an investment banking firm, or a syndicate of investment banking firms interested in reoffering the bonds to investors through an underwriting process. This type of sale allows the City to discuss different financing techniques with the underwriter in advance of the sale date. This method is most advantageous when the debt issue is complex, debt structuring flexibility is required (as would be the case in a bond refunding) or the municipal bond market is unstable or uncertain.

- **Private Placement** In a private placement, the City may select a private purchaser willing to bid a below market rate. Such placements often allow debt to be issued more efficiently by eliminating the need for bond ratings and other associated issuance costs. Such financing will be analyzed on a case-by-case basis, depending primarily on rates prevailing in the placement market from time to time.

Professional services used in conjunction with a bond issuance may be obtained using a request for proposal (RFP). If an RFP is used, selection will be based on experience in the type of issuance and municipal bond activities, ability to perform needed services, conflicts of interest, fees and fee structure.

Permitted Investments

Investment of debt proceeds shall be managed in accordance with the City's Investment Policy.

A financial advisor may be used to assist in investing bond proceeds. However, the advisor must be independent of the underwriter or financial advisor involved with the sale of the bonds. Bond proceeds may not be commingled with operating funds.

To ensure adequate liquidity and safety of principal, investment maturities shall precede debt service requirements.

SHERMAN CITY COUNCIL

Agenda Communication Form

From: The Office of the City Manager **Date:** 9-8-2009

Subject: Agenda Item No. D.4

OTHER BUSINESS
Discussion of Hotel Occupancy Tax Code Provisions

Issue
To consider revising the current code provisions pertaining to Hotel Occupancy Tax

Background
Hotel operators are required to remit the City's portion of the hotel occupancy tax they collect on the City's behalf directly to the City each quarter along with a hotel occupancy tax report. Under the current code provisions, the City must seek legal action or impose criminal penalties as a means of enforcement for remittance of the tax. The staff will be proposing an ordinance in the near future that allows the City to terminate water/sewer services if a hotel is grossly delinquent (at least 3 months) in remitting the tax to the City as a final measure to collect the tax. The City is following ordinances used by other cities in Texas to accomplish this goal.

Also, the City staff uses the hotel occupancy tax reports to identify the owners and management of the hotel, as well as the Texas Comptroller's website, and other Internet websites as needed. The current code provisions also do not require the hotel to keep adequate records for a hotel tax audit even though the City is permitted to audit the records. The proposed ordinance will provide a mechanism to allow the staff to obtain ownership information more directly by requiring that each hotel/motel register with the City.

Origination
Finance Department

Financial Consideration
The direct cost of implementing this program will be covered within the Fiscal Year 2010 budget, and is expected to be minimal, consisting primarily of staff time and advertisements to the hotels/motels regarding the change.

Staff Recommendation
It is recommended that the City Council direct the staff to bring back an ordinance to amend Article 11.03 of the Code of Ordinances and set a public hearing for and consider for adoption this ordinance at the September 21st regular meeting.

Alternatives
The City Council could deny pursuing the proposed amendments and additions to the City's Code of Ordinances or offer other alternatives.

Attachments
Article 11.03, Hotel Occupancy Tax

Prepared by:
Robby Hefton, Assistant City Manager/CFO

Approved by:
George Olson, City Manager

ARTICLE 11.03 HOTEL OCCUPANCY TAX*

Sec. 11.03.001 Definitions

The following words, terms and phrases are, for the purposes of this article, except where the context clearly indicates a different meaning, defined as follows:

Consideration. The cost of the room in a hotel and shall not include the cost of any food served or personal services rendered to the occupant of such room not related to the cleaning and readying of such room for occupancy, and shall not include any tax assessed for occupancy thereof by any other governmental agency.

Hotel. A building in which members of the public may obtain sleeping accommodations for a consideration. The term shall include hotels, motels, tourist homes, houses or courts, lodginghouses, inns, roominghouses, but "hotel" shall not be defined so as to include hospitals, sanitariums or nursing homes.

Occupancy. The use or possession or the right to the use or possession of any room or rooms in a hotel for any purpose.

Occupant. Anyone who, for a consideration, uses, possesses, or has a right to use or possess any room or rooms in a hotel under any lease, concession, permit, right of access, license, contract or agreement.

Permanent resident. Any occupant who has or shall have the right to occupancy of any room or rooms in a hotel for at least thirty (30) consecutive days during the calendar year or preceding year.

Person. Any individual, company, corporation or association owning, operating, managing or controlling any hotel.

Quarterly period. The regular calendar quarters of the year, the first quarter being composed of the months of January, February and March; the second quarter being the months of April, May and June; the third quarter being the months of July, August and September; and the fourth quarter being the months of October, November and December.

Tax collector. The tax collector for the city.

(1991 Code, sec. 32-51)

Sec. 11.03.002 Levy of tax

There is hereby levied a tax upon the cost of occupancy of any room or space furnished by any hotel where such cost of occupancy is at the rate of two dollars ($2.00) or more per day, such tax to be equal to seven (7) percent of the consideration paid by the occupant of such room or space to such hotel. (1991 Code, sec. 32-52)

Sec. 11.03.003 Permanent residents exempt

No tax shall be imposed under this article upon a permanent resident. (1991 Code, sec. 32-53)

Sec. 11.03.004 Exemption for state and federal government

A person or entity exempted from the tax imposed by V.T.C.A., Tax Code ch. 156, under V.T.C.A., Tax Code sec. 156.103 is exempt from the tax imposed by this article. (1991 Code, sec. 32-54)

Sec. 11.03.005 Collection

(a) Every person owning, operating, managing or controlling any hotel shall collect the tax imposed in this article for the city.

(b) Collection procedures on purchase of hotel. A purchaser of a hotel shall withhold from the purchase price an amount sufficient to pay all of the taxes due under this article. A purchaser who fails to withhold the amount of taxes due shall be liable for the amount required to be withheld to the extent of the value of the purchase price. A purchaser may request in writing from the city the tax status, and the city shall prepare a certificate of no tax due or a statement of the amount of tax due, which shall be issued by the city within sixty (60) days of the request.

(1991 Code, sec. 32-55)

Sec. 11.03.006 Reports

(a) Tax collector. On or before the last day of the month following each quarterly period, every person required in this article to collect the tax imposed herein shall file a report with the tax collector showing the consideration paid for all room occupancies in the preceding quarter, the amount of the tax collected on such occupancies, and any other information as the tax collector may reasonably require. Such person shall pay the tax due on such occupancies at the time of filing such report. (1991 Code, sec. 32-56)

(b) State comptroller. At the end of each quarter, each hotel shall provide a copy of the quarterly report filed with the state comptroller to the city. (Ordinance adopting Code)

Sec. 11.03.007 Powers and authority of tax collector

The tax collector shall have the power to make such rules and regulations as are necessary to effectively collect the tax levied in this article, and shall upon reasonable notice have access to books and records necessary to enable him to determine the correctness of any report filed as required by this article and the amount of taxes due under the provisions of this article. (1991 Code, sec. 32-57)

Sec. 11.03.008 Penalties for violation

If any person shall fail to collect the tax imposed in this article, or shall fail to file a report as required herein, or shall fail to pay to the tax collector the tax as imposed herein when such report for payment is due, or shall file a false report, then such person shall be punished under the criminal misdemeanor laws as provided in section 1.01.009. In addition such person who fails to remit the tax imposed by this article within the time required shall be liable to the city as provided by law to include enjoining the person from operating the hotel while the tax remains unpaid, collecting a fifteen-percent penalty of the total amount of tax owed, and reasonable attorney fees. Delinquent taxes shall draw interest at the maximum rate allowed by law. (1991 Code, sec. 32-58)

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 9-8-2009

Subject: Agenda Item No. D.5

OTHER BUSINESS
Discussion of the Grayson County Jail and a Potential Feasibility Study as Discussed at the Last City Council Meeting of August 17, 2009, and Taking Appropriate Action as May Be Necessary

WIGINTON HOOKER JEFFRY, PC ARCHITECTS
500 N. Central Expressway Suite 300 Plano, Texas 75074 ph 972.665.0657 fx 972.665.0656 www.whjarch.com

September 3, 2009

Mayor Bill Magers
City of Sherman
P. O. Box 1106
Sherman, TX 75091-1106

Re: Grayson County Jail Study

Dear Mayor Magers:

I enjoyed our recent phone conversations concerning the Grayson County Jail. It would, of course, be my pleasure to assist Grayson County and the City of Sherman in any manner possible. I have not had a chance to visit with the Judge or Commissioner's Court but I understand the Judge is o.k. with me responding to your request for a proposal.

I have spoken with the five consultants needed for Wiginton Hooker Jeffry to provide an analysis of the existing jail. The fee for this work would normally be $45,000.00. However, since the Grayson County Commissioners have engaged our services to assist them in another concurrent project, then we could do the work for $39,000.00. Should we determine that we need to engage a sixth consultant, a geotechnical engineer to study the soils at the jail, then it would add approximately $12,000.00 to our fee.

For what it is worth I have reviewed our original Study and have a few observations:

- Growth in Grayson County has slowed this decade and appears to be approximately half of the growth experienced between 1990 and 2000.
- The jail's incarceration rate (inmates / 1,000 County population) has declined. The rate in 2000 was 3.0, in 2005 and 2006 it was 3.3 and in years 2007 and 2008 it was 2.8.

This recent data is lower than what was anticipated in 2002. Although I suspected the rate of growth experienced in the 1990's would slow, others felt

DALLAS
AUSTIN
HOUSTON

Based upon this more recent information and factoring in beds for classification, it appears that the County needs the following beds for the future:

2020 to 2022	Approximately 500 beds
2025	Approximately 540 beds
2030	Approximately 580 – 600 beds

Assuming renovation and continued use of the existing jail is still viable, I agree with the 2002 Study on which support areas would need to be built along with the additional housing. I would estimate that it will take an addition to the existing jail of approximately 70,000 to 75,000 square feet to make the total facility's bed count around 500 beds and build the needed support areas such as intake, holding, release, infirmary, laundry, kitchen expansion, visitation, etc. I estimate the current cost for this construction to be between $20 million and $23 million. This price does not include renovation of the existing building or project costs such as fees, furniture, land or other non-construction costs.

However, based on the square footage information you provided, a reasonable assumption to renovate the existing structure would be $2,500,000.00 to $3,000,000.00. Therefore the total price for construction would be $23 to $26 million. I want to be clear that this price is based on a cursory review of the Isbell Engineering Group's 2002 Study and assumes that the current structure is sound. It is impossible to put an exact price tag on renovating the existing jail without a great deal of analysis. Without this analysis it would be difficult to factually determine the feasibility of saving the building.

I hope this information is helpful. It has been my pleasure to assist you. If I can be of further assistance, please do not hesitate to call.

Sincerely,

James O. Wiginton, A.I.A.
President

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 9-8-2009

Subject: Agenda Item No. D.6

**** OTHER BUSINESS***
Acceptance of the Public Street Dedication of Cinrose Lane and Longhorn Trail

Issue
To consider the acceptance of deeds of dedication for Cinrose Lane and Longhorn Trail as public street rights-of-way

Background
Residents on Cinrose Lane and Longhorn trail have petitioned the City to accept their privately maintained streets as city streets. As condition for acceptance, the Street Department identified improvements that would have to be made to the streets to meet City standards. Residents hired a local contractor to make the improvements; and a recent inspection by the Street Department indicated that work completed was acceptable. The developments where Cinrose Lane (Cain & Dean Addition) and Longhorn Trail (Longhorn Estates) are located are within the city limits and currently have city water and trash service.

Origination
Residents of Cinrose Lane: Kamal Rathod, Minaxi Rathod, Terry Rainbow, Cynthia Rainbow, Rosalind W. Cain, Luke Motley, Tom Johnson, Peggy Johnson, John Spears and Patricia Spears

Residents of Longhorn Trail: John Spears, Patricia Spears, Mike Hicks, Catherine Hicks, James E. Nicholson, Ann K. Nicholson, C. H. Gillespie, III, Mary P. Gillespie, Bruce Ramsey, Belle A. Ramsey, Bradley C. Rue and Rebecca Rue

Financial Consideration
The future cost to maintain the streets and signs.

Staff Recommendation
Accept the dedication of the Cinrose Lane and Longhorn Trail and maintain them as future city streets.

Alternatives
Those as may be recommended by the City Council

Attachments
Deed of Dedication & Map – Cinrose Lane
Deed of Dedication & Map – Longhorn Trail

Prepared by:
Jeff Miller, Director of Public Works

Approved by:
George Olson, City Manager

DEED OF DEDICATION

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

That the undersigned, **KAMAL RATHOD, MINAXI RATHOD, TERRY RAINBOW, CYNTHIA RAINBOW, ROSALIND W. CAIN, LUKE MOTLEY, TOM JOHNSON, PEGGY JOHNSON, JOHN SPEARS,** and **PATRICIA SPEARS**, hereinafter called "**GRANTORS**" for and in consideration of the covenants contained herein below, paid by the **CITY OF SHERMAN**, a municipal corporation of the State of Texas, hereinafter called "**GRANTEE**", the receipt of which is hereby acknowledged, for and on behalf of the general public, do hereby dedicate all of the conveyed property for public use a street right-of-way, upon and across, over and through the land of **GRANTORS** lying and being situated in Grayson County, Texas, including 55' easement along West line of Lot Four (4), as shown in the plat marked as Exhibit "A" and made a part hereof for all purposes.

AS FURTHER CONSIDERATION, the **GRANTEE** agrees and acknowledges that the land is to be used as a street. **GRANTORS** intend, and have agreed with **GRANTEE** that the **GRANTEE** at its own expense will improve the property through construction and maintenance. **GRANTORS** place the following limitation on use of the land; the sole purpose of the dedication shall be for use as a street and related utilities and drainage.

TO HAVE AND TO HOLD said property for public use.

IN TESTIMONY WHEREOF, witness the execution hereof on this ~~12~~ 21st day of ~~August~~ July, A.D., 2009.

GRANTOR:

[signature]

KAMAL RATHOD

GRANTOR:

MINAXI RATHOD

GRANTOR:

TERRY RAINBOW

GRANTOR:

Cynthia Rainbow

CYNTHIA RAINBOW

GRANTOR:

Rosalind W. Cain

ROSALIND W. CAIN

GRANTOR:

LUKE MOTLEY

GRANTOR:

TOM JOHNSON

GRANTOR:

PEGGY JOHNSON

GRANTOR:

JOHN SPEARS

GRANTOR:

PATRICIA SPEARS

ACKNOWLEDGMENTS

STATE OF TEXAS §
COUNTY OF GRAYSON §

BEFORE ME, the undersigned authority, on this day personally appeared **KAMAL RATHOD**, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 12 day of August, A.D., 2009.

SHERRY J. DERRICK
MY COMMISSION EXPIRES
March 24, 2011

Sherry J. Derrick
NOTARY PUBLIC, STATE OF TEXAS

STATE OF TEXAS §
COUNTY OF GRAYSON §

BEFORE ME, the undersigned authority, on this day personally appeared **MINAXI RATHOD**, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that she executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 12th day of August, A.D., 2009.

SHERRY J. DERRICK
MY COMMISSION EXPIRES
March 24, 2011

Sherry Derrick
NOTARY PUBLIC, STATE OF TEXAS

STATE OF TEXAS §
COUNTY OF GRAYSON §

BEFORE ME, the undersigned authority, on this day personally appeared **TERRY RAINBOW**, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 21st day of August, A.D., 2009.

JENNIFER BEYER
NOTARY PUBLIC
State of Texas
Comm. Exp. 03-27-2012

Jennifer Beyer
NOTARY PUBLIC, STATE OF TEXAS

STATE OF TEXAS §
COUNTY OF GRAYSON §

BEFORE ME, the undersigned authority, on this day personally appeared **CYNTHIA RAINBOW**, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that she executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 21st day of August, A.D., 2009.

JENNIFER BEYER
NOTARY PUBLIC
State of Texas
Comm. Exp. 03-27-2012

Jennifer Beyer
NOTARY PUBLIC, STATE OF TEXAS

STATE OF TEXAS §
COUNTY OF GRAYSON §

BEFORE ME, the undersigned authority, on this day personally appeared **ROSALIND W. CAIN**, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that she executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 18th day of August, A.D., 2009.

Toni K. Chaffin
NOTARY PUBLIC, STATE OF TEXAS

TONI K CHAFFIN
NOTARY PUBLIC
State of Texas
Comm. Exp. 10-22-2011

STATE OF TEXAS §
COUNTY OF GRAYSON §

BEFORE ME, the undersigned authority, on this day personally appeared **LUKE MOTLEY**, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 21st day of July, A.D., 2009.

Toni K. Chaffin
NOTARY PUBLIC, STATE OF TEXAS

TONI K CHAFFIN
NOTARY PUBLIC
State of Texas
Comm. Exp. 10-22-2011

STATE OF TEXAS §
COUNTY OF GRAYSON §

BEFORE ME, the undersigned authority, on this day personally appeared **TOM JOHNSON**, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 21st day of July, A.D., 2009.

REGINA L. SLAUGHTER
Notary Public, State of Texas
My Commission Expires
OCT. 16, 2009

Regina L. Slaughter
NOTARY PUBLIC, STATE OF TEXAS

STATE OF TEXAS §
COUNTY OF GRAYSON §

BEFORE ME, the undersigned authority, on this day personally appeared **PEGGY JOHNSON**, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that she executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 21st day of July, A.D., 2009.

REGINA L. SLAUGHTER
Notary Public, State of Texas
My Commission Expires
OCT. 16, 2009

Regina L. Slaughter
NOTARY PUBLIC, STATE OF TEXAS

STATE OF TEXAS §
COUNTY OF GRAYSON §

BEFORE ME, the undersigned authority, on this day personally appeared **JOHN SPEARS**, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 22nd day of July, A.D., 2009.

JENNIFER BEYER
NOTARY PUBLIC
State of Texas
Comm. Exp. 03-27-2012

Jennifer Beyer
NOTARY PUBLIC, STATE OF TEXAS

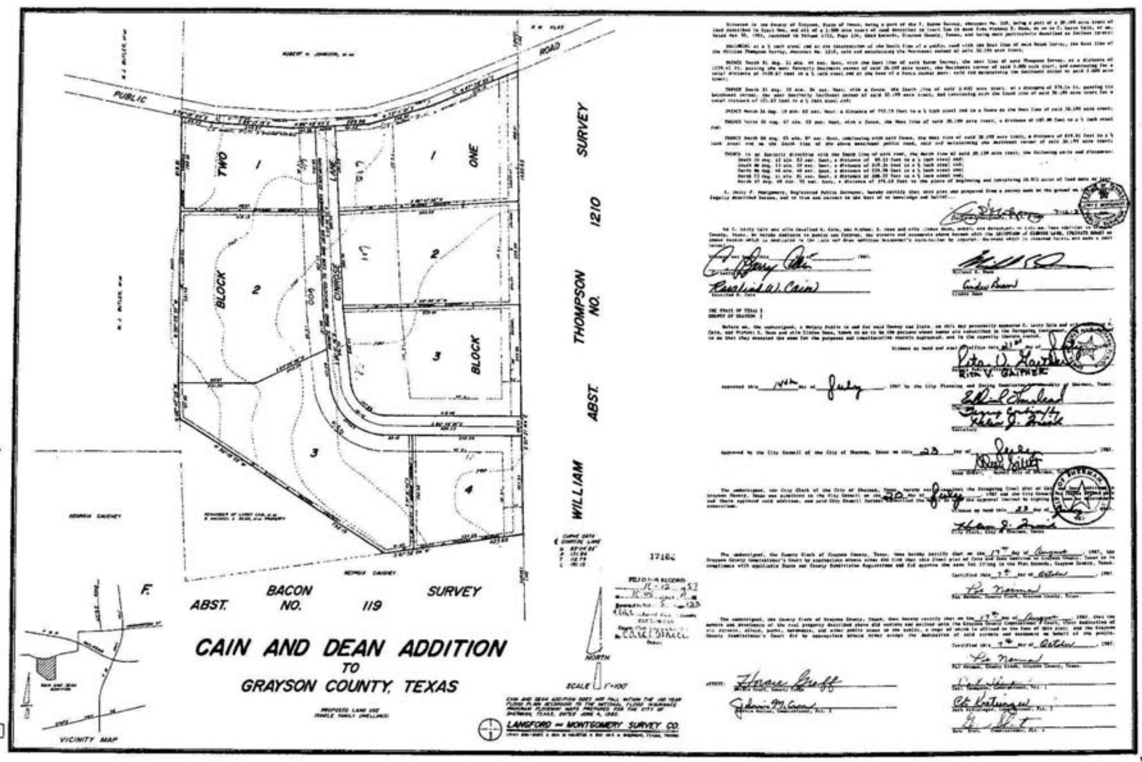
STATE OF TEXAS §
COUNTY OF GRAYSON §

BEFORE ME, the undersigned authority, on this day personally appeared **PATRICIA SPEARS**, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that she executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 30th day of July, A.D., 2009.

JENNIFER BEYER
NOTARY PUBLIC
State of Texas
Comm. Exp. 03-27-2012

Jennifer Beyer
NOTARY PUBLIC, STATE OF TEXAS


CAIN AND DEAN ADDITION
TO
GRAYSON COUNTY, TEXAS
PUBLIC
ROAD
WILLIAM
ABST.
THOMPSON
NO.
1210
SURVEY
F.
ABST.
BACON
NO.
119
SURVEY
BLOCK
TWO
ONE
BLOCK
3
NORTH
VICINITY MAP
LANGFORD — MONTGOMERY SURVEY CO.
17182

10498

DEED OF DEDICATION

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

That the undersigned, **JOHN SPEARS, PATRICIA SPEARS, MIKE HICKS, CATHERINE HICKS, JAMES E. NICHOLSON, ANN K. NICHOLSON, C. H. GILLESPIE, III, MARY P. GILLESPIE, BRUCE RAMSEY, BELLE A. RAMSEY, BRADLEY C. RUE** and **REBECCA RUE**, hereinafter called "**GRANTORS**" for and in consideration of the covenants contained herein below, paid by the **CITY OF SHERMAN**, a municipal corporation of the State of Texas, hereinafter called "**GRANTEE**", the receipt of which is hereby acknowledged, for and on behalf of the general public, do hereby dedicate all of the conveyed property for public use a street right-of-way, upon and across, over and through the land of **GRANTORS** lying and being situated in Grayson County, Texas, including access easement along West line of Lot Four (4), Cain & Dean Addition, as further shown in the plat marked as Exhibit "A" and made a part hereof for all purposes.

AS FURTHER CONSIDERATION, the **GRANTEE** agrees and acknowledges that the land is to be used as a street. **GRANTORS** intend, and have agreed with **GRANTEE** that the **GRANTEE** at its own expense will improve the property through construction and maintenance. **GRANTORS** place the following limitation on use of the land; the sole purpose of the dedication shall be for use as a street and related utilities and drainage.

TO HAVE AND TO HOLD said property for public use.

IN TESTIMONY WHEREOF, witness the execution hereof on this 14th day of July, A.D., 2009.

GRANTOR:

JOHN SPEARS

GRANTOR:

Patricia Spears

PATRICIA SPEARS

GRANTOR:

Mike Hicks

MIKE HICKS

GRANTOR:

Kathryn Hicks

CATHERINE HICKS

GRANTOR:

James E Nicholson

JAMES E. NICHOLSON

GRANTOR:

Ann K. Nicholson

ANN K. NICHOLSON

GRANTOR:

C H Gillespie, III

C. H. GILLESPIE, III

GRANTOR:

Mary P. Gillespie

MARY P. GILLESPIE

GRANTOR:

BRUCE RAMSEY

GRANTOR:

BELLE A. RAMSEY

GRANTOR:

Bradley C Rue

BRADLEY C. RUE

GRANTOR:

REBECCA RUE

ACKNOWLEDGMENTS

STATE OF TEXAS §
COUNTY OF GRAYSON §

BEFORE ME, the undersigned authority, on this day personally appeared **JOHN SPEARS**, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 14th day of July, A.D., 2009.

C.H. GILLESPIE, III
Notary Public,
State of Texas
Comm. Exp. 09-30-1

NOTARY PUBLIC, STATE OF TEXAS

STATE OF TEXAS §
COUNTY OF GRAYSON §

BEFORE ME, the undersigned authority, on this day personally appeared **PATRICIA SPEARS**, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that she executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 14th day of July, A.D., 2009.

C.H. GILLESPIE, III
Notary Public,
State of Texas
Comm. Exp. 09-30-12

C.H. Gillespie, III
NOTARY PUBLIC, STATE OF TEXAS

STATE OF TEXAS §
COUNTY OF GRAYSON §

BEFORE ME, the undersigned authority, on this day personally appeared **MIKE HICKS**, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 21st day of July, A.D., 2009.

CONNIE LOU HINTERGARDT
Notary Public, State of Texas
My Commission Expires
September 21, 2009

Connie Lou Hintergardt
NOTARY PUBLIC, STATE OF TEXAS

STATE OF TEXAS §
COUNTY OF GRAYSON §

BEFORE ME, the undersigned authority, on this day personally appeared **CATHERINE HICKS**, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that she executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 21st day of July, A.D., 2009.

CONNIE LOU HINTERGARDT
Notary Public, State of Texas
My Commission Expires
September 21, 2009

Connie Lou Hintergardt
NOTARY PUBLIC, STATE OF TEXAS

STATE OF TEXAS §
COUNTY OF GRAYSON §

BEFORE ME, the undersigned authority, on this day personally appeared **JAMES E. NICOLSON**, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 22nd day of July, A.D., 2009.

C.H. GILLESPIE, III
Notary Public,
State of Texas
Comm. Exp. 09-30-12

C.H. Gillespie, III
NOTARY PUBLIC, STATE OF TEXAS

STATE OF TEXAS §
COUNTY OF GRAYSON §

BEFORE ME, the undersigned authority, on this day personally appeared **ANN K. NICHOLSON**, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that she executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 22nd day of July, A.D., 2009.

C.H. GILLESPIE, III
Notary Public,
State of Texas
Comm. Exp. 09-30-12

C.H. Gillespie, III
NOTARY PUBLIC, STATE OF TEXAS

STATE OF TEXAS §
COUNTY OF GRAYSON §

BEFORE ME, the undersigned authority, on this day personally appeared **C. H. GILLESPIE, III**, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 14th day of July, A.D., 2009.

AMY D BUNCH
Notary Public, State of Texas
My Commission Expires
December 02, 2011

Amy D. Bunch
NOTARY PUBLIC, STATE OF TEXAS

STATE OF TEXAS §
COUNTY OF GRAYSON §

BEFORE ME, the undersigned authority, on this day personally appeared **MARY P. GILLESPIE**, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that she executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 14th day of July, A.D., 2009.

AMY D BUNCH
Notary Public, State of Texas
My Commission Expires
December 02, 2011

Amy D. Bunch
NOTARY PUBLIC, STATE OF TEXAS

STATE OF TEXAS §
COUNTY OF GRAYSON §

BEFORE ME, the undersigned authority, on this day personally appeared **BRUCE RAMSEY**, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 14th day of July, A.D., 2009.

C.H. GILLESPIE, III
Notary Public,
State of Texas
Comm. Exp. 09-30-12

NOTARY PUBLIC, STATE OF TEXAS

STATE OF TEXAS §
COUNTY OF GRAYSON §

BEFORE ME, the undersigned authority, on this day personally appeared **BELLE A. RAMSEY**, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that she executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 14th day of July, A.D., 2009.

C.H. GILLESPIE, III
Notary Public,
State of Texas
Comm. Exp. 09-30-12

NOTARY PUBLIC, STATE OF TEXAS

STATE OF TEXAS §
COUNTY OF GRAYSON §

BEFORE ME, the undersigned authority, on this day personally appeared **BRADLEY C. RUE,** known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 14th day of July, A.D., 2009.

C.H. GILLESPIE, III
Notary Public,
State of Texas
Comm. Exp. 09-30-12

NOTARY PUBLIC, STATE OF TEXAS

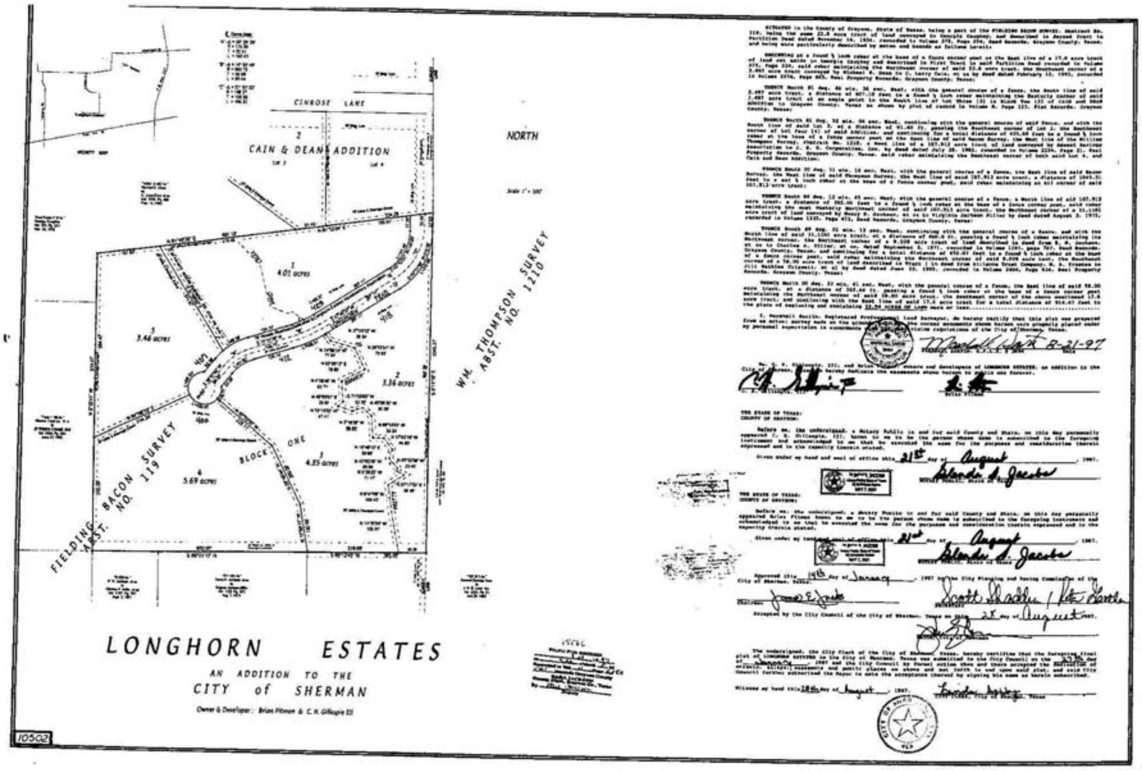
STATE OF TEXAS §
COUNTY OF GRAYSON §

BEFORE ME, the undersigned authority, on this day personally appeared **REBECCA RUE,** known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that she executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 14th day of July, A.D., 2009.

C.H. GILLESPIE, III
Notary Public,
State of Texas
Comm. Exp. 09-30-12

NOTARY PUBLIC, STATE OF TEXAS


CINROSE LANE
CAIN & DEAN ADDITION
NORTH
4.01 acres
3.46 acres
3.36 acres
4.85 acres
5.69 acres
BLOCK ONE
FIELDING BACON SURVEY ABST. NO. 119
WM. THOMPSON SURVEY ABST. NO. 1210
LONGHORN ESTATES
AN ADDITION TO THE
CITY of SHERMAN
Owner & Developer: Brian Pitman & C.K. Gillaspie III
10502
8-21-97

B-021


NO
OUTLET
09/03/2009
Cinrose Lane


Longhorn Trail
09/03/2009


New Bridge
Railing
09/03/2009

SHERMAN CITY COUNCIL

Agenda Communication Form

From: The Office of the City Manager **Date:** 9-8-2009

Subject: Agenda Item No. D.7

**** OTHER BUSINESS***

Final Plat Approval of the Broiles Addition, being Part of Lot 1, Block 1 of the Replat of Lots 19-21 of the L.C. Chapman's Addition and all of Lot 9 and Part of Lot 12, together with the Alley Running Southerly from Brockett Street and Lying West of and Adjacent to the West Line of Lots 9-11 in the L.C. Chapman's Addition and Containing 1.25 Acres in the J.B. McAnair Survey, Abstract No. 763; Mack Broiles, Owner and Sartin & Associates, Inc., Surveyors (214, 218 and 222 West Brockett Street)

Issue

To consider Final Plat approval of the Broiles Addition, being part of Lot 1, Block 1 of the Replat of Lots 19-21 of the L.C. Chapman's Addition and all of Lot 9 and part of Lot 12, together with the alley running southerly from Brockett Street and lying west of and adjacent to the west line of Lots 9-11 in the L.C. Chapman's Addition, and containing 1.25 acres in the J.B. McAnair Survey, Abstract No. 763

Background

The property is located at 214, 218 and 222 West Brockett Street, the southwest corner of Crockett and Brockett Streets abutting the railroad. The owner would like to replat the property into six lots for commercial development.

Origination

Mack Broiles (Owner) and Sartin & Associates, Inc. (Surveyors)

Board Recommendation

At the August 18, 2009 regular meeting, the Planning and Zoning Board voted unanimously to recommend to the City Council that the Final Plat be approved.

Attachments

Location Map
Photos
Plat
P&Z Communication
Staff Review Letter

Prepared by:
Scott Shadden, Development Services Director

Approved by:
George Olson, City Manager

LEGEND

R-A	SINGLE FAMILY AGRICULTURAL DISTRICT
SF-1	SINGLE FAMILY RESIDENTIAL DISTRICT
R-1	ONE FAMILY RESIDENTIAL DISTRICT
R-2	MULTI-FAMILY RESIDENTIAL DISTRICT
C-1	RETAIL BUSINESS DISTRICT
C-2	GENERAL COMMERCIAL DISTRICT
CO	OFFICE DISTRICT
M-1	LIGHT MANUFACTURING DISTRICT
M-1.5	MEDIUM MANUFACTURING DISTRICT
M-2	HEAVY MANUFACTURING DISTRICT
MH	MANUFACTURED HOUSING DISTRICT
	BLALOCK INDUSTRIAL PARK
O-1	OVERLAY DISTRICT - 75 & 82
O-1.1	OVERLAY DISTRICT - 1417
O-1.2	OVERLAY DISTRICT -SAM RAYBURN FREEWAY
CPO	COLLEGE PARK OVERLAY
A&C	ARTS & CULTURAL OVERLAY DISTRICT
CBD	CENTRAL BUSINESS DISTRICT

214, 218, 222 W. BROCKETT

ENGINEERING DEPARTMENT

214, 218, 222 West Brockett Street

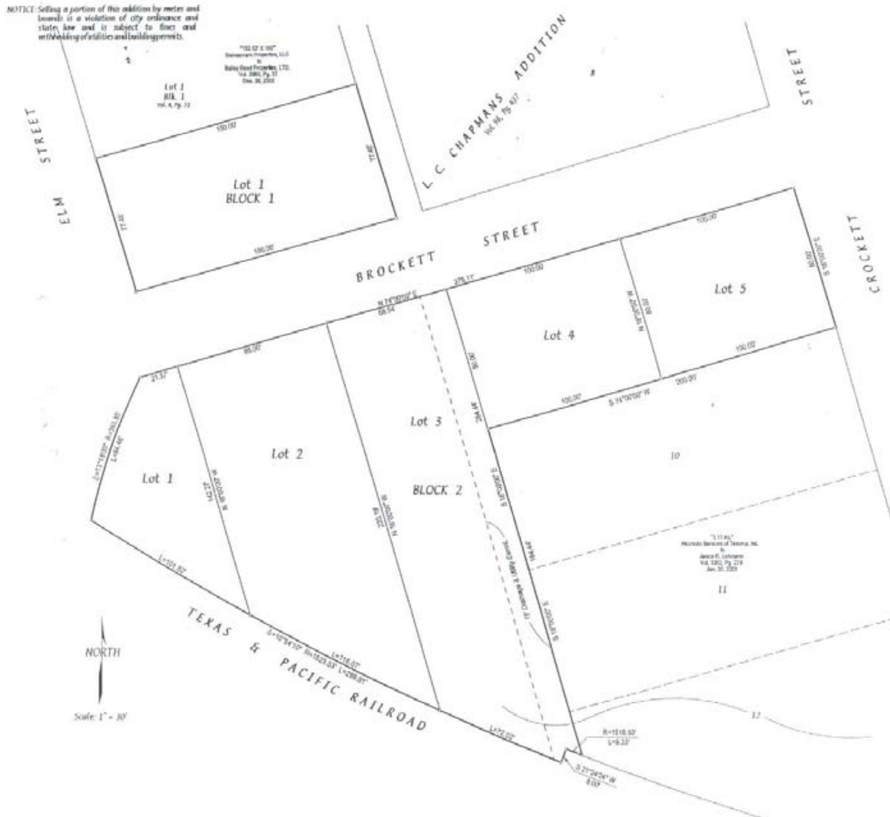
City of Sherman, Texas
Engineering Department

0 70 140 280 Fee

222 W. Brockett

218 W. Brockett

214 W. Brockett



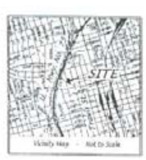
BROILES ADDITION

to the

CITY of SHERMAN, TEXAS

Being a replat of part of Lot 1, Block 1 of the Replat of Lots 19, 20, & 21 of L. C. Chapman's Addition, Volume 8, Page 52, and all of Lot 9 and a part of Lot 12, together with all of the alley running southerly from Brockett Street and lying west of and adjacent to the west line of Lots 9, 10, & 11 in the L. C. Chapman's Addition, Volume 96, Page 437, Deed Records, Grayson County, Texas.

Being 1.52 Acres



Owner & Developer

Mack Broiles
519 N. Walnut
Sherman, Texas 75090
903-868-1511

SARTIN & ASSOCIATES, INC.
Registered Professional Land Surveyors
109 S. Travis, P. O. Box 1893 Sherman, Texas 75091-1893
Ph.: (903) 892-8003 Fax: (903) 868-2970

AGENDA ITEM #8

City of Sherman

Planning and Zoning Commission
Board of Adjustments

Agenda Communication Form

August 18, 2009

214, 218 and 222 West Brockett Street
Being part of Lot 1, Block 1 of the Replat of Lots 19-21 of
L.C. Chapman's Addition and all of Lot 9 and part of Lot 12,
together with the alley running southerly from
Brockett Street and lying west of and adjacent to the west line of
Lots 9-11 in the L.C. Chapman's Addition,
containing 1.25 acres in the J.B. McAnair Survey, Abstract No. 763
Final Plat

Requested Action/Proposed Use:
Final Plat approval of the Broiles Addition.

Background
The purpose of the plat is to reconfigure lots in the L.C. Chapman's Addition.

Adjacent Zoning:
C-1 (Retail Business) District.

Origination:
Mack Broiles (Owner) and Sartin & Associates, Inc. (Surveyors).

Master Plan Designation:
Retail/Commercial

Attachments:
Location map; Photographs; Replat; Staff Review

Prepared by:
Lisa Whitfield,
Engineering & Development Coordinator

Approved by:
Scott Shadden,
Director of Development Services

STAFF REVIEW LETTER

August 11, 2009

Mack Broiles
519 N. Walnut
Sherman, Texas 75090

Dear Applicants,

The request for approval of a Final Plat of the Broiles Addition concerning the property located in the 200 Block of West Brockett Street has been scheduled to be heard by the Planning and Zoning Board on the day of Tuesday, August 18, 2009 at 5:00 p.m., in the City Council Chambers, City Hall at 220 W. Mulberry.

City staff has reviewed your request with regards to engineering and development guidelines and finds the following items need to be addressed:

1. Letters from the various utility providers are required verifying availability of service and when service will be available. (City will acquire).
2. Original tax certificates shall be furnished for the purpose of recording the plat.
3. Detention in accordance with City criteria is required.
4. Drive approaches and sidewalks shall conform to City of Sherman standards.
5. Each lot is required to have separate water and sewer services.
6. Any other changes made to the final plat prior to the final fulfillment of the conditions of the staff review, must be considered minor by the staff, as to not require resubmission to the Planning & Zoning Commission.
7. Water and sewer pro-rata will be required if a structure is built in the future on Lot 1, Block 2.
8. Any other changes made to the final plat prior to the final fulfillment of the conditions of the staff review, must be considered minor by the staff, as to not require resubmission to the Planning & Zoning Commission.

The Board will not consider a request unless it has representation. You are hereby notified to be present, either in person or by a legally authorized representative to present your case on the date and time stated above.

If additional information or clarification is needed, do not hesitate to contact Lisa Whitfield, Engineering & Development Coordinator at 903-892-7212 prior to the meeting.

Respectfully,

Mark Gibson
Director of Utilities and Engineering

cc: George Olson, City Manager
Brandon Shelby, City Attorney
Lisa Whitfield, Engineering & Development Coordinator
Jeff Miller, Director of Public Works
Sartin & Associates Survey Company, P.O. Box 1843, Sherman, Texas 75091
Scott Shadden, Director of Development Services
Danny Fuller, Fire Marshal
Don Keene, Project Manager

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 9-8-2009

Subject: Agenda Item No. D.8

**** OTHER BUSINESS***

Final Plat Approval of the Gregg Addition, being Two Acres in the William Martin Survey, Abstract No. 765; Scott and Abbie Gregg, Owners and Ringley & Associates, Inc., Surveyors (1901 West Shepherd Road)

Issue

To consider Final Plat approval of the Gregg Addition, being two acres in the William Martin Survey, Abstract No. 765 located at 1901 West Shepherd Road

Background

The property is located at 1901 West Shepherd Road, between Highway 75 South and Farmington Road. The owners would like to plat the property into two lots for residential development.

Origination

Scott and Abbie Gregg (Owners) and Ringley & Associates, Inc. (Surveyors)

Board Recommendation

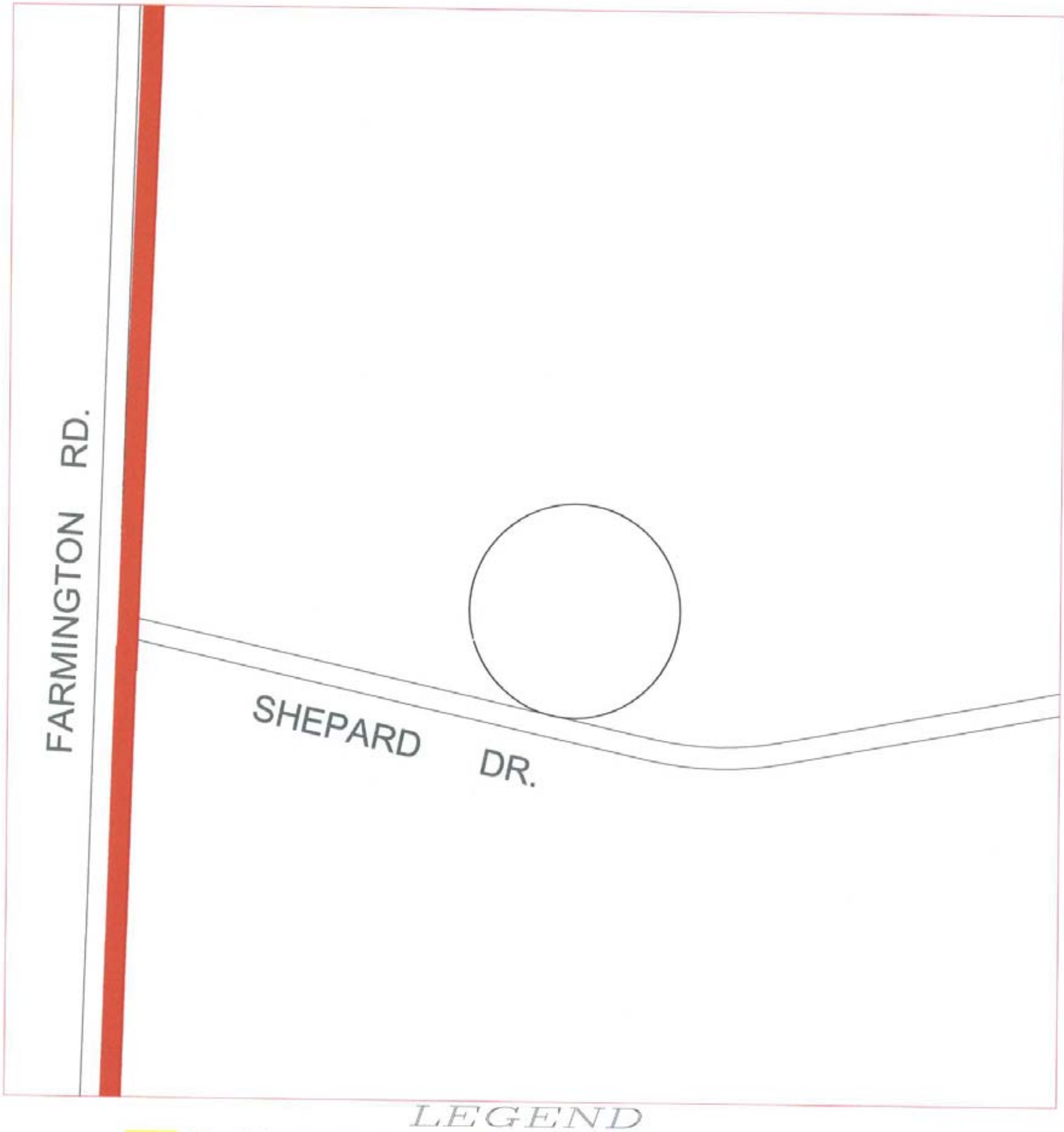
At the August 18, 2009 regular meeting, the Planning and Zoning Board voted unanimously to recommend to the City Council that the Final Plat be approved.

Attachments

Location Map
Photos
Plat
P&Z Communication
Staff Review Letter

Prepared by:
Scott Shadden, Development Services Director

Approved by:
George Olson, City Manager



LEGEND

R-A	SINGLE FAMILY AGRICULTURAL DISTRICT
SF-1	SINGLE FAMILY RESIDENTIAL DISTRICT
R-1	ONE FAMILY RESIDENTIAL DISTRICT
R-2	MULTI-FAMILY RESIDENTIAL DISTRICT
C-1	RETAIL BUSINESS DISTRICT
C-2	GENERAL COMMERCIAL DISTRICT
CO	OFFICE DISTRICT
M-1	LIGHT MANUFACTURING DISTRICT
M-1.5	MEDIUM MANUFACTURING DISTRICT
M-2	HEAVY MANUFACTURING DISTRICT
M H	MANUFACTURED HOUSING DISTRICT
	BLALOCK INDUSTRIAL PARK
O-1	OVERLAY DISTRICT - 75 & 82
O-1.1	OVERLAY DISTRICT - 1417
O-1.2	OVERLAY DISTRICT -SAM RAYBURN FREEWAY
CPO	COLLEGE PARK OVERLAY
A&C	ARTS & CULTURAL OVERLAY DISTRICT
CBD	CENTRAL BUSINESS DISTRICT

1901 W. SHEPHERD DRIVE

Department of Developmental Services

N

1901 W Shepherd Road

City of Sherman, Texas
Engineering Department

0 200 400 800
Feet

AGENDA ITEM #4

City of Sherman

Planning and Zoning Commission

Board of Adjustments

Agenda Communication Form

August 18, 2009

1901 West Shepherd Road
Being 2 acres in the William Martin Survey, Abstract No. 765
and Williams Survey, Abstract No. 866
Final Plat

Requested Action/Proposed Use:
Final Plat approval of the Gregg Addition.

Background
This is redevelopment of existing property that has never been platted.

Adjacent Zoning:
R-1 (One Family Residential) District.

Origination:
Scott and Abbie Gregg (Owner) and Ringley & Associates (Surveyors).

Master Plan Designation:
Agriculture & Rural

Attachments:
Location map
Photographs
Replat
Staff Review

Prepared by:
Lisa Whitfield,
Engineering & Development Coordinator

Approved by:
Scott Shadden,
Director of Development Services

STAFF REVIEW LETTER

August 11, 2009

Scott & Abbie Gregg
7212 Farmington Road
Sherman, Texas 75092

Dear Applicants,

The request for approval of a Final Plat of the Gregg Addition concerning the property located in the 1901 Shepherd Drive has been scheduled to be heard by the Planning and Zoning Board on the day of Tuesday, August 18, 2009 at 5:00 p.m., in the City Council Chambers, City Hall at 220 W. Mulberry.

City staff has reviewed your request with regards to engineering and development guidelines and finds the following items need to be addressed:

1. Letters from the various utility providers are required verifying availability of service and when service will be available. (City will acquire).
2. Original tax certificates shall be furnished for the purpose of recording the plat.
3. Detention in accordance with City criteria is required.
4. Drive approaches and sidewalks shall conform to City of Sherman standards.
5. Meet the wastewater requirements of Grayson County.
6. Water Pro-Rata of $1,500.00 will be required for each lot.
7. Each lot is required to have a separate water service.
8. A 60’ road right-of-way dedication is required for Shepherd Drive and shall be noted on the plat.
9. Shepherd Drive spelling is to be corrected on the plat.
10. A 10’ drainage easement shall be indicated around the perimeter of the plat.
11. Any other changes made to the final plat prior to the final fulfillment of the conditions of the staff review, must be considered minor by the staff, as to not require resubmission to the Planning & Zoning Commission.

The Board will not consider a request unless it has representation. You are hereby notified to be present, either in person or by a legally authorized representative to present your case on the date and time stated above.

If additional information or clarification is needed, do not hesitate to contact Lisa Whitfield, Engineering & Development Coordinator at 903-892-7212 prior to the meeting.

Respectfully,

Mark Gibson
Director of Utilities and Engineering

cc: George Olson, City Manager
Brandon Shelby, City Attorney
Lisa Whitfield, Engineering & Development Coordinator
Jeff Miller, Director of Public Works
Ringley & Associates, Inc., 410 N. Tennessee St., McKinney, Texas 75069
Scott Shadden, Director of Development Services
Danny Fuller, Fire Marshal
Don Keene, Project Manager

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 9-8-2009

Subject: Agenda Item No. D.9

CITIZEN REQUESTS

The Honorable Bill Magers, Mayor

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 9-8-2009

Subject: Agenda Item No. D.10

MEDIA QUESTIONS

The Honorable Bill Magers, Mayor

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 9-8-2009

Subject: Agenda Item No. D.11

COUNCIL COMMENTS

The Honorable Bill Magers, Mayor

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 9-8-2009

Subject: Agenda Item No. E.1

EXECUTIVE SESSION

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

Section 551.071 **Consultation with City Attorney Concerning Pending or Contemplated Litigation:**
- **(a) Civil Service Age Requirement**

Section 551.074 **Personnel Matters:**
- **(a) Consider the Qualifications, Appointment or Removal of Members to Boards and Commissions:**
  - **(i) Red River Groundwater Conservation District Board of Directors (2)**
  - **(ii) Planning and Zoning Commission Chairman**

Section 551.087 **Deliberations Regarding Economic Development Negotiations**
- **(a) Deliberate Regarding Commercial or Financial Information that the City has Received from Business Prospects and Deliberate any Offers or Incentives to the Business Prospects, including the following:**
  - **(i) The City of Howe, Texas**

The Honorable Bill Magers, Mayor

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 9-8-2009

Subject: Agenda Item No. F.1

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

The Honorable Bill Magers, Mayor

SHERMAN CITY COUNCIL

Agenda Communication Form

From: The Office of the City Manager **Date:** 9-8-2009

Subject: Agenda Item No. F.2

ADJOURNMENT

The Honorable Bill Magers, Mayor

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 9-8-2009

Subject: Agenda Item No. N/A

COUNCIL CALENDAR

2009
CITY COUNCIL MEETINGS

JANUARY

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

FEBRUARY

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

MARCH

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

APRIL

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

MAY

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

JUNE

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

JULY

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

AUGUST

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

SEPTEMBER

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

OCTOBER

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

NOVEMBER

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

DECEMBER

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

01/19/09 - M.L.K., Jr. Birthday / Regular Council Meeting
~~01/26/09 - 12 Noon Joint Meeting w/P&Z Commission re: Comprehensive Plan~~
02/11/09 - 12 Noon Called Meeting to Interview City Attorney Candidates
02/16/09 - Washington's Birthday / Regular Council Meeting
02/18/09 - 1PM Called Meeting to Interview City Attorney Candidates
02/25/09 - 12 Noon Joint Meeting w/P&Z Commission re: Comprehensive Plan
~~03/06/09 - Proposed 12 Noon Called Meeting with Chamber Board~~
04/29/09 - 12 Noon Budget Planning Meeting in Council Chambers
~~05/09/09 - City Council Election~~
~~05/12/09 - 12 Noon Called Meeting to Canvass Election Results~~

~~06/17-18/09 - Budget Workshop in Council Chambers~~
06/18/09 - Budget Workshop/Long Range Planning Workshop in Council Chambers
~~06/19/09 - Long-Range Planning Workshop~~
09/07/09 - Labor Day / Called Council Meeting on 09/08/09
09/17/09 - 12 Noon Joint Meeting with SEDCO Board