CITY OF SHERMAN
CITY COUNCIL CALLED MEETING AGENDA
COUNCIL CHAMBERS OF THE CITY HALL
220 WEST MULBERRY STREET
SHERMAN, TEXAS
TUESDAY, SEPTEMBER 7, 2010
5:00 P.M.

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

A.2 PLEDGE OF ALLEGIANCE

A.3 INVOCATION BY COUNCIL MEMBER PAMELA L. HOWETH

A.4 APPROVE MINUTES OF THE REGULAR CITY COUNCIL MEETING OF AUGUST 16, 2010 AND THE CALLED CITY COUNCIL MEETING OF AUGUST 31, 2010

Public Hearing

B.1 PUBLIC HEARING
Capital Improvement Program 2010-2015

B.2 SECOND PUBLIC HEARING OF ORDINANCE NO. 5662
Providing for the Appropriation of Funds for Operating and Capital Expenditures for the Fiscal Year Beginning October 1, 2010, and Ending September 30, 2011

B.3 INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 5666
Providing for the Levy of Ad Valorem Taxes for the City of Sherman, Texas, for the Tax Year 2010; 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. 5667
Approving a Negotiated Resolution between the Atmos Cities Steering Committee and Atmos Energy Corp., Mid-Tex Division regarding the Company's Third Rate Review Mechanism Filing in all Cities Exercising Original Jurisdiction; Declaring Existing Rates to be Unreasonable; Requiring the Company to Reimburse Cities' Reasonable Ratemaking Expenses; Adopting Tariffs that Reflect Rate Adjustments Consistent with the Negotiated Settlement and Finding the Rates to be Set by the Attached Tariffs to be Just and Reasonable; Approving Atmos Mid-Tex's Proof of Revenues; Extending the RRM Process for Two Cycles and Adopting a New RRM Tariff; Ratifying the Settlement Agreement, including Cost Recovery for a Steel Service Line Replacement Program; Declaring an Effective Date; and Requiring Delivery of this Ordinance to the Company and the Steering Committee's Legal Counsel

B.5 INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 5668

Amending Chapter 8 of the Code of Ordinances, entitled "Offenses and Nuisances", to Provide for a New Article 8.04 to be entitled "Offenses Involving Public Health and Safety", to Prohibit the Use, Purchase, Possession, and Sale of the Synthetic Cannabinoid Known or Sold under Such Names as "SPICE", "GENIE", "DaSCENTS", "ZOHAI", "SAGE", "K-2", "KO KNOCK-OUT 2", and "K-4" for Public Health Purposes; Providing for a Penalty of Fine Not to Exceed Two Thousand Dollars ($2,000.00); Providing for an Effective Date

B.6 INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 5669

Amending Chapter 3, entitled "Building Regulations", at Article 3.12, entitled "Flood Damage Prevention", to Adopt New Federal Emergency Management Agency Regulations; Providing for Penalties

B.7 INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 5670

Amending Section 8, Subsection (5)(a), Ordinance No. 2280, so as to Grant a Specific Use Permit to Allow a School (Playground) in an R-2 (Multi-Family Residential) District at 615 South Travis Street, being 0.30 Acres in the Samuel Blagg Survey, Abstract No. 56 (St. Mary's Catholic Church, Owners; St. Mary's Catholic School, Tenant; and Jim Andrews, Representative); 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.8 ADOPTION OF ORDINANCES

Consider Adoption of Ordinance Numbers:

(a) 5662
(b) 5667
(c) 5668
(d) 5669
(e) 5670

B.9 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. 5513

Authorizing Execution of a Joint Election Agreement between the City of Sherman and Grayson County to hold a Joint Election on November 2, 2010

C.2 RESOLUTION NO. 5516

Approving and Adopting a Five-Year Capital Improvement Program for the City of Sherman, Texas

C.3 RESOLUTION NO. 5517
Amending the 2009-2010 Budget of the City of Sherman, Texas, Appropriating and Allocating Additional Funds for the Period of October 1, 2009, through September 30, 2010

C.4 ** RESOLUTION NO. 5518*
Adopting an Investment Policy for the City of Sherman

C.5 RESOLUTION NO. 5519
Authorizing Execution of a Professional Services Agreement with Teague, Nall and Perkins, Inc. for the Preparation of Final Design Plans and Specifications and the Performance of Other Engineering Services for the Travis Street Streetscape Project

C.6 ** RESOLUTION NO. 5520*
Authorizing Execution of a Tender & Release Agreement with SureTec Insurance Company for the Travis Street Water Main Replacement Project

C.7 ** RESOLUTION NO. 5521*
Authorizing Execution of an Encroachment Easement to Melvin Fleitman for the Construction of a Storage Building in a Utility and Drainage Easement in Block 2, Lot 36 of the Pebblebrook Addition, Phase 1B to the City of Sherman (1800 Pebblebrook Lane)

C.8 ** RESOLUTION NO. 5522*
Authorizing the Execution of an Interlocal Agreement between the City of Sherman and the City of Fort Worth for Household Hazardous Waste Services

Other Business

D.1 OTHER BUSINESS
Receive Fair Housing Impediment Analysis Update from Community Development Coordinator Theresa Caudle

D.2 CITIZEN REQUESTS

D.3 MEDIA QUESTIONS

D.4 COUNCIL COMMENTS

D.5 ADJOURNMENT

COUNCIL CALENDAR

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 9-7-2010

Subject: Agenda Item No. A.1

CALL TO ORDER, QUORUM DETERMINED, MEETING DECLARED OPEN

The Honorable Bill Magers, Mayor

SHERMAN CITY COUNCIL

Agenda Communication Form

From: The Office of the City Manager **Date:** 9-7-2010

Subject: Agenda Item No. A.2

PLEDGE OF ALLEGIANCE

The Honorable Pamela L. Howeth, Council Member

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 9-7-2010

Subject: Agenda Item No. A.3

INVOCATION BY COUNCIL MEMBER PAMELA L. HOWETH

SHERMAN CITY COUNCIL

Agenda Communication Form

From: The Office of the City Manager **Date:** 9-7-2010

Subject: Agenda Item No. A.4

APPROVE MINUTES
OF THE REGULAR CITY COUNCIL MEETING OF AUGUST 16, 2010
AND THE CALLED CITY COUNCIL MEETING OF AUGUST 31, 2010

STATE OF TEXAS §

August 16, 2010

COUNTY OF GRAYSON §

BE IT REMEMBERED THAT A Regular Meeting of the City Council of the City of Sherman, Grayson County, Texas was begun and held in the Council Chambers of City Hall on August 16, 2010.

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

MEMBERS ABSENT: COUNCIL MEMBER SOFTLY.

CALL TO ORDER

CALL TO ORDER

Mayor Magers called the meeting to order at 5:02 p.m. The Pledge of Allegiance and the Invocation were given by Deputy Mayor Willie Steele.

APPROVE MINUTES

APPROVE MINUTES

The Council reviewed the Minutes of the Regular City Council Meeting of August 2, 2010 and the Called City Council (Town Hall) Meeting of August 9, 2010. Council Member Wacker moved to approve the Minutes as presented; Second by Council Member Adami. All present voted AYE.

MOTION CARRIED.

RECOGNITION

HAPPY BIRTHDAY TO FORMER TEACHER

HAPPY BIRTHDAY TO FORMER TEACHER

Mayor Magers wished a happy birthday to Muriel Johnson, who taught him and Council Member Smith in first grade at Wakefield Elementary School. She celebrated her 80th birthday today.

INTRODUCTION AND PUBLIC HEARING OF ORDINANCES

ORD 5661 CHARTER AMENDMENT ELECTION

Mayor Magers introduced Ordinance 5661 and called for a public hearing:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, CALLING A SPECIAL ELECTION OF THE QUALIFIED VOTERS OF THE CITY OF SHERMAN, TEXAS, ON THE 2ND DAY OF NOVEMBER, 2010, FOR THE PURPOSE OF AMENDING THE CITY CHARTER OF THE CITY OF SHERMAN, TEXAS; PROVIDING FOR NOTICE OF SAID ELECTION; DESIGNATING ELECTION PRECINCTS; PROVIDING FOR THE USE OF DIRECT RECORDING ELECTRONIC VOTING EQUIPMENT; PROVIDING FOR EARLY VOTING.

No citizens appeared before the City Council to discuss Ordinance 5661.

ORD 5662 ANNUAL BUDGET

Mayor Magers introduced Ordinance 5662 and called for the first public hearing:

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, 2010, AND ENDING SEPTEMBER 30, 2011; PROVIDING FOR A REPEALER.

Mayor Magers explained that this Budget will raise more total property taxes than last year's Budget by $58,000 and .9%, and of that amount, $58,000 is tax revenue to be raised from new property added to the roll this year.

He added that this was the first public hearing for the Budget Ordinance and the second public hearing and adoption will be held at the September 7, 2010 City Council Meeting.

No citizens appeared before the City Council to discuss Ordinance 5662.

ORD 5663
STOP SIGNS AT
FALLON & MARSHALL
STS.

Mayor Magers introduced Ordinance 5663 and called for a public hearing:
AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, PROVIDING FOR PERMANENT "STOP" SIGNS AT THE INTERSECTION OF MARSHALL STREET AND EAST FALLON DRIVE WITHIN THE CITY LIMITS OF THE CITY OF SHERMAN; PROVIDING FOR A PENALTY PROVISION; PROVIDING FOR SEVERABILITY; PROVIDING FOR A REPEALER.

No citizens appeared before the City Council to discuss Ordinance 5663.

ORD 5664
ZONE CHANGE
2300 BLOCK W.
LAMBERTH & 2100
BLOCK LITTLE LN.

Mayor Magers introduced Ordinance 5664 and called for a public hearing:
AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 12, ORDINANCE NO. 2280, SO AS TO INCLUDE CERTAIN PROPERTIES WITHIN THE R-1 (ONE FAMILY RESIDENTIAL) DISTRICT IN THE 2300 BLOCK OF WEST LAMBERTH ROAD AND THE 2100 BLOCK OF LITTLE LANE, BEING 0.812 ACRES IN THE J.B. McANAIR SURVEY, ABSTRACT NO. 763 (BLUESTONE PARTNERS, LLC, OWNERS; KYLE BOOTHE, REPRESENTATIVE; AND UNDERWOOD DRAFTING AND SURVEYING, SURVEYORS); PROVIDING FOR A REPEALER.

No citizens appeared before the City Council to discuss Ordinance 5664.

ORD 5665
SUP FOR DOUBLE
SIDED BILLBOARD
(1815 W. HOUSTON)

Mayor Magers introduced Ordinance 5665 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 ALLOW A 12' X 24' DOUBLE-SIDED BILLBOARD IN A C-2 (GENERAL COMMERCIAL) DISTRICT AT 1815 WEST HOUSTON STREET, BEING LOT 5, BLOCK 1, SPAVINAW ADDITION (SPAVINAW PROPERTIES, LLC, OWNERS; AND JASON SOFEY, REPRESENTATIVE);

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 5665.

The Public Hearing was closed.

CLOSE PUBLIC HEARING

<u>ADOPTION OF ORDINANCES</u>

Ordinance 5663

ORD 5663 STOP SIGNS AT FALLON & MARSHALL STS.

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, PROVIDING FOR PERMANENT "STOP" SIGNS AT THE INTERSECTION OF MARSHALL STREET AND EAST FALLON DRIVE WITHIN THE CITY LIMITS OF THE CITY OF SHERMAN; PROVIDING FOR A PENALTY PROVISION; PROVIDING FOR SEVERABILITY; PROVIDING FOR A REPEALER.

Ordinance 5664

ORD 5664 ZONE CHANGE 2300 BLOCK W. LAMBERTH & 2100 BLOCK LITTLE LN.

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 12, ORDINANCE NO. 2280, SO AS TO INCLUDE CERTAIN PROPERTIES WITHIN THE R-1 (ONE FAMILY RESIDENTIAL) DISTRICT IN THE 2300 BLOCK OF WEST LAMBERTH ROAD AND THE 2100 BLOCK OF LITTLE LANE, BEING 0.812 ACRES IN THE J.B. McANAIR SURVEY, ABSTRACT NO. 763 (BLUESTONE PARTNERS, LLC, OWNERS; KYLE BOOTHE, REPRESENTATIVE; AND UNDERWOOD DRAFTING AND SURVEYING, SURVEYORS); PROVIDING FOR A REPEALER.

Ordinance 5665

ORD 5665 SUP FOR DOUBLE SIDED BILLBOARD (1815 W. HOUSTON)

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 8, SUBSECTION (5)(A), ORDINANCE NO. 2280, SO AS TO GRANT A SPECIFIC USE PERMIT TO ALLOW A 12' X 24' DOUBLE-SIDED BILLBOARD IN A C-2 (GENERAL COMMERCIAL) DISTRICT AT 1815 WEST HOUSTON STREET, BEING LOT 5, BLOCK 1, SPAVINAW ADDITION (SPAVINAW PROPERTIES, LLC, OWNERS; AND JASON SOFEY, REPRESENTATIVE); 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.

ACTION TAKEN.

Motion by Council Member Adami to approve Ordinance Nos. 5663, 5664, and 5665, as presented. Second by Council Member Smith.

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

Ordinance 5661 | **ORD 5661 CHARTER AMENDMENT ELECTION**

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, CALLING A SPECIAL ELECTION OF THE QUALIFIED VOTERS OF THE CITY OF SHERMAN, TEXAS, ON THE 2ND DAY OF NOVEMBER, 2010, FOR THE PURPOSE OF AMENDING THE CITY CHARTER OF THE CITY OF SHERMAN, TEXAS; PROVIDING FOR NOTICE OF SAID ELECTION; DESIGNATING ELECTION PRECINCTS; PROVIDING FOR THE USE OF DIRECT RECORDING ELECTRONIC VOTING EQUIPMENT; PROVIDING FOR EARLY VOTING.

Mayor Magers said the City Council is not making a final decision on the proposed Charter Amendments. The Charter Review Commission, consisting of Mayor Magers, Council Member Adami, and Council Member Howeth, reviewed a proposed 33 Amendments.

The Commission selected these six Amendments and are proposing them to the City Council for their consideration. The City Council will select the Charter Amendments that will be put before voters in a Special Election on November 2, 2010. Ultimately the voters will decide which Charter Amendments are approved.

He prepared to discuss each Amendment separately.

<u>Amendment #1</u>
Mayor Magers explained that this Amendment will move the Municipal Election to November instead of May each year. He felt this would save the taxpayers money and would increase voter turn-out in the City Election. The last City Election, three years ago, cost $29,000.

He added that for Sherman voters, in the City's May 2008 Election, 337 votes were cast while in the County's November 2008 Election there were 12,360 votes cast. In the City's May 2007 Election, 2,732 votes were case while in the County's November 2006 Election, 6,929 votes were cast.

Mayor Magers added that November Elections are held during even numbered years when voters vote for State Representatives, Federal offices, and County offices. However, during odd numbered years, County Elections include Elections for Constitutional Amendments and Special Elections. Every year since 2001, Grayson County has had a November Election in the odd numbered years.

ACTION TAKEN.
Motion by Council Member Smith to include Amendment #1 on the November 2, 2010 Special Election Ballot, as presented. Second by Deputy Mayor Steele.
VOTING AYE: Adami, Howeth, Smith, Steele, Wacker.
VOTING NAY: None.
MOTION CARRIED TO INCLUDE AMENDMENT #1 ON THE NOVEMBER 2, 2010 SPECIAL ELECTION BALLOT.

Amendment #2
Mayor Magers explained that in this Amendment, the City is proposing to remove the word "underground." Therefore, if any utilities must be moved, either above ground or underground, then the utilities would be responsible for paying for their removal.

Brandon Shelby, City Attorney, added that the City is removing the word "underground" to make it clear that the franchise requirements apply to above ground utilities too.

ACTION TAKEN.
Motion by Council Member Adami to include Amendment #2 on the November 2, 2010 Special Election Ballot, as presented. Second by Council Member Wacker.
VOTING AYE: Adami, Howeth, Smith, Steele, Wacker.
VOTING NAY: None.
MOTION CARRIED TO INCLUDE AMENDMENT #2 ON THE NOVEMBER 2, 2010 SPECIAL ELECTION BALLOT.

Amendment #3
Mayor Magers explained that Amendment #3 was a housekeeping measure. If there is something in the Charter that conflicts with State law, State law will take precedence over the City's law and this Amendment will allow the City to change the Charter to reflect the change in State law, without holding a costly Election.

ACTION TAKEN.
Motion by Council Member Wacker to include Amendment #3 on the November 2, 2010 Special Election Ballot, as presented. Second by Council Member Howeth.
VOTING AYE: Adami, Howeth, Smith, Steele, Wacker.
VOTING NAY: None.
MOTION CARRIED TO INCLUDE AMENDMENT #3 ON THE NOVEMBER 2, 2010 SPECIAL ELECTION BALLOT.

Amendment #5
Mayor Magers said Amendment #5 was also a housekeeping measure that puts all the taxing entities under the same City regulations and puts the Charter in line with law. Currently the Charter singles out the Sherman Independent School District as a taxing entity and it shouldn't. Instead, it should apply to all taxing entities.

Mr. Shelton said this Amendment doesn't change the way the City does business and if the taxing entities are following the law now, there will be no impact.

ACTION TAKEN.
Motion by Deputy Mayor Steele to include Amendment #5 on the November 2, 2010 Special Election Ballot, as presented. Second by Council Member Wacker.
VOTING AYE: Adami, Howeth, Smith, Steele, Wacker.
VOTING NAY: None.
MOTION CARRIED TO INCLUDE AMENDMENT #5 ON THE NOVEMBER 2, 2010 SPECIAL ELECTION BALLOT.

Amendment #6
Mayor Magers explained that Amendment #6 clarifies and updates where the City must post items such as the Budget. It also allows for posting to the City's website.

ACTION TAKEN.
Motion by Council Member Smith to include Amendment #6 on the November 2, 2010 Special Election Ballot, as presented. Second by Council Member Adami.
VOTING AYE: Adami, Howeth, Smith, Steele, Wacker.
VOTING NAY: None.
MOTION CARRIED TO INCLUDE AMENDMENT #6 ON THE NOVEMBER 2, 2010 SPECIAL ELECTION BALLOT.

Amendment #4
Mayor Magers explained that Amendment #4 concerns a change in the pay to City Council Members. In April 1982 the citizens voted that the Council Members should be paid $50 per meeting and the Mayor should be paid $75 per meeting. This pay has not changed since that time.

The Amendment takes 1983 dollars and moves it to 2010 dollars. It also expands the stipend to include all committees on which Council Members serve that are Mayor or Council appointed. This would not include payment for the time Council Members meet with citizens, developers, or similar types of meetings.

The Amendment also depoliticizes Council pay by tying any future increases to the percentage of increase given to City staff. Employees are not receiving an across-the-board pay increase this year, so the earliest the Council increase would go into effect would be October 1, 2012. At that time, the City Council could also choose to exclude themselves from that pay increase.

Mayor Magers felt it was important for those serving on the City Council or as Mayor to receive some compensation for their time.

Steve Jonse, 1419 N. Woods
Mr. Jonse is a former Council Member and he said when you run for City Council you don't get rich. Most of the Council Members make a good personal income. Timing is everything and even though they don't plan to implement the raise until 2011, there are companies that are laying off employees. He did not feel this was the right time to consider the Charter Amendment.

He added that when you serve the citizens, it's a voluntary effort. He appreciated the time and commitment that Council Members give, however since the City employees haven't received a raise in a couple of years, the economy is bad, the water and sewer rates are increasing, and pay is not increasing, he felt it was not the right time for a pay increase for Council Members.

He felt the Amendment should be considered at another time. He asked if there would be a "cap" on the number of

committees on which Council Members could serve. Mayor Magers said it only includes committees appointed by the City Council. If it does become a potential flaw in the system, then voters need to keep an eye on their elected officials. The appointments would be done at a Council Meeting in full view of the voting public.

Mr. Jonse asked if the issues could be broken into two options. One option could be a pay increase for Council Members for Council Meetings alone, and the other option could authorize committee pay.

Mayor Magers reiterated that the pay raise would only become effective at such time as the City employees receive an across-the-board pay increase. He hoped the Council could give pay increases to City employees in 2012, but there was no guarantee. He agreed there was no good time to talk about pay for elected officials.

John Arriazola, 907 W. College
Mr. Arriazola felt it was the wrong time to vote on a pay increase for Council Members. With the unemployment at 8.8% in Sherman and the City employees not receiving a raise in three years, he felt it was wrong for the Council to ask for a 100% raise. City employees normally only receive 3% raises.

Mr. Arriazola said he would vote against the pay increase at the November Election.

Council Member Adami said the increase in pay will not be the determinant that makes someone decide to run for City Council, but it might make someone feel that their volunteerism was worthwhile. During the last two Elections, no new candidate has run for a Council position. The incumbents ran unopposed. He added that competition is good and makes for better races.

Council Member Adami felt the additional pay might encourage more people to run for City Council. The economy is not good but the Charter Amendment is written to not happen until City employees receive a raise.

Council Member Howeth felt the issue should be included on the ballot to allow the citizens of Sherman to decide whether or not it happens. In Washington, D.C., they give themselves pay increases all the time and the citizens don't have the privilege of voting.

In Sherman, the citizens are allowed to determine whether or not this compensation will be approved. Everyone agrees it is a tough time, but the voters are allowed to make the choice.

Council Member Wacker said she hoped that the citizens did see that there is value in serving on the Council. She would also like to see more people seeking an elected office.

She did have reservations about receiving compensation for attending meetings. Council Members do officially represent the City of Sherman when they serve on these boards, however it might create some pay inequity. Different Members are able to serve on different committees. Council Member Wacker added that she would not mind seeing that as an additional item on the ballot.

Mayor Magers said no one will run for Council because of this pay. Of the current Council, four are self employed, one works for an organization that provides flexible hours, one is retired and serves as a pastor, and Council Member Howeth is the only one that must be at a certain place on a certain time every day.

For those that want to serve, and aren't in a position to have a flexible schedule, this pay will give them an opportunity to serve their City and not take a financial "hit."

Council Member Adami added that the voters have an amount of sway with those elected and if there is a concern about equity the Council Member can always refuse the money or donate their pay to the PRIDE fund.

ACTION TAKEN.
Motion by Council Member Howeth to include Amendment #4 on the November 2, 2010 Special Election Ballot, as presented. Second by Council Member Adami.
VOTING AYE: Magers, Adami, Howeth, Smith, Steele.
VOTING NAY: Wacker.
MOTION CARRIED TO INCLUDE AMENDMENT #4 ON THE NOVEMBER 2, 2010 SPECIAL ELECTION BALLOT.

Council Members also needed to vote on the adoption of Ordinance 5661.

ACTION TAKEN.
Motion by Council Member Smith to approve Ordinance No. 5661, as presented. Second by Deputy Mayor Steele.

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

CONSENT AGENDA

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

RESOLUTIONS

RES 5514
GRANT FOR WATERSHED MANAGEMENT PLAN

RESOLUTION NO. 5514 – AUTHORIZING EXECUTION OF AN ENGINEERING SERVICES AGREEMENT WITH ESPEY CONSULTANTS, INC. FOR THE INITIATION AND SUBMISSION OF A TEXAS WATER DEVELOPMENT BOARD GRANT APPLICATION FOR PARTIAL FUNDING OF THE DEVELOPMENT OF A SHERMAN WATERSHED MANAGEMENT PLAN

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF AN ENGINEERING SERVICES AGREEMENT WITH ESPEY CONSULTANTS, INC. FOR THE INITIATION AND SUBMISSION OF A TEXAS WATER DEVELOPMENT BOARD GRANT APPLICATION FOR PARTIAL FUNDING OF THE DEVELOPMENT OF A SHERMAN WATERSHED MANAGEMENT PLAN.

Don Keene, Executive Director – Planning and Public Works, presented an update on the proposed Watershed Management Plan.

Over a year ago, the Council adopted the Comprehensive Master Plan which included an action item for a storm drainage study and plan for targeted capital improvements and financing.

There is also a goal concerning Watershed Management and the increased ability of natural and engineered systems to address stormwater runoff and drainage, both in existing neighborhoods and proposed developments.

In support of the Master Plan, the City Council, in 2010, authorized $300,000 for drainage improvements. An additional $100,000 has also been budgeted for more improvements in 2011.

Mr. Keene outlined several projects that have been completed this year to enhance stormwater drainage including improvements on Archer Drive, at the Taylor Street Bridge, and the McGee Street Bridge.

Additional objectives listed in the Comprehensive Master Plan include conducting a series of studies to identify improvements to the existing drainage system; improving the existing drainage system through capital improvements, which may be funded through a variety of sources; and implementing drainage policies through ordinance amendments or programs that use the latest best management practices.

The staff feels that a comprehensive Watershed Management Plan is needed to accomplish these goals. The Plan would be an expansion of the Master Plan and would include a series of engineering studies to identify the needs and recommended improvements, and a prioritized list of recommended capital improvements as identified by the study.

If the Council decides to budget financing in coming years this will provide an objective way to determine what projects should be planned. The Watershed Management Plan will also provide a set of recommended supporting programs and drainage policies or ordinance changes.

The staff issued a request for qualifications from engineering firms who would be interested in helping prepare the Plan. Ten bids were received and the staff selected three that they felt were the most highly qualified. The staff recommends contracting with Espey Consultants, Inc., to develop the Sherman Watershed Management Plan.

The first step would be consideration of the Resolution on tonight's agenda to approve the application for a Texas Water Development Board matching grant to fund 50% of the development of the Plan. One of Espey's strengths is that they have had a lot of experience and success in applying for and securing these grants.

The second step would be to use the remaining 2010 CIP drainage improvement money and the 2011 money to fund the City's 50% cost of the Plan. Step three would be the development of the Plan with step four being the implementation.

Mr. Keene noted that in 1848, the City of Sherman relocated three miles east to be closer to water. He added that to his knowledge, the City has never had a comprehensive plan to address issues because of the community's proximity to creeks and the watershed.

A Watershed Management Plan will enable the City to objectively address existing issues and concerns and to proactively approach the City's future.

Mayor Magers asked if the Federal Emergency Management Agency (FEMA) maps were included in the Watershed Management Plan and expressed concern that the maps were not very up-to-date.

George Olson, City Manager, said the FEMA maps are used to identify flood zones. They will be used for the Watershed Management Plan but it really goes further to determine what the City infrastructure needs to accommodate drainage. They will not be building another flood zone map but the existing maps will be incorporated into the Study. Based on this information, the staff will determine what can be done to mitigate flooding issues in Sherman.

Mark Gibson, Director of Engineering and Public Works, added that the FEMA maps are the basis for the flood insurance program. Their basic purpose is to establish zones for insurance purposes.

Council Member Smith asked if this was the first step that the City promised they would do after the last big flood. Mr. Keene said this is the first step in doing what the Comprehensive Master Plan said was needed to address flooding.

Deputy Mayor Steele said the City is required by the Texas Commission on Environmental Quality (TCEQ) to create a Storm Water Pollution Prevention Plan (SW3P) and he asked if this would be a step toward complying with that requirement. Mr. Keene said it would be a piece of that requirement.

Mayor Magers asked how much the consultant would be paid and what the scope of work was. Mr. Keene said it would cost less than $12,000 to gather and compile the information and prepare the application. If the grant is approved, then the Texas Water Development Board would pay half and the City would pay half and work would begin on the Plan. The City's portion of the funding is in the 2010 and 2011 CIP.

ACTION TAKEN.
Motion by Council Member Smith to approve Resolution No. 5514, as presented. Second by Council Member Wacker.
VOTING AYE: Adami, Howeth, Smith, Steele, Wacker.
VOTING NAY: None.
MOTION CARRIED.

RES 5515
ANNUAL AUDIT

RESOLUTION NO. 5515 – APPOINTING AND AUTHORIZING THE EXECUTION OF AN AGREEMENT WITH PATTILLO, BROWN & HILL, L.L.P. TO PERFORM THE FISCAL YEAR 2010 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 2010 AUDIT.

Mayor Magers asked about the slight increase for services rendered. Robby Hefton, Assistant City Manager/CFO, explained that the increase was an agreed upon price that was set three years ago with the initial contract. This will be the fourth year of the contract.

Deputy Mayor Steele confirmed that the contract normally goes in five year cycles and then is bid again. Council Member Adami said they estimate the costs and then escalate that cost annually. This allows for better cash flow over a period of time.

ACTION TAKEN.
Motion by Council Member Adami to approve Resolution No. 5515, as presented. Second by Council Member Wacker.
VOTING AYE: Adami, Howeth, Smith, Steele, Wacker.
VOTING NAY: None.
MOTION CARRIED.

<u>REQUEST TO ADVERTISE</u>
<u>REPAIRS TO SHEPHERD DRIVE 1 WOODBINE WELL REPAIR</u>

REQUEST TO ADV WELL REPAIRS

The City Council approved the request to advertise for repairs to the Shepherd Drive 1 Woodbine Well. The pump on the well is failing and needs to be pulled and inspected to determine if repairs or replacement is required. Since the well has been in service for more than 20 years, it may be necessary to replace piping and other components.
CONSENT AGENDA.

<u>OTHER BUSINESS</u>
<u>CONSIDER REQUEST OF THE HISPANIC HERITAGE COUNCIL OF SHERMAN TO TEMPORARILY CLOSE CERTAIN STREETS, SUSPEND PARKING TIME LIMITS, AND USE CERTAIN CITY FACILITIES AND SERVICES FOR THE ANNUAL HISPANIC HERITAGE FESTIVAL ON SATURDAY, SEPTEMBER 11, 2010</u>

CLOSE STREETS FOR HISPANIC HERITAGE FESTIVAL

The City Council approved the request of the Hispanic Heritage Council of Sherman to temporarily close certain streets for their event on September 11, 2010. This year the event will be held on the Municipal Building Grounds. They also requested a dumpster, trash carts, barricades, traffic control assistance, and medical support.
CONSENT AGENDA.

<u>CONSIDER REQUEST OF THE SHERMAN ARTS FESTIVAL COMMITTEE TO TEMPORARILY CLOSE CERTAIN STREETS, SUSPEND PARKING TIME LIMITS, AND USE CERTAIN CITY FACILITIES AND SERVICES FOR THE 28TH ANNUAL SHERMAN ARTS FESTIVAL ON SATURDAY, SEPTEMBER 18, 2010</u>

CLOSE STREETS ANNUAL ARTS FESTIVAL

The City Council approved the request of the Sherman Arts Festival Committee to temporarily close certain streets for their event on September 18, 2010. The event is held on the Municipal Building Grounds. They also requested barricades, trash pickup, trash cans and dumpsters, access to tables and chairs, street sweeping, traffic control assistance, and medical support.
CONSENT AGENDA.

<u>CONSIDER REQUEST OF THE SHERMAN INDEPENDENT SCHOOL DISTRICT AND THE SHERMAN HIGH SCHOOL STUDENT COUNCIL TO TEMPORARILY CLOSE CERTAIN STREETS FOR THE 2010 SHERMAN HIGH SCHOOL HOMECOMING PARADE ON MONDAY, SEPTEMBER 13, 2010</u>

CLOSE STREETS SHS HOMECOMING PARADE

The City Council approved the request of the Sherman Independent School District and the Sherman High School Student Council to temporarily close certain streets in the Downtown area for the 2010 Sherman High School Homecoming Parade on September 13, 2010. The event will require traffic control assistance, barricades, and emergency medical support.
CONSENT AGENDA.

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 23, 2010, TO REVIEW SEDCO'S ANNUAL BUDGET AND WORK PLAN

SCHEDULE JOINT CITY COUNCIL & SEDCO MEETING

Council Members considered scheduling a Joint Meeting of the City Council and the Sherman Economic Development Corporation Board of Directors for September 23, 2010, at 12:00 noon to review their Annual Budget and Work Plan.

ACTION TAKEN.

Motion by Council Member Adami to schedule a Joint Meeting of the City Council and the Sherman Economic Development Corporation Board of Directors for September 23, 2010, at 12:00 noon, as presented. Second by Council Member Wacker.

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

FINAL PLAT APPROVAL OF FAIRVIEW BAPTIST CHURCH ADDITION, A REPLAT OF NORTHWOOD HEIGHTS ADDITION, SHANNON HEIGHTS ADDITION, AND W.M. SHANNON SUPPLEMENT; FAIRVIEW BAPTIST CHURCH, OWNERS; DAVID KIGHT, REPRESENTATIVE; AND UNDERWOOD DRAFTING AND SURVEYING, SURVEYORS (200-300 BLOCKS OF WEST TAYLOR STREET AND 222 WEST FAIRVIEW STREET)

APPROVE FINAL PLAT FAIRVIEW BAPTIST CHURCH ADDITION (200 & 300 BLOCKS OF W. TAYLOR & 222 W. FAIRVIEW)

The City Council approved the Final Plat of the Fairview Baptist Church Addition, a Replat of Northwood Heights Addition, Shannon Heights Addition, and W.M. Shannon Supplement. The property is located in the 200 and 300 blocks of West Taylor Street and 222 West Fairview Street. The owners would like to plat the property into three lots for expansion of the tenant, Fairview Baptist Church.

The Planning and Zoning Commission recommended approval of the Final Plat.
CONSENT AGENDA.

FINAL PLAT APPROVAL OF NEWHAVEN ADDITION; BLUESTONE PARTNERS, LLC, OWNERS; KYLE BOOTHE, REPRESENTATIVE; AND UNDERWOOD DRAFTING AND SURVEYING, SURVEYORS (2300 BLOCK OF WEST LAMBERTH ROAD AND 2100 BLOCK OF LITTLE LANE)

APPROVE FINAL PLAT NEWHAVEN ADDITION (2300 BLOCK OF W. LAMBERTH & 2100 BLOCK OF LITTLE LN)

The City Council approved the Final Plat of NewHaven Addition, being 0.812 acres in the J.B. McAnair Survey, Abstract No. 763, which is located in the 2300 block of West Lamberth Road and the 2100 block of Little Lane, at the southeast corner. The owners would like to plat the property into three lots for construction of single-family homes.

The Planning and Zoning Commission recommended approval of the Final Plat.
CONSENT AGENDA.

<u>REPLAT APPROVAL OF LOT 1, BLOCK 1, HERITAGE PARK ADDITION; SAM NECHAMKIN, OWNER; JASON SOFEY, REPRESENTATIVE; AND UNDERWOOD DRAFTING AND SURVYEING, SURVEYORS (1001 SARA SWAMY DRIVE)</u>

APPROVE REPLAT HERITAGE PARK ADDITION (1001 SARA SWAMY DR.)

The City Council approved the Replat of Lot 1, Block 1, Heritage Park Addition, being Lot 1, Block 1 Heritage Park Addition, Phase 1, which is located at 1001 Sara Swamy Drive. The owner would like to plat the property into two lots for commercial development.

The Planning and Zoning Commission recommended approval of the Replat.
CONSENT AGENDA.

<u>CITIZENS REQUESTS</u>

CITIZENS REQUESTS

There were no citizens requests

<u>MEDIA QUESTIONS</u>
<u>CHARTER AMENDMENT ELECTION</u>

CHARTER AMENDMENT ELECTION

Kathy Williams, Herald Democrat Reporter, said Mayor Magers said the City would save about $30,000 per Election if the Elections are moved to November. She asked if there were any costs involved in holding a Joint Election with Grayson County.

Mayor Magers said there are some costs such as printing of the ballot and programming charges, but there are no personnel costs unless they have to hire additional workers. Council Member Adami verified that the City would not be required to pay for the voting machines. Actual Election costs with Grayson County were estimated at $2,000.

Mrs. Williams said in 2009, the Grayson County Clerk refused to allow the City of Southmayd to conduct a Joint Election with the County. She asked if there had been discussions to determine if the City of Sherman would be welcome to share a ballot.

Mayor Magers said there has not been a discussion but he did not feel that would be an issue.

<u>COUNCIL COMMENTS</u>
<u>CHARTER AMENDMENT ELECTION</u>

CHARTER AMENDMENT ELECTION

Mayor Magers thanked everyone for their input and said on November 2, 2010 the voters will have an opportunity to make their comments known on the Charter Amendments.

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

EXECUTIVE SESSION

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

SECTION 551.071 **CONSULTATION WITH CITY ATTORNEY CONCERNING PENDING OR CONTEMPLATED LITIGATION:**
RECEIVE THE CITY ATTORNEY'S BRIEFING ON PENDING LITIGATION

SECTION 551.074 **CONSIDER THE QUALIFICATIONS, APPOINTMENT OR REMOVAL OF MEMBERS TO BOARDS AND COMMISSIONS: MENTAL HEALTH MENTAL RETARDATION SERVICES OF TEXOMA BOARD OF DIRECTORS (1)**

On Motion duly made and carried, the Open Meeting recessed and reconvened in Executive Session at 5:57 p.m.

On Motion duly made and carried, the Executive Session recessed at 6:04 p.m. and reconvened in Open Meeting.

OPEN MEETING

<u>OPEN MEETING</u>
Reconvene into Open Meeting and take action, if any, on items discussed in Executive Session.

MHMR SERVICES OF TEXOMA BOARD OF DIRECTORS

<u>APPOINT/REMOVE OR CONSIDER QUALIFICATIONS TO BOARDS AND COMMISSIONS:</u>
<u>MENTAL HEALTH MENTAL RETARDATION SERVICES OF TEXOMA BOARD OF DIRECTORS (1)</u>
ACTION TAKEN.

> **Motion by Council Member Wacker to reappoint Margie Morris to the Mental Health Mental Retardation Services of Texoma Board of Directors for a term from August 31, 2010 to August 31, 2012. Second by Council Member Smith.**

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

ADJOURNMENT

<u>ADJOURNMENT</u>
On Motion duly made and carried, the meeting adjourned at 6:05 p.m.

____
MAYOR

____
CITY CLERK


City of Sherman
Comprehensive Plan
Action Item #3
Storm drainage studies and planning for targeted capital improvements and financing.
Goal 3.2 – Watershed Management
Increased ability of natural and engineered systems to address stormwater runoff and drainage, both in existing neighborhoods and proposed developments.
Drainage CIP Budget
2010 - $300K
2011 - $100K


Archer Drive
Stormwater Drainage
2010

Stormwater Drainage @
Taylor St. Bridge
2010

Stormwater Drainage @
McGee St. Bridge
2010

City of Sherman – Comprehensive Plan
Watershed Management Goal 3.2
Supporting Objectives

Objective 1

Conduct a series of **studies** that identify improvements to the existing drainage system.

Objective 2

Improve the existing drainage system through **capital improvements**, which may be funded through a variety of sources.

Objective 3

Implement drainage **policies** through ordinance amendments or programs that utilize the latest in best management practices (BMPs).

City of Sherman
Watershed Management Plan

- An objective, comprehensive Watershed Management Plan is needed to accomplish the City's Watershed Management goal and objectives.

- The plan would include:
    1) A series of engineering studies identifying needs and recommended improvements.
    2) A prioritized list of recommended capital improvements as identified by the studies.
    3) A set of recommended supporting programs and drainage policy/ordinance changes.

City of Sherman
Watershed Management Plan

- After significant research, City staff recommends contracting with Espey Consultants, Inc., to develop the Sherman Watershed Management Plan.

- Step 1: Application for a Texas Water Development Board (TWDB) matching grant to fund 50% of the plan development.

- Step 2: Utilize remaining 2010 & 2011 drainage CIP budget to fund the City's share of the plan development.

- Step 3: Develop the Sherman Watershed Management Plan.

- Step 4: Begin phased plan implementation.

City of Sherman
Watershed Management Plan

- In 1848, the City of Sherman relocated to be closer to water.

- That decision and other actions taken over the following 162 years have brought us to where we are today.

- A Watershed Management Plan will enable us to:

  1) Objectively address existing issues/concerns.
  2) Proactively approach the City's future.

STATE OF TEXAS §

August 31, 2010

COUNTY OF GRAYSON §

BE IT REMEMBERED THAT A Called Meeting of the Sherman City Council was begun and held in the Council Chambers of City Hall, 220 West Mulberry, Sherman, Texas, on August 31, 2010.

COUNCIL MEMBERS PRESENT: Mayor Bill Magers; Deputy Mayor Willie Steele.
Council Members Adami, Howeth, Smith, Softly, Wacker.

COUNCIL MEMBERS ABSENT: None.

CITY STAFF PRESENT: George Olson, City Manager; Robby Hefton, Assistant City Manager/CFO; Brandon Shelby, City Attorney; Pam Cloer, Assistant to the City Manager; Linda Ashby, City Clerk.

PURPOSE: **Call to Order, Quorum Determined, Meeting Declared Open**

EXECUTIVE SESSION
Section 551.071 – Consultation with City Attorney Concerning Pending or Contemplated Litigation:
Receive the City Attorney's Briefing on Pending Litigation

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

Adjournment

CALL TO ORDER, QUORUM DETERMINED, MEETING DECLARED OPEN

Mayor Magers called the meeting to order at 12:00 p.m., declared a quorum present, and opened the City Council Meeting.

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

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

SECTION 551.071 **CONSULTATION WITH CITY ATTORNEY CONCERNING PENDING OR CONTEMPLATED LITIGATION:**
RECEIVE THE CITY ATTORNEY'S BRIEFING ON PENDING LITIGATION

On Motion duly made and carried, the Open Meeting recessed and reconvened in Executive Session at 12:01 p.m.

On Motion duly made and carried, the Executive Session recessed at 12:58 p.m. and reconvened in Open Meeting.

OPEN MEETING

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

ADJOURNMENT
There being no further business to come before the City Council, motion was duly made and approved to adjourn the Called Meeting at 12:59 p.m.

____
MAYOR

ATTEST

____
CITY CLERK

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 9-7-2010

Subject: Agenda Item No. B.1

PUBLIC HEARING
Capital Improvement Program 2010-2015

Issue
Holding a public hearing for the City of Sherman's Capital Improvement Program covering the period from October 1, 2010 through September 30, 2015

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

Origination
Planning and Public Works

Financial Consideration

General Fund	$17,733,250
Utility Fund	$30,128,000
Total Funding for 2010-2015	**$47,861,250**

Staff Recommendation
It is recommended that the City Council hold a public hearing for the Capital Improvement Program 2010-2015 at the September 7th City Council meeting.

Attachments
Summary of Capital Improvement Program 2010-2015

Prepared by:
Don Keene, Exec. Director of Planning & Public Works

Approved by:
George Olson, City Manager

GENERAL SERVICES

2010-2011

	Drainage	Streets	Facilities	Parks	Water	Sewer		Totals
Canyon Grove Road to U.S. Highway 82		$100,000						$100,000
Old Settlers Park - Quad Shade Replacement			$55,000					$55,000
GIS System			$50,000					$50,000
TIF #3 - Hwy 75 N. Third Lane		$225,000						$225,000
Drainage Improvement Projects	$100,000							$100,000
Solid Waste Interior Driveway Rebuild - Phase V		$60,000						$60,000
Total 2010-2011	$100,000	$385,000	$105,000	$0	$0	$0		$590,000

2011-2012

	Drainage	Streets	Facilities	Parks	Water	Sewer		Totals
Travis Street Improvements - Phase I - Taylor to Lamberth - ROW and Utilities		$100,000						$100,000
Soil Conservation Emergency Action Plan Study	$100,000							$100,000
Northeast Fire Station Site			$1,000,000				*	$1,000,000
Southwest Fire Station			$5,200,000				*	$5,200,000
Starlight Alley Rebuild		$350,000						$350,000

[redacted]

		$40,000			$40,000	Rosedale Park Field Lighting
		$140,000			$140,000	Fielder Park Basketball Court Renovation and Playground Improvements
		$150,000			$150,000	Cherry Park Playground
	$40,000				$40,000	West Hill Cemetery Building & Fencing
		$200,000			$200,000	Hawn Park Field Lighting
		$80,000			$80,000	Martin Luther King Park Playground
		$140,000			$140,000	Martin Luther King Park Restroom

2012-2013

	Drainage	Streets	Facilities	Parks	Water	Sewer	Totals
Fallon Drive Construction - Preliminary Engineering and ROW		$100,000					$100,000
Travis Street Improvements - Phase 2 - Lamberth to Canyon Grove (ROW and Utilities)		$100,000					$100,000
Hawn Skateboard Renovation - Phase II				$70,000			$70,000
Hawn Park Sprayground Expansion				$300,000			$300,000
Fairview Park Spray Ground and Splash Expansion				$500,000			$500,000
Recreation Center Study				$40,000			$40,000
Old Settlers Park - Phase III Field Renovation				$1,000,000			$1,000,000
GIS System			$130,000				$130,000
Drainage Improvement Projects	$250,000						$250,000
Street Right-of-Way and Street Oversize Funding		$100,000					$100,000
Total 2012-2013	$250,000	$300,000	$130,000	$1,910,000	$0	$0	$2,590,000

2013-2014

	Drainage	Streets	Facilities	Parks	Water	Sewer	Totals
Cypress Grove Rd. Rebuild - Rex Cruse to Redbud		$600,000					$600,000
Fallon Drive West Construction to U.S. Hwy 75		$1,500,000					$1,500,000
Travis Street Improvements - Phase 3 - Canyon Grove to North Creek (ROW and Utilities)		$75,000					$75,000
[redacted]							
				$150,000			$150,000
Hawn Park Pavilion				$75,000			$75,000
Fairview Park Pavilions				$50,000			$50,000
Pecan Grove Dog Park				$50,000			$50,000
Baker Park Group Pavilion and Fishing Pier				$125,000			$125,000
GIS System			$565,000				$565,000
Drainage Improvement Projects	$250,000						$250,000
Street Right-of-Way and Street Oversize Funding		$100,000					$100,000
Total 2013-2014	$250,000	$2,275,000	$565,000	$450,000	$0	$0	$3,540,000

2014-2015

	Drainage	Streets	Facilities	Parks	Water	Sewer	Totals
*** U.S. Highway 75 Fallon Drive Ramps **/		$1,000,000					$1,000,000
Shady Oaks Drive Reconstruction		$700,000					$700,000
Ely Park Playground				$80,000			$80,000
Rex Cruse Playground				$80,000			$80,000
MLK Park Athletic Field Lighting				$150,000			$150,000
Ely Park Field Lighting				$75,000			$75,000
GIS System			$318,250				[illegible]

UTILITY SERVICES

2010-2011

	Drainage	Streets	Facilities	Parks	Water	Sewer		Totals
WWTP - Headworks Variable Frequency Drive Upgrade - Phase I & II						$500,000	*	$500,000
Water Treatment Plant 2nd Feed - ROW and Engineering					$250,000		*	$250,000
Lift Station Study and Design						$250,000	*	$250,000
Utility Main Oversizing					$25,000	$25,000		$50,000
TOTAL 2010-2011	$0	$0	$0	$0	$275,000	$775,000		$1,050,000

* Bonded

2011-2012

	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
Water Treatment Plant 2nd Feed					$2,850,000		*	$2,850,000
WWTP - Nutrient Removal Preliminary Engineering						$1,400,000	*	$1,400,000
WWTP Automated Dissolved Oxygen Control						$900,000	*	$900,000
WWTP - Drain Line						$75,000		$75,000

[redacted]

; Lift Station Reconstruction						$1,000,000	*	$1,000,000	Eastside and Sear
zing					$50,000	$50,000		$100,000	Utility Main Oversi
TOTAL 2011-2012	$0	$0	$0	$0	$3,505,000	$3,425,000		$6,930,000	

* Bonded

2012-2013

	Drainage	Streets	Facilities	Parks	Water	Sewer		Totals	
emoval Process						$8,000,000	*	$8,000,000	WWTP - Nutrient R
[illegible]									[illegible]

2013-2014

	Drainage	Streets	Facilities	Parks	Water	Sewer		Totals
WWTP - Biosolids Processing Upgrade						$6,000,000	*	$6,000,000
Eastside Outfall Return Sewer						$500,000	*	$500,000
Texoma Parkway Water Replacement - Phase V					$300,000			$300,000
Relief Sewer D-1						$290,000		$290,000
Utility Main Oversizing					$50,000	$50,000		$100,000
TOTAL 2013-2014	$0	$0	$0	$0	$350,000	$6,840,000		$7,190,000

* Bonded

2014-2015

	Drainage	Streets	Facilities	Parks	Water	Sewer		Totals
WWTP - Security Upgrade						$150,000		$150,000
WWTP - Upgrade UV Disinfection System						$500,000		$500,000
WWTP - Relief Headworks Study						$200,000		$200,000
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 2014-2015	$0	$0	$0	$0	$188,000	$1,735,000		$1,923,000

[redacted]

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 9-7-2010

Subject: Agenda Item No. B.2

SECOND PUBLIC HEARING OF ORDINANCE NO. 5662
Providing for the Appropriation of Funds for Operating and Capital Expenditures for the Fiscal Year Beginning October 1, 2010, and Ending September 30, 2011

Issue
To hold the second public hearing and consider the adoption of the proposed budget ordinance for the 2010-2011 fiscal year

Background
The proposed budget reflects the direction given by the Council at the recent budget workshop held during June 17, 2010 and is focused on continuing to provide essential services. The budget contains $57.2 million in appropriations, which is approximately 15% less than 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 6% and 2.5%, 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 $57.2 million for the 2010-2011 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. 5662; Summary budget text; summary budget schedule; individual fund statements; bonded debt summary; property tax historical summary

Prepared by:
Robby Hefton, Assistant City Manager/CFO

Approved by:
George Olson, City Manager

ORDINANCE NO. 5662

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, 2010, AND ENDING SEPTEMBER 30, 2011; 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, 2010, and ending September 30, 2011.

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, 2010, and ending September 30, 2011.

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 __________________, 2010.

ADOPTED on this the _________________ day of __________________, 2010.

EFFECTIVE DATE on this the _________ day of __________________, 2010.

CITY OF SHERMAN, TEXAS

BY: ________________________________

BILL MAGERS, MAYOR

ATTEST:

BY: ______________________________
LINDA ASHBY, CITY CLERK

APPROVED AS TO FORM
AND CONTENT:

BY: ______________________________
BRANDON S. SHELBY,
CITY ATTORNEY

This budget will raise more total property taxes than last year's budget by $58,000 and .9%, and of that amount $58,000 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 2010-2011

SUMMARY:

The attached proposed budget for 2010-2011 is based on the direction provided by the City Council at the budget workshop that was held on June 17, 2010.

The proposed budget reflects a focus on funding our essential services and balancing the budget using available fund balances and rate increases while holding the property tax rate unchanged at $.32/$100 valuation. Utility Fund and Solid Waste Fund revenue increases will come from increased water and sewer rates, as well as solid waste rates, while increases in certain user fees in areas such as cemetery and parks and recreation will generate additional revenues for the General Fund.

Appropriations for 2010-2011 total about $57.2 million, of which $1.6 million is earmarked for capital spending. This total is approximately 15% less than the $67.1 million in the original 2009-2010 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 404, down from 407 in fiscal year 2009-2010. This decrease is the result of the budget's emphasis on efficiently funding essential services and reducing the cost of complementary services.

The General Fund is balanced through the use of transfers for fiscal year 2010-2011 but unbalanced on an ongoing basis. Property taxes and fines and forfeitures are expected to increase slightly. Increases in fees for cemetery, parks and recreation, and animal control services will also add to revenue. Other revenues, such as sales tax and ambulance service fees are expected to remain essentially unchanged. Fund balance is projected to be $4.2 million or 54 days at the end of FY 2011.

For the budget year 2011, the Utility Fund is balanced after a transfer from the Utility Improvement Fund. The expected loss of two major industrial customers in the first half of 2011 is projected to reduce revenue by almost $.9 million in 2011 and about $2 million annually thereafter. Therefore, a 6% rate increase in 2011 is budgeted to replace approximately the projected revenue loss for that year. The need for additional rate increases will be evaluated next year based on the projections at that time. Financial pressures could be relieved in future years when additional prospective revenues are expected from water sales to a major new industrial customer and the city's projected annual debt service costs decrease by about $1.5 million. Remaining fund balances at the end of 2011 are projected to be about $3.9 million, or about 72 days of ongoing operating expenses.

The Solid Waste Fund is balanced on an on-going basis. Recent cost increases related to landfill disposal have contributed to the need for a rate increase of about 2.5% in this fund. Expected revenues from this increase total about $128 thousand. 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 $2.0 million, or 136 days of operating funds, available at the end of FY 2011.

The draft budget of about $1.8 million in the General Improvement Fund contains $1.2 million in transfers out for debt service payments on certificates of obligation issued for park and street improvements. Reserves of about $0.2 million are expected at the end of FY 2011.

The Utility Improvement Fund draft budget contains a transfer of $1.0 to the Utility Fund to balance that fund. Additionally, the City will issue an expected $4.52 million in revenue bonds through the Greater Texoma Utility Authority (GTUA) for the purchase of additional water storage rights in Lake Texoma. These projects are not included on the City's books; rather they are paid through contractual debt payments to GTUA from the Utility Fund. Utility Improvement Fund reserves of about $0.6 million should be available in the fund at the completion of these projects.

DETAILED INFORMATION:

Additional information on major components of the 2010-2011 proposed budget follows.

Water/Sewer and Solid Waste Rate Increase - Revenue losses from industry closings and an increase in landfill disposal fees have contributed to the need for rate increases in these utility services. The overall water/sewer rate increase is expected to be about 6.0%, while the solid waste fees are expected to increase about 2.5% overall.

Property Tax Rates – The current property tax rate of $.32/$100 valuation will remain unchanged, and is expected to generate about $6.7 million in revenues for the General Fund.

SUMMARY SCHEDULES, DETAILED FUND STATEMENTS, AND OTHER INFORMATION

The following pages include a schedule that summarizes the draft 2010-2011 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 2010-2011

	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	$ 4,025,583	$ 5,677,834	$ 1,263,115	$ 2,107,861	$ 3,114,639	$ 1,152,879	$ 1,113,895	$ 74,118	$ 18,529,924
Receipts:									
Taxes	21,321,500	-	-	945,000	-	-	958,200	-	23,224,700
Water Sales	-	11,250,000	-	-	-	-	-	-	11,250,000
Sewer Sales	-	6,785,000	-	-	-	-	-	-	6,785,000
Solid Waste Sales	-	5,481,500	-	-	-	-	-	-	5,481,500
Other Fees for Services	3,420,955	120,000	7,004,902	755,625	-	-	-	(6,210,402)	5,091,080
Interest	65,420	22,500	500	5,455	60,000	12,000	1,100	-	166,975
Other	369,310	1,220,157	-	260,300	-	7,000	-	-	1,856,767
Transfers In	3,138,066	1,121,500	15,111	58,000	435,439	-	816,375	(5,584,491)	-
Total Receipts	28,315,251	26,000,657	7,020,513	2,024,380	495,439	19,000	1,775,675	(11,794,893)	53,856,022
Expenditures/Expenses:									
Personnel	20,577,585	6,090,802	1,033,912	138,459	-	-	-	-	27,840,758
Supplies	1,443,573	1,069,971	735,266	488,875	-	-	-	-	3,737,685
Maintenance	1,060,925	1,354,457	810,555	665,925	-	-	-	-	3,891,862
Utilities	1,420,200	3,026,300	77,520	49,500	-	-	-	-	4,573,520
Contract Wages	312,330	67,680	6,000	-	-	-	-	-	386,010
Computer Services	556,700	98,100	15,300	2,200	-	-	-	(669,800)	2,500
Debt Service	69,262	3,438,577	315,814	-	-	-	2,116,374	-	5,940,027
Contractual Services	1,608,579	1,083,500	4,008,126	342,072	-	-	-	(3,398,652)	3,643,625
Vehicle Usage	1,060,430	6,062,132	-	890	-	-	-	(2,141,950)	4,981,502
Capital Expenses	33,000	332,940	70,580	500,000	640,000	-	-	-	1,576,520
Other	-	153,000	-	476,850	-	-	-	-	629,850
Transfers Out	15,111	2,556,605	-	577,775	2,200,000	-	235,000	(5,584,491)	-
Total Expenditures/Expenses	28,157,695	25,334,064	7,073,073	3,242,546	2,840,000	-	2,351,374	(11,794,893)	57,203,859
Ending Fund Balance	$ 4,183,139	$ 6,344,427	$ 1,210,555	$ 889,695	$ 770,078	$ 1,171,879	$ 538,196	$ 74,118	$ 15,182,087

General Fund
Summary of Revenues & Expenditures (Budget Basis)

	Actual 2008-2009	Adjusted Budget 2009-2010	Projected 2009-2010	Proposed 2010-2011
Beginning Fund Balance	$ 7,296,771	$ 5,683,150	$ 5,261,173	$ 3,908,199
Revenues				
Property Taxes	6,028,571	6,728,000	6,641,400	6,733,500
Sales Taxes	11,195,934	11,870,000	11,260,000	11,260,000
Franchise Taxes	3,580,400	3,692,000	3,150,000	3,191,000
Other Taxes	132,293	129,000	133,000	137,000
Fines & Forfeitures	764,258	800,000	690,000	877,700
Recreation	257,569	272,000	269,500	297,400
Permits & Licenses	204,013	261,700	155,045	155,045
Rentals	72,445	66,500	76,100	70,950
Cemetery Sales and Services	115,535	125,000	169,040	241,000
Sales & Services	312,755	478,560	479,360	478,860
Ambulance Services	1,524,654	1,300,000	1,300,000	1,300,000
Interest	161,424	125,000	65,000	65,000
Grants and Miscellaneous	583,362	313,879	531,265	342,710
Total Revenues	24,933,213	26,161,639	24,919,710	25,150,165
Transfers In	2,462,494	2,564,000	2,564,000	3,138,066
Total Receipts	27,395,707	28,725,639	27,483,710	28,288,231
Total Funds Available	34,692,478	34,408,789	32,744,883	32,196,430
Expenditures				
Personnel	19,840,108	20,452,914	20,550,183	20,577,585
Supplies	1,119,116	1,362,807	1,266,064	1,443,573
Maintenance	948,144	1,031,130	950,040	1,060,925
Utilities	1,331,069	1,352,840	1,480,250	1,420,200
Contract Wages	300,251	321,680	325,000	312,330
Computer Services	524,144	542,300	531,600	556,700
Debt Service	191,558	154,458	259,263	69,262
Contractual and Sundry Services	1,541,431	1,848,898	1,680,000	1,493,879
Vehicle Usage	976,458	1,022,960	1,047,430	1,060,430
Equipment and Buildings	932,743	153,250	160,791	33,000
Transfer Out to Debt Service	-	375,000	375,000	-
Transfer Out to Fleet Fund	1,000,000	211,063	211,063	15,111
Transfer Out to Ins Fund	666,283	-	-	-
Transfer Out to Comp Svc	60,000	-	-	-
Total Expenditures	29,431,305	28,829,300	28,836,684	28,042,995
Excess Receipts over Expenditures	(2,035,598)	(103,661)	(1,352,974)	245,236
Ending Fund Balance	$ 5,261,173	$ 5,579,489	$ 3,908,199	$ 4,153,435

Utility Fund
Summary of Revenues & Expenses (Budget Basis)

	Actual 2008-2009	Budget 2009-2010	Projected 2009-2010	Proposed 2010-2011
Beginning Reserve	$ 4,247,383	$ 3,371,880	$ 3,641,519	$ 3,639,580
Revenues				
Water Revenues	10,777,676	11,129,475	10,500,000	11,250,000
Sewer Revenues	6,519,172	6,988,275	6,715,000	6,785,000
Laboratory Charges	108,139	107,000	107,100	115,000
Service & Penalties	441,192	450,000	472,000	475,000
Earned Interest	54,349	70,000	22,000	20,000
Intergovernmental	213,717	236,285	236,285	215,942
Miscellaneous	122,878	294,300	318,250	306,715
Total Revenues	18,237,123	19,275,335	18,370,635	19,167,657
Transfers-In	-	450,000	450,000	1,121,500
Total Receipts	18,237,123	19,725,335	18,820,635	20,289,157
Total Funds Available	22,484,506	23,097,215	22,462,154	22,807,237
Expenses				
Personnel	4,416,666	4,470,200	4,365,000	4,541,438
Supplies	878,881	1,022,838	1,011,736	981,437
Maintenance & Repair	1,579,811	1,618,930	1,553,030	1,313,887
Utilities	2,681,394	2,537,920	2,796,350	3,005,800
Computer Services	84,153	86,400	82,200	87,200
Debt Service	5,436,816	5,403,499	5,616,221	6,003,634
Contract Wages	80,900	84,000	84,000	64,000
Contractual & Special Services	1,080,795	1,904,858	937,220	1,934,480
Vehicle Usage	222,642	229,650	214,912	218,800
Other	145,493	172,200	122,200	149,000
Capital Expenses	366,173	189,800	189,705	90,000
Total Expenses	16,973,724	17,720,295	16,972,574	18,389,676
Transfers Out				
General Fund	1,696,732	1,850,000	1,850,000	1,604,266
Others	172,531	-	-	-
Total Transfers Out	1,869,263	1,850,000	1,850,000	1,604,266
Total Expenses	18,842,987	19,570,295	18,822,574	19,993,942
Excess Revenues over Expenditures	(605,864)	155,040	(1,939)	295,215
Ending Reserve	$ 3,641,519	$ 3,526,920	$ 3,639,580	$ 3,934,795

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

	Actual 2008-2009	Approved 2009-2010	Projected 2009-2010	Proposed 2010-2011
Beginning Fund Balance	$ 1,442,165	$ 1,034,423	$ 1,078,773	$ 1,617,127
Revenues				
Solid Waste Fees	4,674,925	5,016,280	5,333,000	5,481,500
Service Penalties	51,649	55,000	65,000	67,000
Interest	7,906	6,000	1,500	1,000
Miscellaneous	55,619	20,800	127,800	155,500
Total Revenues	4,790,099	5,098,080	5,527,300	5,705,000
Total Funds Available	6,232,264	6,132,503	6,606,073	7,322,127
Expenses				
Personnel	1,538,944	1,600,256	1,531,286	1,549,364
Supplies	159,225	120,880	110,195	88,534
Maintenance & Repair	20,344	20,000	19,000	40,570
Utilities	9,227	13,200	18,250	20,500
Contract Wages	11,191	3,680	3,636	3,680
Computer Services	12,947	10,800	10,500	10,900
Solid Waste Debt Service	322,794	246,702	250,546	58,498
Contractual & Sundry Services	1,293,181	1,530,342	1,399,780	1,504,097
Vehicle Usage	888,895	967,600	840,410	864,700
Capital Expenses	219,794	-	206,343	242,940
Transfers Out	676,949	630,664	599,000	952,339
Total Expenses	5,153,491	5,144,124	4,988,946	5,336,122
Excess Receipts over Expenditures	(363,392)	(46,044)	538,354	368,878
Ending Fund Balance	$ 1,078,773	$ 988,379	$ 1,617,127	$ 1,986,005

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

	Amended Budget 2009-2010	Projected 2009-2010	Proposed 2010-2011
Beginning Fund Balance	$ 2,738,158	$ 9,303,734	$ 1,504,576
Revenues:			
Transfers In	60,000	60,000	435,439
Austin College Participation	200,000	400,000	-
Bond Proceeds	3,500,000	-	-
Investment Interest	100,000	45,000	20,000
Miscellaneous Revenue	-	-	-
Total Revenues	3,860,000	505,000	455,439
Total Funds Available	6,598,158	9,808,734	1,960,015
Expenditures:			
Comprehensive Plan Study	14,308	14,308	-
* Pecan Grove Park - Phase I	7,900	7,900	-
* Brockett St. - Grand to Travis	1,340,652	1,340,652	-
* Washington Street West	3,000,000	2,726,555	-
* Lamberth Rd West	800,000	887,602	-
* Pecan Grove Park - Phase II	1,779,273	1,779,273	-
US 75 W. Frontage Road Reversal	300,000	-	-
Canyon Grove Road - relocation	100,000	-	100,000
Hawn Park Practice Field Development	25,000	25,000	-
Solid Waste Interior Driveway Rebuild Phase IV	60,000	48,200	-
Street Right-of-Way and Oversizing	100,000	40,000	-
Travis Street - Washington to Houston St.	180,000	180,000	-
TIF #3 - Hwy 75 N. Third Lane	-	-	225,000
Drainage Improvement Projects	300,000	200,000	100,000
GIS System	146,700	100,000	50,000
Blalock Land Purchase	-	90,810	-
Cemetery Building resurface & fencing	30,000	-	-
Solid Waste Interior Driveway Rebuild Phase V	-	-	60,000
OSP Shade Structure Repairs	-	-	55,000
Transfer to Debt Service	688,858	688,858	700,000
Transfer to General Fund	175,000	175,000	500,000
Total Expenditures	9,047,691	8,304,158	1,790,000
Ending Fund Balance	$ (2,449,533)	$ 1,504,576	$ 170,015

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

	Amended Budget 2009-2010	Projected 2009-2010	Proposed 2010-2011
Beginning Fund Balance	$ 3,950,737	$ 3,438,969	$ 1,610,063
Revenues			
Interest Income/Other Income	100,000	40,000	40,000
Debt Proceeds	4,000,000	-	
Total Revenues	4,100,000	40,000	40,000
Total Funds Available	8,050,737	3,478,969	1,650,063
Expenses			
Utility Oversizing	-	-	50,000
WTP - Upgrade Phase III	102,432	102,432	-
Willow St Water Line Replacement	-	50,502	-
Brents Street Sewer Replacement	150,000	56,466	-
Pelton Street Water Line Replacement	250,000	189,506	-
WTP - THHM Control	250,000	-	-
WWTP - Upgrade Mixers, Phase I	160,000	-	-
Utility Main Oversizing	100,000	20,000	-
Additional Water Storage	4,000,000	-	-
Transfers Out-Utility Fund	450,000	450,000	1,000,000
Transfers Out-Employee Insurance Fund	1,000,000	1,000,000	-
	6,462,432	1,868,906	1,050,000
Ending Fund Balance	$ 1,588,305	$ 1,610,063	$ 600,063

Public Charities Fund
Summary of Receipts & Expenditures

	Actual 2008-2009	Projected 2009-2010	Proposed 2010-2011
Beginning Fund Balance	$ 100,353	$ 62,816	$ 50,115
Receipts			
Interest	666	120	120
Glennie O. Ham Donations	1,228	2,900	1,800
Altrusa (W.A.F.A.)	500	250	250
Library Donations	16,986	19,000	19,000
Animal Shelter Donations	2,862	2,400	2,400
Fishing Festival	746	500	500
Fire Dept Donations	2,075	1,900	2,000
Police Dept Donations	549	1,000	500
Genealogical Donations	148	140	150
Total Receipts	25,760	28,210	26,720
Total Funds Available	126,113	91,026	76,835
Expenditures			
F.E.M.A. Grant	100	-	-
Library Donations	18,724	22,500	20,000
Glennie O. Ham Center	2,465	1,411	3,000
Altrusa (W.A.F.A.)	668	-	500
Senior Citizen's Dance Club	186	-	1,100
Sherman Beautification	14,850	-	-
Animal Shelter Donations	3,400	-	25,500
Fire Dept Donations	2,207	-	4,500
Fishing Festival	716	1,000	1,000
Police Dept Donations	-	1,200	800
Genealogical	185	-	400
Remodeling Contingency	19,796	14,800	17,900
Total Expenditures	63,297	40,911	74,700
Ending Fund Balance	$ 62,816	$ 50,115	$ 2,135

Land Transaction Fund
Summary of Receipts & Expenditures

	Actual 2008-2009	Projected 2009-2010	Proposed 2010-2011
Beginning Fund Balance	$ 44,082	$ 66,969	$ 67,269
Receipts			
Land Sales	22,509	-	-
Interest Earned	378	300	300
Total Receipts	22,887	300	300
Total Funds Available	66,969	67,269	67,569
Expenditures			
Miscellaneous	-	-	40,000
Ending Fund Balance	$ 66,969	$ 67,269	$ 27,569

Street Revolving Fund
Summary of Receipts & Expenditures

	Actual 2008-2009	Projected 2009-2010	Proposed 2010-2011
Beginning Fund Balance	$ 439,289	$ 446,002	$ 447,402
Receipts			
Interest Income	6,713	1,400	1,400
Total Receipts	6,713	1,400	1,400
Total Funds Available	446,002	447,402	448,802
Total Expenditures	-	-	-
Ending Fund Balance	$ 446,002	$ 447,402	$ 448,802

TIF #2 Construction Fund
Summary of Receipts & Expenditures

	Actual 2008-2009	Projected 2009-2010	Proposed 2010-2011
Beginning Fund Balance	$ 99,804	$ 511,102	$ 557,102
Receipts			
Bond Issuance Proceeds	450,000	-	-
Transfer from TIF Debt Service	-	70,000	10,000
Interest	1,945	1,000	1,000
Total Receipts	451,945	71,000	11,000
Total Funds Available	551,749	582,102	568,102
Expenditures			
Agent Fees	4,842	-	-
Improvements	35,805	25,000	500,000
Total Expenditures	40,647	25,000	500,000
Ending Fund Balance	$ 511,102	$ 557,102	$ 68,102

Auditorium Debt Service Fund
Summary of Receipts & Expenditures

	Actual 2008-2009	Projected 2009-2010	Proposed 2010-2011
Beginning Fund Balance	$ 144,521	$ 144,708	$ 144,608
Receipts			
Transfers-in from Hotel/Motel Tax	115,986	113,528	116,375
Interest	488	400	400
Total Receipts	116,474	113,928	116,775
Total Funds Available	260,995	258,636	261,383
Expenditures			
Debt Service	115,059	113,528	116,375
Agent Fees	1,228	500	500
Total Expenditures	116,287	114,028	116,875
Ending Fund Balance	$ 144,708	$ 144,608	$ 144,508

TIF #1 Debt Service Fund
Summary of Receipts & Expenditures

	Actual 2008-2009	Projected 2009-2010	Proposed 2010-2011
Beginning Fund Balance	$ 580,185	$ 163,177	$ 174,045
Receipts			
Property Tax	331,966	327,044	329,600
Interest	1,929	400	400
Total Receipts	333,895	327,444	330,000
Total Funds Available	914,080	490,621	504,045
Expenditures			
Debt Service	243,576	316,076	315,390
Transfer to TIF Construction Fund	507,327	-	-
Agent Fees	-	500	500
Total Expenditures	750,903	316,576	315,890
Ending Fund Balance	$ 163,177	$ 174,045	$ 188,155

TIF #2 Debt Service Fund
Summary of Receipts & Expenditures

	Actual 2008-2009	Projected 2009-2010	Proposed 2010-2011
Beginning Fund Balance	$ -	$ 61,270	$ 2,710
Receipts			
Property Tax	61,270	49,700	49,800
Total Receipts	61,270	49,700	49,800
Total Funds Available	61,270	110,970	52,510
Expenditures			
Debt Service	-	37,760	37,803
Agent Fees	-	500	500
Transfer to TIF Construction	-	70,000	10,000
Total Expenditures	-	108,260	48,303
Ending Fund Balance	$ 61,270	$ 2,710	$ 4,207

TIF #3 Fund
Summary of Receipts & Expenditures

	Actual 2008-2009	Projected 2009-2010	Proposed 2010-2011
Beginning Fund Balance	$ 60,377	$ 116,650	$ 174,861
Receipts			
Property Tax	56,068	58,011	58,800
Interest	205	200	200
Total Receipts	56,273	58,211	59,000
Total Funds Available	116,650	174,861	233,861
	-	-	
Expenditures			
Transfer to General Improvement	-	-	225,000
Total Expenditures	-	-	225,000
Ending Fund Balance	$ 116,650	$ 174,861	$ 8,861

2008 CO Debt Service Fund
Summary of Receipts & Expenditures

	Actual 2008-2009	Projected 2009-2010	Proposed 2010-2011
Beginning Fund Balance	$ 152,408	$ 22,981	$ 194,648
Receipts			
Transfer from General Fund	-	525,000	-
Transfer from General CIP Fund	-	-	175,000
Property Tax Revenues	263,917	-	-
Total Receipts	263,917	525,000	175,000
Total Funds Available	416,325	547,981	369,648
Expenditures			
Debt Service	243,344	352,833	356,317
Transfer to General Fund	150,000	-	-
Agent Fees	-	500	500
Total Expenditures	393,344	353,333	356,817
Ending Fund Balance	$ 22,981	$ 194,648	$ 12,831

2009 CO Debt Service Fund
Summary of Receipts & Expenditures

	Projected 2009-2010	Proposed 2010-2011
Beginning Fund Balance	$ -	$ 7,239
Receipts		
Transfer from General CIP Fund	288,858	285,000
Total Receipts	288,858	285,000
Total Funds Available	288,858	292,239
Expenditures		
Debt Service	281,619	276,941
Agent Fees	-	500
Total Expenditures	281,619	277,441
Ending Fund Balance	$ 7,239	$ 14,798

2009A CO Bond Debt Service
Summary of Receipts & Expenditures

	Projected 2009-2010	Proposed 2010-2011
Beginning Fund Balance	$ -	$ 12,272
Receipts		
Transfer from General Improvement Fund	250,000	240,000
Total Receipts	250,000	240,000
Total Funds Available	250,000	252,272
Expenditures		
Debt Service	237,228	239,463
Agent Fees	500	500
Total Expenditures	237,728	239,963
Ending Fund Balance	$ 12,272	$ 12,309

2009 Tax Notes Debt Service
Summary of Receipts & Expenditures

	Actual 2008-2009	Projected 2009-2010	Proposed 2010-2011
Beginning Fund Balance	$ -	$ 1,798	$ 403,512
Receipts			
Sales Tax Revenue	396,881	938,000	520,000
Interest Revenue	4	450	100
Transfer from Street Sales Tax Construction	385,000	239,049	-
Total Receipts	781,885	1,177,499	520,100
Total Funds Available	781,885	1,179,297	923,612
Expenditures			
Debt Service	780,087	775,285	770,585
Agent Fees	-	500	500
Total Expenditures	780,087	775,785	771,085
Ending Fund Balance	$ 1,798	$ 403,512	$ 152,527

Auditorium & Ballroom Fund
Summary of Receipts & Expenditures

	Actual 2008-2009	Projected 2009-2010	Proposed 2010-2011
Beginning Fund Balance	$ 66,941	$ 65,862	$ 105,418
Receipts			
Transfer-In from Hotel/Motel	45,000	86,000	48,000
Interest	285	250	200
Auditorium/Ballroom Rental	24,977	27,850	28,000
Total Receipts	70,262	114,100	76,200
Total Funds Available	137,203	179,962	181,618
Expenditures			
Ballroom:			
Personnel	16,993	23,202	23,361
Maintenance	4,897	4,000	4,700
Utilities	24,792	24,300	25,500
Auditorium:			
Personnel	2,950	4,242	4,521
Maintenance	13,129	10,500	8,600
Utilities	8,456	8,300	8,800
Contractual Services	124	-	-
Total Expenditures	71,341	74,544	75,482
Ending Fund Balance	$ 65,862	$ 105,418	$ 106,136

Police Programs Fund
Summary of Receipts & Expenditures

		Actual 2008-2009		Projected 2009-2010		Proposed 2010-2011
Beginning Fund Balance	$	218,612	$	202,626	$	98,076
Receipts						
E 9-1-1 Service Fees		234,353		245,000		245,000
Security and Technology Fees		43,771		45,000		57,600
Interest		838		500		500
Total Receipts		278,962		290,500		303,100
Total Funds Available		497,574		493,126		401,176
Expenditures						
Personnel		108,800		109,797		110,577
Supplies		7,472		24,948		67,750
Maintenance/Repairs		2,669		70,475		72,425
Contractual Payments		131,307		97,130		88,830
Equipment		44,700		92,700		-
Total Expenditures		294,948		395,050		339,582
Ending Fund Balance	$	202,626	$	98,076	$	61,594

Parks Pride Fund
Summary of Receipts & Expenditures

	Actual 2008-2009	Projected 2009-2010	Proposed 2010-2011
Beginning Fund Balance	$ 46,771	$ 37,976	$ 28,976
Receipts			
PRIDE Donations	11,034	10,900	11,000
Interest Income	171	100	100
Total Receipts	11,205	11,000	11,100
Total Funds Available	57,976	48,976	40,076
Expenditures			
Park Improvements	20,000	20,000	20,000
Total Expenditures	20,000	20,000	20,000
Ending Fund Balance	$ 37,976	$ 28,976	$ 20,076

Police Pride Fund
Summary of Receipts & Expenditures

	Actual 2008-2009	Projected 2009-2010	Proposed 2010-2011
Beginning Fund Balance	$ 20,290	$ 22,861	$ 21,331
Receipts			
PRIDE Donations	11,034	10,900	11,000
Interest Income	83	70	70
Total Receipts	11,117	10,970	11,070
Total Funds Available	31,407	33,831	32,401
Expenditures			
Supplies	5,568	5,500	7,000
Travel/Tuition	875	3,500	3,500
Contractual Services	603	3,500	5,000
Canine Replacement Dog	1,500	-	10,500
Total Expenditures	8,546	12,500	26,000
Ending Fund Balance	$ 22,861	$ 21,331	$ 6,401

Donations Fund
Summary of Receipts & Expenditures

	Actual 2008-2009	Projected 2009-2010	Proposed 2010-2011
Beginning Fund Balance	$ 698	$ 1,289	$ 1,674
Receipts			
Donations	588	780	800
Interest Income	3	5	10
Total Receipts	591	785	810
Total Funds Available	1,289	2,074	2,484
Expenditures			
Supplies	-	400	2,400
Total Expenditures	-	400	2,400
Ending Fund Balance	$ 1,289	$ 1,674	$ 84

Hotel/Motel Tax Fund
Summary of Receipts & Expenditures

	Actual 2008-2009	Projected 2009-2010	Proposed 2010-2011
Beginning Fund Balance	$ 334,531	$ 403,563	$ 371,296
Receipts			
Hotel/Motel Tax 5%	378,428	370,714	375,000
Hotel/Motel Tax 2%	151,371	148,286	150,000
Penalties	19,901	5,100	5,000
Miscellaneous	17,060	7,000	47,500
Interest	699	700	700
Total Receipts	567,459	531,800	578,200
Total Funds Available	901,990	935,363	949,496
Expenditures			
Tourism			
Administration	90,990	79,461	167,108
Programs	117,360	166,800	309,742
Downtown Building Incentive	11,288	-	25,000
Museum Support	82,500	82,500	82,500
Arts Council	35,303	35,778	36,000
Transfer to General Fund, admin	-	-	13,400
Transfer to Auditorium/Ballroom	45,000	86,000	48,000
Transfer 2% to Auditorium Debt Service	115,986	113,528	116,375
Total Expenditures	498,427	564,067	798,125
Excess Receipts over Expenditures	69,032	(32,267)	(219,925)
Ending Fund Balance	$ 403,563	$ 371,296	$ 151,371

Drug Enforcement Fund
Summary of Receipts & Expenditures

	Actual 2008-2009	Projected 2009-2010	Proposed 2010-2011
Beginning Fund Balance	$ 17,130	$ 33,855	$ 14,130
Receipts			
Police Confiscated Funds	43,593	30,000	35,000
Interest Income	835	75	75
Total Receipts	44,428	30,075	35,075
Total Funds Available	61,558	63,930	49,205
Expenditures			
Supplies	15,078	35,900	32,800
Maintenance and Repair	267	1,000	1,000
Contractual Services	-	-	6,000
Travel & Tuition	12,358	12,900	9,400
Total Expenditures	27,703	49,800	49,200
Ending Fund Balance	$ 33,855	$ 14,130	$ 5

Municipal Airport Fund
Summary of Receipts & Expenditures

	Actual 2008-2009	Projected 2009-2010	Proposed 2010-2011
Beginning Fund Balance	$ 465,330	$ 467,834	$ 461,856
Receipts			
Interest Income	3,485	850	900
Airport Rentals	52,792	46,700	45,000
Fuel Sales	295,912	295,000	380,025
Total Receipts	352,189	342,550	425,925
Total Funds Available	817,519	810,384	887,781
Expenditures			
Fuel Purchases	280,608	280,000	375,225
Other Supplies	3,045	4,300	3,700
Maintenance	6,984	8,000	8,100
Contractual Services	42,680	40,450	63,542
Utilities	15,217	14,900	15,200
Vehicle Usage	1,151	878	890
Transfer Out to General Fund	-	-	400,000
Total Expenditures	349,685	348,528	866,657
Ending Fund Balance	$ 467,834	$ 461,856	$ 21,124

Street Sales Tax
Summary of Receipts & Expenditures

	Actual 2008-2009	Projected 2009-2010	Proposed 2010-2011
Beginning Fund Balance	$ 318,117	$ 239,049	$ 600
Receipts			
Street Sales Tax Revenues	550,000	-	420,000
Bond Proceeds	3,000,000	-	-
Interest Income	7,582	600	500
Other Income	-	-	150,000
Total Receipts	3,557,582	600	570,500
Total Funds Available	3,875,699	239,649	571,100
Expenditures			
Street Improvements	3,213,950	-	571,100
Agent Fees	37,700	-	-
Transfer to Street Sales Tax Debt	385,000	239,049	-
Total Expenditures	3,636,650	239,049	571,100
Ending Fund Balance	$ 239,049	$ 600	$ -

Insurance Fund
Summary of Receipts & Expenditures

	Actual 2008-2009	Budget 2009-2010	Projected 2009-2010	Proposed 2010-2011
Beginning Fund Balance	$ (303,115)	$ (383,316)	$ (534,277)	$ 882,423
Receipts				
Employer Contributions	2,992,904	3,400,000	3,325,000	3,398,652
Employee Contributions	552,432	528,000	604,600	615,000
Retiree Contributions	137,698	144,000	160,000	170,000
COBRA Contributions	15,153	18,000	7,100	7,000
Miscellaneous	28	-	-	-
Transfers In	1,000,000	1,000,000	1,000,000	-
Total Receipts	4,698,215	5,090,000	5,096,700	4,190,652
Total Funds Available	4,395,100	4,706,684	4,562,423	5,073,075
Expenses				
Health & Dental Claims	4,378,777	3,600,000	3,100,000	3,300,000
Insurance Premiums & Cost	506,214	519,000	514,000	514,000
Life Insurance	44,386	48,000	41,000	41,000
Miscellaneous	-	25,000	25,000	25,000
Total Expenses	4,929,377	4,192,000	3,680,000	3,880,000
Ending Fund Reserve	$ (534,277)	$ 514,684	$ 882,423	$ 1,193,075

Computer Service Fund
Summary of Receipts & Expenditures

	Actual 2008-2009	Projected 2009-2010	Proposed 2010-2011
Beginning Fund Balance	$ (105,287)	$ 168	$ 1,192
Revenues			
Computer Usage:			
General Fund	524,144	531,600	556,700
Tourism	-	2,100	2,200
Equipment Services Fund	12,947	14,800	15,300
Utility Fund	84,153	82,200	87,200
Solid Waste Fund	12,947	10,500	10,900
Miscellaneous Revenue	47	1,100	-
Transfer In	60,000	-	-
Total Current Revenues	694,238	642,300	672,300
Total Funds Available	588,951	642,468	673,492
Expenses			
Personnel	258,484	264,544	270,076
Supplies	30,722	32,850	15,650
Maintenance & Repairs	148,315	171,550	178,395
Utilities	22,180	45,000	48,120
Contract Wages	10,950	6,000	6,000
Debt Service	95,231	95,232	95,231
Contractual Services & Other	15,416	10,100	10,374
Equipment, Capital Outlay	7,485	16,000	48,480
Total Expenses	588,783	641,276	672,326
Ending Fund Balance	$ 168	$ 1,192	$ 1,166

Equipment Service Fund
Summary of Receipts & Expenditures

	Actual 2008-2009	Projected 2009-2010	Proposed 2010-2011
Beginning Fund Balance	$ (22,891)	$ 35,251	$ 38,291
Revenues			
Equipment Service Revenue:			
General Fund	974,695	1,047,430	1,060,430
Airport Fund	1,151	878	890
Utility Fund	220,312	214,912	218,800
Solid Waste Fund	890,207	840,410	861,830
Miscellaneous Revenue	8,923	-	-
	2,095,288	2,103,630	2,141,950
Total Funds Available	2,072,397	2,138,881	2,180,241
Expenses			
Personnel	731,790	755,324	763,836
Supplies	609,434	696,104	719,616
Maintenance & Repair	550,733	479,500	505,160
Utilities	30,002	27,400	29,400
Computer Services	12,947	14,800	15,300
Contractual Services	102,240	117,887	117,752
Equipment	-	9,575	-
Total Expenses	2,037,146	2,100,590	2,151,064
Ending Fund Balance	$ 35,251	$ 38,291	$ 29,177

Fleet Replacement Fund
Summary of Receipts & Expenditures

	Actual 2008-2009	Projected 2009-2010	Proposed 2010-2011
Beginning Fund Balance	$ -	$ 325,106	$ 341,209
Revenues			
Transfers-In	1,200,000	211,063	15,111
Lease Proceeds	-	1,372,140	-
Grant Proceeds	-	-	14,000
Interest	754	700	500
Total Revenues	1,200,754	1,583,903	29,611
Total Funds Available	1,200,754	1,909,009	370,820
Expenses			
Debt Service	-	57,000	220,583
Major Repair	-	-	127,000
Equipment-General Fund	759,474	1,492,300	22,100
Equipment-Utility Fund	116,174	18,500	-
Equipment-Solid Waste Fund	-	-	-
Total Expenses	875,648	1,567,800	369,683
Ending Fund Balance	$ 325,106	$ 341,209	$ 1,137

Water Customer Deposits
Summary of Receipts and Expenses

	Actual 2008-2009	Projected 2009-2010	Proposed 2010-2011
Beginning Fund Balance	$ 230,992	234,923	235,923
Receipts			
Interest Income	3,931	1,000	1,000
Total Funds Available	234,923	235,923	236,923
Expenses			
Miscellaneous	-	-	-
Ending Fund Balance	$ 234,923	$ 235,923	$ 236,923

Water & Sewer Pro Rata Fund
Summary of Receipts and Expenses

	Actual 2008-2009	Projected 2009-2010	Proposed 2010-2011
Beginning Fund Balance	$ 175,312	$ 181,704	$ 185,204
Receipts			
Interest Income	1,338	500	500
Pro Rata Fees	6,846	5,000	5,000
Total Receipts	8,184	5,500	5,500
Total Funds Available	183,496	187,204	190,704
Expenses			
Miscellaneous	1,792	2,000	4,000
Ending Fund Balance	$ 181,704	$ 185,204	$ 186,704

TRANSFERS SCHEDULE

		BUDGETED FY10/11	
FUND	**DETAILS**	*Expense* *TRANSFER FROM* Debit	*Revenue* *TRANSFER TO* Credit
100	From fund 222		$ 500,000.00
	From fund 480		$ 400,000.00
	From fund 700 5% franchise, admin cost		$ 1,604,266.00
	From fund 790, dept 243, 244, 245		$ 620,400.00
	From fund 460, admin cost		$ 13,400.00
	To fund 660 for debt service	$ 15,111.00	
222	To fund 350	$ 175,000.00	
	To fund 351	$ 285,000.00	
	To fund 353	$ 240,000.00	
	To fund 100	$ 500,000.00	
	From fund 340		$ 225,000.00
	From fund 790		$ 210,439.00
310	From fund 460		$ 116,375.00
321	To fund 330	$ 10,000.00	
330	From fund 321		$ 10,000.00
340	To fund 222	$ 225,000.00	
350	From fund 222		$ 175,000.00
351	From fund 222		$ 285,000.00
353	From fund 222		$ 240,000.00
420	From fund 460		$ 48,000.00
460	To fund 310 and 420	$ 164,375.00	
	To fund 100	$ 13,400.00	
480	To fund 100	$ 400,000.00	
660	From fund 100		$ 15,111.00
700	To fund 100 5% franchise, admin cost	$ 1,604,266.00	
	From fund 770		$ 1,000,000.00
	From fund 790, admin cost		$ 121,500.00
770	To fund 700	$ 1,000,000.00	
790	To fund 100 8% franchise, admin cost RSW	$ 235,200.00	
790	To fund 700 admin cost RSW	$ 46,100.00	
790	To fund 100 8% franchise, admin cost CSW	$ 333,000.00	
790	To fund 700 admin cost CSW	$ 65,200.00	
790	To fund 100 8% franchise, admin cost Recycl	$ 52,200.00	
790	To fund 700 admin cost Recycle	$ 10,200.00	
790	To fund 222	$ 210,439.00	
	TOTALS	$ 5,584,491.00	$ 5,584,491.00

City of Sherman, Texas

Bonded Debt as of 7/31/10

	(1)				(2)			
	$2,840,000 Combination Tax & Tax Increment Revenue 2004 Series TIF Zone#1, Certificates of Obligation				***$1,605,000 General Obligation Refunding, Series 2006***			
Fiscal Yr	**Coupon**	**Principal**	**Interest**	**TOTAL**	**Coupon**	**Principal**	**Interest**	**TOTAL**
2011	4.44%	135,000.00	104,784.00	239,784.00	3.50%	55,000.00	61,375.00	116,375.00
2012	4.44%	140,000.00	98,790.00	238,790.00	3.50%	55,000.00	59,450.00	114,450.00
2013	4.44%	150,000.00	92,574.00	242,574.00	3.50%	60,000.00	57,437.50	117,437.50
2014	4.44%	155,000.00	85,914.00	240,914.00	3.50%	55,000.00	55,425.00	110,425.00
2015	4.44%	160,000.00	79,032.00	239,032.00	3.75%	60,000.00	53,337.50	113,337.50
2016	4.44%	170,000.00	71,928.00	241,928.00	3.75%	60,000.00	51,087.50	111,087.50
2017	4.44%	180,000.00	64,380.00	244,380.00	3.75%	65,000.00	48,743.75	113,743.75
2018	4.44%	185,000.00	56,388.00	241,388.00	3.75%	70,000.00	46,212.50	116,212.50
2019	4.44%	195,000.00	48,174.00	243,174.00	4.00%	70,000.00	43,500.00	113,500.00
2020	4.44%	205,000.00	39,516.00	244,516.00	4.00%	75,000.00	40,600.00	115,600.00
2021	4.44%	215,000.00	30,414.00	245,414.00	4.00%	80,000.00	37,500.00	117,500.00
2022	4.44%	230,000.00	20,868.00	250,868.00	4.00%	80,000.00	34,300.00	114,300.00
2023	4.44%	240,000.00	10,656.00	250,656.00	4.00%	85,000.00	31,000.00	116,000.00
2024				-	4.00%	85,000.00	27,600.00	112,600.00
2025				-	4.25%	85,000.00	24,093.75	109,093.75
2026				-	4.25%	95,000.00	20,268.75	115,268.75
2027				-	4.25%	100,000.00	16,125.00	116,125.00
2028				-	4.375%	100,000.00	11,812.50	111,812.50
2029				-	4.375%	105,000.00	7,328.13	112,328.13
2030				-	4.375%	115,000.00	2,515.63	117,515.63
		2,360,000.00	803,418.00	3,163,418.00		1,555,000.00	729,712.51	2,284,712.51

City of Sherman, Texas

Bonded Debt as of 7/31/10

	(3)				(4)			
	$5,000,000 2008 Series Revenue Certificates of Obligation				***$3,650,000 Capital Improvement Fund Projects 2009 Series Revenue Certificates of Obligation***			
Fiscal Yr	**Coupon**	**Principal**	**Interest**	**TOTAL**	**Coupon**	**Principal**	**Interest**	**TOTAL**
2011	3.62%	185,000.00	171,316.50	356,316.50	3.98%	140,000.00	136,941.26	276,941.26
2012	3.62%	190,000.00	164,529.00	354,529.00	3.98%	145,000.00	132,741.26	277,741.26
2013	3.62%	200,000.00	157,470.00	357,470.00	3.98%	145,000.00	128,391.26	273,391.26
2014	3.62%	210,000.00	150,049.00	360,049.00	3.98%	150,000.00	124,041.26	274,041.26
2015	3.62%	215,000.00	142,356.50	357,356.50	3.98%	155,000.00	119,541.26	274,541.26
2016	3.62%	225,000.00	134,392.50	359,392.50	3.98%	155,000.00	114,891.26	269,891.26
2017	3.62%	235,000.00	126,066.50	361,066.50	3.98%	160,000.00	109,466.26	269,466.26
2018	3.62%	245,000.00	117,378.50	362,378.50	3.98%	165,000.00	103,866.26	268,866.26
2019	3.62%	255,000.00	108,328.50	363,328.50	3.98%	170,000.00	97,678.76	267,678.76
2020	3.62%	265,000.00	98,916.50	363,916.50	3.98%	180,000.00	90,878.76	270,878.76
2021	3.62%	280,000.00	89,052.00	369,052.00	3.98%	185,000.00	83,678.76	268,678.76
2022	3.62%	290,000.00	78,735.00	368,735.00	3.98%	195,000.00	76,278.76	271,278.76
2023	3.62%	305,000.00	67,965.50	372,965.50	3.98%	200,000.00	68,478.76	268,478.76
2024	3.62%	315,000.00	56,743.50	371,743.50	3.98%	210,000.00	60,478.76	270,478.76
2025	3.62%	330,000.00	45,069.00	375,069.00	3.98%	220,000.00	51,816.26	271,816.26
2026	3.62%	345,000.00	32,851.50	377,851.50	3.98%	230,000.00	42,741.26	272,741.26
2027	3.62%	360,000.00	20,091.00	380,091.00	3.98%	240,000.00	32,851.26	272,851.26
2028	3.62%	375,000.00	13,575.00	388,575.00	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%			-
		4,825,000.00	1,774,886.00	6,599,886.00		3,560,000.00	1,608,886.44	5,168,886.44

City of Sherman, Texas

Bonded Debt as of 7/31/10

	(5)				(6)			
	$900,000 TIF #1 2009 Series Revenue Certificates of Obligation				***$450,000 TIF #2 2009 Series Revenue Certificates of Obligation***			
Fiscal Yr	**Coupon**	**Principal**	**Interest**	**TOTAL**	**Coupon**	**Principal**	**Interest**	**TOTAL**
2011	3.00%	43,333.33	32,272.49	75,605.83	3.00%	21,666.67	16,136.25	37,802.91
2012	3.00%	43,333.33	30,972.49	74,305.83	3.00%	21,666.67	15,486.25	37,152.91
2013	3.00%	46,666.67	29,672.49	76,339.16	3.00%	23,333.33	14,836.25	38,169.58
2014	3.00%	46,666.67	28,272.49	74,939.16	3.00%	23,333.33	14,136.25	37,469.58
2015	3.00%	46,666.67	26,872.49	73,539.16	3.00%	23,333.33	13,436.25	36,769.58
2016	3.50%	50,000.00	25,472.49	75,472.49	3.50%	25,000.00	12,736.25	37,736.25
2017	3.50%	50,000.00	23,722.49	73,722.49	3.50%	25,000.00	11,861.25	36,861.25
2018	3.75%	53,333.33	21,972.49	75,305.83	3.75%	26,666.67	10,986.25	37,652.91
2019	4.00%	53,333.33	19,972.49	73,305.83	4.00%	26,666.67	9,986.25	36,652.91
2020	4.00%	56,666.67	17,839.16	74,505.83	4.00%	28,333.33	8,919.58	37,252.91
2021	4.00%	56,666.67	15,572.49	72,239.16	4.00%	28,333.33	7,786.25	36,119.58
2022	4.00%	60,000.00	13,305.83	73,305.83	4.00%	30,000.00	6,652.91	36,652.91
2023	4.00%	63,333.33	10,905.83	74,239.16	4.00%	31,666.67	5,452.91	37,119.58
2024	4.13%	63,333.33	8,372.49	71,705.83	4.13%	31,666.67	4,186.25	35,852.91
2025	4.13%	66,666.67	5,760.00	72,426.67	4.13%	33,333.33	2,880.00	36,213.33
2026	4.30%	70,000.00	3,010.00	73,010.00	4.30%	35,000.00	1,505.00	36,505.00
2027				-				-
2028				-				-
2029				-				-
2030				-				-
		870,000.00	313,968.24	1,183,968.24		435,000.00	156,984.12	591,984.12

City of Sherman, Texas

Bonded Debt as of 7/31/10

	(7)				(8)			
	$3,000,000 ***2009 Series Limited Tax Notes***				***$3,500,000*** ***2009A Series Revenue Certificates of Obligation***			
Fiscal Yr	**Coupon**	**Principal**	**Interest**	**TOTAL**	**Coupon**	**Principal**	**Interest**	**TOTAL**
2011	1.70%	745,000.00	25,585.00	770,585.00	3.00%	115,000.00	124,463.00	239,463.00
2012	1.70%	760,000.00	12,920.00	772,920.00	3.00%	120,000.00	121,013.00	241,013.00
2013		-	-	-	3.00%	125,000.00	117,413.00	242,413.00
2014		-	-	-	3.00%	130,000.00	113,663.00	243,663.00
2015		-	-	-	3.00%	135,000.00	109,763.00	244,763.00
2016		-	-	-	3.50%	145,000.00	105,713.00	250,713.00
2017		-	-	-	3.25%	150,000.00	101,363.00	251,363.00
2018		-	-	-	3.50%	155,000.00	96,488.00	251,488.00
2019		-	-	-	3.50%	165,000.00	91,063.00	256,063.00
2020		-	-	-	3.50%	170,000.00	85,288.00	255,288.00
2021		-	-	-	3.75%	180,000.00	79,338.00	259,338.00
2022		-	-	-	3.75%	190,000.00	72,588.00	262,588.00
2023		-	-	-	4.00%	200,000.00	65,463.00	265,463.00
2024		-	-	-	4.00%	210,000.00	57,463.00	267,463.00
2025		-	-	-	4.00%	215,000.00	49,063.00	264,063.00
2026		-	-	-	4.00%	230,000.00	40,463.00	270,463.00
2027		-	-	-	4.125%	240,000.00	31,263.00	271,263.00
2028		-	-	-	4.125%	250,000.00	21,363.00	271,363.00
2029		-	-	-	4.25%	260,000.00	11,050.00	271,050.00
2030		-	-	-				-
		1,505,000.00	38,505.00	1,543,505.00		3,385,000.00	1,494,284.00	4,879,284.00

City of Sherman, Texas

Bonded Debt as of 7/31/10

	TOTALS		
Fiscal Yr	**Principal**	**Interest**	**TOTAL**
2011	1,440,000.00	672,873.50	2,112,873.50
2012	1,475,000.00	635,902.00	2,110,902.00
2013	750,000.00	597,794.50	1,347,794.50
2014	770,000.00	571,501.00	1,341,501.00
2015	795,000.00	544,339.00	1,339,339.00
2016	830,000.00	516,221.00	1,346,221.00
2017	865,000.00	485,603.25	1,350,603.25
2018	900,000.00	453,292.00	1,353,292.00
2019	935,000.00	418,703.00	1,353,703.00
2020	980,000.00	381,958.00	1,361,958.00
2021	1,025,000.00	343,341.50	1,368,341.50
2022	1,075,000.00	302,728.50	1,377,728.50
2023	1,125,000.00	259,922.00	1,384,922.00
2024	915,000.00	214,844.00	1,129,844.00
2025	950,000.00	178,682.01	1,128,682.01
2026	1,005,000.00	140,839.51	1,145,839.51
2027	940,000.00	100,330.26	1,040,330.26
2028	975,000.00	69,281.76	1,044,281.76
2029	630,000.00	29,971.89	659,971.89
2030	115,000.00	2,515.63	117,515.63
	18,495,000.00	6,920,644.31	25,415,644.31

City of Sherman

Property Tax Historical Summary

Fiscal Year	Estimated Taxable Value (in 000)	Tax Levy (in 000)	Total Collections (in 000)	Property Tax Rate (per $100)
2003	$ 1,474,063	$ 5,896	$ 5,846	$ 0.40
2004	$ 1,514,256	$ 6,057	$ 5,921	$ 0.40
2005	$ 1,557,228	$ 6,229	$ 6,258	$ 0.40
2006	$ 1,767,235	$ 7,069	$ 6,802	$ 0.40
2007	$ 1,894,959	$ 7,580	$ 7,283	$ 0.40
2008	$ 1,994,144	$ 7,921	$ 7,491	$ 0.40
2009	$ 2,070,926	$ 6,627	$ 6,478	$ 0.32
2010 (est)	$ 2,200,158	$ 7,041	$ 7,090	$ 0.32

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 9-7-2010

Subject: Agenda Item No. B.3

INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 5666
Providing for the Levy of Ad Valorem Taxes for the City of Sherman, Texas, for the Tax Year 2010; 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 $0.325576, with a rollback rate of $0.538417. At the Budget Workshop in June, the City Council directed that the actual total tax rate be set at $0.320000 per $100 valuation. The City will not be using ad valorem taxes to pay debt service on Certificates of Obligation, so the tax rate will have only a Maintenance & Operations (M&O) component, which will be the full rate of $.320000 per $100 valuation.

Adoption of the tax rate will be held at the September 20th 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. 5666
"2010 Property Tax Rates in CITY OF SHERMAN"

Prepared by:
Robby Hefton, Assistant City Manager/CFO

Approved by:
George Olson, City Manager

ORDINANCE NO. 5666

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 2010; 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 $0.320000/$100 Dollars ($0.320000) on all taxable property situated within the corporate limits of the City of Sherman on the first day of January, A.D., 2010, and not exempt from taxation by the constitution and laws of the State of Texas, apportioned as follows, to-wit:

FOR GENERAL FUND EXPENDITURES, $0.320000 on each One Hundred Dollars ($100.00) assessed valuation of 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, 2011. Penalty charges shall be in accordance with the following schedule:

If paid in February, 2011 …………………………………… 6%
If paid in March, 2011 ……………………………………… 7%
If paid in April, 2011 ……………………………………….. 8%
If paid in May, 2011 …………………………………………9%
If paid in June, 2011 ………………………………………..10%
If paid on or after July 1, 2011 ……………………………..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, 2011, shall be assessed to defray the cost of collection.

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 _________________, 2010.

ADOPTED on this the ________________ day of _________________, 2010.

EFFECTIVE DATE on this the _________ day of _________________, 2010.

CITY OF SHERMAN, TEXAS

BY: ______________________________
BILL MAGERS, MAYOR

ATTEST:

BY: ______________________________
LINDA ASHBY, CITY CLERK

APPROVED AS TO FORM AND CONTENT:

BY: ______________________________
BRANDON S. SHELBY,
CITY ATTORNEY

2010 Property Tax Rates in CITY OF SHERMAN

This notice concerns 2010 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	$6,127,051
Last year's debt taxes	$403,920
Last year's total taxes	$6,530,971
Last year's tax base	$2,040,928,438
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)	$6,067,224
÷ This year's adjusted tax base (after subtracting value of new property)	$1,863,534,224
= This year's effective tax rate	0.325576/$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)	$9,290,371
÷ This year's adjusted tax base	$1,863,534,224
= This year's effective operating rate	0.498535/$100
x 1.08 = this year's maximum operating rate	0.538417/$100
+ This year's debt rate	0.000000/$100
= This year's total rollback rate	0.538417/$100
- Sales tax adjustment rate	0.199424/$100
= Rollback tax rate	0.338993/$100

Statement of Increase/Decrease

If CITY OF SHERMAN adopts a 2010 tax rate equal to the effective tax rate of $0.325576 per $100 of value, taxes would decrease compared to 2009 taxes by $393,609.

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
MAINTENANCE & OPERATIONS	$3,948,263
INTEREST & SINKING	$214, 159

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.	$185,000	$171,317	$0	$356,317
2009 Cert. of Oblig.	$140,000	$136,941	$0	$276,941
2009A Cert. of Oblig.	$115,000	$124,463	$0	$239,463

Total Required for 2010 Debt Service	$872,721
- Amount (if any) paid from funds listed in Schedule A	$872,721
- Amount (if any) paid from other resources	$0
- Excess collections last year	$0
= Total to be paid from taxes in 2010	$0
+ Amount added in anticipation that the unit will collect only 100.00% of its taxes in 2010	$0
= Total Debt Levy	$0

Schedule C - Expected Revenue from Additional Sales Tax

In calculating its effective and rollback tax rates, the unit estimated that it will receive $3,759,298 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 Sherman, TX 75090.

Name of person preparing this notice: JOHN RAMSEY RTA
Title: TAX ASSESSOR - COLLECTOR GRAYSON COUNTY
Date Prepared: July 27,2010

08/08/2010

SHERMAN CITY COUNCIL

Agenda Communication Form

From: The Office of the City Manager **Date:** 9-7-2010

Subject: Agenda Item No. B.4

INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 5667
Approving a Negotiated Resolution between the Atmos Cities Steering Committee and Atmos Energy Corp., Mid-Tex Division regarding the Company's Third Rate Review Mechanism Filing in all Cities Exercising Original Jurisdiction; Declaring Existing Rates to be Unreasonable; Requiring the Company to Reimburse Cities' Reasonable Ratemaking Expenses; Adopting Tariffs that Reflect Rate Adjustments Consistent with the Negotiated Settlement and Finding the Rates to be Set by the Attached Tariffs to be Just and Reasonable; Approving Atmos Mid-Tex's Proof of Revenues; Extending the RRM Process for Two Cycles and Adopting a New RRM Tariff; Ratifying the Settlement Agreement, including Cost Recovery for a Steel Service Line Replacement Program; Declaring an Effective Date; and Requiring Delivery of this Ordinance to the Company and the Steering Committee's Legal Counsel

Issue

Ratification of a Negotiated Resolution between the Atmos Cities Steering Committee ("ACSC") and Atmos Energy Corp., Mid-Tex Division ("Atmos")

Background

ACSC and Atmos have reached a negotiated resolution addressing Atmos's third filing pursuant to the Rate Review Mechanism (RRM) tariff. The RRM process is a three-year experiment created by ACSC and Atmos to replace the controversial GRIP surcharge system. The RRM allows cities to conduct a more comprehensive review of all of the information regarding changes to Atmos's revenues and expenses, as well as its invested capital. Experts working on ACSC's behalf reviewed Atmos's RRM filing, analyzed supporting information and conducted discovery. Based upon their review, ACSC experts determined that the evidence supported a base rate increase of $27 million effective for bills rendered on or after October 1, 2010, plus supplemental revenue of $3.4 million to be recovered through the customer charge component of rates to cover direct costs associated with a steel service line replacement program, and not the $70.2 million proposed by Atmos. This negotiated settlement reduces Atmos's requested rate increase by more than 60%. The ACSC Legal Counsel believes that the negotiated resolution is consistent with or better than a litigated outcome. Attached is an RRM package, including a model staff report, new tariffs, proof of revenues and the Settlement Agreement, to implement new rates that reflect the negotiated resolution. The monthly bill impact for the average residential customer is $1.40, about a 3.15% increase in the total bill. Sherman must take final action on the proposed ordinance by October 1, 2010. If unable to meet that deadline, we must contact ACSC's legal counsel so they can notify Atmos and seek an exception.

Origination

Geoffrey Gay of Lloyd Gosselink Blevins Rochelle & Townsend, P.C., Legal Counsel to ACSC

Financial Consideration

Approval of this ordinance will result in rates that implement a $27 million increase in Atmos's revenues effective October 1, 2009, and a monthly increase of $1.40 for the average residential customer.

Staff Recommendation

It is recommended that the City Council adopt the ordinance and approve the Negotiated Resolution with Atmos Mid-Tex.

Alternatives

As the ASCS Negotiation Team has negotiated the most beneficial settlement, no other alternatives are recommended.

Attachments

ACSC Legal Counsel (E-Mail) Memorandum of August 23, 2010
Model Staff Report
Ordinance No. 5667
Attachment A – Rate Tariffs
Attachment B – Proof of Revenues
Attachment C – Settlement Agreement

Prepared by:
Brandon S. Shelby, City Attorney
Robby Hefton, Assistant City Manager/CFO

Approved by:
George Olson, City Manager

Cloer, Pam

From: Geoffrey Gay [gmg@lglawfirm.com]
Sent: Monday, August 23, 2010 1:28 PM
To: Abilene (Daniel Santee); Abilene (Mindy Patterson); Abilene (Odis Dolton) ; Addison (Randy Moravec); Addison (Ronald Whitehead); Allen (Kevin Hammeke); Allen (Wes Pierson); Alvarado (Debbie Thomas); Alvarado (Donald A. Ives); Anna (Natha Wilkison); Anna (Philip Sanders); Argyle (Codi Delcambre); Argyle (Lyle Dresher); Argyle,Bedford,Colleyville,Farmers Branch,Grapevine,Hurst,Parker (Matthew Boyle); Arlington (Bob Byrd); Arlington (Gary McCollum); Arlington (Jay Doegey); Arlington (Mary Bunkley); Bedford (Beverly Queen); Bedford (David Miller); Bedford (Mirenda McQuagge-Walden); Bellmead (Victor Pena); Benbrook (David Ragsdale); Beverly Hills (Donna Hawkins); Blossom (Stacey Prestridge); Blue Ridge (Dan Standeford); Blue Ridge (Nacy Southard); Bowie (James R. Cantwell); Bowie (Tracey Jennings); Boyd (Joy Patterson); Bridgeport (Jesica McEachern); Brownwood (Bobby Rountree); Brownwood (Pat Chesser); Brownwood (Walter Middleton)
Cc: Geoffrey Gay; Thomas Brocato; Barbara Kimmell; Jill Penna
Subject: URGENT ATTENTION REQUIRED - Adoption of Atmos Mid-Tex Rate Settlement
Attachments: 1189565(1)_Settlement Ordinance with Attachments.PDF; 1188684(1)_2010.08.18 Model Staff Report Ordinance.DOC; 1188613(1)_2010.08.18 RRM-3 Ordinance.DOC

The Atmos Cities Steering Committee (ACSC) has resolved the third annual RRM proceeding in a Settlement Agreement with Atmos Mid-Tex. An Ordinance is attached which should be adopted by all ACSC member cities prior to October 1, 2010. Please let me know if you cannot accomplish final passage before October 1.

The Ordinance includes three attachments. Attachment A consists of tariffs that implement new rates. It also contains a revised RRM tariff that extends the RRM process, in modified form, an additional two cycles. Attachment B is the proof of revenues that supports the new tariffs. Attachment C is the Settlement Agreement that is ratified by the Ordinance.

Also, attached you will find a model staff report in support of the Ordinance that can be modified to meet your city's requirements or custom. I am also attaching the Ordinance as a Word document.

I will be on vacation August 23rd through September 7th, but my email will be monitored. If you have questions on this material that need responses before September 8th, please contact Thomas Brocato at 512-322-5857 or tbrocato@lglawfirm.com.

Geoffrey M. Gay

Lloyd Gosselink Rochelle & Townsend, P.C.
816 Congress Avenue, Suite 1900
Austin, Texas 78701
(512) 322-5800 phone
(512) 322-5875 direct
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ggay@lglawfirm.com

If you would like more information about the firm, please visit our website at http://www.lglawfirm.com, or about our **Utilities Practice Group**, please visit *http://www.lglawfirm.com/PracticeAreas_Utility.asp*

MODEL STAFF REPORT

The City, along with approximately 148 other cities served by Atmos Energy Mid-Tex Division ("Atmos Mid-Tex" or "Company"), is a member of the Atmos Cities Steering Committee ("ACSC" or "Steering Committee"). On or about March 15, 2010, Atmos Mid-Tex filed with the City an application to increase natural gas rates pursuant to the Rate Review Mechanism ("RRM") tariff approved by the City as part of the settlement of the Atmos Mid-Tex 2007 Statement of Intent to increase rates. This is the third RRM filing under a three year experimental program.

The Atmos Mid-Tex RRM filing sought a $70.2 million rate increase. The City worked with ACSC to analyze the schedules and evidence offered by Atmos Mid-Tex to support its request to increase rates. The Ordinance and attached rate and RRM tariffs are the result of negotiations between ACSC and the Company to resolve issues raised by ACSC during the review and evaluation of ACSC's RRM filing. The Ordinance resolves the Company's RRM filing by authorizing an increase in the Company's base rate of $27 million effective for bills rendered on or after October 1, 2010. Additionally, the Ordinance authorizes supplemental revenue of $3.4 million to be recovered through the customer charge component of rates to cover direct costs associated with a steel service line replacement program. The monthly bill impact for the average residential customer will be a $1.40 increase (about a 3.15% increase in the total bill).

The ACSC Executive Committee and ACSC legal counsel recommend that all ACSC Cities adopt the Ordinance implementing the rate change.

<u>RRM Background</u>:

The RRM tariff was approved by ACSC Cities as part of the settlement agreement to resolve the Atmos Mid-Tex 2007 system-wide rate filing at the Railroad Commission. Atmos Mid-Tex's current action represents the third filing pursuant to the three-year trial project known as the RRM process. The RRM process was created collaboratively by ACSC and Atmos Mid-Tex as an alternative to the legislatively authorized GRIP surcharge process. ACSC opposed GRIP because it constituted piecemeal ratemaking, did not allow any reasonableness review, and did not allow participation by cities or recovery of cities' rate case expenses. The RRM process has allowed for a more comprehensive rate review and annual adjustment as a substitute for GRIP filings during the three-year trial period specified by the tariff.

There are two components to the current RRM adjustment. The prospective component adjusts rates for known and measurable changes in operations and maintenance ("O&M") expense and net plant investment. Atmos Mid-Tex and ACSC agreed to cap changes to expenses and invested capital at no more than five percent per year. The true-up component evaluates whether the Company has over or under recovered its earnings for the previous year. For purposes of the RRM true-up component, the Atmos Mid-Tex rate of return on equity and its capital structure are frozen to avoid the parent company from manipulating the overall rate of return. Costs expressly prohibited from recovery through the RRM include first-class air fare, travel, meals or entertainment for an employee's spouse, alcohol, sports events, entertainment, arts and cultural events, sponsorship of sports, arts or cultural events, and social club membership dues.

<u>Purpose of the Ordinance</u>:

Rates cannot change and the Settlement Agreement with Atmos Mid-Tex cannot be implemented without passage of rate ordinances by cities. No related matter is pending at the Railroad Commission. The purpose of the Ordinance is to approve rate tariffs (“Attachment A”) and Proof of Revenues (“Attachment B”) that reflect the negotiated rate change pursuant to the RRM process and to ratify a Settlement Agreement recommended by the ACSC Settlement Committee and Executive Committee.

As a result of the negotiations, ACSC was able to reduce the Company’s requested $70.2 million RRM increase to $27 million. Approval of the Ordinance will result in the implementation of new rates that increase Atmos Mid-Tex’s revenues effective October 1, 2010.

The Settlement Agreement (“Attachment C”) to be ratified by the Ordinance authorizes an extension of the RRM process, in modified form to eliminate the true-up component, for an additional two annual filings. The Settlement Agreement also addresses the Atmos Mid-Tex steel service line replacement program and authorizes current cost recovery via an adder to residential and commercial customer charges.

<u>Reasons Justifying Approval of the Negotiated Resolution:</u>

During the time that the City has retained original jurisdiction in this case, consultants working on behalf of ACSC cities have investigated the support for the Company’s requested rate increase. While the evidence does not support the $70.2 million increase requested by the Company, ACSC consultants agree that the Company can justify an increase in revenues of $21 million. The agreement on $27 million is a compromise between the positions of the parties.

The Settlement Agreement includes an allowance for recovery of direct costs, excluding overheads, of the steel service line replacement program. Current year recovery factors shall be $00.15 for residential customers and $00.41 for commercial customers per month. The rates will be adjusted annually, but shall be capped at $00.44 cents for residential customers and $1.22 for commercial customers.

The alternative to a settlement of the RRM filing would be a contested case proceeding before the Railroad Commission on the Company’s current application, would take several months and cost ratepayers millions of dollars in rate case expenses, and would not likely produce a result more favorable than that to be produced by the settlement. The ACSC Executive Committee recommends that ACSC members take action to approve the Ordinance authorizing new rate tariffs.

Steel Service Line Replacement:

Under pressure from the Railroad Commission to establish a comprehensive program to replace service lines that contain steel which is subject to corrosion and leaks, ACSC has worked with Atmos Mid-Tex to establish a risk based approach to steel service line replacement that accomplishes the following goals:

1. Replace all service lines throughout the Mid-Tex Region with the highest degree of risk within two years;

2. Coordination between ACSC city members and Atmos Mid-Tex to minimize disruption of rights of way without compromising safety;

3. To minimize and spread the rate impact on customers of the replacement program, the service lines with little relative risk of leaks should be replaced over a 10-year period; and

4. Current recovery of incremental (above and beyond normal maintenance and repair addressed in RRM proceedings) direct (excluding Atmos Mid-Tex overheads) cost of service line replacement should be permitted as an adder to customer charges.

Fulfillment of these goals in this case will lead to $00.15 and $00.41 added to residential and commercial customer charges, respectively. The customer charge assessment may not exceed $00.44 and $1.22 for residential and commercial customers, respectively, prior to the entry of a Final Order in the next system-wide Statement of Intent rate proceeding.

Pursuant to the Settlement Agreement, 100,000 steel service lines will be replaced prior to September 30, 2012.

Explanation of "Be It Ordained" Paragraphs:

1. This paragraph approves all findings in the Ordinance.

2. This section adopts the attached tariffs ("Attachment A") and the Company's Proof of Revenues ("Attachment B") in all respects and finds the rates set pursuant to the attached tariffs to be just, reasonable and in the public interest. Note that only new tariffs or existing tariffs being revised are attached to the Ordinance. Existing tariffs not being changed in any way are not attached to the Ordinance.

3. This section requires the Company to reimburse ACSC for reasonable rate making costs associated with reviewing and processing the RRM application.

4. This section ratifies the Settlement Agreement ("Attachment C") between ACSC and Atmos Mid-Tex.

5. This section is a "Most Favored Nations" clause, which protects the City by mandating that if the City determines any rates, revenues, terms and conditions, or benefits resulting from a Final Order or subsequent negotiated settlement approved in any proceeding

addressing the issues raised in the Company's RRM filing would be more beneficial to the City than the terms of the attached tariffs, then the more favorable rates, revenues, terms and conditions, or benefits shall additionally accrue to the City.

6. This section repeals any resolution or ordinance that is inconsistent with this Ordinance.

7. This section is a savings clause, which provides that if any section(s) is later found to be unconstitutional or invalid, that finding shall not affect, impair or invalidate the remaining provisions of this Ordinance. This section further directs that the remaining provisions of the Ordinance are to be interpreted as if the offending section or clause never existed.

8. This section provides for an effective date upon passage.

9. This paragraph directs that a copy of the signed Ordinance be sent to a representative of the Company and legal counsel for ACSC.

10. This section finds that the meeting was conducted in compliance with the Texas Open Meetings Act, Texas Government Code, Chapter 551.

ORDINANCE NO. 5667

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, APPROVING A NEGOTIATED RESOLUTION BETWEEN THE ATMOS CITIES STEERING COMMITTEE AND ATMOS ENERGY CORP., MID-TEX DIVISION REGARDING THE COMPANY'S THIRD RATE REVIEW MECHANISM FILING IN ALL CITIES EXERCISING ORIGINAL JURISDICTION; DECLARING EXISTING RATES TO BE UNREASONABLE; REQUIRING THE COMPANY TO REIMBURSE CITIES' REASONABLE RATEMAKING EXPENSES; ADOPTING TARIFFS THAT REFLECT RATE ADJUSTMENTS CONSISTENT WITH THE NEGOTIATED SETTLEMENT AND FINDING THE RATES TO BE SET BY THE ATTACHED TARIFFS TO BE JUST AND REASONABLE; APPROVING ATMOS MID-TEX'S PROOF OF REVENUES; EXTENDING THE RRM PROCESS FOR TWO CYCLES AND ADOPTING A NEW RRM TARIFF; RATIFYING THE SETTLEMENT AGREEMENT, INCLUDING COST RECOVERY FOR A STEEL SERVICE LINE REPLACEMENT PROGRAM; ADOPTING A SAVINGS CLAUSE; DECLARING AN EFFECTIVE DATE; AND REQUIRING DELIVERY OF THIS ORDINANCE TO THE COMPANY AND THE STEERING COMMITTEE'S LEGAL COUNSEL; FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS ORDINANCE IS PASSED WAS NOTICED AND IS OPEN TO THE PUBLIC AS REQUIRED BY LAW.

WHEREAS, the City of Sherman, Texas ("City") is a gas utility customer of Atmos Energy Corp., Mid-Tex Division ("Atmos Mid-Tex" or "Company"), and a regulatory authority with an interest in the rates and charges of Atmos Mid-Tex; and

WHEREAS, the City is a member of the Atmos Cities Steering Committee ("ACSC" or "Steering Committee"), a coalition of approximately 148 similarly situated cities served by Atmos Mid-Tex that have joined together to facilitate the review of and response to natural gas issues affecting rates charged in the Atmos Mid-Tex service area (such participating cities are referred to herein as "ACSC Cities"); and

WHEREAS, pursuant to the terms of the agreement settling the Company's 2007 Statement of Intent to increase rates, ACSC Cities and the Company worked collaboratively to develop a Rate Review Mechanism ("RRM") tariff that allows for an expedited rate review process controlled in a three year experiment by ACSC Cities as a substitute to the current GRIP process instituted by the Legislature; and

WHEREAS, the City took action in 2008 to approve a Settlement Agreement with Atmos Mid-Tex resolving the Company's 2007 rate case and authorizing the RRM Tariff; and

WHEREAS, the 2008 Settlement Agreement contemplates reimbursement of ACSC Cities' reasonable expenses associated with RRM applications; and

WHEREAS, on or about March 15, 2010, Atmos Mid-Tex filed with the City its third application pursuant to the RRM tariff to increase natural gas base rates by approximately $70.2 million, such increase to be effective in every municipality that has adopted the RRM tariff within its Mid-Tex Division; and

WHEREAS, ACSC Cities coordinated its review of Atmos Mid-Tex's RRM filing by designating a Settlement Committee made up of ACSC representatives, assisted by ACSC attorneys and consultants, to resolve issues identified by ACSC in the Company's RRM filing; and

WHEREAS, the Company has filed evidence that existing rates are unreasonable and should be changed; and

WHEREAS, independent analysis by ACSC's rate expert concluded that Atmos Mid-Tex is able to justify an increase over current rates of $21 million; and

WHEREAS, Atmos Mid-Tex has commenced a program to replace steel service lines based on a relative leak repair risk analysis; and

WHEREAS, the Steering Committee has entered a Settlement Agreement ("Attachment C" to this Ordinance) with Atmos Mid-Tex to: (1) increase base rate revenues by $27 million; (2) extend the RRM process, with modifications for an additional two cycles and to thereafter require the filing of a system-wide Statement of Intent rate case on or before June 1, 2013; and (3) in the interim to allow current recovery of incremental direct costs of the steel service line replacement program in rates set via this Ordinance and in future RRMs; and

WHEREAS, the ACSC Executive Committee, as well as ACSC lawyers and consultants, recommend that ACSC members approve the attached rate tariffs ("Attachment A" to this Ordinance), which will increase the Company's revenue requirement by $27 million; and

WHEREAS, the attached tariffs implementing new rates and Atmos Mid-Tex's Proof of Revenues ("Attachment B" to this Ordinance) are consistent with the negotiated resolution reached by ACSC Cities and are just, reasonable, and in the public interest; and

WHEREAS, it is the intention of the parties that if the City determines any rates, revenues, terms and conditions, or benefits resulting from a Final Order or subsequent negotiated settlement approved in any proceeding addressing the issues raised in the Company's Third RRM filing would be more beneficial to the City than the terms of the attached tariff, then the more favorable rates, revenues, terms and conditions, or benefits shall additionally accrue to the City; and

WHEREAS, the negotiated resolution of the Company's RRM filing and the resulting rates are, as a whole, in the public interest;

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

<u>SECTION 1</u>. That the findings set forth in this Ordinance are hereby in all things approved.

<u>SECTION 2</u>. That the City Council finds the existing rates for natural gas service provided by Atmos Mid-Tex are unreasonable and new tariffs and Atmos Mid-Tex's Proof of

Revenues, which are attached hereto and incorporated herein as Attachments A and B, are just and reasonable and are hereby adopted.

SECTION 3. That Atmos Mid-Tex shall reimburse the reasonable ratemaking expenses of the ACSC Cities in processing the Company's rate application.

SECTION 4. That the Settlement Agreement, attached as Attachment C, which includes in addition to resolution of the Third RRM: (1) extension of a modified RRM process; (2) requirement that Atmos Mid-Tex file a system-wide Statement of Intent rate case on or before June 1, 2013; and (3) current recovery of incremental direct costs for a steel service line replacement program, is hereby ratified.

SECTION 5. That if the City determines any rates, revenues, terms and conditions, or benefits resulting from a Final Order or subsequent negotiated settlement approved in any proceeding addressing the issues raised in the Company's Third RRM filing would be more beneficial to the City than the terms of the attached tariff, then the more favorable rates, revenues, terms and conditions, or benefits shall additionally accrue to the City.

SECTION 6. That to the extent any resolution or ordinance previously adopted by the Council is inconsistent with this Ordinance, it is hereby repealed.

SECTION 7. That if any one or more sections or clauses of this Ordinance is adjudged to be unconstitutional or invalid, such judgment shall not affect, impair or invalidate the remaining provisions of this Ordinance and the remaining provisions of the Ordinance shall be interpreted as if the offending section or clause never existed.

SECTION 8. That this Ordinance shall become effective from and after its passage with rates authorized by attached Tariffs to be effective for bills rendered on or after October 1, 2010.

<u>SECTION 9</u>. That a copy of this Ordinance shall be sent to Atmos Mid-Tex, care of David Park, Vice President Rates and Regulatory Affairs, at Atmos Energy Corporation, 5420 LBJ Freeway, Suite 1862, Dallas, Texas 75240, and to Geoffrey Gay, General Counsel to ACSC, at Lloyd Gosselink Rochelle & Townsend, P.C., P.O. Box 1725, Austin, Texas 78767-1725.

<u>SECTION 10</u>. That it is hereby officially found, determined, and declared that a sufficient written notice of the date, hour, place, and subject of the meeting of the City Council at which this ordinance was adopted was posted at a place convenient and readily accessible at all times to the general public at the City Hall of the City for the time required by law preceding this meeting, as required by the Texas Open Meetings Act, Chapter 551 of the Government Code, as amended, and that this meeting has been open to the public as required by law at all times during which this ordinance and the subject matter hereof has been discussed, considered, and formally acted upon. The City Council further ratifies, approves, and confirms such written notice and the contents and posting thereof.

INTRODUCED on this the _____________ day of _________________, 2010.

ADOPTED on this the ________________ day of _________________, 2010.

EFFECTIVE DATE on this the _________ day of _________________, 2010.

CITY OF SHERMAN, TEXAS

ATTEST:

BY: ______________________________
LINDA ASHBY, CITY CLERK

BY: ______________________________
BILL MAGERS, MAYOR

APPROVED AS TO FORM
AND CONTENT:

BY: ______________________________
BRANDON S. SHELBY,
CITY ATTORNEY

RATE SCHEDULE:	**R – RESIDENTIAL SALES**	
APPLICABLE TO:	**All Cities except the City of Dallas and all unincorporated areas**	
EFFECTIVE DATE:	**Bills Rendered on or after 10/01/2010**	

Application
Applicable to Residential Customers for all natural gas provided at one Point of Delivery and measured through one meter.

Type of Service
Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

Monthly Rate
Customer's monthly bill will be calculated by adding the following Customer and Mcf charges to the amounts due under the riders listed below:

Charge	**Amount**
Customer Charge per Bill	$ 7.15 per month
Commodity Charge – All Mcf	$2.5246 per Mcf

Gas Cost Recovery: Plus an amount for gas costs and upstream transportation costs calculated in accordance with Part (a) and Part (b), respectively, of Rider GCR.

Weather Normalization Adjustment: Plus or Minus an amount for weather normalization calculated in accordance with Rider WNA.

Rate Review Mechanism: Plus or Minus an amount for rates as calculated in accordance with Rider RRM.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Rider FF is only applicable to customers inside the corporate limits of any incorporated municipality.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

Agreement
An Agreement for Gas Service may be required.

Notice
Service hereunder and the rates for services provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

RATE SCHEDULE:	**C – COMMERCIAL SALES**	
APPLICABLE TO:	**All Cities except the City of Dallas and all unincorporated areas**	
EFFECTIVE DATE:	**Bills Rendered on or after 10/01/2010**	

Application
Applicable to Commercial Customers for all natural gas provided at one Point of Delivery and measured through one meter and to Industrial Customers with an average annual usage of less than 3,000 Mcf.

Type of Service
Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

Monthly Rate
Customer's monthly bill will be calculated by adding the following Customer and Mcf charges to the amounts due under the riders listed below:

Charge	Amount
Customer Charge per Bill	$ 13.91 per month
Commodity Charge - All Mcf	$ 1.0796 per Mcf

Gas Cost Recovery: Plus an amount for gas costs and upstream transportation costs calculated in accordance with Part (a) and Part (b), respectively, of Rider GCR.

Weather Normalization Adjustment: Plus or Minus an amount for weather normalization calculated in accordance with Rider WNA.

Rate Review Mechanism: Plus or Minus an amount for rates as calculated in accordance with Rider RRM.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Rider FF is only applicable to customers inside the corporate limits of any incorporated municipality.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

Agreement
An Agreement for Gas Service may be required.

Notice
Service hereunder and the rates for services provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

RATE SCHEDULE:	**I – INDUSTRIAL SALES**	
APPLICABLE TO:	**All Cities except the City of Dallas and all unincorporated areas**	
EFFECTIVE DATE:	**Bills Rendered on or after 10/01/2010**	

Application
Applicable to Industrial Customers with a maximum daily usage (MDU) of less than 3,500 MMBtu per day for all natural gas provided at one Point of Delivery and measured through one meter. Service for Industrial Customers with an MDU equal to or greater than 3,500 MMBtu per day will be provided at Company's sole option and will require special contract arrangements between Company and Customer.

Type of Service
Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

Monthly Rate
Customer's monthly bill will be calculated by adding the following Customer and MMBtu charges to the amounts due under the riders listed below:

Charge	Amount
Customer Charge per Meter	$ 450.00 per month
First 0 MMBtu to 1,500 MMBtu	$ 0.2750 per MMBtu
Next 3,500 MMBtu	$ 0.2015 per MMBtu
All MMBtu over 5,000 MMBtu	$ 0.0433 per MMBtu

Gas Cost Recovery: Plus an amount for gas costs and upstream transportation costs calculated in accordance with Part (a) and Part (b), respectively, of Rider GCR.

Rate Review Mechanism: Plus or Minus an amount for rates as calculated in accordance with Rider RRM.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Rider FF is only applicable to customers inside the corporate limits of any incorporated municipality.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

Curtailment Overpull Fee
Upon notification by Company of an event of curtailment or interruption of Customer's deliveries, Customer will, for each MMBtu delivered in excess of the stated level of curtailment or interruption, pay Company 200% of the midpoint price for the Katy point listed in *Platts Gas Daily* published for the applicable Gas Day in the table entitled "Daily Price Survey."

RATE SCHEDULE:	I – INDUSTRIAL SALES	
APPLICABLE TO:	All Cities except the City of Dallas and all unincorporated areas	
EFFECTIVE DATE:	Bills Rendered on or after 10/01/2010	

Replacement Index
In the event the "midpoint" or "common" price for the Katy point listed in *Platts Gas Daily* in the table entitled "Daily Price Survey" is no longer published, Company will calculate the applicable imbalance fees utilizing a daily price index recognized as authoritative by the natural gas industry and most closely approximating the applicable index.

Agreement
An Agreement for Gas Service may be required.

Notice
Service hereunder and the rates for services provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

Special Conditions
In order to receive service under Rate I, Customer must have the type of meter required by Company. Customer must pay Company all costs associated with the acquisition and installation of the meter.

ATMOS ENERGY CORPORATION
MID-TEX DIVISION

Exhibit A to Settlement Agreement
Attachment A to Ordinance

RATE SCHEDULE:	**T – TRANSPORTATION**	
APPLICABLE TO:	**All Cities except the City of Dallas and all unincorporated areas**	
EFFECTIVE DATE:	**Bills Rendered on or after 10/01/2010**	

Application
Applicable, in the event that Company has entered into a Transportation Agreement, to a customer directly connected to the Atmos Energy Corp., Mid-Tex Division Distribution System (Customer) for the transportation of all natural gas supplied by Customer or Customer's agent at one Point of Delivery for use in Customer's facility.

Type of Service
Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

Monthly Rate
Customer's bill will be calculated by adding the following Customer and MMBtu charges to the amounts and quantities due under the riders listed below:

Charge	**Amount**
Customer Charge per Meter	$ 450.00 per month
First 0 MMBtu to 1,500 MMBtu	$ 0.2750 per MMBtu
Next 3,500 MMBtu	$ 0.2015 per MMBtu
All MMBtu over 5,000 MMBtu	$ 0.0433 per MMBtu

Upstream Transportation Cost Recovery: Plus an amount for upstream transportation costs in accordance with Part (b) of Rider GCR.

Rate Review Mechanism: Plus or Minus an amount for rates as calculated in accordance with Rider RRM.

Retention Adjustment: Plus a quantity of gas as calculated in accordance with Rider RA.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Rider FF is only applicable to customers inside the corporate limits of any incorporated municipality.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

Imbalance Fees
All fees charged to Customer under this Rate Schedule will be charged based on the quantities determined under the applicable Transportation Agreement and quantities will not be aggregated for any Customer with multiple Transportation Agreements for the purposes of such fees.

ATMOS ENERGY CORPORATION
MID-TEX DIVISION

RATE SCHEDULE:	**T – TRANSPORTATION**	
APPLICABLE TO:	**All Cities except the City of Dallas and all unincorporated areas**	
EFFECTIVE DATE:	**Bills Rendered on or after 10/01/2010**	

Monthly Imbalance Fees
Customer shall pay Company the greater of (i) \$0.10 per MMBtu, or (ii) 150% of the difference per MMBtu between the highest and lowest "midpoint" price for the Katy point listed in *Platts Gas Daily* in the table entitled "Daily Price Survey" during such month, for the MMBtu of Customer's monthly Cumulative Imbalance, as defined in the applicable Transportation Agreement, at the end of each month that exceeds 10% of Customer's receipt quantities for the month.

Curtailment Overpull Fee
Upon notification by Company of an event of curtailment or interruption of Customer's deliveries, Customer will, for each MMBtu delivered in excess of the stated level of curtailment or interruption, pay Company 200% of the midpoint price for the Katy point listed in *Platts Gas Daily* published for the applicable Gas Day in the table entitled "Daily Price Survey."

Replacement Index
In the event the "midpoint" or "common" price for the Katy point listed in *Platts Gas Daily* in the table entitled "Daily Price Survey" is no longer published, Company will calculate the applicable imbalance fees utilizing a daily price index recognized as authoritative by the natural gas industry and most closely approximating the applicable index.

Agreement
A transportation agreement is required.

Notice
Service hereunder and the rates for services provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

Special Conditions
In order to receive service under Rate T, customer must have the type of meter required by Company. Customer must pay Company all costs associated with the acquisition and installation of the meter.

ATMOS ENERGY CORPORATION
MID-TEX DIVISION

Exhibit A to Settlement Agreement
Attachment A to Ordinance

RIDER:	**WNA – WEATHER NORMALIZATION ADJUSTMENT**	
APPLICABLE TO:	**All Cities except the City of Dallas and all unincorporated areas**	
EFFECTIVE DATE:	**Bills Rendered on or after 10/01/2010**	

Provisions for Adjustment

The base rate per Mcf (1,000,000 Btu) for gas service set forth in any Rate Schedules utilized by the cities of the Mid-Tex Division service area for determining normalized winter period revenues shall be adjusted by an amount hereinafter described, which amount is referred to as the "Weather Normalization Adjustment." The Weather Normalization Adjustment shall apply to all temperature sensitive residential and commercial bills based on meters read during the revenue months of November through April. The five regional weather stations are Abilene, Austin, Dallas, Waco, and Wichita Falls.

Computation of Weather Normalization Adjustment

The Weather Normalization Adjustment Factor shall be computed to the nearest one-hundredth cent per Mcf by the following formula:

$$WNAF_i \quad = \quad R_i \quad \frac{(HSF_i \quad \times \quad (NDD\text{-}ADD)\,)}{(BL_i \quad + \quad (HSF_i \;\times\; ADD)\;)}$$

Where

i = any particular Rate Schedule or billing classification within any such particular Rate Schedule that contains more than one billing classification

$WNAF_i$ = Weather Normalization Adjustment Factor for the i^{th} rate schedule or classification expressed in cents per Mcf

R_i = base rate of temperature sensitive sales for the i^{th} schedule or classification approved by the entity exercising original jurisdiction.

HSF_i = heat sensitive factor for the i^{th} schedule or classification calculated as the slope of the linear regression of average sales per bill (Mcf) and actual heating degree days by month for the test year by schedule or classification and weather station as part of the RRM filing.

NDD = billing cycle normal heating degree days calculated as the simple ten-year average of actual heating degree days.

ADD = billing cycle actual heating degree days.

Bl_i = base load sales for the i^{th} schedule or classification calculated as the y-intercept of the linear regression of average sales per bill (Mcf) and actual heating degree days by month for the test year by schedule or classification and weather station as part of the RRM filing.

The Weather Normalization Adjustment for the jth customer in ith rate schedule is computed as:

$WNA_i = \quad WNAF_i \times q_{ij}$

RIDER:	**WNA – WEATHER NORMALIZATION ADJUSTMENT**	
APPLICABLE TO:	**All Cities except the City of Dallas and all unincorporated areas**	
EFFECTIVE DATE:	**Bills Rendered on or after 10/01/2010**	

Where q_{ij} is the relevant sales quantity for the jth customer in ith rate schedule.

Filings with Entities Exercising Original Jurisdiction

As part of its annual RRM filing the Company will file (a) a copy of each computation of the Weather Normalization Adjustment Factor, (b) a schedule showing the effective date of each such Weather Normalization Adjustment, (c) a schedule showing the factors of values used in calculating such Weather Normalization Adjustment and (d) a random sample and audit of thirty (30) actual customer bills, with customer information deleted, for each rate schedule or classification to which the WNA was applied in the preceding 12 month period. To the extent that source data is needed to audit the WNA application, such data will be provided by the Company as part of the annual RRM filing.

If the RRM is discontinued, as provided in the Rider RRM tariff, the information required herein to be filed with the entities exercising original jurisdiction shall be filed on March 1 of each year.

Base Use/Heat Use Factors

	Residential		Commercial	
Weather Station	Base use Mcf	Heat use Mcf/HDD	Base use Mcf	Heat use Mcf/HDD
Abilene	1.06	.0131	9.03	.0588
Austin	1.17	.0138	19.39	.0674
Dallas	1.49	.0191	20.37	.0872
Waco	1.13	.0137	11.81	.0610
Wichita Falls	1.19	.0136	11.21	.0549

Sample $WNAF_i$ Calculation:

$$.3352 \text{ per Mcf} = 2.5246 \times \frac{(.0131 \times (30-17))}{(1.06 + (.0131 \times 17))}$$

Where

i = Residential Single Block Rate Schedule

R_i = 2.5246 per MCF

HSF_i = .0131 (Residential - Abilene Area)

NDD = 30 HDD (Simple ten-year average of Actual HDD for Abilene Area – 9/15/06 – 10/14/06)

ADD = 17 HDD (Actual HDD for Abilene Area – 9/15/06 – 10/14/06)

BI_i = 1.06 Mcf (Residential - Abilene Area)

ATMOS ENERGY CORPORATION
MID-TEX DIVISION

Exhibit A to Settlement Agreement
Attachment A to Ordinance

RIDER:	**RRM – RATE REVIEW MECHANISM**	
APPLICABLE TO:	**All Cities except the City of Dallas and all unincorporated areas**	
EFFECTIVE DATE:	**Bills Rendered on or after 10/01/2010**	

I. Purpose:

This mechanism is designed to provide annual earnings transparency. All rate calculations under this tariff shall be made on a system wide basis. If, through the implementation of the provisions of this mechanism, it is determined that rates should be decreased or increased, then rates will be adjusted accordingly in the manner set forth herein. The rate adjustments implemented under this mechanism will reflect annual changes in the Company's cost of service and rate base. This Rider RRM will be effective for the period commencing with the Company's RRM filing on April 1, 2011, and concluding with the implementation of new, final rates established pursuant to the general rate case that Atmos will file on or before June 1, 2013.

II. Definitions

a) The **Annual Evaluation Date** shall be the date the Company will make its annual filing under this mechanism. The Annual Evaluation Date shall be no later than April 1, of each year. This filing shall be effective in electronic form where practicable.

b) **Audited Financial Data** shall mean the Company's books and records related to the Company's Mid-Tex operating area and shared services operations. Audited Financial Data shall not require the schedules and information provided under this tariff to undergo a separate financial audit by an outside auditing firm similar to the Company's annual financial audit.

c) The **Evaluation Period** is defined as the twelve month period ending December 31, of each calendar year.

d) The **Rate Effective Period** is defined as the later of the twelve month period for which rates determined under this mechanism will be in effect or subsequent rates are implemented.

e) **Per Connection Basis** is defined as the existing average number of Mid-Tex active meters to customers during the Evaluation Period.

f) **Final Order** is defined as the most recent order establishing the Company's latest effective rates for the area in which the mechanism is implemented, and shall include municipal rate ordinances and resolutions.

III. Rate Review Mechanism

The Company shall file with each regulatory authority having original jurisdiction over the Company's rates the schedules specified below for the Evaluation Period, with the filing to be made by the Annual Evaluation Date following the end of the Evaluation Period. The schedules, which will be based upon the Company's Audited Financial Data, as adjusted, and provided in the same format as Atmos' RRM filing with municipalities on March 15, 2010, will exclude a true-up computation, but will include the following:

a) Evaluation Period ending balances for actual gross plant in service, accumulated depreciation, accumulated deferred income taxes, inventory, working capital, and other rate base components will be used for the calculation of rates for the Rate Effective Period. The ratemaking treatments, principles, findings and adjustments included in the Final Order will apply. Regulatory adjustments due to prior regulatory rate base adjustment disallowances will be maintained. Cash working capital will be calculated using the lead/lag days approved in the Final Order. Accumulated deferred income taxes (ADIT) will be calculated using the methodology used in the Final Order. The RRM Schedules & Information section of this tariff identifies those ADIT components to be included in the calculation of rate base for both the Evaluation Period and Rate Effective Period calculations.

RIDER:	**RRM – RATE REVIEW MECHANISM**	
APPLICABLE TO:	**All Cities except the City of Dallas and all unincorporated areas**	
EFFECTIVE DATE:	**Bills Rendered on or after 10/01/2010**	

b) Depreciation rates booked in the period will be those approved in the Final Order, or the rate most recently approved. All calculation methodologies will be those approved in the Final Order except where noted or included in this tariff, or in the most recent order addressing the methodology. In addition, the Company shall exclude from operating and maintenance expense the discretionary costs to be disallowed from Rider RRM filings listed in the RRM Schedules and Information section of this tariff.

c) Return on Equity (ROE) shall be maintained at 9.7%.

d) Cost of debt will reflect actual cost for the Evaluation Period. Evaluation Period ending balances for cost of debt and capital structure will be used for the calculation of rates for the Rate Effective Period. Capital structure will be the actual Evaluation Period ratio of long-term debt and equity, with percentage equity not to exceed 50%, based on the calculation methodology outcomes used above.

e) All applicable accounting adjustments along with all supporting work papers. Such adjustments may include:

1) Pro-forma adjustments to update and annualize costs and revenue billing determinants for the Rate Effective Period.

2) Pro-forma or other adjustments required to properly account for atypical, unusual, or nonrecurring events recorded during the Evaluation Period.

f) Shared Services allocation factors shall be recalculated each year based on the latest component factors used during the Evaluation Period, but the methodology used will be that approved in the Final Order.

g) Any changes to corporate structure or allocation of common costs will include narrative explanations with the filing.

IV. Calculation of Rate Adjustment

a) The Company shall provide additional schedules indicating the following revenue deficiency/sufficiency calculations using the methodology accepted in the Final Order with the exception of any allowance for a true-up component in the April 1, 2011 or the April 1, 2012 RRM filings. Evaluation Period ending balances will be used for the calculation of rates for the Rate Effective Period. These schedules shall identify the rate adjustments necessary for the setting of prospective rates for the Rate Effective Period. The result shall be reflected in the proposed new rates to be established for the Rate Effective Period. In calculating the required rate adjustments, such adjustments will be made pro-ratably to the customer charge and usage charge based upon actual revenue generated, as adjusted under the Company's approved Weather Normalization Adjustment (WNA) Rider. Provided, however, that neither the Residential nor the Commercial customer charges may increase more than 20% per year.

b) The Company may also adjust rates for the Rate Effective Period to include recovery of any known and measurable changes to operating and maintenance costs including, but not limited to, payroll and compensation expense, benefit expense, pension expense, insurance costs, materials and supplies, bad debt costs, medical expense, transportation and building and lease costs for the Rate Effective Period. Provided, however, that adjustments may only be made for costs that are reasonable and necessary. Additionally, utility plant and rate base for the Rate

RIDER:	**RRM – RATE REVIEW MECHANISM**	
APPLICABLE TO:	**All Cities except the City of Dallas and all unincorporated areas**	
EFFECTIVE DATE:	**Bills Rendered on or after 10/01/2010**	

Effective Period will be established by using the Evaluation Period ending balances, including associated changes in depreciation and amortization expense and taxes. In calculating the Company's known and measurable changes for prospective RRM adjustment purposes, the following limitations will apply, on a Per Connection Basis.

1. Operating and Maintenance expenses per connection for the Rate Effective Period cannot increase more than 5% per year without specific identification and justification. Any proposed adjustment above 5% per year, is subject to the provisions of the Evaluation Procedures of this tariff. Such procedures provide that the regulatory authority will review the proposed adjustment and that the Company and regulatory authority will work collaboratively to seek agreement on the proposed adjustments to the Company's schedules and proposed rates. Justification for such expenditures over the cap shall include an event or combination of events beyond the control of the Company. The beginning adjusted Operation and Maintenance expense per connection for the 2007 RRM Evaluation Period will be limited to not exceed $151 million divided by the connections for the period. The increase in adjusted Operation and Maintenance expenses per connection for the 2008 Rate Effective Period and the subsequent Rate Effective periods cannot exceed 5% per year, without specific identification and justification

2. Net plant investment per connection for the Rate Effective Period cannot increase more than 5% per year without specific identification and justification. Any proposed adjustment above 5% per year, is subject to the provisions of the Evaluation Procedures of this tariff. Such procedures provide that the regulatory authority will review the proposed adjustment and that the Company and regulatory authority will work collaboratively to seek agreement on the proposed adjustments to the Company's schedules and proposed rates. However, in performing a cap test to verify compliance, the Company shall exclude any changes in net plant investment associated with federal, state, or local mandates related to safety, compliance, or road moves, including steel service line replacement program costs incurred prior to October 1, 2010. The initial 2008 rate will be set using net plant limited to not exceed [$1,243,607,206 divided by average active meters for the 12 months ended June 30 2007] times 1.025 times the average active meters for calendar year 2007. Subsequent filing calculations of net plant investment will be made using the same method used in the Company's September 20, 2007 Statement of Intent except that Evaluation Period ending balances will be used for net plant in the calculation of rates for the Rate Effective Period.

   The rate increase limitations set forth in this tariff shall not preclude the Company from recovering any excluded net plant costs during a subsequent Evaluation Period in which the 5% limitation for net plant investment is not reached or in a subsequent Statement of Intent case. To the extent that the Company seeks to recover any excluded net plant costs during a subsequent Evaluation Period in which the 5% limitation for net plant investment is not reached or in a subsequent Statement of Intent case, the Company shall identify these costs as a specific line item in the schedule accompanying the RRM rate adjustment filing.

   The regulatory authority may disallow any net plant investment that is not shown to be prudently incurred. Approval by the regulatory authority of net plant investment pursuant to the provisions of this tariff shall constitute a finding that such net plant investment was prudently incurred. Such finding of prudence shall not be subject to further review in a subsequent Evaluation Period or Statement of Intent filing.

RIDER:	**RRM – RATE REVIEW MECHANISM**	
APPLICABLE TO:	**All Cities except the City of Dallas and all unincorporated areas**	
EFFECTIVE DATE:	**Bills Rendered on or after 10/01/2010**	

c) Notwithstanding the limitations in subparts IV (a) through (b) of this tariff, the Company shall be entitled to separately adjust rates for the Rate Effective Period to include recovery for direct incremental costs associated with a steel service line replacement program incurred on and after October 1, 2010, a return on equity of 9.0% for such incremental costs as capitalized, depreciation, and applicable taxes. Capital structure will be the actual Evaluation Period ratio of long-term debt and equity, with percentage equity not to exceed 50%, based on the calculation methodology outcomes used above. Rate recovery associated with a steel service line replacement program shall be recovered through the Residential and Commercial customer charges and shall not be subject to or included in the rate increase limitations set forth in IV (a) through (b) of this tariff. Current year recovery factors are presumed to be $0.15 for residential customers and $0.41 for commercial customers. The rates will be adjusted annually, however, in no case will the per customer monthly cost recovery factors attributable to a steel service line replacement program exceed $0.44 for residential customers or $1.22 for commercial customers, prior to or during the pendency of the Company's next Statement of Intent case. Moreover, the per customer amount attributable to cost recovery for a steel service line replacement program shall be subject to review by the regulatory authority in a subsequent Evaluation Period and all costs associated with a steel service line replacement program will be subject to a prudence/reasonableness review in the Company's next Statement of Intent rate case.

d) The Company shall provide a schedule demonstrating the "proof of revenues" relied upon to calculate the proposed rate for the Rate Effective Period. The proposed rates shall conform as closely as is practicable to the revenue allocation principles approved in the Final Order.

V. Attestation

A sworn statement shall be filed by the Company's Chief Officer in Charge of Mid-Tex Operations affirming that the filed schedules are in compliance with the provisions of this mechanism and are true and correct to the best of his/her knowledge, information and belief. No testimony shall be filed, but a brief narrative explanation shall be provided of any changes to corporate structure or allocation of common costs.

VI. Evaluation Procedures

The regulatory authority having original jurisdiction over the Company's rates shall have no less than ninety (90) days to review the Company's filed schedules and work papers. The Company will be prepared to provide all supplemental information as may be requested to ensure adequate review by the relevant regulatory authority. The Company shall not unilaterally impose any limits upon the provision of supplemental information and such information shall be provided within ten (10) working days of the original request. The regulatory authority may propose any adjustments it determines to be required to bring the schedules into compliance with the above provisions.

During and following the ninety (90) day review period and a thirty (30) day response period, the Company and the regulatory authority will work collaboratively and seek agreement on, the proposed adjustments to the Company's schedule and proposed rates. If agreement has been reached by the Company and the regulatory authority, the regulatory authority shall authorize an increase or decrease to the Company's rates so as to achieve the revenue levels indicated for the Rate Effective Period. If, at the end of the thirty (30) day response period, the Company and the regulatory authority have not reached agreement on the proposed adjustments, the Company shall have the right to appeal the regulatory authority's action or inaction to the Railroad Commission of Texas. Upon the filing of any appeal, the Company shall have the right to implement the proposed RRM rate adjustment, including the adjustment attributable to steel service line replacement program costs, subject to refund.

RIDER:	RRM – RATE REVIEW MECHANISM	
APPLICABLE TO:	All Cities except the City of Dallas and all unincorporated areas	
EFFECTIVE DATE:	Bills Rendered on or after 10/01/2010	

Rates established pursuant to the Rate Review Mechanism, if approved as provided herein, shall be effective on August 15 of each year.

VII. Reconsideration and Appeal

Orders issued pursuant to this mechanism are ratemaking orders and shall be subject to appeal under Sections 102.001(b) and 103.021, et seq., of the Texas Utilities Code (Vernon 2007).

VIII. Notice

Notice of the annual Rate Review Mechanism filing shall be provided pursuant to Section 104.103, TEX. UTIL. CODE ANN. no later than forty-five (45) days after the Company makes its annual filing pursuant to this tariff. The notice to customers shall include the following information:

a) a description of the proposed revision of rates and schedules;

b) the effect the proposed revision of rates is expected to have on the rates applicable to each customer class and on an average bill for each affected customer;

c) the service area or areas in which the proposed rate adjustment would apply;

d) the date the proposed rate adjustment was filed with the regulatory authority; and

e) the Company's address, telephone number and website where information concerning the proposed rate adjustment may be obtained.

IX. RRM Schedules and Information

a. Accumulated Deferred Income Tax ("ADIT") Items To Be Recognized in Rate Base

The following list identifies those ADIT components to be included in the calculation of rate base for both the Evaluation Period and Rate Effective Period calculations:

Mid-Tex:
Gas Plant in Service
Insurance Accruals
Benefit Accruals
Deferred Expense Projects
Allowance for Doubtful Accounts
Customer Advances
UNICAP Section 263A Costs (which shall be removed from Atmos Mid-Tex when these costs are transferred to Atmos Pipeline Texas)
Regulatory Asset - Mid Tex
Regulatory Liability - Mid-Tex
Other Plant

SSU - Customer Support:
Gas Plant in Service

RIDER:	RRM – RATE REVIEW MECHANISM	
APPLICABLE TO:	All Cities except the City of Dallas and all unincorporated areas	
EFFECTIVE DATE:	Bills Rendered on or after 10/01/2010	

SSU - General Office:
Gas Plant in Service
Insurance Accruals
Benefits Accruals
Deferred Expense Projects
Prepaid Expenses
Regulatory Liability - Atmos 109
FAS 115 Adjustment
Treasury Lock Adjustment
Revenue Agent Report Carryforward Adjustments 1990-1985
Tax Net Operating Loss Credit Carryforwards
State Bonus Depreciation
R & D Credit Valuation Allowance
Other Plant

b. Discretionary Costs to Be Disallowed from Rider RRM filings

The following types of employee reimbursed expenses and directly incurred costs are to be removed from all expense and rate base amounts included within Rider RRM filings for the Evaluation Period and for the Rate Effective Period:

Amounts incurred for travel, meals or entertainment of employee spouses.
Amounts for air travel that exceed published commercial coach air fares.
Amounts incurred for hotel rooms exceeding $250 per night inclusive of taxes and fees assessed on such rooms.
Amounts for alcoholic beverages.
Amounts paid for admission to entertainment, sports, art or cultural events, and all event sponsorship costs.
Amounts for social club dues or fees.

Exhibit B to Settlement Agreement
Attachment B to Ordinance

ATMOS ENERGY CORP., MID-TEX DIVISION
SUMMARY OF CURRENT AND PROPOSED RATE STRUCTURE
TEST YEAR ENDING DECEMBER 31, 2009
(2010 RRM SETTLEMENT PROPOSAL)

Line No.	Description	Current	Proposed (Beginning Oct 1)
	(a)	(b)	(d)
1	**Rate R**		
2	Customer Charge per month	$7.00	$7.00
3			
4	Consumption Charge per MCF	$2.2647	$2.5246
5	2008 RRM True-up per MCF	$0.0000	$0.0000
6	2009 RRM True-up per MCF	$0.0060	$0.0000
7	Total Consumption Charge per MCF	$2.2707	$2.5246
8	**Rate C**		
9	Customer Charge per month	$13.50	$13.50
10			
11	Consumption Charge per MCF	$0.9825	$1.0796
12	2008 RRM True-up per MCF	$0.0000	$0.0000
13	2009 RRM True-up per MCF	$0.0052	$0.0000
14	Total Consumption Charge per MCF	$0.9877	$1.0796
15	**Rate I & T**		
16	Customer Charge per month	$425.00	$450.00
17			
18	Consumption Charge per MMBTU:		
19	First 1,500 MMBTU	$0.2496	$0.2750
20	Next 3,500 MMBTU	$0.1820	$0.2015
21	Over 5,000 MMBTU	$0.0390	$0.0433
22	2008 RRM True-up per MMBTU:		
23	First 1,500 MMBTU	$0.0087	$0.0000
24	Next 3,500 MMBTU	$0.0064	$0.0000
25	Over 5,000 MMBTU	$0.0014	$0.0000
26	2009 RRM True-up per MMBTU:		
27	First 1,500 MMBTU	$0.0000	$0.0000
28	Next 3,500 MMBTU	$0.0000	$0.0000
29	Over 5,000 MMBTU	$0.0000	$0.0000
30	Total Consumption Charge per MMBTU		
31	First 1,500 MMBTU	$0.2583	$0.2750
32	Next 3,500 MMBTU	$0.1884	$0.2015
33	Over 5,000 MMBTU	$0.0404	$0.0433

Exhibit B to Settlement Agreement
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ATMOS ENERGY CORP., MID-TEX DIVISION
CUSTOMER IMPACT OF PROPOSED RATES COMPARED TO CURRENT RATES
TEST YEAR ENDING DECEMBER 31, 2009
(2010 RRM SETTLEMENT PROPOSAL)

Line No.	Description (a)	Prospective Rate Increase (b)
1	**Rate R**	
2	Consumption Charge per MCF	
3	Change from Current Rate	$0.2539
4	Billing Units for Specified Period	78,500,000
5	Total Change in Base Revenue	$19,934,212
6	Associated Revenue Taxes	$1,490,401
7	Total Rate Impact	$21,424,613
8	Number of Bills for Specified Period	17,287,740
9	Average Impact per Bill	$1.24
10	**Rate C**	
11	Consumption Charge per MCF	
12	Change from Current Rate	$0.0919
13	Billing Units for Specified Period	49,500,000
14	Total Change in Base Revenue	$4,547,060
15	Associated Revenue Taxes	$339,966
16	Total Rate Impact	$4,887,026
17	Number of Bills for Specified Period	1,445,436
18	Average Impact per Bill	$3.38
19	**Rates I&T - Customer Charge**	
20	Customer Charge	
21	Change from Current Rate	$25.00
22	Billing Units for Specified Period	10,985
23	Total Change in Base Revenue	$274,625
24	Associated Revenue Taxes	$20,533
25	Total Rate Impact	$295,157.61
26	**Rates I&T - 1st block**	
27	Consumption Charge per MCF	
28	Change from Current Rate	$0.0167
29	Billing Units for Specified Period	10,597,655
30	Total Change in Base Revenue	$177,031
31	Associated Revenue Taxes	$13,236
32	Total Rate Impact	$190,266
33	**Rates I&T - 2nd block**	
34	Consumption Charge per MCF	
35	Change from Current Rate	$0.0131
36	Billing Units for Specified Period	10,791,216
37	Total Change in Base Revenue	$141,297
38	Associated Revenue Taxes	$10,564
39	Total Rate Impact	$151,862
40	**Rates I&T - 3rd block**	
41	Consumption Charge per MCF	
42	Change from Current Rate	$0.0029
43	Billing Units for Specified Period	16,585,623
44	Total Change in Base Revenue	$47,655
45	Associated Revenue Taxes	$3,563
46	Total Rate Impact	$51,218
47	**Rates I&T - Total**	
48	Total Rate Impact	$688,504
49	Number of Bills for Specified Period	10,985
50	Average Impact per Bill	$62.68
51		
52	**Total Change in Base Revenue**	**$25,121,880**
53	**Total Rate Impact (inc. Rev. Taxes)**	**$27,000,142**

Exhibit B to Settlement Agreement
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ATMOS ENERGY CORP., MID-TEX DIVISION
AVERAGE BILL COMPARISON- OCTOBER 1, 2010
TEST YEAR ENDING DECEMBER 31, 2009

Line							CURRENT	OCTOBER 1, 2010 PROPOSED	CHANGE
1	**Rate R @ 4.5 Mcf**								
2	Customer charge						$ 7.00		
3	Consumption charge	4.5	MCF	X	$2.2707	=	10.31		
4	Rider GCR Part A	4.5	MCF	X	$4.6303	=	21.03		
5	Rider GCR Part B	4.5	MCF	X	$0.6611	=	3.00		
6									
7	Subtotal						$ 41.34		
8	Rider FF & Rider TAX		$41.34	X	0.07477	=	3.09		
9	Total						$44.43		
10									
11	Customer charge							$7.00	
12	Consumption charge	4.5	MCF	X	$2.5246	=		11.46	
13	Rider GCR Part A	4.5	MCF	X	$4.6303	=		21.03	
14	Rider GCR Part B	4.5	MCF	X	$0.6611	=		3.00	
15									
16	Subtotal							$42.49	
17	Revenue-related Tax Reimbursement		$42.49	X	0.07477	=		3.18	
18	Total							$45.67	$1.24
19									2.79%
20									
21	**Rate C @ 34.2 Mcf**						CURRENT	PROPOSED	CHANGE
22	Customer charge						$13.50		
23	Consumption charge	34.2	MCF	X	$0.9877	=	33.82		
24	Rider GCR Part A	34.2	MCF	X	$4.6303	=	158.57		
25	Rider GCR Part B	34.2	MCF	X	$0.5542	=	18.98		
26									
27									
28	Subtotal						$224.87		
29	Revenue-related Tax Reimbursement		$224.87	X	0.07477	=	16.81		
30	Total						$241.69		
31									
32	Customer charge							$13.50	
33	Consumption charge	34.2	MCF	X	$1.0796	=		36.97	
34	Rider GCR Part A	34.2	MCF	X	$4.6303	=		158.57	
35	Rider GCR Part B	34.2	MCF	X	$0.5542	=		18.98	
36									
37	Subtotal							$228.02	
38	Revenue-related Tax Reimbursement		$228.02	X	0.07477	=		17.05	
39	Total							$245.07	$3.38
40									1.40%
41	**Rate I @ 3457 MMBTU**						CURRENT	PROPOSED	CHANGE
42	Customer charge						$425.00		
43	Consumption charge	1,500	MMBTU	X	$0.2583	=	387.45		
44	Consumption charge	1,957	MMBTU	X	$0.1884	=	368.69		
45	Consumption charge	0	MMBTU	X	$0.0404	=	0.00		
46	Rider GCR Part A	3,457	MMBTU	X	$4.6303	=	16,006.67		
47	Rider GCR Part B	3,457	MMBTU	X	$0.3062	=	1,058.42		
48									
49	Subtotal						$18,246.23		
50	Revenue-related Tax Reimbursement		$18,246.23	X	0.07477	=	1,364.20		
51	Total						$19,610.43		
52									
53	Customer charge							$450.00	
54	Consumption charge	1,500	MMBTU	X	$0.2750	=		412.51	
55	Consumption charge	1,957	MMBTU	X	$0.2015	=		394.31	
56	Consumption charge	0	MMBTU	X	$0.0433	=		0.00	
57	Rider GCR Part A	3,457	MMBTU	X	$4.6303	=		16,006.67	
58	Rider GCR Part B	3,457	MMBTU	X	$0.3062	=		1,058.42	
59	Subtotal							$18,321.91	
60	Revenue-related Tax Reimbursement		$18,321.91	X	0.07477	=		1,369.86	
61	Total							$19,691.77	$81.34
62									0.41%
63	**Rate T @ 3460 MMBTU**						CURRENT	PROPOSED	CHANGE
64	Customer charge						$425.00		
65	Consumption charge	1,500	MMBTU	X	$0.2583	=	387.45		
66	Consumption charge	1,957	MMBTU	X	$0.1884	=	368.69		
67	Consumption charge	0	MMBTU	X	$0.0404	=	0.00		
68	Rider GCR Part B	3,457	MMBTU	X	$0.3062	=	1,058.42		
69									
70	Subtotal						$2,239.56		
71	Revenue-related Tax Reimbursement		$2,239.56	X	0.07477	=	167.44		
72	Total						$2,407.00		
73									
74	Customer charge							$450.00	$25.00
75	Consumption charge	1,500	MMBTU	X	$0.2750	=		412.51	$25.06
76	Consumption charge	1,957	MMBTU	X	$0.2015	=		394.31	$25.62
77	Consumption charge	0	MMBTU	X	$0.0433	=		0.00	
78	Rider GCR Part B	3,457	MMBTU	X	$0.3062	=		1,058.42	
79	Subtotal							$2,315.24	
80	Revenue-related Tax Reimbursement		$2,315.24	X	0.07477	=		173.10	
81	Total							$2,488.34	$81.34
									3.38%

Exhibit B to Settlement Agreement
Attachment B to Ordinance

ATMOS ENERGY CORP., MID-TEX DIVISION
CUSTOMER IMPACT OF PROPOSED RATES COMPARED TO CURRENT RATES
(STEEL SERVICE REPLACEMENT PROGRAM)

Line No.	Description	Prospective Rate Increase
	(a)	(b)
1	**Rate R**	
2	Monthly Customer Charge	
3	Change from Current Rate	$0.15
4	Billing Units for Specified Period	17,287,740
5	Total Change in Base Revenue	$2,593,161
6	Associated Revenue Taxes	$193,880
7	Total Rate Impact	$2,787,041
8	Number of Bills for Specified Period	17,287,740
9	Average Impact per Bill	$0.16
10	**Rate C**	
11	Monthly Customer Charge	
12	Change from Current Rate	$0.41
13	Billing Units for Specified Period	1,445,436
14	Total Change in Base Revenue	$592,629
15	Associated Revenue Taxes	$44,308
16	Total Rate Impact	$636,937
17	Number of Bills for Specified Period	1,445,436
18	Average Impact per Bill	$0.44
19		
20	**Total Change in Base Revenue**	$3,185,790
21	**Total Rate Impact (Inc. Rev. Taxes)**	$3,423,979
22		
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SETTLEMENT AGREEMENT BETWEEN ATMOS ENERGY CORP., MID-TEX DIVISION AND ATMOS CITIES STEERING COMMITTEE

WHEREAS, this settlement agreement is entered into by Atmos Energy Corp's Mid-Tex Division and Atmos Cities Steering Committee ("ACSC") whose members include the Cities of Abilene, Addison, Allen, Alvarado, Angus, Anna, Argyle, Arlington, Bedford, Bellmead, Benbrook, Beverly Hills, Blossom, Blue Ridge, Bowie, Boyd, Bridgeport, Brownwood, Buffalo, Burkburnett, Burleson, Caddo Mills, Carrollton, Cedar Hill, Celeste, Celina, Cisco, Cleburne, Clyde, College Station, Colleyville, Colorado City, Comanche, Coolidge, Coppell, Corinth, Corral City, Crandall, Crowley, Dalworthington Gardens, Denison, DeSoto, Duncanville, Eastland, Edgecliff Village, Emory, Ennis, Euless, Everman, Fairview, Farmers Branch, Farmersville, Fate, Flower Mound, Forest Hill, Fort Worth, Frisco, Frost, Gainesville, Garland, Garrett, Grand Prairie, Grapevine, Haltom City, Harker Heights, Haskell, Hewitt, Highland Park, Highland Village, Honey Grove, Hurst, Iowa Park, Irving, Justin, Kaufman, Keene, Keller, Kemp, Kennedale, Kerrville, Killeen, Krum, Lakeside, Lake Worth, Lancaster, Lewisville, Lincoln Park, Little Elm, Lorena, Malakoff, Mansfield, McKinney, Melissa, Mesquite, Midlothian, Murphy, Nocona, North Richland Hills, Northlake, Oakleaf, Ovilla, Palestine, Pantego, Paris, Parker, Pecan Hill, Plano, Ponder, Pottsboro, Prosper, Quitman, Red Oak, Reno (Parker County), Richardson, Richland, Richland Hills, Roanoke, Robinson, Rockwall, Roscoe, Rowlett, Sachse, Saginaw, Seagoville, Sherman, Snyder, Southlake, Springtown, Stamford, Stephenville, Sulphur Springs, Sweetwater, Temple, Terrell, The Colony, Tyler, University Park, Venus, Vernon, Waco, Watauga, Waxahachie, Westlake, Whitesboro, White Settlement, Wichita Falls, Woodway, and Wylie.

WHEREAS, on March 15, 2010, Atmos filed with the ACSC Cities an application, hereafter referred to as the 2010 RRM filing, to adjust rates pursuant to Rider RRM - Rate Review Mechanism; and

WHEREAS, ACSC has hired experts and lawyers to analyze the rates proposed by Atmos Energy Corp.'s, Mid-Tex Division ("Atmos" or "Company") in its 2010 RRM filing; and

WHEREAS, the Settlement Agreement resolves all issues between Atmos and ACSC ("the Signatories") regarding the 2010 RRM filing, which is currently pending before the ACSC Cities, in a manner that the Signatories believe is consistent with the public interest, and the Signatories represent diverse interests; and

WHEREAS, the Signatories believe that the resolution of the issues raised in the 2010 RRM filing can best be accomplished by each ACSC City approving this Settlement Agreement and the rates, terms and conditions reflected in the tariffs attached to this Settlement Agreement as Exhibit A;

NOW, THEREFORE, in consideration of the mutual agreements and covenants established herein, the Signatories, through their undersigned representatives, agree to the following Settlement Terms as a means of fully resolving all issues between the ACSC Cities and Atmos involving the 2010 RRM filing:

Settlement Terms

1. Upon the execution of this Settlement Agreement, Atmos and the counsel for the ACSC cities will recommend that an ordinance or resolution be adopted to approve this Settlement Agreement and implement the rates, terms and conditions reflected in the tariffs attached to this Settlement Agreement as Exhibit A. (Attachment A to the Ordinance ratifying this Agreement). Said tariffs should allow Atmos an additional, prospective $27 million in annual revenue by implementation of rates shown in the proof of revenues attached as Exhibit B. (Attachment B to the Ordinance ratifying this Agreement). The uniform implementation of gas rates, terms and conditions established by this Settlement Agreement shall be effective for bills rendered on or after October 1, 2010.

2. In an effort to streamline the regulatory review process, Atmos and ACSC have agreed to renew the Rate Review Mechanism ("Rider RRM") for a period commencing with the Company's April 1, 2011 filing under this mechanism for the calendar year 2010, effective August 15, 2011, and concluding upon the implementation of new, final rates established pursuant to the general rate case that Atmos will file on or before June 1, 2013. Rider RRM provides for an annual rate adjustment to reflect changes in billing determinants, operating and maintenance expense, depreciation expense, other taxes expense, and revenues as well as changes in capital investment and associated changes in gross revenue related taxes. The revised RRM tariff is included in Exhibit A.

3. Notwithstanding the RRM rate adjustments that will occur pursuant to paragraph 2 of this Settlement Agreement, Atmos and ACSC agree that on or before June 1, 2013, Atmos shall file a general, system-wide rate case for the Mid-Tex Division. During the pendency of the general rate case, Atmos and ACSC agree that rate adjustments associated with the RRM filing for calendar year 2011 shall be implemented on August 15, 2012, and shall remain in effect until the earlier of either the issuance of a final order by the Railroad Commission of Texas in the general rate case to be filed on or before June 1, 2013, or the entry of an agreed upon order resolving all issues involved in the general rate case. The adjustments made or requested in the 5th year RRM shall not be considered precedent during the general rate case.

4. Atmos and ACSC further agree that for the period commencing March 1, 2010 through September 30, 2012, Atmos will expand its existing steel service line replacement program to complete the replacement of 100,000 steel service lines within its Mid-Tex Division during this period. Atmos and ACSC agree that a risk-based approach should be adopted to allow replacement of the highest priority steel service lines within this time period. Atmos agrees to provide the ACSC cities with quarterly reports providing the number and location of the lines replaced during the quarter. Atmos agrees to coordinate with ACSC member cities to minimize disruption to cities' rights of way without compromising the safety of residents of the cities.

5. Atmos and ACSC agree that costs incurred to replace steel service lines prior to October 1, 2010 shall be included in the RRM rate adjustment calculation for the 2010 calendar year, and shall not be subject to or included in the rate cap limitations set forth in subsection IV (a)-(b) of the Rider RRM tariff.

6. Atmos and ACSC agree that the projected incremental direct costs incurred to replace steel service lines on or after October 1, 2010 shall be separately identified and shall not be subject to or included in the rate cap limitations set forth in subsection IV (a)-(b) of the Rider RRM tariff. Atmos and ACSC further agree that such projected direct incremental costs incurred to replace steel service lines after October 1, 2010, shall be separately calculated and recovered as a discrete component of customer charges in the Company's annual RRM filings as set forth below:

   a. Atmos and ACSC agree that Atmos shall be entitled to separately adjust rates for the Rate Effective Period as defined in the Rider RRM tariff to allow recovery of the projected annual revenue requirement associated with direct incremental costs to be incurred in connection with a steel service line replacement program, that are not otherwise included within the RRM cost of service, including a return on equity of 9.0% within the overall weighted cost of capital applied to net investment (net plant additions, less accumulated depreciation and accumulated deferred income taxes), depreciation expense and applicable taxes;

   b. Atmos and ACSC further agree that the capital structure used to calculate the steel service line replacement rate adjustment will be the actual Evaluation Period (as defined in the Rider RRM tariff) ratio of long-term debt and equity, with an equity percentage not to exceed 50%;

   c. Rate recovery associated with a steel service line replacement program shall occur through an adjustment to the Residential and Commercial customer charges. Current year recovery factors as of October 1, 2010 shall be $0.15 for residential customers and $0.41 for commercial customers. The rates will be adjusted annually, however, Atmos and ACSC agree that in no case will the per customer monthly cost recovery factors attributable to a steel service line replacement program exceed $0.44 for residential customers or $1.22 for commercial customers, either prior to or during the pendency of the general rate case Atmos will file on or before June 1, 2013.

   d. Atmos and ACSC further agree that any per customer amount attributable to cost recovery for a steel service line replacement program shall be subject to review by the regulatory authority in a subsequent Evaluation Period as defined in the Rider RRM tariff and all incremental costs associated with a steel service line replacement program shall be subject to a prudence/reasonableness review in the general rate case to be filed by Atmos on or before June 1, 2013.

7. With respect to the Company's annual RRM filings, Atmos agrees to pay all reasonable and necessary expenses of each entity having original jurisdiction that are incurred to review the Company's annual RRM filings. Atmos further agrees that in calculating the proposed rate for any Rate Effective Period, the Company shall not include: (1) any external legal, expert, or consultant costs to prepare and/or provide supportive information related to its filing; or (2) reimbursements to original jurisdiction entities.

8. Notwithstanding paragraph 7 of this Settlement Agreement, Atmos and ACSC agree that in the event of an appeal of an original jurisdiction entity's decision regarding a proposed RRM adjustment, recovery of rate case expenses shall be determined

according to Chapters 103 and 104, TEX. UTIL. CODE ANN. Further, in the event of such appeal(s), Atmos shall recover any reimbursement made to the original jurisdiction entity through a surcharge to all customer rates that are subject to the Commission's jurisdiction in that proceeding or proceedings that might be joined therewith, regardless of whether such reimbursements are made during the initial review period or appeal period.

9. The ACSC Cities agree that they will not challenge the legal basis of the rates, terms, and conditions reflected in Exhibit A, or any annual RRM adjustment that is implemented pursuant to Rider RRM.

10. Atmos and the ACSC Cities further agree that the express terms of the Rider RRM are supplemental to the filing, notice, regulatory review, or appellate procedural process of the ratemaking provisions of Chapter 104 of the Texas Utilities Code. If the statute requires a mandatory action on behalf of the municipal regulatory authority or Atmos, the parties will follow the provisions of such statute. If the statute allows discretion on behalf of the municipal regulatory authority, the ACSC Cities agree that they shall exercise such discretion in such a way as to implement the provisions of the RRM tariff. If Atmos appeals an action or inaction of an ACSC City regarding an RRM filing to the Railroad Commission, the ACSC Cities agree that they will not oppose the implementation of interim rates or advocate the imposition of a bond by Atmos consistent with the RRM tariff. Atmos agrees that it will make no filings on behalf of its Mid-Tex division under the provisions of TEX. UTIL. CODE ANN. § 104.301 while the Rider RRM is in place. In the event that a regulatory authority fails to act or enters an adverse decision regarding the proposed annual RRM adjustment, the Railroad Commission of Texas shall, pursuant to the provisions of the Texas Utilities Code, have exclusive appellate jurisdiction to review the action or inaction of the regulatory authority exercising exclusive original jurisdiction over the RRM request. In addition, the Signatories agree that this Settlement Agreement shall not be construed as a waiver of the ACSC Cities' right to initiate a show cause proceeding or the Company's right to file a Statement of Intent under the provisions of the Texas Utilities Code.

11. Atmos and ACSC further agree that the ordinance or resolution adopting this Settlement Agreement shall include a provision authorizing Atmos to establish regulatory asset account(s) for costs related to working gas in storage. Atmos and ACSC further agree that the language authorizing these regulatory asset account(s) shall be the same as that set forth in the 4th Ordering Paragraph (Page 10 of 11) of the Final Order Nunc Pro Tunc issued by Railroad Commission of Texas in GUD No. 9869 on February 23, 2010. This language states as follows:

> IT IS FURTHER ORDERED that Atmos shall be allowed to establish a regulatory asset for the ad valorem taxes related to working gas in storage. In addition, Atmos shall be allowed to establish a regulatory asset for (1) the costs associated with Accumulated Deferred Income Tax for UNICAP Section 263A, (2) the WACOG to FIFO change, and (3) an amount equal to the rate of return approved in this RRM Proceeding for the Accumulated Deferred Income Tax items related to working gas in storage. Atmos shall record these amounts in Other Regulatory Assets (Account 182.3). These deferred items shall be considered, along with the

investment in working gas, for consideration and possible inclusion in rates for Atmos Pipeline-Texas in that entity's next filed rate case. If the Commission determines that such deferred items are not properly included in the rates of Atmos Pipeline – Texas, the items shall be further deferred until the next Atmos Mid-Tex rate case filed after the final decision in the Atmos Pipeline-Texas rate case for inclusion with the working gas investment in the Atmos Mid-Tex rates.

12. Atmos and ACSC agree that each ACSC city should approve this Settlement Agreement and adopt an ordinance or resolution to implement for the ACSC Cities the rates, terms, and conditions reflected in the tariffs attached to this Settlement Agreement as Exhibit A, as well as the regulatory asset authorization language discussed in paragraph 12 of this Settlement Agreement.

13. The Signatories agree that the terms of the Settlement Agreement are interdependent and indivisible, and that if any ACSC city enters an order that is inconsistent with this Settlement Agreement, then any Signatory may withdraw without being deemed to have waived any procedural right or to have taken any substantive position on any fact or issue by virtue of that Signatory's entry into the Settlement Agreement or its subsequent withdrawal. If any ACSC city rejects this Settlement Agreement, then this Settlement Agreement shall be void *ab initio* and counsel for the ACSC Cities shall thereafter only take such actions as are in accordance with the Texas Disciplinary Rules of Professional Conduct.

14. The Signatories agree that all negotiations, discussions and conferences related to the Settlement Agreement are privileged, inadmissible, and not relevant to prove any issues associated with Atmos' 2010 RRM filing.

15. The Signatories agree that neither this Settlement Agreement nor any oral or written statements made during the course of settlement negotiations may be used for any purpose other than as necessary to support the entry by the ACSC Cities of an ordinance or resolution implementing this Settlement Agreement.

16. The Signatories agree that this Settlement Agreement is binding on each Signatory only for the purpose of settling the issues set forth herein and for no other purposes, and, except to the extent the Settlement Agreement governs a Signatory's rights and obligations for future periods, this Settlement Agreement shall not be binding or precedential upon a Signatory outside this proceeding.

17. The Signatories agree that this Settlement Agreement may be executed in multiple counterparts and may be filed with facsimile signatures.

Agreed to this ___ day of August, 2010.

ATMOS ENERGY CORP., MID-TEX DIVISION

By: ______________________________
John A. Paris
President, Mid-Tex Division

Agreed to this ______ day of August 2010.

ATTORNEY FOR ATMOS TEXAS MUNICIPALITIES, WHOSE MEMBERS INCLUDE THE CITIES OF ABILENE, ADDISON, ALLEN, ALVARADO, ANGUS, ANNA, ARGYLE, ARLINGTON, BEDFORD, BELLMEAD, BENBROOK, BEVERLY HILLS, BLOSSOM, BLUE RIDGE, BOWIE, BOYD, BRIDGEPORT, BROWNWOOD, BUFFALO, BURKBURNETT, BURLESON, CADDO MILLS, CARROLLTON, CEDAR HILL, CELESTE, CELINA, CISCO, CLEBURNE, CLYDE, COLLEGE STATION, COLLEYVILLE, COLORADO CITY, COMANCHE, COOLIDGE, COPPELL, CORINTH, CORRAL CITY, CRANDALL, CROWLEY, DALWORTHINGTON GARDENS, DENISON, DESOTO, DUNCANVILLE, EASTLAND, EDGECLIFF VILLAGE, EMORY, ENNIS, EULESS, EVERMAN, FAIRVIEW, FARMERS BRANCH, FARMERSVILLE, FATE, FLOWER MOUND, FOREST HILL, FORT WORTH, FRISCO, FROST, GAINESVILLE, GARLAND, GARRETT, GRAND PRAIRIE, GRAPEVINE, HALTOM CITY, HARKER HEIGHTS, HASKELL, HEWITT, HIGHLAND PARK, HIGHLAND VILLAGE, HONEY GROVE, HURST, IOWA PARK, IRVING, JUSTIN, KAUFMAN, KEENE, KELLER, KEMP, KENNEDALE, KERRVILLE, KILLEEN, KRUM, LAKESIDE, LAKE WORTH, LANCASTER, LEWISVILLE, LINCOLN PARK, LITTLE ELM, LORENA, MALAKOFF, MANSFIELD, MCKINNEY, MELISSA, MESQUITE, MIDLOTHIAN, MURPHY, NOCONA, NORTH RICHLAND HILLS, NORTHLAKE, OAKLEAF, OVILLA, PALESTINE, PANTEGO, PARIS, PARKER, PECAN HILL, PLANO, PONDER, POTTSBORO, PROSPER, QUITMAN, RED OAK, RENO (PARKER COUNTY), RICHARDSON, RICHLAND, RICHLAND HILLS, ROANOKE, ROBINSON, ROCKWALL, ROSCOE, ROWLETT, SACHSE, SAGINAW, SEAGOVILLE, SHERMAN, SNYDER, SOUTHLAKE, SPRINGTOWN, STAMFORD, STEPHENVILLE, SULPHUR SPRINGS, SWEETWATER, TEMPLE, TERRELL, THE COLONY, TYLER, UNIVERSITY PARK, VENUS, VERNON, WACO, WATAUGA, WAXAHACHIE, WESTLAKE, WHITESBORO, WHITE SETTLEMENT, WICHITA FALLS, WOODWAY, AND WYLIE

By: ______________________________
Geoffrey Gay*

* Subject to approval by ACSC City Councils

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 9-7-2010

Subject: Agenda Item No. B.5

INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 5668
Amending Chapter 8 of the Code of Ordinances, entitled "Offenses and Nuisances", to Provide for a New Article 8.04 to be entitled "Offenses Involving Public Health and Safety", to Prohibit the Use, Purchase, Possession, and Sale of the Synthetic Cannabinoid Known or Sold under Such Names as "SPICE", "GENIE", "DaSCENTS", "ZOHAI", "SAGE", "K-2", "KO KNOCK-OUT 2", and "K-4" for Public Health Purposes; Providing for a Penalty of Fine Not to Exceed Two Thousand Dollars ($2,000.00); Providing for an Effective Date

Issue
The local prohibition of synthetic cannabinoids, substances that are not yet regulated by state or federal law, are sold over the counter, and exhibit intoxicating effects similar to Tetrahydrocannabinol ("THC") or marijuana when ingested

Background
K-2 and dozens of other currently legal "herbal incense" products were created in a chemist's lab in the mid 1990s for experimental use in animals and cell cultures, not in humans. They are spiked with synthetic substances (cannabinoids) that are effectively the same as those found in marijuana, but they don't show up in drug tests. Synthetic cannabinoids have not been tested by the Federal Government and are not currently regulated. However, it has been found that there is no consistency in the production and packaging of these products. Consequently, even the same brand of one of these products may have different drugs, in different amounts, at different times. Since the synthetic cannabinoids are very powerful, even a small increase in dose can have much more powerful side effects. With the lack of regulation of these products, there's no way to know the true dosage of a drug that a person is getting. No drug is safe if you don't know what it is and how much of it you're taking.

Origination
City Attorney and Police Chief

Financial Consideration
There is no financial impact for this agenda item.

Staff Recommendation
The staff recommends the adoption of the proposed ordinance to prohibit the use, purchase, possession and sale of the harmful substances.

Alternatives
Due to the potential for harm to our citizens, no alternatives are suggested.

Attachments
Ordinance No. 5668

Prepared by:
Brandon S. Shelby, City Attorney
Tom Watt, Police Chief

Approved by:
George Olson, City Manager

ORDINANCE NO. 5668

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING CHAPTER 8 OF THE CODE OF ORDINANCES, ENTITLED "OFFENSES AND NUISANCES", TO PROVIDE FOR A NEW ARTICLE 8.04 TO BE ENTITLED "OFFENSES INVOLVING PUBLIC HEALTH AND SAFETY", TO PROHIBIT THE USE, PURCHASE, POSSESSION, AND SALE OF THE SYNTHETIC CANNABINOID KNOWN OR SOLD UNDER SUCH NAMES AS "SPICE", "GENIE", "DASCENTS", "ZOHAI", "SAGE", "K-2", "KO KNOCK-OUT 2", AND "K-4" FOR PUBLIC HEALTH PURPOSES; PROVIDING FOR A PENALTY OR FINE NOT TO EXCEED TWO THOUSAND DOLLARS ($2,000.00); PROVIDING FOR AN EFFECTIVE DATE; 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.

WHEREAS, the City Council of the City of Sherman, Texas has determined that certain businesses within the City may be selling certain substances that, when ingested, produce intoxicating effects similar to Tetrahydrocannabinol ("THC") or marijuana; and

WHEREAS, the substances identified above are considered to be generally described as synthetic cannabinoids of salvia divinorum distributed, sold and marketed under such names as "K-2", "K-2 SUMMET", "K-2 SEX", "K-4", "GENIE", "DaSCENTS", "ZOHAI", "SAGE", "SPICE", "KO KNOCK-OUT 2", "SPICE GOLD", "SPICE DIAMOND", "YUCATAN FIRE", "SOLAR FLARE", "PEP SPICE", "FIRE N' ICE", AND "SALVIA DIVINORUM"; and

WHEREAS, the substances described above are not yet categorized as illegal controlled substances under state or federal law; and

WHEREAS, the substances described above may be marketed as incense but are commonly being used as an alternative to marijuana, which is an identified and documented controlled substance, the sale and use of which is prohibited under the laws of the State of Texas and the United States; and

WHEREAS, the synthetic cannabinoid substances identified above may be presented under a variety of street names but share common ingredients including JWH-018 and JWH-073; and

WHEREAS, salvia divinorum contains the ingredient known as Salvinorin A; and

WHEREAS, these unregulated synthetic cannabinoids and salvia divinorum produce a very potent, intoxicating effect which is estimated by the medical community to produce effects ranging from three to one hundred times greater and more potent than THC, the active ingredient in marijuana; and

WHEREAS, the substances identified above manifest all of the demonstrated attributes of substances that deprive individuals of judgment, coordination and the ability to conduct themselves in a safe and appropriate manner in modern society; and

WHEREAS, the available medical and law enforcement information on these products indicates that individuals under the effects of these substances may be a clear and present danger to themselves and others; further the long term effects of these substances are not yet known; and

WHEREAS, it is anticipated that the Texas Legislature will consider appropriate regulation of these type of commodities in its upcoming legislative session, but that it is essential for the municipality to impose some type of reasonable restriction until a state wide regulatory system may be properly implemented; and

WHEREAS, it has been determined that the effects of these substances are a health concern to the citizens of the City of Sherman; and

WHEREAS, the City Council of the City of Sherman, Texas, has determined that it is in the best interest of the public health, safety and welfare to immediately address the health concerns to the citizens of the City of Sherman by adopting a local ordinance prohibiting the substances identified above;

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, Chapter 8 of the Code of Ordinances, entitled "Offenses and Nuisances", be and is hereby amended to provide for a new Article 8.04 to be entitled "Offenses Involving Public Health and Safety", such Article to read as follows:

ARTICLE 8.04 OFFENSES INVOLVING PUBLIC HEALTH AND SAFETY

Division 1. Illegal Smoking Products

Sec. 8.04.001 Purpose

The purpose of this article is to prohibit the use, possession, sale, ingestion or smoking of illegal smoking products and ingestion devices hereinafter defined within the city limits of the City of Sherman, Texas.

Sec. 8.04.002 Definitions

(a) "Person" shall mean an individual, corporation, partnership, wholesaler, retailer or any licensed or unlicensed business.

(b) "Illegal Smoking Product" shall mean any substance, whether described as tobacco, herbs, incense, spice or any blend thereof, regardless of whether the substance is marketed for the purpose of being smoked, which includes any one or more of the following chemicals:

(1) Salviadivinorum or salvinorum A; all parts of the plant presently classified botanically as salvia divinorum, whether growing or not, the seeds thereof, any extract from any part of such plant, and every compound, manufacture, salts derivative, mixture or preparation of such plant, its seeds or extracts;

(2) 2-[(1R, 3S)–3–hydroxycyclohexyl}–5–(2–methylocatan–2–yl) phenol (also known as CP47, 497) and homologues;

(3) (6aS, 10aS)-9-(hydroxmethyl)-6, 6-dimethyl-3-(2-methyloctan-2-yl)-6a, 7, 10, 10a-tetrahydrobenzo [c] chormen-1-o1) (also known as HU-211 or Dexanabinol);

(4) 1-Pentyl-3-(1-naphthoyl) indole (also known as JWH-018); or

(5) Butyl-3-(1-naphthoyl) indole (also known as JWH-073).

(c) "Ingestion Device" shall mean equipment, a product or material that is used or intended for use in ingesting, inhaling, or otherwise introducing an illegal smoking product into the human body, including:

(1) a metal, wooden, acrylic, glass, stone, plastic, or ceramic pipe with or without a screen, permanent screen, hashish head, or punctured metal bowl;

(2) a water pipe;

(3) a carburetion tube or device;

(4) a smoking or carburetion mask;

(5) a chamber pipe;

(6) a carburetor pipe;

(7) an electric pipe;

(8) an air-driven pipe;

(9) a chillum;

(10) a bong; or

(11) an ice pipe or chiller.

Sec. 8.04.003 Sell, Offer, Gift, Display or Possession

It shall be unlawful for any person to use, possess, purchase, barter, give, publicly display, sell or offer for sale any illegal smoking product.

Sec. 8.04.004 Use or Possession of Ingestion Devices

It shall be unlawful for any person to use or possess with intent to use an ingestion device to inject, ingest, inhale or otherwise introduce into the human body an illegal smoking product.

Sec. 8.04.005 Defense

It shall be a defense to a violation of this article that any act described in this article is under and pursuant to the direction and prescription of a licensed physician or dentist authorized to direct or prescribe such act.

SECTION 2. That any person, firm or corporation violating any of the provisions or terms of this ordinance, or of the Code of Ordinances as amended hereby, shall be subject to the same penalty as provided for in the Code of Ordinances of the City of Sherman, as previously amended, and upon conviction shall be punished by a fine not to exceed the sum of Two Thousand Dollars ($2,000.00) for each offense.

SECTION 3. That this ordinance shall take effect immediately from and after its passage and publication of the caption as required by law.

SECTION 4. That an offense committed before the effective date of this ordinance is governed by prior law and the provisions of the Code of Ordinances of the City of Sherman, as amended, in effect when the offense was committed and the former law is continued in effect for this purpose.

SECTION 5. 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 6. 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 7. That all ordinances or parts of ordinances in conflict with the provisions of this ordinance are hereby repealed.

SECTION 8. 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 _________________, 2010.

ADOPTED on this the ________________ day of _________________, 2010.

EFFECTIVE DATE on this the _________ day of _________________, 2010.

CITY OF SHERMAN, TEXAS

BY: ______________________________
BILL MAGERS, MAYOR

ATTEST:

BY: ______________________________
LINDA ASHBY, CITY CLERK

APPROVED AS TO FORM
AND CONTENT:

BY: ______________________________
BRANDON S. SHELBY,
CITY ATTORNEY

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 9-7-2010

Subject: Agenda Item No. B.6

INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 5669
Amending Chapter 3, entitled "Building Regulations", at Article 3.12, entitled "Flood Damage Prevention", to Adopt New Federal Emergency Management Agency Regulations; Providing for Penalties

Issue
Adoption of the Federal Emergency Management Agency's (FEMA) updated floodplain management regulations and updated flood insurance study and maps.

Background
FEMA has provided the City with an updated flood study and flood insurance rate maps dated September 29, 2010. The City must formally adopt the revised study, maps, and regulations, as a condition of participation in the National Flood Insurance program.

Origination
Department of Engineering

Financial Consideration
None

Staff Recommendation
It is recommended that the revised study, maps, and regulations be formally adopted.

Alternatives
As may be directed by the City Council

Attachments
FEMA Notification dated March 29, 2010
Ordinance No. 5669

Prepared by:
Mark Gibson, Engineering & Public Works Director

Approved by:
George Olson, City Manager

Federal Emergency Management Agency

Washington, D.C. 20472

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

IN REPLY REFER TO:
19P-N

March 29, 2010

The Honorable Bill Majors
Mayor, City of Sherman
P.O. Box 1106
Sherman, Texas 75091

Community: City of Sherman, Texas
Community No.: 485509
Map Panels Affected: See FIRM Index

Dear Mayor Majors:

This is to formally notify you of the final flood hazard determination for your community in compliance with Title 44, Chapter I, Part 67, Code of Federal Regulations. On July 17, 1995, the Department of Homeland Security's Federal Emergency Management Agency (FEMA) issued a Flood Insurance Rate Map (FIRM) that identified the Special Flood Hazard Areas (SFHAs) the areas subject to inundation by the base (1-percent-annual-chance) flood in the City of Sherman, Grayson County, Texas. Recently, FEMA completed a re-evaluation of flood hazards in your community. On September 30, 2008, FEMA provided you with Preliminary copies of the Flood Insurance Study (FIS) report and FIRM that identify existing flood hazards in your community.

FEMA has not received any comments on the Preliminary copies of the FIS report and FIRM. Accordingly, the FIS report and FIRM for your community will become effective on September 29, 2010. Before the effective date, FEMA will send you final printed copies of the FIS report and FIRM.

Because the FIS for your community has been completed, certain additional requirements must be met under Section 1361 of the National Flood Insurance Act of 1968, as amended, within 6 months from the date of this letter. Prior to September 29, 2010, your community is required, as a condition of continued eligibility in the National Flood Insurance Program (NFIP), to adopt or show evidence of adoption of floodplain management regulations that meet the standards of Paragraph 60.3(d) of the NFIP regulations (44 CFR 59, etc.). These standards are the minimum requirements and do not supersede any State or local requirements of a more stringent nature.

It must be emphasized that all the standards specified in Paragraph 60.3(d) of the NFIP regulations must be enacted in a legally enforceable document. This includes adoption of the current effective FIS report and FIRM to which the regulations apply and the other modifications made by this map revision. Some of the standards should already have been enacted by your community in order to establish eligibility in the NFIP. Any additional requirements can be met by taking one of the following actions:

1. Amending existing regulations to incorporate any additional requirements of Paragraph 60.3(d);

2. Adopting all the standards of Paragraph 60.3(d) into one new, comprehensive set of regulations; or

3. Showing evidence that regulations have previously been adopted that meet or exceed the minimum requirements of Paragraph 60.3(d).

Communities that fail to enact the necessary floodplain management regulations will be suspended from participation in the NFIP and subject to the prohibitions contained in Section 202(a) of the Flood Disaster Protection Act of 1973 as amended.

In addition to your community using the FIS report and FIRM to manage development in the floodplain, FEMA will use the FIS report to establish appropriate flood insurance rates. On the effective date of the revised FIRM, actuarial rates for flood insurance will be charged for all new structures and substantial improvements to existing structures located in the identified SFHAs. These rates may be higher if structures are not built in compliance with the floodplain management standards of the NFIP. The actuarial flood insurance rates increase as the lowest elevations (including basement) of new structures decrease in relation to the Base Flood Elevations established for your community. This is an important consideration for new construction because building at a higher elevation can greatly reduce the cost of flood insurance.

To assist your community in maintaining the FIRM, we have enclosed a Summary of Map Actions to document previous Letter of Map Change (LOMC) actions (i.e., Letters of Map Amendment, Letters of Map Revision) that will be superseded when the revised FIRM panels referenced above become effective. Information on LOMCs is presented in the following four categories: (1) LOMCs for which results have been included on the revised FIRM panels; (2) LOMCs for which results could not be shown on the revised FIRM panels because of scale limitations or because the LOMC issued had determined that the lots or structures involved were outside the SFHA as shown on the FIRM; (3) LOMCs for which results have not been included on the revised FIRM panels because the flood hazard information on which the original determinations were based is being superseded by new flood hazard information; and (4) LOMCs issued for multiple lots or structures where the determination for one or more of the lots or structures cannot be revalidated through an administrative process like the LOMCs in Category 2 above. LOMCs in Category 2 will be revalidated through a single letter that reaffirms the validity of a previously issued LOMC; the letter will be sent to your community shortly before the effective date of the revised FIRM and will become effective 1 day after the revised FIRM becomes effective. For the LOMCs listed in Category 4, we will review the data previously submitted for the LOMA or LOMR request and issue a new determination for the affected properties after the revised FIRM becomes effective.

The FIRM and FIS report for your community have been prepared in our countywide format, which means that flood hazard information for all jurisdictions within Grayson County has been combined into one FIRM and FIS report. When the FIRM and FIS report are printed and distributed, your community will receive only those panels that present flood hazard information for your community. We will provide complete sets of the FIRM panels to county officials, where they will be available for review by your community.

The FIRM panels have been computer-generated. Once the FIRM and FIS report are printed and distributed, the digital files containing the flood hazard data for the entire county can be provided to your community for use in a computer mapping system. These files can be used in conjunction with other thematic data for floodplain management purposes, insurance purchase and rating requirements, and many other planning applications. Copies of the digital files or paper copies of the FIRM panels may be obtained by calling our Map Service Center, toll free, at 1-800-358-9616. In addition, your community may be eligible for additional credits under our Community Rating System if you implement your activities using digital mapping files.

If your community is encountering difficulties in enacting the necessary floodplain management measures, we urge you to call Frank Pagano, Director, Federal Insurance and Mitigation Division of FEMA in Denton, Texas, at (940) 898-5127, for assistance. If you have any questions concerning mapping issues in general or the enclosed Summary of Map Actions, please call our Map Assistance Center, toll free, at 1-877-FEMA MAP (1-877-336-2627). Additional information and resources your community may find helpful regarding the NFIP and floodplain management, such as *The National Flood Insurance Program Code of Federal Regulations*, *Answers to Questions About the National Flood Insurance Program*, *Frequently Asked Questions Regarding the Effects that Revised Flood Hazards have on Existing Structure*, *Use of Flood Insurance Study (FIS) Data as Available Data,* and *National Flood Insurance Program Elevation Certificate and Instructions,* can be found on our website at http://www.floodmaps.fema.gov/lfd. Paper copies of these documents may also be obtained by calling our Map Assistance Center.

Sincerely,

Kevin C. Long

Kevin C. Long, Acting Chief
Engineering Management Branch
Mitigation Directorate

Enclosure:
Final Summary of Map Actions

cc: Community Map Repository

Jerry Pace
Floodplain Administrator, City of Sherman

ORDINANCE NO. 5669

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING CHAPTER 3, ENTITLED "BUILDING REGULATIONS", AT ARTICLE 3.12, ENTITLED "FLOOD DAMAGE PREVENTION", TO ADOPT NEW FEDERAL EMERGENCY MANAGEMENT AGENCY REGULATIONS; PROVIDING FOR PENALTIES; 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.

WHEREAS, the Department of Homeland Security's Federal Emergency Management Agency ("FEMA") has completed its re-evaluation of the flood hazards within the City of Sherman, Texas; and

WHEREAS, as a result of FEMA's re-evaluation of Sherman's flood hazards, a new Flood Insurance Study (FIS), FIS report, and Flood Insurance Rate Maps (FIRM) have been produced; and

WHEREAS, the FIS report and FIRM will become effective on September 29, 2010; and

WHEREAS, prior to that date, the City of Sherman is required, as a condition of continued eligibility in the National Flood Insurance Program (NFIP) to adopt or show evidence of adoption of floodplain management regulations that meet the minimum standards of NFIP regulations, including adoption of the current effective FIS report and FIRM; and

WHEREAS, failure to enact the necessary floodplain management regulations could result in Sherman's suspension from participation in the NFIP and subject the community to prohibitions; and

WHEREAS, benefits of adopting the new FIS, FIS report and FIRM include FEMA's establishment of appropriate flood insurance rates, the accessibility of Sherman's flood hazard data for our computer mapping system, and the availability for use in conjunction with other thematic data for floodplain management purposes, insurance purchase and rating requirements, and many other planning applications; and

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

SECTION 1. That Chapter 3, Article 3.12 of the Code of Ordinances of the City of Sherman, Texas, entitled "Flood Damage Prevention", be and is hereby amended so that such Article shall read as follows:

ARTICLE 3.12 FLOOD DAMAGE PREVENTION

Division 1. Generally

Sec. 3.12.001 Statutory authorization

The legislature of the state *of Texas* has, in ~~section 401.003 of the Local Government Code~~ *the Flood Control Insurance Act, Texas Water Code, Section 16.315*, delegated the responsibility of local governmental units to adopt regulations designed to minimize flood losses. Therefore, the ~~city council~~ *City of Sherman, Texas,* does ordain as follows.

Sec. 3.12.002 Findings of fact

(a) The flood hazard areas of the city are subject to periodic inundation which results in loss of life and property, health and safety hazards, disruption of commerce and governmental services, and extraordinary public expenditures for flood protection and relief, all of which adversely affect the public health, safety and general welfare.

(b) These flood losses are created by the cumulative effect of obstructions in floodplains which cause an increase in flood heights and velocities, and by the occupancy of flood hazard areas by uses vulnerable to floods and hazardous to other lands because they are inadequately elevated, floodproofed or otherwise protected from flood damage.

Sec. 3.12.003 Statement of purpose

It is the purpose of this article to promote the public health, safety and general welfare and to minimize public and private losses due to flood conditions in specific areas by provisions designed to:

(1) Protect human life and health;

(2) Minimize expenditure of public money for costly flood control projects;

(3) Minimize the need for rescue and relief efforts associated with flooding and generally undertaken at the expense of the general public;

(4) Minimize prolonged business interruptions;

(5) Minimize damage to public facilities and utilities such as water and gas mains, electric, telephone and sewer lines, streets and bridges located in floodplains;

(6) Help maintain a stable *tax* base by providing for the sound use and development of floodprone areas in such a manner as to minimize future flood blight areas; and

(7) Insure that potential buyers are notified that property is in a flood area.

Sec. 3.12.004 Methods of reducing flood losses

In order to accomplish its purposes, this article uses the following methods:

(1) Restrict or prohibit uses that are dangerous to health, safety or property in times of flood, or cause excessive increases in flood heights or velocities;

(2) Require that uses vulnerable to floods, including facilities which serve such uses, be protected against flood damage at the time of initial construction;

(3) Control the alteration of natural floodplains, stream channels, and natural protective barriers, which are involved in the accommodation of floodwaters;

(4) Control filling, grading, dredging and other development which may increase flood damage;

(5) Prevent or regulate the construction of flood barriers which will unnaturally divert floodwaters or which may increase flood hazards to other lands.

Sec. 3.12.005 Definitions

Unless specifically defined below, words or phrases used in this article shall be interpreted to give them the meaning they have in common usage and to give this article its most reasonable application.

Alluvial fan flooding~~. Flooding~~ – *means flooding* occurring on the surface of an alluvial fan or similar landform which originates at the apex and is characterized by high-velocity flows; active processes of erosion, sediment transport, and deposition; and unpredictable flow paths.

Apex~~. A~~ – *means a* point on an alluvial fan or similar landform below which the flow path of the major stream that formed the fan becomes unpredictable and alluvial fan flooding can occur.

Appeal~~. A~~ – *means a* request for a review of the ~~director of urban affairs'~~ *Floodplain Administrator's* interpretation of any provision of this article or ~~a~~ request for ~~a~~ variance.

Appurtenant structure – means a structure which is on the same parcel of property as the principal structure to be insured and the use of which is incidental to the use of the principal structure.

Area of future conditions flood hazard – means the land area that would be inundated by the 1-percent-annual change (100 year) flood based on future conditions hydrology.

Area of shallow flooding~~. A~~ *means a* designated AO, AH, *AR/AO*, *AR/AH*, or VO zone on a community's flood insurance rate map (FIRM) with a one-percent ~~chance~~ or greater annual chance of flooding to an average depth of one (1) to three (3) feet where a clearly defined channel does not exist, where the path of flooding is unpredictable~~,~~ and where velocity flow may be evident. Such flooding is characterized by ponding or sheet flow.

Area of special flood hazard~~. The~~ *is the* land in the floodplain within a community subject to a one-percent or greater chance of flooding in any given year. The area may be designated as zone A on the flood hazard boundary map (FHBM). After detailed ratemaking has been completed in preparation for publication of the FIRM, zone A usually is refined into ~~zone A, AE, AH, AO, A1-99, VO, V1-30, VE or V~~ *zones A, AO, AH, A1-30, AE, A99, AR, AR/A1-30, AR/AE, AR/AO, AR/AH, AR/A, VO, V1-30, VE or V*.

Base flood~~. The~~ – *means the* flood having a one-percent chance of being equaled or exceeded in any given year.

Base flood elevation (BFE) – the elevation shown on the flood insurance rate map (FIRM) and found in the accompanying flood insurance study (FIS) for zones A, AE, AH, A1-A30, AR, V1-V30, or VE that indicates the water surface elevation resulting from the flood that has a one-percent (1%) chance of equaling or exceeding that level in any given year - also called the Base Flood.

Basement~~. Any~~ – *means any* area of the building having its floor subgrade (below ground level) on all sides.

Breakaway wall – means a wall that is not part of the structural support of the building and is intended through its design and construction to collapse under specific lateral loading forces, without causing damage to the elevated portion of the building or supporting foundation system.

Critical feature~~. An~~ – *means an* integral and readily identifiable part of a flood protection system without which the flood protection provided by the entire system would be compromised.

Development~~. Any~~ – *means any* manmade change ~~in~~ *to* improved and unimproved real estate, including but not limited to buildings or other structures, mining, dredging, filling, grading, paving, excavation or drilling operations or storage of equipment or materials.

Elevated building~~. A nonbasement building:~~ – *means, for insurance purposes, a non-basement building which has as its lowest elevated flood, raised above ground level by foundation walls, shear walls, posts, piers, pilings, or columns.*

~~(1) Built, in the case of a building in zones Al-30, AE, A, A99, AO, AH, B, C, X and D, to have the top of the elevated floor, or in the case of a building in zone V1-30, VE or V, to have the bottom of the lowest horizontal structure member of the elevated floor elevated above the ground level by means of pilings, columns (posts and piers), or shear walls parallel to the flow of the water; and~~

~~(2) Adequately anchored so as not to impair the structural integrity of the building during a flood of up to the magnitude of the base flood.~~

~~In the case of zones Al-30, AE, A, A99, AO, AH, B, C, X and D, “elevated building” also includes a building elevated by means of fill or solid foundation perimeter walls with openings sufficient to facilitate the unimpeded movement of floodwaters. In the case of one V1-30, VE or~~

~~V, “elevated building” also includes a building otherwise meeting the definition of “elevated building,” even though the lower area is enclosed by means of breakaway walls if the breakaway walls meet the standards of section 60.3(e)(5) of the National Flood Insurance Program regulations.~~

Existing construction~~. For~~ – *means for* the purposes of determining rates, structures for which the “start of construction” commenced before the effective date of the FIRM or before January 1, 1975, for FIRMs effective before that date. “Existing construction” may also be referred to as “existing structures.”

Existing manufactured home park or subdivision~~. A~~ – *means a* manufactured home park or subdivision for which the construction of facilities for servicing the lots on which the manufactured homes are to be affixed (including, at a minimum, the installation of utilities, the construction of streets, and either final site grading or the pouring of concrete pads) is completed before the effective date of the floodplain management regulations adopted by a community.

Expansion to an existing manufactured home park or subdivision~~. The~~ – *means the* preparation of additional sites by the construction of facilities for servicing the lots on which the manufactured homes are to be affixed (including the installation of utilities, the construction of streets, and either final site grading or the pouring of concrete pads).

Flood or flooding~~.~~ A – *means a* general and temporary condition of partial or complete inundation of normally dry land areas from:

(1) The overflow of inland or tidal waters; or

(2) The unusual and rapid accumulation or runoff of surface waters from any source.

Flood elevation study – means an examination, evaluation and determination of flood hazards and, if appropriate, corresponding water surface elevations, or an examination, evaluation and determination of mudslide (i.e., mudflow) and/or flood-related erosion hazards.

~~Flood hazard boundary map (FHBM). An unofficial map of a community, issued by the Federal Insurance Administration, where the areas within the boundaries of special flood hazard have been designated as zone A.~~

Flood insurance rate map (FIRM)~~. An~~ – *means an* official map of a community, on which the Federal Emergency Management Agency has delineated both the ~~areas of~~ special flood ~~hazards~~ *hazard areas* and the risk premium zones applicable to the community.

Flood insurance study~~. The~~ – *means the* official report provided by the Federal Emergency Management Agency. The report contains flood profiles, water surface elevation of the base flood, as well as the flood boundary-floodway map.

Floodplain or floodprone area~~. Any~~ – *means any* land area susceptible to being inundated by water from any source (see definition of flooding).

Floodplain management~~. The~~ – *means the* operation of an overall program of corrective and preventative measures for reducing flood damage, including, but not limited to, emergency preparedness plans, flood control works and floodplain management regulations.

Floodplain management regulations~~. Zoning~~ – *means zoning* ordinances, subdivision regulations, building codes, health regulations, special purpose ordinances (such as *a* floodplain ordinance, grading ordinance and erosion control ordinance) and other applications of police power. The term describes such state or local regulations, in any combination thereof, which provide standards for the purpose of flood damage prevention and reduction.

Flood protection system~~. Those~~ – *means those* physical structural works for which funds have been authorized, appropriated, and expended and which have been constructed specifically to modify flooding in order to reduce the extent of the areas within a community subject to a "special flood hazard" and the extent of the depths of associated flooding. Such a system typically includes hurricane tidal barriers, dams, reservoirs, levees or dikes. These specialized flood modifying works are those constructed in conformance with sound engineering standards.

Floodproofing~~. Any~~ – *means any* combination of structural and nonstructural additions, changes, or adjustments to structures which reduce or eliminate flood damage to real estate or improved real property, water and sanitary facilities, structures and their contents.

~~Floodway (regulatory floodway). The channel of a river or other watercourse and the adjacent land areas that must be reserved in order to discharge the base flood without cumulatively increasing the water surface elevation more than a designated height.~~

Floodway – see Regulatory floodway.

Functionally dependent use~~. A~~ – *means a* use which cannot perform its intended purpose unless it is located or carried out in close proximity to water. The term includes only docking facilities, port facilities that are necessary for the loading and unloading of cargo or passengers, and shipbuilding and ship repair facilities, but does not include long-term storage or related manufacturing facilities.

Highest adjacent grade~~. The~~ – *means the* highest natural elevation of the ground surface, prior to construction, next to the proposed walls of a structure.

Historic structure~~. Any~~ – *means any* structure that is:

(1) Listed individually in the National Register of Historic Places (a listing maintained by the Department of the Interior) or preliminarily determined by the Secretary of the Interior as meeting the requirements for individual listing on the National Register;

(2) Certified or preliminarily determined by the Secretary of the Interior as contributing to the historical significance of a registered historic district or a district preliminarily determined by the Secretary to qualify as a registered historic district;

(3) Individually listed on a state inventory of historic places in states with historic preservation programs which have been approved by the Secretary of the Interior; or

(4) Individually listed on a local inventory of historic places in communities with historic preservation programs that have been certified either:

(A) By an approved state program as determined by the Secretary of the Interior; or

(B) Directly by the Secretary of the Interior in states without approved programs.

Levee~~. A~~ – *means a* manmade structure, usually an earthen embankment, designed and constructed in accordance with sound engineering practices to contain, control, or divert the flow of water so as to provide protection from temporary flooding.

Levee system~~. A~~ – *means a* flood protection system which consists of a levee, or levees, and associated structures, such as closure and drainage devices, which are constructed and operated in accordance with sound engineering practices.

Lowest floor~~. The~~ – *means the* lowest floor of the lowest enclosed area (including basement). An unfinished or flood-resistant enclosure usable solely for parking of vehicles, building access or storage in an area other than a basement area is not considered a building's lowest floor, provided that such enclosure is not built so as to render the structure in violation of the applicable nonelevation design requirement of section 60.3 of the National Flood Insurance Program regulations.

Manufactured home~~. A~~ – *means a* structure transportable in one (1) or more sections, which is built on a permanent chassis and is designed for use with or without *a* permanent foundation when connected to the required utilities. The term "manufactured home" does not include a "recreational vehicle."

Manufactured home park or subdivision~~. A~~ – *means a* parcel (or contiguous parcels) of land divided into two (2) or more manufactured home lots for rent or sale.

Mean sea level~~. For~~ – *means, for* purposes of the National Flood Insurance Program, the ~~National Geodetic Vertical Datum (NGVD) of 1929~~ *North American Vertical Datum (NAVD) of 1988* or other datum, to which base flood elevations shown on a community's flood insurance rate map are referenced.

New construction~~. For~~ – *means, for* the purpose of determining insurance rates, structures for which the "start of construction" commenced on or after the effective date of an initial FIRM or after December 31, 1974, whichever is later, and includes any subsequent improvements to such structures. For floodplain management purposes, "new construction" means structures for which the "start of construction" commenced on or after the effective date of a floodplain management regulation adopted by a community and includes any subsequent improvements to such structures.

New manufactured home park or subdivision~~. A~~ – *means a* manufactured home park or subdivision for which the construction of facilities for servicing the lots on which the manufactured homes are to be affixed (including, at a minimum, the installation of utilities, the construction of streets, and either final site grading or the pouring of concrete pads) is completed on or after the effective date of floodplain management regulations adopted by a community.

Recreational vehicle~~. A~~ – *means a* vehicle which is:

(1) Built on a single chassis;

(2) Four hundred (400) square feet or less when measured at the largest horizontal projections;

(3) Designed to be self-propelled or permanently towable by a light duty truck; and

(4) Designed primarily not for use as a permanent dwelling but as temporary living quarters for recreational, camping, travel or seasonal use.

Regulatory floodway – means the channel of a river or other watercourse and the adjacent land areas that must be reserved in order to discharge the base flood without cumulatively increasing the water surface elevation more than a designated height.

Riverine – means relating to, formed by, or resembling a river (including tributaries), stream, brook, etc.

Special flood hazard area – see Area of special flood hazard.

Start of construction~~. For~~ – *for* other than new construction or substantial improvements under the Coastal Barrier Resources Act (Public Law 97-348), includes substantial improvement and means the date the building permit was issued, provided the actual start of construction, repair, reconstruction, rehabilitation, addition, placement or other improvement was within one hundred eighty (180) days of the permit date. The actual start means either the first placement of permanent construction of a structure on a site, such as the pouring of slab or footings, the installation of piles, the construction of columns or any work beyond the stage of excavation, or the placement of a manufactured home on a foundation. Permanent construction does not include land preparation such as clearing, grading and filling; nor does it include the installation of streets and/or walkways; nor does it include excavation for basement, footings, piers or foundations or the erection of temporary forms; nor does it include the installation on the property of accessory buildings, such as garages or sheds not occupied as dwelling units or not part of the main structure. For a substantial improvement, the actual start of construction means the first alteration of any wall, ceiling, floor, or other structural part of a building, whether or not that alteration affects the external dimensions of the building.

Structure~~. A~~ – *means, for floodplain management purposes, a* walled and roofed building, including a gas or liquid storage tank, that is principally aboveground, as well as a manufactured home.

Substantial damage~~. Damage~~ – *means damage* of any origin sustained by a structure whereby the cost of restoring the structure to its before-damaged condition would equal or exceed fifty (50) percent of the market value of the structure before the damage occurred.

Substantial improvement~~. Any~~ – *means any* reconstruction, rehabilitation, addition, or other improvement of a structure, the cost of which equals or exceeds fifty (50) percent of the market value of the structure before "start of construction" of the improvement. This *term* includes structures which have incurred "substantial damage," regardless of the actual repair work performed. The term does not, however, include either:

(1) Any project for improvement of a structure to correct existing violations of state or local health, sanitary, or safety code specifications which have been identified by the local code enforcement official and which are the minimum necessary *to assure safe living* conditions; or

(2) Any alteration of an "historic structure," provided that the alteration will not preclude the structure's continued designation as an "historic structure."

Variance~~. A~~ – *means a* grant of relief ~~to a person from the requirements of this article when specific enforcement would result in unnecessary hardship~~ *by a community from the terms of a floodplain management regulation*. ~~A variance, therefore, permits construction or development in a manner otherwise prohibited by this article.~~ (For full requirements see section 60.6 of the National Flood Insurance Program regulations.)

Violation~~. The~~ – *means the* failure of a structure or other development to be fully compliant with the community's floodplain management regulations. A structure or other development without the elevation certificate, other certifications, or other evidence of compliance required in section 60.3(b)(5), (c)(4), (c)(10), (d)(3), (e)(2), (e)(4), or (e)(5) is presumed to be in violation until such time as that documentation is provided.

Water surface elevation~~. The~~ – *means the* height, in relation to the ~~National Geodetic Vertical Datum (NGVD) of 1929~~ *North American Vertical Datum (NAVD) of 1988* (or other datum, where specified), of floods of various magnitudes and frequencies in the floodplains of coastal or riverine areas.

Sec. 3.12.006 Lands to which this article applies

This article shall apply to all areas of special flood hazard within the jurisdiction of the city.

Sec. 3.12.007 Basis for establishing areas of special flood hazard

The areas of special flood hazard identified by the Federal Emergency Management Agency in ~~a~~ *the current* scientific and engineering report entitled, "The Flood Insurance Study for ~~the City of Sherman, Grayson County, Texas," dated July 17, 1995~~ *Grayson County, Texas and Incorporated Areas" dated September 29, 2010,* with accompanying flood insurance rate maps ~~and flood boundary-floodway maps (FIRM and FBFM)~~, and any revisions thereto, are hereby adopted by reference and declared to be a part of this article.

Sec. 3.12.008 Establishment of development permit

A *floodplain* development permit shall be required to ensure conformance with the provisions of this article.

Sec. 3.12.009 Compliance

No structure or land shall *hereafter* be located, altered, or have its use changed without full compliance with the terms of this article and other applicable regulations.

Sec. 3.12.010 Abrogation and greater restrictions

This article is not intended to repeal, abrogate, or impair any existing easements, covenants, or deed restrictions. However, where this article and another ordinance, easement, covenant, or deed restriction conflict or overlap, whichever imposes the more stringent restrictions shall prevail.

Sec. 3.12.011 Interpretation

In the interpretation and application of this article, all provisions shall be:

(1) Considered as minimum requirements;

(2) Liberally construed in favor of the governing body; and

(3) Deemed neither to limit nor repeal any other powers granted under state statutes.

Sec. 3.12.012 Warning and disclaimer of liability

The degree of flood protection required by this article is considered reasonable for regulatory purposes and is based on scientific and engineering considerations. On rare occasions, greater floods can and will occur and flood heights may be increased by manmade or natural causes. This article does not imply that land outside the areas of special flood hazards or uses permitted within such areas will be free from flooding or flood damages. This article shall not create liability on the part of the community or any official or employee thereof for any flood damages that result from reliance on this article or any administrative decision lawfully made ~~thereunder~~ *hereunder*.

Secs. 3.12.013–3.12.040 Reserved

Division 2. Administration

Sec. 3.12.041 Designation of floodplain administrator

The ~~city engineer~~ *assistant director of engineering and public works* is hereby appointed the floodplain administrator to administer and implement the provisions of this article and other appropriate sections of 44 CFR (*Emergency Management and Assistance* – National Flood Insurance Program regulations) pertaining to floodplain management.

Sec. 3.12.042 Duties and responsibilities of floodplain administrator

Duties and responsibilities of the floodplain administrator shall include, but not be limited to, the following:

(1) Maintain and hold open for public inspection all records pertaining to the provisions of this article;

(2) Review permit applications to determine whether *the* proposed building ~~sites~~ *site project*, including the placement of manufactured homes, will be reasonably safe from flooding;

(3) Review, approve or deny all applications for development permits required by adoption of this article;

(4) Review permits for proposed development to assure that all necessary permits have been obtained from those federal, state or local governmental agencies (including section 404 of the Federal Water Pollution Control Act Amendments of 1972, 33 U.S.C. 1334) from which prior approval is required;

(5) Where interpretation is needed as to the exact location of the boundaries of the areas of special flood hazards (for example, where there appears to be a conflict between a mapped boundary and actual field conditions), the floodplain administrator shall make the necessary interpretation;

(6) Notify, in riverine situations, adjacent communities and the state coordinating agency, which is the ~~state commission on environmental quality~~ *Texas Water Development Board (TWDB) and also the Texas Commission on Environmental Quality (TCEQ),* prior to any alteration or relocation of a watercourse, and submit evidence of such notification to the Federal Emergency Management Agency;

(7) Assure that the flood-carrying capacity within the altered or relocated portion of any watercourse is maintained;

(8) When base flood elevation data has not been provided in accordance with section 3.12.007, the floodplain administrator shall obtain, review, and reasonably utilize any base flood elevation data and floodway data available from a federal, state or other source, in order to administer the provisions of division 3 of this article;

(9) When a regulatory floodway has not been designated, the floodplain administrator must require that no new construction, substantial improvements, or other development (including fill) shall be permitted within zones Al-30 and AE on the community’s FIRM unless it is demonstrated that the cumulative effect of the proposed development, when combined with all other existing and anticipated development, will not increase the water

surface elevation of the base flood more than one (1) foot at any point within the community; and

(10) Under the provisions of 44 CFR chapter 1, section 65.12 of the National Flood Insurance Program regulations, a community may approve certain development in zones Al-30, AE, AH, on the community's FIRM which increases the water surface elevation of the base flood by more than one (1) foot, provided that the community first ~~applies for a conditional FIRM revision through FEMA~~ *completes all of the provisions required by Section 65.12.*

Sec. 3.12.043 Permit procedures

(a) Application for a *floodplain* development permit shall be presented to the floodplain administrator *on forms furnished by him/her* and *may* include, but not be limited to, plans *in duplicate* drawn to scale showing the locations, dimensions, and elevation of proposed landscape alterations, existing and proposed structures, *including the placement of manufactured homes,* and the location of the foregoing in relation to areas of special flood hazard. ~~Additionally the application shall include the following information:~~ *Additionally, the following information is required:*

(1) The elevation *(in relation to mean sea level)* of the lowest floor (including basement) of all ~~proposed~~ *new and substantially improved* structures;

(2) The elevation *(in relation to mean sea level)* to which any nonresidential structure shall be floodproofed;

(3) ~~Certification by~~ *A certificate from* a registered professional engineer *or architect* that the nonresidential floodproofed structure shall meet the floodproofing criteria ~~established by this article~~ *of section 3.12.072(2)*; ~~and~~

(4) A description of the extent to which any watercourse or natural drainage will be altered or relocated as a result of the proposed ~~development.~~*; and*

(5) Maintain a record of all such information in accordance with section 3.12.042(2).

~~The city engineer shall review all proposed developments to assure that all necessary permits have been obtained from those governmental agencies from which approval is required by federal or state law, including section 404 of the Federal Water Pollution Control Act and amendments there to.~~

(b) Approval or denial of a development permit by the floodplain administrator shall be based on all of the provisions of this article and the following relevant factors:

(1) The danger to life and property due to flooding or erosion damage;

(2) The susceptibility of the proposed facility and its contents to flood damage and the effect of such damage on the individual owner;

(3) The danger that materials may be swept onto other lands to the injury of others;

(4) The compatibility of the proposed use with existing and anticipated development;

(5) The safety of access to the property in times of flood for ordinary and emergency vehicles;

(6) The costs of providing governmental services during and after flood conditions, including maintenance and repair of streets and bridges, and public utilities and facilities such as sewer, gas, electrical and water systems;

(7) The expected heights, velocity, duration, rate of rise and sediment transport of the floodwaters and the effects of wave action, if applicable, expected at the site;

(8) The necessity to the facility of a waterfront location, where applicable;

(9) The availability of alternative locations, not subject to flooding or erosion damage, for the proposed use; and

(10) The relationship of the proposed use to the comprehensive plan for that area.

Sec. 3.12.044 Variance procedures

(a) The planning and zoning board, as established by article VII, section 1 of the city charter, *City of Sherman, Texas,* is hereby named the appeal board and shall hear and render judgment on requests for variances from the requirements of this article.

(b) The appeal board shall hear and render judgment on an appeal only when it is alleged there is an error in any requirement, decision, or determination made by the floodplain administrator in the enforcement or administration of this article.

(c) Any person or persons aggrieved by the decision of the appeal board may appeal such decision in the courts of competent jurisdiction.

(d) The floodplain administrator shall maintain a record of all actions involving an appeal and shall report variances to the Federal Emergency Management Agency upon request.

(e) Variances may be issued for the reconstruction, rehabilitation or restoration of structures *listed* on the National Register of Historic Places or the state inventory of historic places, without regard to the procedures set forth in the remainder of this article.

(f) Variances may be issued for new construction and substantial improvements to be erected on a lot of one-half acre or less in size contiguous to and surrounded by lots with existing structures constructed below the base flood level, providing the relevant factors in section 3.12.043(b) of this division have been fully considered. As the lot size increases beyond the one-half acre, the technical justification required for issuing the variance increases.

(g) Upon consideration of the factors noted above and the intent of this article, the appeal board may attach such conditions to the granting of variances as it deems necessary to further the purpose and objectives of this article (section 3.12.003).

(h) Variances shall not be issued within any designated floodway if any increase in flood levels during the base flood discharge would result.

(i) Variances may be issued for the repair or rehabilitation of historic structures upon a determination that the proposed repair or rehabilitation will not preclude the structure's continued designation as an historic structure and the variance is the minimum necessary to preserve the historic character and design of the structure.

(j) Prerequisites for granting variances:

(1) Variances shall only be issued upon a determination that the variance is the minimum necessary, considering the flood hazard, to afford relief;

(2) Variances shall only be issued upon:

(A) Showing a good and sufficient cause;

(B) A determination that failure to grant the variance would result in exceptional hardship to the applicant; and

(C) A determination that the granting of a variance will not result in increased flood heights, additional threats to public safety, extraordinary public expense, create nuisances, cause fraud on or victimization of the public, or conflict with existing local laws or ordinances.

(3) Any applicant to whom a variance is granted shall be given written notice that the structure will be permitted to be built with the lowest floor elevation below the base flood elevation, and that the cost of flood insurance will be commensurate with the increased risk resulting from the reduced lowest floor elevation.

(k) Variances may be issued by a community for new construction and substantial improvements and for other development necessary for the conduct of *a* functionally dependent use provided that:

(1) The criteria outlined in subsections (a) through (i) of this section are met; and

(2) The structure or other development is protected by methods that minimize flood damages during the base flood and create no additional threats to public safety.

Secs. 3.13.045–3.12.070 Reserved

Division 3. *Provisions for* Flood Hazard Reduction ~~Standards~~

Sec. 3.12.071 General standards

In all areas of special flood hazards, the following provisions are required for all new construction and substantial improvements:

(1) All new construction or substantial improvements shall be designed (or modified) and adequately anchored to prevent flotation, collapse or lateral movement of the structure resulting from hydrodynamic and hydrostatic loads, including the effects of buoyancy;

(2) All new construction or substantial improvements shall be constructed by methods and practices that minimize flood damage;

(3) All new construction or substantial improvements shall be constructed with materials resistant to flood damage;

(4) All new construction or substantial improvements shall be constructed with electrical, heating, ventilation, plumbing, and air conditioning equipment and other service facilities that are designed and/or located so as to prevent water from entering or accumulating within the components during conditions of flooding;

(5) All new and replacement water supply systems shall be designed to minimize or eliminate infiltration of floodwaters into the system;

(6) New and replacement sanitary ~~sewer~~ *sewage* systems shall be designed to minimize or eliminate infiltration of floodwaters into the systems and discharge from the systems into floodwaters; and

(7) On-site waste disposal systems shall be located to avoid impairment to them or contamination from them during flooding.

Sec. 3.12.072 Specific standards

In all areas of special flood hazards where base flood elevation data has been provided as set forth in (i) section 3.12.007, (ii) section 3.12.042(8), or (iii) section 3.12.074(c), the following provisions are required:

(1) <u>Residential construction</u>~~. New~~ – *new* construction and substantial improvement of any residential structure shall have the lowest floor (including basement) elevated to ~~at least~~ two (2) feet above the base flood elevation ~~line~~. *A registered professional engineer, architect, or land surveyor shall submit a certification to the floodplain administrator that the standard of this subsection as proposed in section 3.12.043(a) is satisfied.* Any

fill dirt required for improvements in the 100-year floodplain shall come from the lot that the proposed improvements are to be placed on.

It shall be unlawful to bring into the 100-year floodplain, with the exception of sand necessary to construct an approved foundation that meets the requirements of this section, any fill materials. A registered professional engineer, architect, or land surveyor shall submit a certification to the floodplain administrator that the standard of this subsection as proposed in section 3.12.043(a)(1) is satisfied.

(2) Nonresidential construction~~. New~~ – *new* construction ~~or~~ *and* substantial improvements of any commercial, industrial or other nonresidential structure shall either have the lowest floor (including basement) elevated to at least two (2) feet above the base flood level or, together with attendant utility and sanitary facilities, be designed so that below the base flood level the structure is watertight with walls substantially impermeable to the passage of water and with structural components having the capability of resisting hydrostatic and hydrodynamic loads and effects of buoyancy. A registered professional engineer or architect shall develop and/or review structural design, specifications, and plans for the construction, and shall certify that the design and methods of construction are in accordance with accepted standards of practice as outlined in this subsection. A record of such certification which includes the specific elevation (in relation to mean sea level) to which such structures are floodproofed shall be maintained by the floodplain administrator. Any fill dirt required for improvements in the 100-year floodplain shall come from the lot that the proposed improvements are to be placed on. It shall be unlawful to bring into the 100-year floodplain, with the exception of sand necessary to construct an approved foundation that meets the requirements of this section, any fill materials. A registered professional engineer, architect, or land surveyor shall submit a certification to the floodplain administrator that the standard of this subsection as proposed in section 3.12.043(a)(1) is satisfied.

(3) Enclosures. New construction and substantial improvements, with fully enclosed areas below the lowest floor that are usable solely for parking of vehicles, building access or storage in an area other than a basement and which are subject to flooding shall be designed to automatically equalize hydrostatic flood forces on exterior walls by allowing for the entry and exit of floodwaters. Designs for meeting this requirement must either be certified by a registered professional engineer or architect or meet or exceed the following minimum criteria:

(A) A minimum of two (2) openings *on separate walls* having a total net area of not less than one (1) square inch for every square foot of enclosed area subject to flooding shall be provided;

(B) The bottom of all openings shall be no higher than one (1) foot above grade; and

(C) Openings may be equipped with screens, louvers, valves, or other coverings or devices provided that they permit the automatic entry and exit of floodwaters.

(4) Manufactured homes.

(A) Require that all manufactured homes to be placed within zone A on a community's FHBM or FIRM shall be installed using methods and practices which minimize flood damage. For the purposes of this requirement, manufactured homes must be elevated and anchored to resist flotation, collapse, or lateral movement. Methods of anchoring may include, but are not limited to, use of over-the-top or frame ties to ground anchors. This requirement is in addition to applicable state and local anchoring requirements for resisting wind forces.

(B) No development permit shall be issued for the construction of the following structures within the 100-year floodplain: hospitals, nursing or convalescent homes, sanitariums, homes for the aged or infirm, mental or penal institutions, ~~refuge~~ *refugee* centers or camps, halfway houses.

(C) Require that manufactured homes that are placed or substantially improved within zones Al-30, AH, and AE on the community's FIRM on sites (i) outside of a manufactured home park or subdivision, (ii) in a new manufactured home park or subdivision, (iii) in an expansion to an existing manufactured home park or subdivision, or (iv) in an existing manufactured home park or subdivision on which a manufactured home has incurred "substantial damage" as a result of a flood be elevated on a permanent foundation such that the lowest floor of the manufactured home is elevated to at least two (2) feet above the base flood elevation and be securely anchored to an adequately anchored foundation system to resist flotation, collapse, and lateral movement.

(D) Require that manufactured homes be placed or substantially improved on sites in an existing manufactured home park or subdivision within zones Al-30, AH and AE on the community's FIRM that are not subject to the provisions of subsection (4) of this section be elevated so that either:

(i) The lowest floor of the manufactured home is at least two (2) feet above the base flood elevation; or

(ii) The manufactured home chassis is supported by reinforced piers or other foundation elements of at least equivalent strength that are no less than thirty-six (36) inches in height above grade and be securely anchored to an adequately anchored foundation system to resist flotation, collapse, and lateral movement.

(5) Recreational vehicles. Require that recreational vehicles placed on sites within zones Al-30, AH, and AE on the community's FIRM either: (i) be on the site for fewer than one hundred eighty (180) consecutive days, (ii) be fully licensed and ready for highway use, or (iii) meet the permit requirements of section 3.12.043(a), and the elevation and anchoring requirements for "manufactured homes" in subsection (4) of this section. A recreational vehicle is ready for

highway use if it is on its wheels or jacking system, is attached to the site only by quick disconnect-type utilities and security devices, and has no permanently attached additions.

Sec. 3.12.073 Subdivision plats

All subdivision plats embracing proposed development of portions of any area officially identified as having special flood hazards must be approved prior to the start of construction. Subdivisions or other proposed new development shall be required to be consistent with the need to minimize flood damage, locate, elevate, and construct all public utilities and facilities, such as sewer, gas, electrical and water systems, to minimize or eliminate flood damage and to provide adequate drainage so as to reduce exposure to flood hazards; as a part of subdivision plat approval, water supply and sanitary sewer systems shall be designed and installed to minimize or eliminate infiltration of floodwaters into water systems and discharges from sewer systems into floodwaters. Plats with planned on-site waste disposal systems shall be approved only where the systems can be designed, located, and constructed so as to avoid impairment of these or contamination from these during flooding. Official floodplain delineations and delineations of floodways denoting limits of permissible flood flow restricting development shall be clearly shown on all plats submitted for approval wherever such contain floodplain and floodway segments.

Sec. 3.12.074 Standards for subdivision proposals

(a) All subdivision proposals, including the placement of manufactured home parks and subdivisions, shall be consistent with sections 3.12.002, 3.12.003, and 3.12.004 of this article.

(b) All proposals for the development of subdivisions, including the placement of manufactured home parks and subdivisions, shall meet *floodplain* development permit requirements of section 3.12.008, 3.12.043; and the provisions of this division.

(c) Base flood elevation data shall be generated for subdivision proposals and other proposed development, including the placement of manufactured home parks and subdivisions, which is greater than fifty (50) lots or five (5) acres, whichever is lesser, if not otherwise provided pursuant to section 3.12.007 or section 3.12.042(8) of this article.

(d) Base flood elevation data, with the establishment of a floodway, shall be generated by a detailed engineering study for all zone A areas, within one hundred (100) feet of the contour lines of zone A areas, and other streams not mapped by FEMA, as indicated on the community's FIRM.

~~(d)~~ *(e)* All subdivision proposals, including the placement of manufactured home parks and subdivisions, shall have adequate drainage provided to reduce exposure to flood hazards.

~~(e)~~ *(f)* All subdivision proposals, including the placement of manufactured home parks and subdivisions, shall have public utilities and facilities such as sewer, gas, electrical and water systems located and constructed to minimize or eliminate flood damage.

Sec. 3.12.075 Standards for areas of shallow flooding (AO/AH zones)

Located within the areas of special flood hazard established in section 3.12.007 are areas designated as shallow flooding. These areas have special flood hazards associated with ~~base~~ flood depths of one (1) to three (3) feet where a clearly defined channel does not exist ~~and~~, where the path of flooding is unpredictable, and where velocity flow may be evident. Such flooding is characterized by ponding or sheet flow; therefore, the following provisions apply:

(1) All new construction and substantial improvements of residential structures have the lowest floor (including basement) elevated *to at least two (2) feet* above *the base flood elevation or* the highest adjacent grade at least as high as the depth number specified in feet on the community's FIRM (at least two (2) feet if no depth number is specified). The minimum lowest floor elevation shall be two (2) feet above the flood elevation if flood elevation data is available.

(2) All new construction and substantial improvements of nonresidential structures shall:

(A) Have the lowest floor (including basement) elevated *to at least two (2) feet* above *the base flood elevation or* the highest adjacent grade at least as high as the depth number specified in feet on the community's FIRM (at least two (2) feet if no depth number is specified); the minimum lowest floor elevation shall be *at least* two (2) feet above the flood elevation if flood elevation data is available; or

(B) Together with attendant utility and sanitary facilities, be designed so that below the base *specified* flood ~~level~~ *depth in an AO zone, or below the base flood elevation in an AH zone,* the structure is watertight with walls substantially impermeable to the passage of water and with structural components having the capability of resisting hydrostatic and hydrodynamic loads or effects of buoyancy.

(C) A registered professional engineer or architect shall submit a certification to the floodplain administrator that the standards of this section, as proposed in section 3.12.043(a)(1), are satisfied.

(D) Require within zones AH or AO adequate drainage paths around structures on slopes, to guide floodwaters around and away from proposed structures.

Sec. 3.12.076 Floodways

Located within areas of special flood hazard established in section 3.12.007 are areas designated as floodways. Since the floodway is an extremely hazardous area due to the velocity of floodwaters which carry debris, potential projectiles and erosion potential, the following provisions shall apply:

(1) Encroachments are prohibited, including fill, new construction, substantial improvements and other development within the adopted regulatory floodway unless it has been demonstrated through hydrologic and hydraulic analyses performed in accordance with standard engineering practice that the proposed encroachment would not result in any increase in flood levels within the community during the occurrence of the base flood discharge.

(2) If subsection (1) above is satisfied, all new construction and substantial improvements shall comply with all applicable flood hazard reduction provisions of this division.

(3) Under the provisions of 44 CFR chapter 1, section 65.12 of the National Flood Insurance *Program* regulations, a community may permit encroachments within the adopted regulatory floodway that would result in an increase in base flood elevations, provided that the community first ~~applies for a conditional FIRM and floodway revision through FEMA~~ *completes all of the provisions required by section 65.12*.

SECTION 2. Penalties for Non-Compliance. No structure or land shall hereafter be constructed, located, extended, converted, or altered without full compliance with the terms of this ordinance and other applicable regulations. Violation of the provisions of this ordinance by failure to comply with any of its requirements (including violations of conditions and safeguards established in connection with conditions) shall constitute a misdemeanor. Any person who violates this court order or fails to comply with any of its requirements shall upon conviction thereof be fined not more than Two Thousand Dollars and No Cents ($2,000.00) for each violation, and in addition shall pay all costs and expenses involved in the case. Each day a violation occurs is a separate offense. Nothing herein contained shall prevent the city from taking such other lawful action as is necessary to prevent or remedy any violation.

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 or 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 _________________, 2010.

ADOPTED on this the ________________ day of _________________, 2010.

EFFECTIVE DATE on this the _________ day of _________________, 2010.

CITY OF SHERMAN, TEXAS

BY: ______________________________
BILL MAGERS, MAYOR

ATTEST:

BY: ______________________________
LINDA ASHBY, CITY CLERK

APPROVED AS TO FORM
AND CONTENT:

BY: ______________________________
BRANDON S. SHELBY,
CITY ATTORNEY

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 9-7-2010

Subject: Agenda Item No. B.7

INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 5670
Amending Section 8, Subsection (5)(a), Ordinance No. 2280, so as to Grant a Specific Use Permit to Allow a School (Playground) in an R-2 (Multi-Family Residential) District at 615 South Travis Street, being 0.30 Acres in the Samuel Blagg Survey, Abstract No. 56 (St. Mary's Catholic Church, Owners; St. Mary's Catholic School, Tenant; and Jim Andrews, Representative); Providing that this Specific Use Permit Shall be Granted Subject to Certain Conditions; Providing a Penalty Not to Exceed $2,000

Issue
To consider the request of St. Mary's Catholic Church (Owners), St. Mary's Catholic School (Tenant), and Jim Andrews (Representative) concerning the property at 615 South Travis Street, being 0.30 acres in the Samuel Blagg Survey, Abstract No. 56, to allow a school (playground) in an R-2 (Multi-Family Residential) District

Background
The property is located at 615 South Travis Street; an empty lot north of St. Mary's Catholic School, between King Street and Sparrow Lane. St. Mary's Catholic Church recently purchased the vacant lot and would like to extend a 4' chain link fence along the Travis Street property line to enlarge the school playground area.

Origination
St. Mary's Catholic Church (Owners), St. Mary's Catholic School (Tenant), and Jim Andrews (Representative)

Board Recommendation
At the August 17, 2010 regular meeting, the Planning and Zoning Board voted 9/0 to recommend to the City Council that the Specific Use Permit be approved.

Attachments
Ordinance No. 5670
Location Map
Photograph
Site Plan
P&Z Communication Form

Prepared by:
Scott Shadden, Development Services Director

Approved by:
George Olson, City Manager

ORDINANCE NO. 5670

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 8, SUBSECTION (5)(A), ORDINANCE NO. 2280, SO AS TO GRANT A SPECIFIC USE PERMIT TO ALLOW A SCHOOL (PLAYGROUND) IN AN R-2 (MULTI-FAMILY RESIDENTIAL) DISTRICT AT 615 SOUTH TRAVIS STREET, BEING 0.30 ACRES IN THE SAMUEL BLAGG SURVEY, ABSTRACT NO. 56 (ST. MARY'S CATHOLIC CHURCH, OWNERS; ST. MARY'S CATHOLIC SCHOOL, TENANT; AND JIM ANDREWS, REPRESENTATIVE); 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, St. Mary's Catholic Church (Owners), St. Mary's Catholic School (Tenant) and Jim Andrews (Representative) are granted a Specific Use Permit to allow a school (playground) in an R-2 (Multi-Family Residential) District at 615 South Travis Street, and that Section 8, Subsection (5)(a), Ordinance No. 2280 is hereby amended so as to hereafter include the following described property:

SITUATED in the City of Sherman, County of Grayson, State of Texas, being a part of the Samuel Blagg Survey, Abstract No. 56, being the same 87 x 150 foot tract of land conveyed by George Stanley Bugajski, et ux to Sherman Development Company by deed dated November 20, 1968, recorded in Volume 1121, Page 822, Deed Records, Grayson County, Texas and being more particularly described by metes and bounds as follows to-wit:

BEGINNING at a found ½ inch square tube at the Northwest base of a chain link fence corner post, said tube maintaining the Southwest corner of said 87 x 150 foot tract, the Northwest corner of a 300 x 323.5 foot tract of land conveyed by the The Sisters of St. Mary of Namur, Western Province to Thomas K. Gorman, Bishop of the Roman Catholic Diocese of Dallas-Fort Worth by deed dated November 12, 1966, recorded in Volume 1072, Page 191, Deed Records, Grayson County, Texas, on the East line of Travis Street;

THENCE North 16 deg. 00 min. 00 sec. West, with the East line of said Travis Street, a distance of 87.00 feet to a set ½ inch capped rebar stamped SARTIN-3694;

THENCE North 74 deg. 41 min. 09 sec. East, at a distance of 105.3 feet passing 0.8 feet South of a chain link fence corner post and continuing along or near a chain link fence for a total distance of 150.00 feet to a set ½ inch rebar for the Northwest corner of an 87.00 x 150.00 foot tract of land conveyed by First Gibraltar Bank, FSB to Jerald D. Rutherford, et ux by deed dated September 6, 1990, recorded in Volume 2117, Page 553, Real Property Records, Grayson County, Texas, said rebar being 0.8 feet West of a chain link fence corner post;

THENCE South 16 deg. 00 min. 00 sec. East, with the West line of said Rutherford 87.00 x 150.00 foot tract, a distance of 87.00 feet to a found ½ inch rebar in an East/West chain link fence, on the North line of the above mentioned 300 x 323.5 foot tract, said rebar maintaining the Southwest corner of said 87.00 x 150.00 foot tract;

THENCE South 74 deg, 41 min. 09 sec. West, with the general line of a chain link fence, the North line of said 300 x 323.5 foot tract, a distance of 150.00 feet to the **PLACE OF BEGINNING** and containing **0.30 ACRES OF LAND** more or less……………………………..

SECTION 2. 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 3. That a person who violates a provision of this ordinance, upon conviction, is punishable by a fine not to exceed $2,000.

SECTION 4. That all ordinances or parts of ordinances in conflict with the provisions of this ordinance are hereby repealed.

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

INTRODUCED on this the _____________ day of _________________, 2010.

ADOPTED on this the ________________ day of _________________, 2010.

EFFECTIVE DATE on this the _________ day of _________________, 2010.

CITY OF SHERMAN, TEXAS

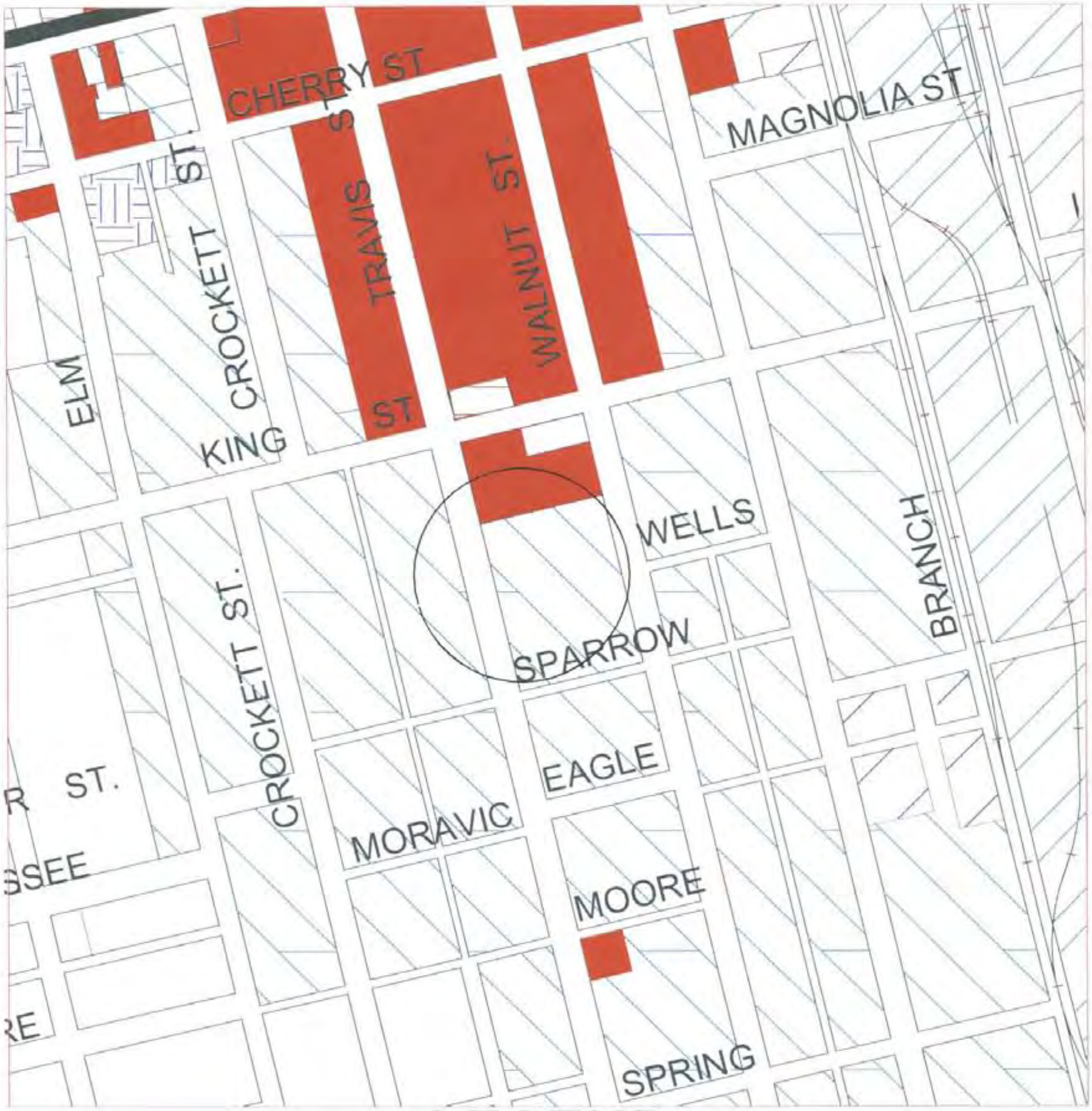
BY: ________________________________
BILL MAGERS, MAYOR

ATTEST:

BY: ________________________________
LINDA ASHBY, CITY CLERK

APPROVED AS TO FORM
AND CONTENT:

BY: ________________________________
BRANDON S. SHELBY,
CITY ATTORNEY



LEGEND

R-A	SINGLE FAMILY AGRICULTURAL DISTRICT
SF-1	SINGLE FAMILY RESIDENTIAL DISTRICT
R-1	ONE AND TWO 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

615 South Travis Street

Department of Developmental Services

615 South Travis

1 inch = 86 feet

City of Sherman, Texas
Developmental Services Department

615 S. Travis

St. Mary's Catholic Church

727 SOUTH TRAVIS - SHERMAN, TEXAS 75090 - (903) 893-5148

July 19, 2010

Planning and Zoning Board
City of Sherman
Sherman, TX 75090

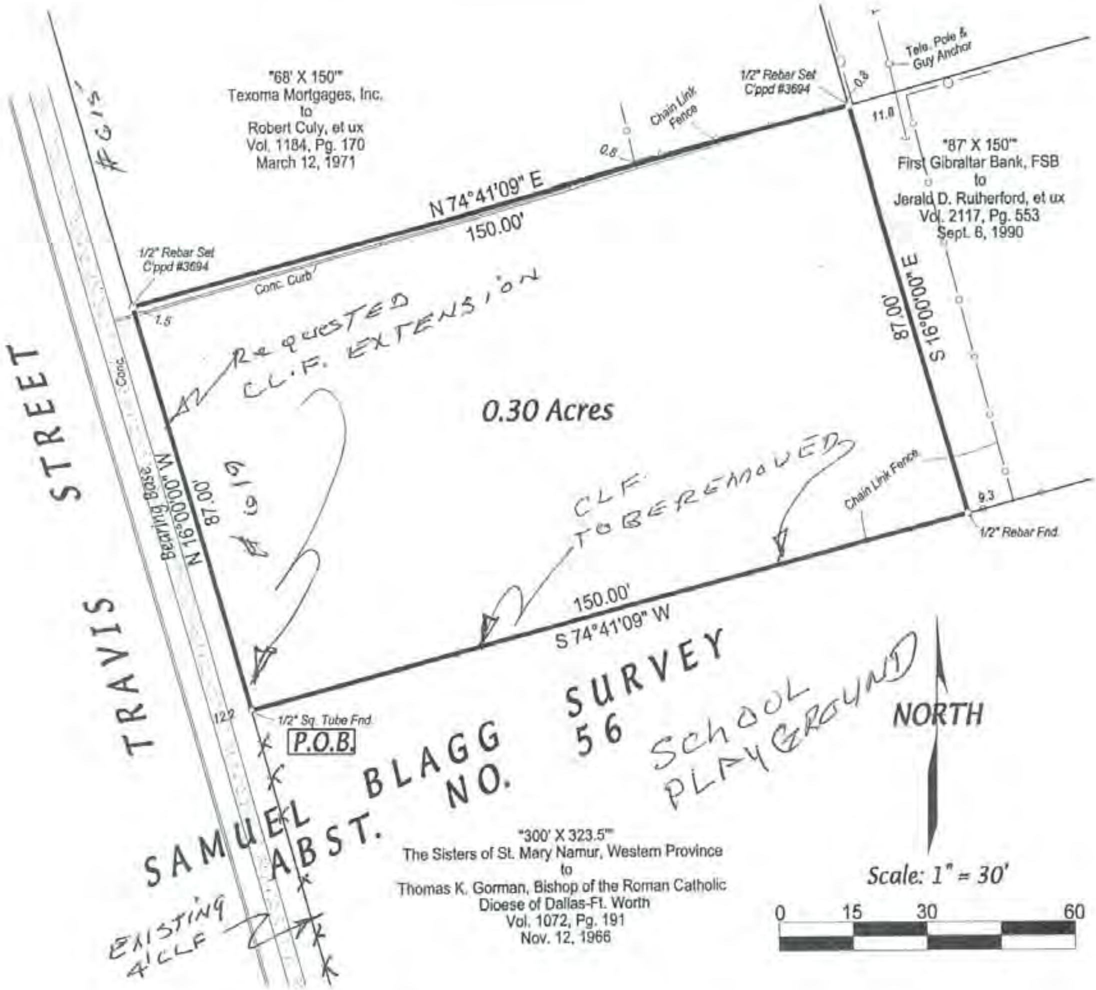
Dear Planning and Zoning Board:

I hereby authorize Jim Andrews to represent me and St. Mary's Church in our interests brought before your Board in your August meeting.

I have every confidence that Mr. Andrews will articulate our needs clearly to your Board, as he has done for us in the past. I also express my gratitude to the Board for its consideration of our request.

Sincerely,

Fr. Jeremy Myers,
Pastor



SARTIN & ASSOCIATES, INC.

REGISTERED PROFESSIONAL LAND SURVEYORS
P.O. Box 1843 * 109 S. Travis * Sherman, Texas 75091-1843
Ph (903) 892-8003 * Fax (903) 868-2970 * Email – msartin@gcecisp.com

SURVEY FOR: ST. MARY'S CATHOLIC CHURCH OF SHERMAN, TEXAS CHARITABLE TRUST

I, Marshall Sartin, Registered Professional Land Surveyor, hereby certify that a survey of the property shown hereon was made on the ground on the 18 th day of May, 2010 of the following described property:

(LEGAL DESCRIPTION ATTACHED)

That this survey substantially complies with the current Minimum Standards for Professional Land Surveyors as adopted by the Texas Board of Professional Land Surveying and is subject to all easements of record that may affect said property.

THIS SURVEY PLAT WAS PREPARED FROM A SURVEY PERFORMED ON THE DATE SHOWN HEREON FOR THE CLIENT NAMES HEREINABOVE AND FOR THE TRANSACTION TAKING

AGENDA ITEM #2

City of Sherman

Planning and Zoning Commission
Board of Adjustments

Agenda Communication Form

August 17, 2010

Lawrence Davis, Chairman

615 South Travis Street
Being 0.30 acres in the Samuel Blagg Survey, Abstract No. 56
Specific Use Permit, Site Plan & Exception

Requested Action/Proposed Use:

Planning and Zoning Commission

Specific Use Permit and Site Plan approval to allow a school (playground) in an R-2 (Multi-Family Residential) District.

Board of Adjustments

Exception to allow a 4' chain link fence with a zero (0) foot front yard setback in lieu of the required 25'in an R-2 (Multi-Family Residential) District.

Background:

The property is located at 615 South Travis Street; an empty lot north of St. Mary's Catholic School, between King Street and Sparrow Lane. St. Mary's Catholic Church recently purchased the vacant lot and would like to extend a 4' chain link fence along the Travis Street property line to enlarge the school playground area.

Adjacent Zoning:

R-2 (Multi-Family Residential) District

Origination:

St. Mary's Catholic Church (Owners), St. Mary's Catholic School (Tenant) and Jim Andrews (Representative)

Master Plan Designation:

Single Family Residential

Number of notices mailed:

11

Objections received:

0

Attachments:

Location map, Photographs, Site Plan

Prepared by:
Patsy Reeves,
Development Services Secretary

Approved by:
Scott Shadden,
Director of Development Services

SHERMAN CITY COUNCIL

Agenda Communication Form

From: The Office of the City Manager **Date:** 9-7-2010

Subject: Agenda Item No. B.8

ADOPTION OF ORDINANCES

Consider Adoption of Ordinance Numbers: 5662, 5667, 5668, 5669, and 5670

B.2 SECOND PUBLIC HEARING OF ORDINANCE NO. 5662
Providing for the Appropriation of Funds for Operating and Capital Expenditures for the Fiscal Year Beginning October 1, 2010, and Ending September 30, 2011

B.4 INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 5667
Approving a Negotiated Resolution between the Atmos Cities Steering Committee and Atmos Energy Corp., Mid-Tex Division regarding the Company's Third Rate Review Mechanism Filing in all Cities Exercising Original Jurisdiction; Declaring Existing Rates to be Unreasonable; Requiring the Company to Reimburse Cities' Reasonable Ratemaking Expenses; Adopting Tariffs that Reflect Rate Adjustments Consistent with the Negotiated Settlement and Finding the Rates to be Set by the Attached Tariffs to be Just and Reasonable; Approving Atmos Mid-Tex's Proof of Revenues; Extending the RRM Process for Two Cycles and Adopting a New RRM Tariff; Ratifying the Settlement Agreement, including Cost Recovery for a Steel Service Line Replacement Program; Declaring an Effective Date; and Requiring Delivery of this Ordinance to the Company and the Steering Committee's Legal Counsel

B.5 INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 5668
Amending Chapter 8 of the Code of Ordinances, entitled "Offenses and Nuisances", to Provide for a New Article 8.04 to be entitled "Offenses Involving Public Health and Safety", to Prohibit the Use, Purchase, Possession, and Sale of the Synthetic Cannabinoid Known or Sold under Such Names as "SPICE", "GENIE", "DaSCENTS", "ZOHAI", "SAGE", "K-2", "KO KNOCK-OUT 2", and "K-4" for Public Health Purposes; Providing for a Penalty of Fine Not to Exceed Two Thousand Dollars ($2,000.00); Providing for an Effective Date

B.6 INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 5669
Amending Chapter 3, entitled "Building Regulations", at Article 3.12, entitled "Flood Damage Prevention", to Adopt New Federal Emergency Management Agency Regulations; Providing for Penalties

B.7 INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 5670
Amending Section 8, Subsection (5)(a), Ordinance No. 2280, so as to Grant a Specific Use Permit to Allow a School (Playground) in an R-2 (Multi-Family Residential) District at 615 South Travis Street, being 0.30 Acres in the Samuel Blagg Survey, Abstract No. 56 (St. Mary's Catholic Church, Owners; St. Mary's Catholic School, Tenant; and Jim Andrews, Representative); 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:** 9-7-2010

Subject: Agenda Item No. B.9

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.4 **** RESOLUTION NO. 5518***
Adopting an Investment Policy for the City of Sherman

C.6 **** RESOLUTION NO. 5520***
Authorizing Execution of a Tender & Release Agreement with SureTec Insurance Company for the Travis Street Water Main Replacement Project

C.7 **** RESOLUTION NO. 5521***
Authorizing Execution of an Encroachment Easement to Melvin Fleitman for the Construction of a Storage Building in a Utility and Drainage Easement in Block 2, Lot 36 of the Pebblebrook Addition, Phase 1B to the City of Sherman (1800 Pebblebrook Lane)

C.8 **** RESOLUTION NO. 5522***
Authorizing the Execution of an Interlocal Agreement between the City of Sherman and the City of Fort Worth for Household Hazardous Waste Services

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 9-7-2010

Subject: Agenda Item No. C.1

RESOLUTION NO. 5513
Authorizing Execution of a Joint Election Agreement between the City of Sherman and Grayson County to hold a Joint Election on November 2, 2010

Issue
Approval of an agreement for a Joint Election between the City of Sherman and Grayson County on November 2, 2010. The Grayson County Commissioners will consider the Joint Election Agreement at their meeting on September 7, 2010.

Background
The City Council wanted to combine the City's Special Election for Charter Amendments with the November 2, 2010 County Election to save taxpayer money and to encourage a larger voter turn-out.

Origination
The resolution and agreement originated with the City Clerk's Office.

Financial Consideration
Normally a Municipal Election costs approximately $30,000. Sherman cancelled their Elections in both 2008 and 2009 because of unopposed candidates.

Staff Recommendation
It is recommended that the City Council approve the Joint Election Agreement.

Alternatives
The alternative is for each entity to conduct its own Special Election.

Attachments
Resolution No. 5513
Joint Election Agreement

Prepared by:
Linda Ashby, City Clerk

Approved by:
George Olson, City Manager

RESOLUTION NO. 5513

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF A JOINT ELECTION AGREEMENT BETWEEN THE CITY OF SHERMAN AND GRAYSON COUNTY TO HOLD A JOINT ELECTION ON NOVEMBER 2, 2010; FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS RESOLUTION IS PASSED WAS NOTICED AND IS OPEN TO THE PUBLIC AS REQUIRED BY LAW.

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

SECTION 1. That the Mayor be and is hereby authorized and directed, subject to all contract documents being properly completed and approved as to form and content by the City Attorney, to execute an agreement with Grayson County to hold a joint election on November 2, 2010, in accordance with the terms and provisions of the agreement attached hereto and made a part hereof for all purposes.

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

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

CITY OF SHERMAN, TEXAS

BY: ______________________________
BILL MAGERS, MAYOR

ATTEST:

BY: ___________________________________
LINDA ASHBY, CITY CLERK

APPROVED AS TO FORM AND CONTENT:

BY: ___________________________________
BRANDON S. SHELBY,
CITY ATTORNEY

JOINT ELECTION AGREEMENT

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

PARTIES

THIS AGREEMENT is entered into by and between the **CITY OF SHERMAN** ("CITY"), and **GRAYSON COUNTY** ("COUNTY"), under the authority of Section 271 of the Texas Election Code.

PURPOSE

CITY and COUNTY hereby contract and agree to hold a joint election on the 2nd day of November, 2010, and thereby reduce their costs, expenses and manpower requirements.

DESIGNATION OF POLLING PLACES

CITY and COUNTY shall designate, secure, and share common polling places. Precincts that will include the City of Sherman Called Special Election are 1, 2, 3, 4, 5, 8, 20, 21, 23, 32, 36, 53 and 65.

COMMON BALLOT

CITY and COUNTY shall share a common ballot, wherever possible.

SUPPLIES AND EQUIPMENT

For the performance of duties and services and the providing of equipment and supplies the City shall pay the County for the actual expenses incurred which are directly attributable to the City's Called Special Election, in accordance with Section 31.100, Texas Election Code, including without limitation, the costs and expenses of election supplies, newspaper notice publication, use of voting machines and equipment, wages and salaries of the central counting station personnel, programming the ballot, logic and accuracy testing, and voting machines and equipment transportation.

City's total cost shall not exceed one-fourth (1/4) of County's cost for each of the thirteen (13) City precincts.

For the performance of duties and services and the providing of equipment and supplies under Paragraph 1 above, the City shall pay the County a fee of 10% of the total amount of the contract (but not less than $75) in accordance with Section 31.100(d), Texas Election Code.

JOINT ELECTION CLERKS

The City Clerk and Grayson County Clerk shall serve as Joint Election Clerks for the election. Each will be custodian of records for their particular entity. Forms and records for the election will be combined wherever possible and stored jointly. In instances where common ballots are used, the County Clerk will serve as custodian for those common ballots and common records.

PAYMENT OF ELECTION JUDGES, CLERKS AND WORKERS

COUNTY will be responsible for appointing all election judges, clerks, and workers necessary for this joint election. COUNTY shall be responsible for and shall pay for all such costs and expenses of the election judges, clerks, and workers for the joint election. CITY will pay for one extra clerk at each of thirteen polling locations. The cost will be ten dollars per hour for clerks.

LEGAL NOTICES

CITY and COUNTY shall be responsible for publishing their own legal notices for this election at their own expense.

EARLY VOTING

Early Voting shall be held during the period of October 18, 2010, through October 29, 2010.

CITY and COUNTY shall each appoint their own Regular Early Voting Clerk, who may receive requests for an Early Voting mail ballot. The CITY Regular Early Voting Clerk will forward requests for applications for mail ballots to the Joint Early Voting Clerk who will do the following with the requests for applications: (1) mail an application for such ballot; (2) verify qualifications to vote as stated on the application; (3) mail a ballot to the applicant; (4) receive the mailed-in ballot; (5) verify the information appearing on the outside of the Early Voting mail ballot envelope; and (6) process the ballot as required by law.

The COUNTY'S Regular Early Voting Clerk is hereby appointed and shall serve as the Joint Early Voting Clerk. The Joint Early Voting Clerk shall conduct and supervise the Early Voting procedures of those individuals making an Early Vote by personal appearance. The Joint Early Voting Clerk will also receive the mailed-in Early Voting ballots, verify the information appearing on the outside of the Early Voting mail ballot envelope, and deposit them in the ballot box.

CANVASSING THE RETURNS

CITY and COUNTY shall be responsible for canvassing their own returns at their own expense.

U. S. JUSTICE DEPARTMENT PRECLEARANCE

It shall be the responsibility of COUNTY to obtain their own preclearance from the U.S. Justice Department for this joint election.

BINDING AUTHORITY

By their signatures below, the individuals represent that they have express authority to enter into this agreement.

EFFECTIVE DATE

This agreement shall become effective upon its signing and approval of the respective City Council and County Commissioners.

LAST SIGNED this the ________ day of ______________________, 2010.

CITY OF SHERMAN, TEXAS	**GRAYSON COUNTY, TEXAS**
BY: ________________________________	**BY:** ________________________________
BILL MAGERS **MAYOR**	**DRUE BYNUM** **COUNTY JUDGE**
ATTEST:	**ATTEST:**
BY: ________________________________	**BY:** ________________________________
LINDA ASHBY **CITY CLERK**	**WILMA BLACKSHEAR-BUSH** **COUNTY CLERK**
APPROVED:	**APPROVED:**
BY: ________________________________	**BY:** ________________________________
BRANDON S. SHELBY **CITY ATTORNEY**	**VAN PRICE** **ASST. DISTRICT ATTORNEY**

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 9-7-2010

Subject: Agenda Item No. C.2

RESOLUTION NO. 5516
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 2010-2015

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

Origination
Planning and Public Works

Financial Consideration

General Fund	$17,733,250
Utility Fund	$30,128,000
Total Funding for 2010-2015	**$47,861,250**

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

Attachments
Resolution No. 5516
Summary of the Capital Improvement Program 2010-2015

Prepared by:
Don Keene, Exec. Director of Planning & Public Works

Approved by:
George Olson, City Manager

RESOLUTION NO. 5516

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 2, 2010, 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 7th day of September, 2010.

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 ________________, 2010.

CITY OF SHERMAN, TEXAS

BY: ______________________________

BILL MAGERS, MAYOR

ATTEST:

BY: ________________________________
LINDA ASHBY, CITY CLERK

APPROVED AS TO FORM
AND CONTENT:

BY: ________________________________
BRANDON S. SHELBY,
CITY ATTORNEY

Exhibit "A"

GENERAL SERVICES

2010-2011

	Drainage	Streets	Facilities	Parks	Water	Sewer	Totals
Canyon Grove Road to U.S. Highway 82		$100,000					$100,000
Old Settlers Park - Quad Shade Replacement			$55,000				$55,000
GIS System			$50,000				$50,000
TIF #3 - Hwy 75 N. Third Lane		$225,000					$225,000
Drainage Improvement Projects	$100,000						$100,000
Solid Waste Interior Driveway Rebuild - Phase V		$60,000					$60,000
Total 2010-2011	$100,000	$385,000	$105,000	$0	$0	$0	$590,000

2011-2012

	Drainage	Streets	Facilities	Parks	Water	Sewer	Totals
Travis Street Improvements - Phase I - Taylor to Lamberth - ROW and Utilities		$100,000					$100,000
Soil Conservation Emergency Action Plan Study	$100,000						$100,000
Northeast Fire Station Site			$1,000,000				* $1,000,000
Southwest Fire Station			$5,200,000				* $5,200,000
Starlight Alley Rebuild		$350,000					$350,000

[redacted]

				$40,000				$40,000	Rosedale Park Field Lighting
on and				$140,000				$140,000	Fielder Park Basketball Court Renovati Playground Improvements
				$150,000				$150,000	Cherry Park Playground
			$40,000					$40,000	West Hill Cemetery Building & Fencing
				$200,000				$200,000	Hawn Park Field Lighting
				$80,000				$80,000	Martin Luther King Park Playground
				$140,000				$140,000	Martin Luther King Park Restroom

2012-2013

	Drainage	Streets	Facilities	Parks	Water	Sewer	Totals
Fallon Drive Construction - Preliminary Engineering and ROW		$100,000					$100,000
Travis Street Improvements - Phase 2 - Lamberth to Canyon Grove (ROW and Utilities)		$100,000					$100,000
Hawn Skateboard Renovation - Phase II				$70,000			$70,000
Hawn Park Sprayground Expansion				$300,000			$300,000
Fairview Park Spray Ground and Splash Expansion				$500,000			$500,000
Recreation Center Study				$40,000			$40,000
Old Settlers Park - Phase III Field Renovation				$1,000,000			$1,000,000
GIS System			$130,000				$130,000
Drainage Improvement Projects	$250,000						$250,000
Street Right-of-Way and Street Oversize Funding		$100,000					$100,000
Total 2012-2013	**$250,000**	**$300,000**	**$130,000**	**$1,910,000**	**$0**	**$0**	**$2,590,000**

2013-2014

	Drainage	Streets	Facilities	Parks	Water	Sewer	Totals
Cypress Grove Rd. Rebuild - Rex Cruse to Redbud		$600,000					$600,000
Fallon Drive West Construction to U.S. Hwy 75		$1,500,000					$1,500,000
Travis Street Improvements - Phase 3 - Canyon Grove to North Creek (ROW and Utilities)		$75,000					$75,000

[redacted]

	Drainage	Streets	Facilities	Parks	Water	Sewer	Totals
				$150,000			$150,000
Hawn Park Pavilion				$75,000			$75,000
Fairview Park Pavilions				$50,000			$50,000
Pecan Grove Dog Park				$50,000			$50,000
Baker Park Group Pavilion and Fishing Pier				$125,000			$125,000
GIS System			$565,000				$565,000
Drainage Improvement Projects	$250,000						$250,000
Street Right-of-Way and Street Oversize Funding		$100,000					$100,000
Total 2013-2014	**$250,000**	**$2,275,000**	**$565,000**	**$450,000**	**$0**	**$0**	**$3,540,000**

2014-2015

	Drainage	Streets	Facilities	Parks	Water	Sewer	Totals
U.S. Highway 75 Fallon Drive Ramps		$1,000,000				**/***	$1,000,000
Shady Oaks Drive Reconstruction		$700,000					$700,000
Ely Park Playground				$80,000			$80,000
Rex Cruse Playground				$80,000			$80,000
MLK Park Athletic Field Lighting				$150,000			$150,000
Ely Park Field Lighting				$75,000			$75,000
GIS System			$318,250				$318,250

UTILITY SERVICES

2010-2011

	Drainage	Streets	Facilities	Parks	Water	Sewer		Totals
WWTP - Headworks Variable Frequency Drive Upgrade - Phase I & II						$500,000	*	$500,000
Water Treatment Plant 2nd Feed - ROW and Engineering					$250,000		*	$250,000
Lift Station Study and Design						$250,000	*	$250,000
Utility Main Oversizing					$25,000	$25,000		$50,000
TOTAL 2010-2011	$0	$0	$0	$0	$275,000	$775,000		$1,050,000

* Bonded

2011-2012

	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
Water Treatment Plant 2nd Feed					$2,850,000		*	$2,850,000
WWTP - Nutrient Removal Preliminary Engineering						$1,400,000	*	$1,400,000
WWTP Automated Dissolved Oxygen Control						$900,000	*	$900,000
WWTP - Drain Line						$75,000		$75,000
[redacted]								
Eastside and Sears Lift Station Reconstruction						$1,000,000	*	$1,000,000
Utility Main Oversizing					$50,000	$50,000		$100,000
TOTAL 2011-2012	$0	$0	$0	$0	$3,505,000	$3,425,000		$6,930,000

* Bonded

12-2013

	Drainage	Streets	Facilities	Parks	Water	Sewer		Totals
WWTP - Nutrient Removal Process						$8,000,000	*	$8,000,000

2013-2014

	Drainage	Streets	Facilities	Parks	Water	Sewer		Totals
WWTP - Biosolids Processing Upgrade						$6,000,000	*	$6,000,000
Eastside Outfall Return Sewer						$500,000	*	$500,000
Texoma Parkway Water Replacement - Phase V					$300,000			$300,000
Relief Sewer D-1						$290,000		$290,000
Utility Main Oversizing					$50,000	$50,000		$100,000
TOTAL 2013-2014	$0	$0	$0	$0	$350,000	$6,840,000		$7,190,000

* Bonded

2014-2015

	Drainage	Streets	Facilities	Parks	Water	Sewer		Totals
WWTP - Security Upgrade						$150,000		$150,000
WWTP - Upgrade UV Disinfection System						$500,000		$500,000
WWTP - Relief Headworks Study						$200,000		$200,000
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 2014-2015	$0	$0	$0	$0	$188,000	$1,735,000		$1,923,000

** SEDCO Funded

	Drainage	Streets	Facilities	Parks	Water	Sewer		Totals
UTILITY GRAND TOTAL	$0	$0	$0	$0	$9,303,000	$20,825,000		$30,128,000
TOTAL CIP	$1,200,000	$5,310,000	$7,528,250	$3,695,000	$9,303,000	$20,825,000		$47,861,250

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 9-7-2010

Subject: Agenda Item No. C.3

RESOLUTION NO. 5517
Amending the 2009-2010 Budget of the City of Sherman, Texas, Appropriating and Allocating Additional Funds for the Period of October 1, 2009, through September 30, 2010

Issue
Appropriating additional funds to increase the fiscal year (FY) 2009-2010 budget for the 2009A CO Bond Debt, TIF#1 Debt Service, Street Sales Tax, and Hotel/Motel Tax funds

Background
This budget amendment relates to providing additional appropriations for debt service and unbudgeted expenditures in the Hotel/Motel funds. Relating to series 2009A debt service, at the time the budget for FY 2009-2010 was built, the actual debt service was unknown for the 2009A series. This series was issued sooner than was originally estimated, so debt service for that series was greater than initially budgeted. For the Street Sales Tax fund, funds left over from the street sales tax projects are being transferred to the related Tax Notes fund to pay for short-term debt service on the notes. Finally, the Lights on the Lake event was not initially budgeted, so the budget amendment for the Hotel/Motel Tax fund relates primarily to the costs for that event.

Origination
Robby Hefton, Assistant City Manager/CFO

Financial Consideration
This budget amendment will increase total authorized expenditures by $355,600 for FY 2009-2010. Funding is available in each of the funds to cover these additional appropriations.

Staff Recommendation
The staff recommends approval of this resolution.

Alternatives
The Council could opt not to approve this proposed budget amendment.

Attachments
Resolution No. 5517
Budget Summary for various funds

Prepared by:
Robby Hefton, Assistant City Manager/CFO

Approved by:
George Olson, City Manager

RESOLUTION NO. 5517

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING THE 2009-2010 BUDGET OF THE CITY OF SHERMAN, TEXAS, APPROPRIATING AND ALLOCATING ADDITIONAL FUNDS FOR THE PERIOD OF OCTOBER 1, 2009, THROUGH SEPTEMBER 30, 2010; 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 2009-2010 budget of the City of Sherman, Texas, be amended as shown below, appropriating and/or allocating the below-described funds in the amounts indicated:

1. 2009A CO Bond Debt Service: To appropriate an additional $77,000.00 for additional principal and interest costs.
2. TIF #1 Debt Service: To appropriate an additional $4,000.00 for additional principal and interest costs.
3. Street Sales Tax: To appropriate an additional $239,600.00 as follows: $16,500.00 for street improvements, and $223,100.00 to transfer funds to the 2009 Tax Notes Debt Service Fund.
4. Hotel/Motel Tax: To appropriate an additional $35,000.00 for advertising and community programs.

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

PASSED AND APPROVED on this the ________ day of ____________________, 2010.

CITY OF SHERMAN, TEXAS

ATTEST:

BY: ______________________________
LINDA ASHBY, CITY CLERK

BY: ______________________________
BILL MAGERS, MAYOR

APPROVED AS TO FORM:

BY: ______________________________
BRANDON S. SHELBY,
CITY ATTORNEY

2009A CO Bond Debt Service
Summary of Receipts & Expenditures

	Budget 2009-2010	Projected 2009-2010	Amendment Required	Amended 2009-2010
Beginning Fund Balance	$ -	$ -	$ -	$ -
Receipts				
Transfer from General Improvement Fund	250,000	250,000		250,000
Total Receipts	250,000	250,000		250,000
Total Funds Available	250,000	250,000		250,000
Expenditures				
Debt Service	160,554	237,228	77,000	237,554
Agent Fees	500	500		500
Total Expenditures	161,054	237,728	77,000	238,054
Ending Fund Balance	$ 88,946	$ 12,272	$ (77,000)	$ 11,946

TIF #1 Debt Service
Summary of Receipts & Expenditures

	Budget 2009-2010	Projected 2009-2010	Amendment Required	Amended 2009-2010
Beginning Fund Balance	$175,140	$ 163,177		$ 175,140
Receipts				
Property Tax	332,000	327,044		332,000
Interest Revenue	1,200	400		1,200
Total Receipts	333,200	327,444	-	333,200
Total Funds Available	508,340	490,621	-	508,340
Expenditures				
Debt Service	316,076	319,961	4,000	320,076
Agent Fees	500	500		500
Total Expenditures	316,576	320,461	4,000	320,576
Ending Fund Balance	$191,764	$ 170,160	$ (4,000)	$ 187,764

Street Sales Tax Fund
Summary of Receipts & Expenditures

	Budget 2009-2010	Projected 2009-2010	Amendment Required	Amended 2009-2010
Beginning Fund Balance	$ 13,617	$ 239,049	$ 225,432	$ 239,049
Receipts				
Interest Revenue	100	600	500	600
Total Receipts	100	600	500	600
Total Funds Available	13,717	239,649	225,932	239,649
Expenditures				
Street Improvements	-	16,434	16,500	16,500
Transfer to Debt Service	-	223,049	223,100	223,100
Total Expenditures	-	239,483	239,600	239,600
Ending Fund Balance	$ 13,717	$ 166	$ (13,668)	$ 49

Hotel/Motel Tax Fund
Summary of Receipts & Expenditures

	Budget 2009-2010	Projected 2009-2010	Amendment Required	Amended 2009-2010
Beginning Fund Balance	$ 408,310	$ 403,563	$ (4,747)	$ 403,563
Receipts				
Hotel/Motel Tax 5%	363,000	370,714		363,000
Hotel/Motel Tax 2%	141,000	148,286		141,000
Penalties	15,000	5,100		15,000
Miscellaneous	-	7,000		-
Interest	800	700		800
Total Receipts	519,800	531,800	-	519,800
Total Funds Available	928,110	935,363	(4,747)	923,363
Expenditures				
Museum Support	82,500	82,500		82,500
Tourism				-
Administration	94,862	79,461	(10,000)	84,862
Programs	116,700	186,000	70,000	186,700
Downtown Building Incentive	25,000	-	(25,000)	-
Arts Council	35,778	35,778		35,778
Transfer to Auditorium/Ballroom	86,000	86,000		86,000
Transfer 2% to Auditorium Debt Service	113,528	113,528		113,528
Total Expenditures	554,368	583,267	35,000	589,368
Excess Receipts over Expenditures	(34,568)	(51,467)	(35,000)	(69,568)
Ending Fund Balance	$ 373,742	$ 352,096	$ (39,747)	$ 333,995

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 9-7-2010

Subject: Agenda Item No. C.4

**** RESOLUTION NO. 5518***
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, 2009. The changes to the policy are administrative in nature and are relatively minor. They relate primarily to allowing the City to invest in securities offered by the state or its departments and agencies that would be advantageous for the City's portfolio. 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. 5518 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. 5518

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 ________________, 2010.

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: Thursday, August 26, 2010

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

FROM: Robby Hefton, Assistant City Manager/CFO

SUBJECT: Investment Policy Revisions

Attached 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 a policy change to allow the City to invest in securities offered by the state or its departments and agencies. This type of investment is allowed by state law, but has not been allowed in the past by the City's internal policy. While the investment officers have no immediate intentions of purchasing these types of investments, this proposed policy change will allow the investment officers to take advantage of future opportunities that may be prudent for the City's portfolio.

Approval of this policy is scheduled for the September 7, 2010 Called 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 7, 2010

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.

6.0 Authorized Financial Dealers and Institutions:

6.1 Approved List of Investment Service Providers: All banking services will be governed by the depository contract. In addition, the Assistant City Manager/Chief Financial Officer shall maintain a list of security brokers, dealers, financial institutions, and investment pools that are authorized by the Investment Committee and the City Council. To be eligible to be approved to do business with the City of Sherman, a seller of securities or financial institution must be a primary dealer, a regional dealer that qualifies under SEC Rule 15C3-1, 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 and financial institutions 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.

7.0 Authorized Investments, Including Diversification Limits and Maximum Maturities:

Following is a list of investments that are authorized by this policy for inclusion in the City of Sherman's portfolio of investments. Also shown are the 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.

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, 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.

7.7 Direct Obligations of this State or its Agencies and Instrumentalities: State agency means an office, department, commission, board or other agency that is part of any branch of state government, an institution of higher education, and any nonprofit corporation acting on behalf of any of those entities. The portfolio cap is fifty percent (50%).

8.0 Prohibited Securities:

8.1 Allowed by State Law but Prohibited by This Policy: The following instruments are eligible for investment by local governments according to state law, but have been intentionally prohibited for the City by this policy: collateralized mortgage obligations; obligations of states, counties, cities, and other political subdivisions; bonds issued by the State of Israel; securities lending programs; guaranteed investment contracts; mutual funds; commercial paper; and investment pools except those pools which are created to function as money market mutual funds. This prohibition is in view of the time constraints on and the expertise level of the investment officers.

8.2 Expressly Prohibited by State Law and This Policy: The following securities are expressly prohibited by state law and this policy: (1) obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal; (2) obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest; (3) collateralized mortgage obligations that have a stated final maturity date of greater than 10 years; and (4) collateralized mortgage obligations the interest rate of which is determined by an index that adjust opposite to the changes in a market index (inverse floaters).

9.0 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 Collateral: Evidence of pledged collateral shall be maintained by the Chief Financial Officer or his designee. Collateral shall be reviewed weekly to assure that the market value of the pledged securities is adequate.

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

First Southwest Company
Dallas, TX

First Tennessee Financial Bank
Dallas, TX

First Public, LLC
Austin, TX

Vining Sparks
Frisco, TX

SAMCO Capital Markets
Dallas, TX

Southwest Securities
Dallas, TX

TexPool Participant Services
Dallas, TX

TexStar Participant Services
Dallas, TX

Landmark Bank
Sherman, TX

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 9-7-2010

Subject: Agenda Item No. C.5

RESOLUTION NO. 5519
Authorizing Execution of a Professional Services Agreement with Teague, Nall and Perkins, Inc. for the Preparation of Final Design Plans and Specifications and the Performance of Other Engineering Services for the Travis Street Streetscape Project

Issue
Approval of an agreement for professional engineering services with Teague, Nall and Perkins, Inc. (TNP) for the preparation of design plans and specifications and the performance of other engineering services for the Travis Street Streetscape Project

Background
TNP has completed the preliminary engineering work for the Travis Street Streetscape Project, with the limits of the project area being Travis Street, from Washington Street to Jones Street, including around the courthouse square. After reviewing all of the preliminary engineering work and project options, it is recommended that the scope of the final design work now include: (1) expansion of the intersection corners to accommodate landscape and decorative features; (2) relocation of Travis Street utilities from overhead to underground; and (3) milling and overlaying Travis Street from Washington Street to Jones Street.

Origination
Public Works Department

Financial Consideration
Due to the complexity of this project, it is recommended that the agreement with TNP be structured with a reimbursable fee for the total engineering work to not exceed $70,000 without the City's authorization. Funds for this work will be available from the CIP budget and downtown TIF.

Staff Recommendation
It is recommended that the agreement for engineering services with Teague, Nall and Perkins, Inc. be approved for design, bidding, utility coordination, and construction services.

Alternatives
As may be directed by the City Council

Attachments
Resolution No. 5519; Professional Services Agreement with Exhibit A and Attachments A, B and C; Location Map

Prepared by:
Don Keene, Exec. Dir, Planning & Public Works

Approved by:
George Olson, City Manager

RESOLUTION NO. 5519

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF A PROFESSIONAL SERVICES AGREEMENT WITH TEAGUE, NALL AND PERKINS, INC. FOR THE PREPARATION OF FINAL DESIGN PLANS AND SPECIFICATIONS AND THE PERFORMANCE OF OTHER ENGINEERING SERVICES FOR THE TRAVIS STREET STREETSCAPE PROJECT; FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS RESOLUTION IS PASSED WAS NOTICED AND IS OPEN TO THE PUBLIC AS REQUIRED BY LAW.

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

SECTION 1. That the City Manager be and is hereby authorized and directed, subject to all contract documents being properly completed and approved as to form by the City Attorney, to execute a Professional Services Agreement with Teague, Nall and Perkins, Inc. for the preparation of design plans and specifications and the performance of other engineering services for the Travis Street Streetscape Project, in accordance with the terms and conditions of the contract documents attached hereto and incorporated herein for all purposes.

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

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

CITY OF SHERMAN, TEXAS

ATTEST:

BY: ______________________________
LINDA ASHBY, CITY CLERK

BY: ______________________________
BILL MAGERS, MAYOR

APPROVED AS TO FORM AND CONTENT:

BY: ______________________________
BRANDON S. SHELBY,
CITY ATTORNEY

ENGINEERING SERVICES AGREEMENT

THIS AGREEMENT is made and entered by and between the **CITY OF SHERMAN**, a Home-Rule Municipality, organized and existing under the laws of the state of Texas, hereinafter referred to as "City", and**, TEAGUE, NALL AND PERKINS, INC.**, hereinafter referred to as "Engineer", to be effective upon the date indicated below.

W I T N E S S E T H:

WHEREAS, the City desires to engage the services of the Engineer to prepare construction plans and specifications, perform franchise utility coordination, provide bidding services, and perform construction administration in connection with the **TRAVIS STREET STREETSCAPE PROJECT, WITH THE LIMITS OF THE PROJECT AREA BEING TRAVIS STREET, FROM WASHINGTON STREET TO JONES STREET AND AREAS AROUND THE COURTHOUSE SQUARE** in the City of Sherman, Texas, hereinafter referred to as the "Project"; and

WHEREAS, the Engineer desires to render such engineering services for the City upon the terms and conditions provided herein;

NOW, THEREFORE, in consideration of the covenants contained herein, and for the mutual benefits to be obtained hereby, the parties hereto agree as follows:

1. **Employment of the Engineer.** The City hereby agrees to retain the Engineer to perform professional engineering services in connection with the Project. Engineer agrees to perform such services in accordance with the terms and conditions of this Agreement.

2. **Scope of Work.** The parties agree that Engineer shall perform such services as are set forth and described in Exhibit "A", which is attached hereto and made a part of this Agreement. The parties understand and agree that deviations or modifications in the form of written contract modifications may be authorized from time to time by the City. Engineer agrees to submit all final documents in a form acceptable to the City.

3. **Contracts.** Any contracts for contractors or subcontractors for services rendered under this Agreement shall be in a contract form provided and approved by the City Attorney.

4. **Time of the Essence.** Time is of the essence. Engineer agrees to commence work immediately upon execution of this Agreement and to proceed diligently to completion except for delays beyond Engineer's reasonable control.

5. **Compensation and Method of Payment.** The parties agree that Engineer shall be compensated for all services provided pursuant to this Agreement in the amount described and set forth in Exhibit "A". The contract amount specified in Exhibit "A" shall not be exceeded without the written permission of the City.

6. **<u>Insurance</u>. Engineer agrees to procure the following insurance:**

a. Workers' Compensation as required by law.

b. Professional Liability Insurance in an amount not less than $1,000,000 in the aggregate.

c. Comprehensive General Liability and Property Damage Insurance with minimum limits of $1,000,000 for injury or death of any one person, $1,000,000 for each occurrence, and $1,000,000 for each occurrence of damage to or destruction of property.

d. Comprehensive Automobile and Truck Liability Insurance covering owned, hired, and non-owned vehicles, with minimum limits of $1,000,000 for injury or death of any one person, $1,000,000 for each occurrence, and $1,000,000 for property damage.

1. The Engineer shall include the City as an additional insured under the policies, with the exception of the Professional Liability Insurance and Workers' Compensation. Certificates of Insurance and endorsements shall be furnished to the City before work commences. Each insurance policy shall be endorsed to state that coverage shall not be suspended, voided, canceled, and/or reduced in coverage or in limits ("Change in Coverage") except with prior written consent of the City and only after the City has been provided with written notice of such Change in Coverage, such notice to be sent to the City either by hand delivery to the City Manager or by certified mail, return receipt requested, and received by the City no fewer than thirty (30) days prior to the effective date of such Change in Coverage. Prior to commencing services under this Contract. Engineer shall furnish City with Certificates of Insurance, or formal endorsements as required by this Contract, issued by Engineer's insurer(s), as evidence that policies providing the required coverage, conditions, and limits required by this Contract are in full force and effect.

7. **<u>Indemnity and Duty to Defend</u>.**

A. ENGINEER SHALL RELEASE, DEFEND, INDEMNIFY AND HOLD CITY AND ITS OFFICERS, AGENTS AND EMPLOYEES HARMLESS 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 SERVICES PROVIDED BY ENGINEER AND TO THE EXTENT CAUSED BY THE NEGLIGENT ACT OR OMISSION OR INTENTIONAL WRONGFUL ACT OR OMISSION OF ENGINEER, ITS OFFICERS, AGENTS, EMPLOYEES, SUBCONTRACTORS, LICENSEES, INVITEES OR ANY OTHER THIRD PARTIES FOR WHOM ENGINEER IS LEGALLY RESPONSIBLE.

B. Engineer is expressly required to defend the City against all Claims for which the City becomes liable. In its sole discretion, City shall have the right to select or to approve defense counsel to be retained by Engineer in fulfilling its obligation hereunder to defend and indemnify City, unless such a right is expressly waived by City in writing by the City Manager, approved by the City Attorney, and properly authorized by the City's Council. City reserves the right to provide a portion or all of its own defense; however, City is under no obligation to do so. Any such action by City is not to be construed as a waiver of Engineer's obligation to defend the City or as a waiver of Engineer's obligation to indemnify the City pursuant to this Contract. Engineer shall retain City approved defense counsel within seven (7) business days of City's written notice that City is invoking its right to indemnification under this Contract. If Engineer fails to retain Counsel within such time period, City shall have the right to retain defense counsel on its own behalf, and Engineer shall be liable for all costs incurred by City in defense of Claims for which Engineer is liable under this Paragraph.

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

8. Independent Contractor. Engineer is an independent contractor and not an officer, agent, servant or employee of City. Engineer shall have exclusive control of and exclusive right to control the details of the work performed hereunder and all persons performing same, and shall be responsible for the acts and omissions of its officers, agents, employees, contractors, subcontractors and consultants; that the doctrine of respondeat superior shall not apply as between City and Engineer, its officers, agents, employees, contractors, subcontractors and consultants, and nothing herein shall be construed as creating a partnership or joint enterprise between City and Engineer.

9. Assignment and Subletting. The Engineer agrees that neither this Agreement nor the work to be performed hereunder will be assigned or sublet without the prior written consent of the City. The Engineer further agrees that the assignment or subletting of any portion or feature of the work or materials required in the performance of this Agreement shall not relieve the Engineer from its full obligations to the City as provided by this Agreement.

10. Contract Termination. The parties agree that City shall have the right to terminate this Agreement with or without cause upon thirty (30) days written notice to Engineer. In the event of such termination, Engineer shall deliver to City all finished or unfinished documents, data, studies, surveys, drawings, maps, models, reports, photographs or other items prepared by Engineer in connection with this Agreement. Engineer shall be entitled to compensation for any and all work completed to the satisfaction of City in accordance with the provisions of this Agreement prior to termination. In the event this Agreement is terminated, the City shall have the option of entering into an Agreement with another party for the completion of the work.

11. Ownership of Documents. Original drawings and specifications are the property of the Engineer; however, the Project is the property of the City and Engineer may not use the drawings and specifications therefore for any purpose not relating to the Project without City's consent. City shall be furnished with such reproductions of drawings and specifications as City may reasonably require. Upon completion of the work or any earlier termination of this Agreement under Paragraph 10, Engineer will revise drawings, if necessary, and he will promptly furnish the

City with one (1) complete set of reproducible record prints. Prints shall be furnished, as an additional service, at any other time requested by City. All such reproductions shall be the property of the City who may use them without Engineer's permission for any proper purpose including, but not limited to, additions to or completion of the Project. Engineer also acknowledges that such information shall become subject to the Public Information Laws of this State and that Engineer agrees to waive any copyright claims to the information once the information is submitted to the City.

12. Special Terms or Conditions.

None

13. Complete Contract. This Agreement, including Exhibit "A" with its attachments (A, B and C), constitutes the entire agreement by and between the parties regarding the subject matter hereof and supersedes all prior or contemporaneous written or oral understandings. To the extent that any of the provisions in Exhibit "A" conflict with this Agreement, the provisions in the Agreement control over the provisions in the exhibits. This Agreement may only be amended, supplemented, modified or canceled by a duly executed written instrument.

14. Mailing of Notices. Unless instructed otherwise in writing, Engineer agrees that all notices or communications to City permitted or required under this Agreement shall be addressed to City at the following address:

Don Keene
Executive Director of Planning and Public Works
City of Sherman
P.O. Box 1106
Sherman, TX 75091-1106
(903) 892-4549

City agrees that all notices or communications to Engineer permitted or required under this Agreement shall be addressed to Engineer at the following address:

Chris Schmitt, P.E.
Teague, Nall & Perkins, Inc.
200 N. Travis St. # 500
Sherman, TX 75090
(903) 870-1089

All notices or communications required to be given in writing by one party or the other shall be considered as having been given to the addressee on the date such notice or communication is posted by the sending party.

15. Miscellaneous.

A. Paragraph Headings. The paragraph headings contained herein are for convenience only and are not intended to define or limit the scope of any provision in this Agreement.

B. Contract Interpretation. Although this Agreement is drafted by the City, should any part be in dispute, the parties agree that the Agreement shall not be construed more favorably for either party.

C. Venue/Governing Law. The parties agree that the laws of the State of Texas shall govern this Agreement. Exclusive venue shall lie in Grayson County, Texas.

D. Successors and Assigns. City and Engineer, and their partners, successors, subcontractors, executors, legal representatives, and administrators are hereby bound to the terms and conditions of this Agreement.

E. Severability. In the event a term, condition, or provision of this Agreement is determined to be void, unenforceable, or unlawful by a court of competent jurisdiction, then that term, condition, or provision, shall be deleted and the remainder of the Agreement shall remain in full force and effect.

F. Effective Date. This Agreement shall be effective from and after execution by both parties hereto.

SIGNED on the date indicated below.

CITY OF SHERMAN	**ENGINEER:** **TEAGUE, NALL AND PERKINS, INC.**
BY: ____________________ George Olson City Manager	**BY:** Chris Schmitt Chris Schmitt, P.E. Office Manager
DATE: ____________________	**DATE:** 8/31/10

APPROVED AS TO FORM:

BY: ____________________

Brandon S. Shelby
City Attorney

TEAGUE NALL AND PERKINS

Civil Engineering | Surveying | Landscape Architecture | Planning

EXHIBIT A
AUTHORIZATION FOR PROFESSIONAL SERVICES

PROJECT NAME:	**Sherman Streetscape ~ Travis Street ~ Final Engineering**
TNP PROJECT NUMBER:	**SHN #######**
CLIENT:	**Jeff Miller** **Public Works Director**
ADDRESS:	**City Of Sherman** **P.O. Box 1106** **Sherman, TX 75091-1106** **903 892 7315 (P)** **903 870-4045 (F)**

The City of Sherman (the CLIENT) hereby requests and authorizes Teague Nall and Perkins, Inc., (the ENGINEER) to perform the following services:

<u>**Article I**</u>

SCOPE: Provide Final Engineering services for Downtown Sherman Streetscape project

COMPENSATION: Compensation has been structured in accordance with the specific tasks identified below:

1. **BASIC SERVICES:** The CLIENT agrees to compensate the ENGINEER for the following services:

• *Phase I*	*Preliminary Engineering*	*$10,000 ~ Identified in previous contact.*
• Phase II	Final Engineering	$30,000
• Phase III	Franchise Utility Coordination	$10,000
• Phase IV	Bidding	$5,000
• Phase V	Construction Administration	$15,000
Total Project Engineering Budget		***$70,000****

*Compensation for the various tasks associated with preparation of contract documents shall be provided on an **hourly reimbursable basis** as described in the detailed scope of services (Attachment 'A').

The stated fee amounts shall not be exceeded without written authorization from the CLIENT. Reimbursement shall be at the ENGINEER'S standard hourly rates. A copy of the rate schedule is attached (Attachment 'C').

Direct expenses associated with this agreement shall be reimbursed by the CLIENT. Direct expenses include printing, plotting, reproduction, postage, courier service, photos and binding charges.

For non-labor and subcontract expenses, the CLIENT shall reimburse the ENGINEER at actual costs times a multiplier of 1.10. All city fees, newspaper advertisements fees, permitting fees, or any fee applied by third party entities shall be the responsibility of the CLIENT. Fees paid by the ENGINEER shall be reimbursed by the CLIENT.

2. **ADDITIONAL SERVICES:** Services provided by the ENGINEER which are not specifically included in **BASIC SERVICES** as defined above or delineated in Attachment 'A' shall be reimbursed on an hourly basis at standard TNP hourly rates. Examples of **ADDITIONAL SERVICES** are shown on Attachment 'B'.

BASIC SERVICES and **EXTRA SERVICES** shall be billed monthly based on the percentage of work complete. The CLIENT shall pay promptly upon receipt of invoice. Delays of payment in excess of 21 days after receiving the invoice or 30 days of the invoice date may result in cessation of services until full payment is received. Time shall be added to the project schedule for any work stoppages resulting from the CLIENT'S failure to render timely payment.

SCHEDULE: The proposed services shall begin within 5 working days of authorization to proceed.

SUPPLEMENTAL PROVISIONS: The attached supplemental provisions are incorporated and made a part of this agreement.

Please execute and return a signed copy for our files.

Approved by CLIENT:	Accepted by:
George Olson	**Teague Nall and Perkins, Inc.**
City Manager	
By: ______________________	By: Chris Schmitt
Title: ______________________	Title: Principal
Date: ______________________	Date: August 24, 2010

PROVISIONS

1. AUTHORIZATION TO PROCEED
Signing this form shall be construed as authorization by CLIENT for TNP, Inc. to proceed with the work, unless otherwise provided for in the authorization.

2. LABOR COSTS
TNP, Inc.'s Labor Costs shall be the amount of salaries paid TNP, Inc.'s employees for work performed on CLIENTS Project plus a stipulated percentage of such salaries to cover all payroll-related taxes, payments, premiums, and benefits.

3. DIRECT EXPENSES
TNP, Inc.'s Direct Expenses shall be those costs incurred on or directly for the CLIENT's Project, including but not limited to necessary transportation costs including mileage at TNP, Inc.'s current rate when its, or its employee's, automobiles are used, meals and lodging, laboratory tests and analyses, computer services, word processing services, telephone, printing and binding charges. Reimbursement for these EXPENSES shall be on the basis of actual charges when furnished by commercial sources and on the basis of usual commercial charges when furnished by TNP, Inc.

4. OUTSIDE SERVICES
When technical or professional services are furnished by an outside source, when approved by CLIENT, an additional amount shall be added to the cost of these services for TNP, Inc.'s administrative costs, as provided herein.

5. ENGINEER'S OPINION OF PROBABLE COST
Any cost opinions provided by TNP, Inc. will be on a basis of experience and judgment, but since it has no control over market conditions or bidding procedures TNP, Inc. cannot warrant that bids or ultimate construction costs will not vary from these cost opinions.

6. PROFESSIONAL STANDARDS
TNP, Inc. shall be responsible, to the level of competency presently maintained by other practicing professional engineers in the same type of work in CLIENT's community, for the professional and technical soundness, accuracy, and adequacy of all design, drawings, specifications, and other work and materials furnished under this Authorization. TNP, Inc. makes no other warranty, expressed or implied.

7. TERMINATION
Either CLIENT or TNP, Inc. may terminate this authorization by giving 30 days written notice to the other party. In such event CLIENT shall forthwith pay TNP, Inc. in full for all work previously authorized and performed prior to effective date of termination. TNP shall deliver all such work to CLIENT in all then existing forms, including electronic CAD systems. If no notice of termination is given, relationships and obligations created by this Authorization shall be terminated upon completion of all applicable requirements of this Authorization.

8. ARBITRATION
All claims, disputes, and other matters in question arising out of, or relating to, this Authorization or the breach thereof may be decided by arbitration in accordance with the rules of the American Arbitration Association then obtaining. Either CLIENT or TNP, Inc. may initiate a request for such arbitration, but consent of the other party to such procedure shall be mandatory. No arbitration arising out of, or relating to this Authorization shall include, by consolidation, joinder, or in any other manner, any additional party not a party to this Authorization.

9. LEGAL EXPENSES
In the event legal action is brought by CLIENT or TNP, Inc. against the other to enforce any of the obligations hereunder or arising out of any dispute concerning the terms and conditions hereby created, the losing party shall pay the prevailing party such reasonable amounts for fees, costs and expenses as may be set by the court.

10. PAYMENT TO TNP, INC.
Monthly invoices will be issued by TNP, Inc. for all work performed under the terms of this agreement. Invoices are due and payable within 30 days of receipt. Interest at the rate of 1½% per month will be charged on all past-due amounts, unless not permitted by law, in which case, interest will be charged at the highest amount permitted by law.

11. LIMITATION OF LIABILITY
TNP, Inc.'s liability to the CLIENT for any cause or combination of causes is in the aggregate, limited to an amount no greater than the fee earned under this agreement.

12. ADDITIONAL SERVICES
Services in addition to those specified in Scope will be provided by TNP, Inc. if authorized in writing by CLIENT. Additional services will be paid for by CLIENT as indicated in attached Basis of Compensation or as negotiated.

13. SALES TAX
In accordance with the State Sales Tax Codes, certain surveying services are taxable. Applicable sales tax is not included in the above proposed fee. Sales tax at an applicable rate will be indicated on invoice statements.

14. SURVEYING SERVICES
In accordance with the Professional Land Surveying Practices Act of 1989, the CLIENT is informed that any complaints about surveying services may be forwarded to the Texas Board of Professional Land Surveying, 7701 N. Lamar, Suite 400, Austin, Texas 78752, (512) 452-9427.

15. INVALIDITY CLAUSE
In case any one or more of the provisions contained in this Agreement shall be held illegal, the enforceability of the remaining provisions contained herein shall not be impaired.

16. PROJECT SITE SAFETY
TNP, Inc. has no duty or responsibility for site safety.

17. DRAINAGE CLAUSE
TNP, Inc. in the performance of its services may be required to assess the impact of the Project on neighboring property owners. The parties to this Agreement recognize that the development of real property has the potential to increase water runoff on downstream properties, and that such increase in runoff increases the possibility of water damage to downstream properties. The CLIENT agrees to indemnify and hold the ENGINEER harmless from any and all claims and damages arising, directly or indirectly, from water or drainage damage to downstream properties resulting from the development and construction of the Project. CLIENT shall not be required to reimburse ENGINEER for any claims or expenses arising out of the Project if it is determined by a court of competent jurisdiction that ENGINEER was negligent in the performance of its duties and obligations, and that ENGINEER's negligence was the direct cause of damage to a property downstream of the Project.

18. CONSTRUCTION MEANS AND METHODS
Means and methods of construction are the sole responsibility of the contractor.

ATTACHMENT 'A'
SCOPE OF BASIC SERVICES

Project Description

Travis Street is the main North/South thoroughfare for downtown Sherman. The purpose of this project will be to enhance this corridor by adding both hard and soft landscaping components consisting of new landscape islands, and select sidewalk and curb repair, as well as brining all ADA parking up to current standards.

The study area for this project includes Travis Street from Washington to Jones and the intersections of Crockett/Houston and Crockett/Lamar which encompass the courthouse square.

Professional engineering services for the Streetscape design will be provided in the following phases:

PHASE I FEASIBILITY/DUE DILIGENCE SERVICES

These services were identified in a previous contract. *Engineering services provided in Phase I included:*

- *Data Gathering*
- *Geometric Prove-out*
- *Stakeholders Coordination*
- *Preliminary Costs Estimates*

PHASE II FINAL ENGINEERING

Phase II engineering services will include engineering design, computing of construction quantities and preparation of opinion of probable construction costs and preparation of detailed construction documents including:

- Site Plan
- Typical Sections
- Demolition Plans
- Dimensional Control Plans
- Grading Plans
- Paving Plans
- Signage and Striping Plans
- Construction Phasing/Traffic Control Plans
- Construction Details
- Construction Specifications

PHASE III FRANCHISE UTILITY COORDINATION

Phase III engineering services will include preparation of civil design required to accommodate the relocation of all overhead power lines in project area. In addition to continued coordination with franchise utility companies this phase will include preparation of engineering plans required to accommodate this request.

PHASE IV BIDDING

ENGINEER will assist the CITY in the advertisement of the project for bid. The ENGINEER shall provide all necessary printing of construction plans, specifications and contract documents for use in obtaining bids, awarding contracts, and constructing the project. The ENGINEER shall be responsible for dispersing all plans and specifications from its purchasing department to prospective bidders.

ENGINEER will provide technical support to the CITY during the Bidding & Contract Award phase by responding to bidder and CITY questions, reviewing the bids and making a recommendation of award to the CITY. ENGINEER will prepare necessary addenda during the bidding phase for distribution by the CITY.

The ENGINEER will participate in a Pre-Bid meeting (if held).

The ENGINEER will assist the CITY with the bid opening and will evaluate the bids and proposals and make recommendation to the CLIENT to award the construction contract.

PHASE V CONTRACT ADMINISTRATION

The ENGINEER will provide limited construction observation and contract administration for the project within the scope of Basic Services as outlined below. Detailed daily construction inspection will be performed by the CITY. Any construction phase services requested by the CITY beyond those described below will be provided as Additional Services to be billed on an hourly reimbursable basis at ENGINEER'S standard hourly rates.

CA services shall include:

- Attend Preconstruction meeting with all pertinent project contractors as necessary
- Review all shop drawings/submittals
- Process all pay requests.
- Perform final inspection with City Staff
- Prepare As-builts.

ATTACHMENT 'B'
ADDITIONAL SERVICES

ADDITIONAL SERVICES: ADDITIONAL SERVICES shall be any service provided by the ENGINEER which is not specifically included in **BASIC SERVICES** as defined above or delineated in Attachment 'A'. **ADDITIONAL SERVICES** shall include, but not be limited to:

a.) Trips and meetings beyond a 50-mile radius of Sherman;
b.) Subcontract charges not described in **BASIC SERVICES** or Attachment 'A';
c.) Printing, copying, plotting and document reproduction beyond that required to complete the **BASIC SERVICES**, as described herein;
d.) Revisions to plans to reduce costs after bidding;
e.) Environmental Assessments or permitting;
f.) Additional Surveying required to accommodate scope of either onsite or offsite design efforts;
g.) Construction Staking;
h.) S.U.E. Services
i.) Preliminary / Final Plat(s);
j.) Preparation of detailed landscape or lighting plans;
k.) Correspondence and work requests related to Franchise Utility Design;
l.) Serving as right of way and easement acquisition agent;
m.) Any offsite improvements: street improvements, drainage improvements, grading improvements, water or sanitary sewer improvements not defined in the Basic Services;
n.) Preparation of easements or ROW documents;
o.) Permitting or inspection fees;
p.) Filing/Inspection fees will be paid by the **CLIENT.**
q.) Construction administration services are excluded. These services can be provided upon request.
r.) Irrigation Design;
s.) Client requested revisions to a proposed layout occurring after zoning, preliminary plat, or replat documents have been submitted to the City or County;
t.) Design of retaining walls, foundations for structures, soil conditioning plans, landscape features, automated entry gates and water features.

ADDITIONAL SERVICES shall be considered additional work and shall be reimbursed at standard TNP hourly rates or TNP standard rates as outlined in Attachment 'C'.

ATTACHMENT '~~B~~' C

TEAGUE NALL AND PERKINS, INC.

Standard Rate Schedule for Reimbursable/Multiplier Contracts

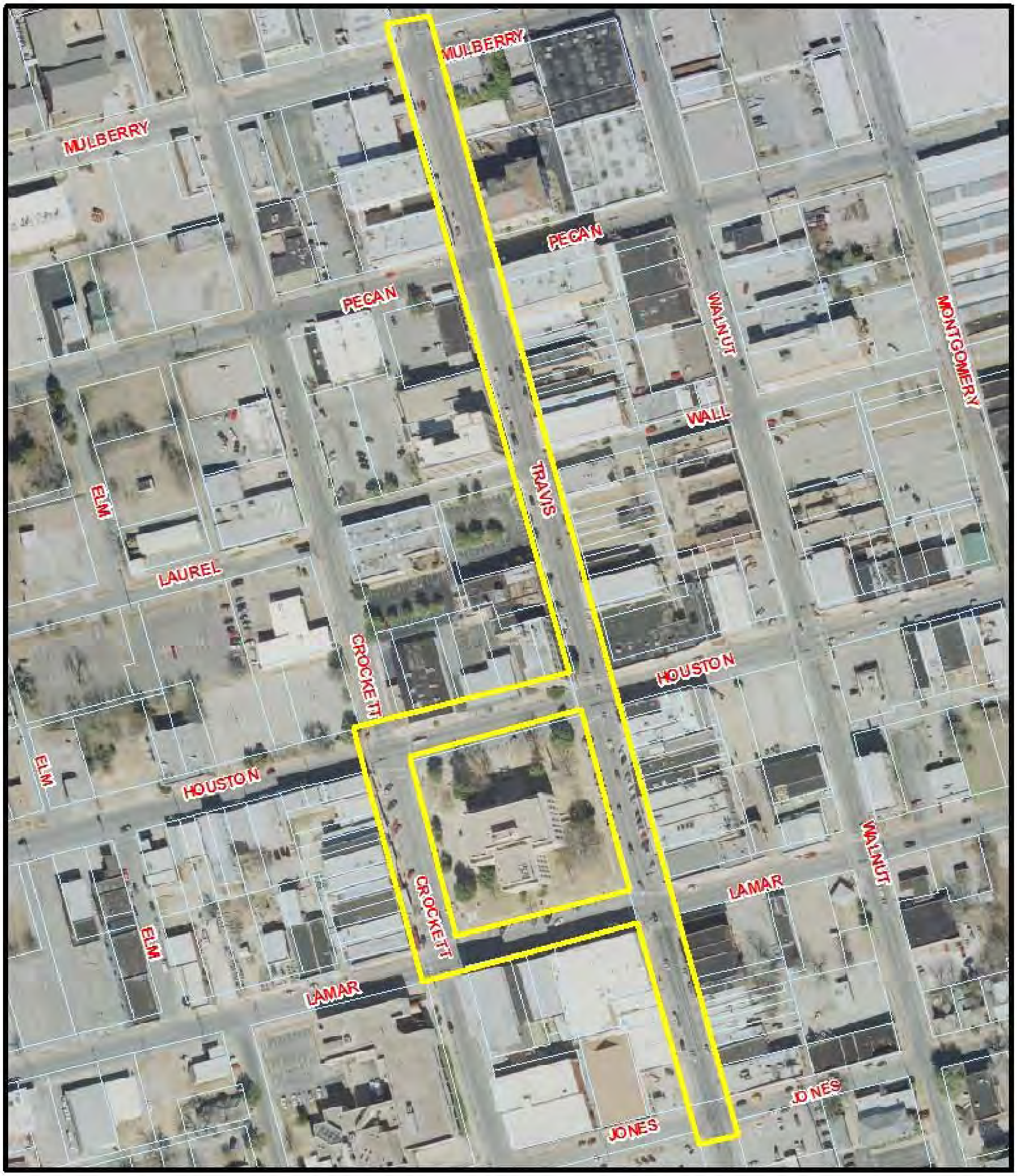
Effective January 1, 2010 to December 31, 2010*

Engineering / Technical	**From**	**-**	**To**	
Principal	$150	-	$210	Per Hour
Project Manager	$120	-	$200	Per Hour
Senior Engineer	$110	-	$210	Per Hour
Engineer	$85	-	$140	Per Hour
Landscape Architect / Planner	$100	-	$160	Per Hour
Landscape Designer	$70	-	$100	Per Hour
Designer	$85	-	$120	Per Hour
Senior Designer	$100	-	$150	Per Hour
CAD Technician	$60	-	$90	Per Hour
Senior CAD Technician	$75	-	$110	Per Hour
IT Consultant	$120	-	$150	Per Hour
IT Technician	$85	-	$120	Per Hour
Clerical	$50	-	$80	Per Hour
Resident Project Representative	$70	-	$110	Per Hour
Surveying				
Survey Office Manager	$130	-	$170	
Registered Professional Land Surveyor	$120	-	$150	
S.I.T.	$70	-	$100	
Senior Survey/SUE Technician	$70	-	$100	
Junior Survey/SUE Technician	$50	-	$80	
2-Person Field Crew w/Equipment	$115			
3-Person Field Crew w/Equipment	$125			
4-Person Field Crew w/Equipment	$150			
2-Person G.P.S. Crew w/Equipment	$145			
3-Person G.P.S. Crew w/Equipment	$165			
1-Person Robotic Crew w/Equipment	$110			
2-Person Robotic Crew w/Equipment	$130			

Direct Cost Reimbursables		
Photocopies, Scans & PDF Files:	$0.10/page	letter and legal size bond paper, B&W
	$0.20/page	11" x 17" size bond paper, B&W
	$1.00/page	letter, legal and 11" x 17" size bond paper, color
	$2.00/page	22" x 34" and larger bond paper or vellum, B&W
	$4.00/page	22" x 34" and larger bond paper or vellum, color
Plots:	$1.00/page	11" x 17" size bond paper, B&W
	$2.00/page	11" x 17" size bond paper, color
	$4.00/page	22"x34" and larger bond paper or vellum, B&W
	$6.00/page	22"x34" and larger bond paper or vellum, color
	$6.00/page	22"x34" and larger mylar or acetate, B&W
Mileage	$0.55/mile	

All Subcontracted and outsourced services billed at rates comparable to TNP's billing rates shown above.

** Rates shown are for calendar year 2010 and are subject to change in subsequent years.*



Travis Street Streetscape Project
(Travis Street) from Mulberry to Jones

City of Sherman, Texas
Engineering Department

Scale: 1" = 210 ft

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 9-7-2010

Subject: Agenda Item No. C.6

**** RESOLUTION NO. 5520***
Authorizing Execution of a Tender & Release Agreement with SureTec Insurance Company for the Travis Street Water Main Replacement Project

Issue
Approval of a Tender & Release Agreement with SureTec Insurance Company releasing the bonding company from performance and requirements on the Travis Street Water Main Replacement Project

Background
The Contractor for the project is bankrupt. The City has furnished work to repair deficiencies in the project. In exchange for the City assuming responsibilities for any future repairs, the bond company will allow the City to keep the final $32,191.95 payment for the project and will pay an additional $5,585.55 to the City to cover the cost of additional repairs made by the City.

Origination
Utility Administration

Financial Consideration
The City will realize $37,777.50 as payment for completion of the project.

Staff Recommendation
It is recommended that the proposed Tender & Release Agreement be approved.

Alternatives
As may be directed by the Council

Attachments
Resolution No. 5520
Tender & Release Agreement

Prepared by:
Mark Gibson, Engineering & Public Works Director

Approved by:
George Olson, City Manager

RESOLUTION NO. 5520

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS; AUTHORIZING EXECUTION OF A TENDER & RELEASE AGREEMENT WITH SURETEC INSURANCE COMPANY FOR THE TRAVIS STREET WATER MAIN REPLACEMENT PROJECT; FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS RESOLUTION IS PASSED WAS NOTICED AND IS OPEN TO THE PUBLIC AS REQUIRED BY LAW.

WHEREAS, on May 4, 2009, the City of Sherman entered into an agreement with Utility Construction Services of Texas, Inc. ("Contractor") for construction of the Travis Street Water Main Replacement Project ("Project"); and

WHEREAS, SureTec Insurance Company ("Surety") and the Contractor provided Performance Bond No. 4373283 in favor of the City of Sherman to secure obligations under the agreement; and

WHEREAS, the Contractor has stated that it is unable to complete its obligations under the agreement; and

WHEREAS, the Surety has secured completion of the Project through Wilson Contractors, Ltd. ("Completing Contractor"); and

WHEREAS, within ten (10) days of agreement execution, the Surety will tender to the City the Completing Contractor's bid and sufficient funds to complete the Project; and

WHEREAS, the Surety requests the City formally accept the Completing Contractor's bid and Surety's funds in full and final settlement of all of Surety's obligations under the agreement and/or Performance Bond No. 4373283;

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 by the City Attorney, to execute a Tender & Release Agreement with SureTec Insurance Company for the Travis Street Water Main Replacement Project, in accordance with the terms and conditions of the contract documents attached hereto and incorporated herein for all purposes.

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

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

CITY OF SHERMAN, TEXAS

BY: __________________________________
BILL MAGERS, MAYOR

ATTEST:

BY: __________________________________
LINDA ASHBY, CITY CLERK

APPROVED AS TO FORM
AND CONTENT:

BY: __________________________________
BRANDON S. SHELBY,
CITY ATTORNEY

Tender & Release Agreement

This Tender & Release Agreement (this "Agreement") is made and entered into this _____ day of September 2010, by and between the **City of Sherman** ("Obligee"), and **SureTec Insurance Company** ("Surety").

WITNESSETH

WHEREAS, Obligee entered into a written contract (the "Contract") dated the 4th day of May 2009, with **Utility Construction Services of Texas, Inc.** ("Contractor") for work described as the Travis Street Water Main Replacement (the "Project"), and

WHEREAS, Surety and Contractor, on or about 27th day of May 2009, provided a Performance Bond No. 4373283 (the "Performance Bond") in favor of Obligee to secure the performance obligations of Contractor under the Contract, and

WHEREAS, Surety and Contractor, on or about 27th day of May 2009, provided a statutory Payment Bond No. 4373283 in favor of Owner to secure the payment obligations of Contractor to suppliers and subcontractors in accordance with Chapter 2253 of the Texas Government Code; and

WHEREAS, in October 2009, Contactor advised Surety that Contractor was unable to complete the Contract work, and

WHEREAS, in October 2009, Surety contacted Obligee to advise of the default and to arrange for performance of the Project in accordance with the Contract, and

WHEREAS, on February 3, 2010, Surety invited a proposal for completion of the work remaining from Wilson Contractors Services, Ltd. ("Completing Contractor"), and

WHEREAS, the Obligee and Surety agree that as of the date of this Agreement:

i. The authorized amount of the original Contract ($239,549.00), including all approved increase in work scope (+$600.00), plus Alternate Bid Item 32 (+$7,600.00), is the sum of $247,749.00;

ii. The amount paid on the original Contract is the sum of $208,934.10;

iii. The amount earned under the original Contract, but unpaid, inclusive of final retainage, is the sum of $38,814.90;

iv. The amount to be deducted for emergency repair work performed by the Obligee is the sum of $6,622.95;

v. There remains the unpaid sum of $32,191.95;

vi. As of the date of the execution of this Agreement, the Obligee represents and warrants that, according to records available to it, the above stated amounts are accurate; and

WHEREAS, the bid of Completing Contractor, including cost of new bonds, exceeds the unpaid Subcontract balance by the sum of $5,585.55; and

WHEREAS, Surety has agreed to tender to Obligee the bid of Completing Contractor and sufficient funds to satisfy Surety's performance obligations to Obligee;

NOW, THEREFORE, for and in consideration of the mutual promises set forth herein, the payments herein recited, and other good and valuable consideration, the Obligee and Surety have agreed and do hereby agree as follows:

1. Surety hereby tenders to Obligee the bid of Completing Contractor. Obligee may enter into a contract with Completing Contractor for the completion of the warranty and punch list items as presented to Surety by the Obligee or the Obligee may complete the remaining work in any manner it chooses without further liability to Surety for such work.

2. Surety agrees to pay to the order of the Obligee, and Obligee agrees to accept, the sum of **$5,585.55** in full and final settlement of all of Surety's obligations to

Obligee, for the remaining portion of the contract, said sum representing the difference between the Contract balance remaining under the original Contract with Contractor and the amount bid by Completing Contractor. Such amount shall be paid within ten days of the execution of this Agreement.

3. The Obligee hereby releases and forever discharges Surety from any and all claims, demands, causes of action, damages, and/or expenses, known and unknown, which Obligee may have against Surety, arising out of or in any way related to the performance of the Contract and/or the Performance Bond; except that Surety remains liable for the one year warranty period for defects in construction that are observed after Completing Contractor completes that were not caused by Completing Contractor's work and should not have been discovered through the course of the Obligee's inspections.

4. The Obligee, without recourse or warranty by Obligee, hereby assigns, sells, and transfers and subrogates Surety to, but only to the extent of the aforesaid payment, Obligee's rights, claims, causes of action, and demands against Contractor.

5. Surety agrees to investigate and discharge its liability under the Payment Bond issued by it as to all lawful demands upon it by subcontractors and suppliers to Contractor for labor and material used, consumed and expended in connection with Contractor's Contract prior to its abandonment of the work on the Project. In no event shall Surety be liable for any labor, materials, or equipment furnished to or for Contractor after the date of Contractor's default.

6. The parties hereby confirm that this Agreement constitutes the entire terms of their agreement and further acknowledge that they have read and understand this Agreement constitutes a full, complete and final settlement and release.

7. This Agreement shall be governed by the laws of the State of Texas.

Obligee: The City of Sherman

By: ____________________________

SURETY: SureTec Insurance Company

By: ____________________________

Jimmy Sparks

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 9-7-2010

Subject: Agenda Item No. C.7

**** RESOLUTION NO. 5521***

Authorizing Execution of an Encroachment Easement to Melvin Fleitman for the Construction of a Storage Building in a Utility and Drainage Easement in Block 2, Lot 36 of the Pebblebrook Addition, Phase 1B to the City of Sherman (1800 Pebblebrook Lane)

Issue
To consider granting an encroachment into the utility and drainage easement located at 1800 Pebblebrook Lane

Background
The owner of the residence at 1800 Pebblebrook Lane proposes to construct a storage building, which would encroach into an existing 10' utility and drainage easement. The City has no utilities in the referenced easement; and the private utilities have no objections to the encroachment.

Origination
Melvin Fleitman of 1800 Pebblebrook Lane

Financial Consideration
None

Staff Recommendation
The staff has no objections to the proposed encroachment and recommends approval.

Alternatives
As may be directed by the City Council

Attachments
Resolution No. 5521
Encroachment Easement
Copy of Plat
Citizen Request
Utility Letters (4)
Location Map

Prepared by:
Mark Gibson, Director of Utilities and Engineering

Approved by:
George Olson, City Manager

RESOLUTION NO. 5521

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF AN ENCROACHMENT EASEMENT TO MELVIN FLEITMAN FOR THE CONSTRUCTION OF A STORAGE BUILDING IN A UTILITY AND DRAINAGE EASEMENT IN BLOCK 2, LOT 36 OF THE PEBBLEBROOK ADDITION, PHASE 1B TO THE CITY OF SHERMAN (1800 PEBBLEBROOK LANE); 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 and content by the City Attorney, to execute an encroachment easement to Melvin Fleitman, in substantially the same form as presented at this meeting, for the construction of a storage building in a Drainage and Utility Easement along Block 2, Lot 36 of the Pebblebrook Addition, Phase 1B (1800 Pebblebrook Lane), in accordance with the easement document and location map approved by the City Engineer and the City Attorney, 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 ________________, 2010.

CITY OF SHERMAN, TEXAS

ATTEST:

BY: ______________________________
LINDA ASHBY, CITY CLERK

BY: ______________________________
BILL MAGERS, MAYOR

APPROVED AS TO FORM AND CONTENT:

BY: ______________________________
BRANDON S. SHELBY, CITY ATTORNEY

ENCROACHMENT EASEMENT

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

That the **CITY OF SHERMAN**, a municipal corporation of the State of Texas, hereinafter called "GRANTOR", in consideration of ONE DOLLAR AND NO CENTS ($1.00) and other good and valuable consideration to it, in hand paid, hereby grants to **MELVIN FLEITMAN** of Sherman, Texas, hereinafter called "GRANTEE", an encroachment easement to construct a storage building within a drainage and utility easement at Lot 36, Block 2 of the Pebblebrook Addition, Phase 1B and known as 1800 Pebblebrook Lane, as shown on the location map marked Exhibit "A", attached hereto and incorporated herein for all purposes. Said encroachment easement shall be inferior, subordinate, and subject to the GRANTOR'S rights herein.

This instrument shall be construed as conveying an encroachment easement to GRANTEE, her heirs, successors and assigns, for the limited purpose of constructing a storage building within the herein described encroachment area, as shown on the attached exhibit. GRANTEE agrees that all maintenance of the storage building and related equipment shall be the responsibility of GRANTEE without cost, fees or expense to GRANTOR.

That GRANTEE shall fully and completely indemnify and hold harmless the GRANTOR from any and all damages, actions, suits, claims, demands, liabilities, executions and judgments, whether liquidated or unliquidated, absolute or contingent, direct or indirect, at law or in equity, together with attorneys fees which may occur in any manner by reason of any matter, fact, or thing arising from this conveyance and use of the area.

In the event it becomes necessary for the GRANTOR or any public utility to utilize the encroachment area for the purpose of installing new utilities, removing or repairing any public utilities located therein, GRANTEE hereby releases GRANTOR and any public utility from any and all claims for damages, costs or expenses, and shall include, but specifically not be limited to, the cost of repair, relocation, or removal of the storage building and loss of use of such area.

TO HAVE AND TO HOLD the above described encroachment easement unto the said GRANTEE, her heirs, successors and assigns, until the use of such encroachment is no longer necessary.

EXECUTED this the __________ day of ________________________, A.D., 2010.

CITY OF SHERMAN, TEXAS

BY: ________________________________
GEORGE OLSON,
CITY MANAGER

THE STATE OF TEXAS §
COUNTY OF GRAYSON §

BEFORE ME, the undersigned authority, in and for said county and state, on this day personally appeared **GEORGE OLSON**, City Manager, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the said City of Sherman, Texas, and that he executed the same as the act of such corporation for the purposes and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the _______________ day of ___________________________, A.D., 2010.

____
NOTARY PUBLIC IN AND FOR THE STATE OF TEXAS

To whom it may concern

This letter is to formally request an encroachment into the utility and drainage easement on the back of my property for the purpose of putting a storage building there. Taking into consideration the city of Sherman's rule of having it 6 ft from my house and the 10ft easement I do not have the space. I am asking for an encroachment of 4ft. The building will be on top the ground on blocks.
Please contact me if you need any further information.
Thank you for considering this.

Melvin Fleitman
1800 Pebblebrook lane
Sherman Texas, 75092

Melvin Fleitman

CABLE ONE™

3720 Texoma Parkway
P.O. Box 1223
Sherman, TX 75090
Tel 903•893•6548
Fax 903•868•2754

August 11, 2010

Melvin Fleitman

1800 Pebblebrook Ln.

Sherman, TX 75092

RE: Easement encroachment at 1800 Pebblebrook Ln., Sherman, Texas:

Dear Mr. Fleitman,

Cableone has no objection of a four foot encroachment into the utility easement at the above referenced address for the purpose of setting a metal building on blocks.

Sincerely,

Rod Ralls

Rod Ralls

Technical Operations Manager

ATMOS energy

August 12, 2010

Mr. Melvin Fleitman
1800 Pebblebrook Ln.
Sherman, Texas 75092

Re: Atmos Energy Corporation approval of storage building within 10' utility easement
1800 Pebblebrook Ln., Sherman, Tx
Lot 36, Block 2, Pebblebrook Phase 1B

Dear Mr. Fleitman:

After review of the subject request, Atmos Energy Corporation does herby grant permission for the placement of a storage building within the 10 foot utility easement located at the back side of your property.

Please be informed that we have no existing facilities or plans for future facilities in the dedicated easement.

Atmos Energy Corporation offers not objections to the abandonment of the 10' wide utility easement shown by plat. This letter may be used as Atmos Energy's approval for such permission as required by the City of Sherman.

Atmos Energy Corporation retains its rights in full and effect of all remaining and existing utility easement affecting the subject property.

Please do not hesitate to call me at 214.206.2941 should you have any questions.

Sincerely,

LJ Robinson

LJ Robinson
Right of Way Agent
Atmos Energy Corporation

verizon

2201 Avenue I
Plano, TX 75074
Ofc: 972/578-3311
Fax: 972/578-3396

August 9, 2010

Melvin Fleitman
1800 Pebblebrook Ln
Sherman, TX, 75092

RE: Proposed storage building in easement

Mr. Fleitman:

After review of the subject request, Verizon has no objections to your proposed storage building encroaching the easement at 1800 Pebblebrook Ln in Sherman, Grayson County, Texas. It is your responsibility to contact 1-800-Dig-Tess (1-800-344-8377) to locate any facilities before digging. Please be aware that we have an underground cable in the area that could be as shallow as 30" depending on how much the elevation has changed from the time the cable was placed until the present. Please take extra precautions to avoid damage to our cable as any damage to our cable will be billed backed to you.

This letter allows an encroachment only and Verizon retains its rights in full and effect of all remaining and existing ROW/utility easements affecting the property. Should Verizon be required to repair the existing facilities in that portion of the ROW/utility easement or install new facilities, we would not accept responsibility for any damages to the encroaching structure during the repair and/or installation process. Also, the owner of the encroaching structure is responsible for the relocation/removal of the structure that may interfere with access to the ROW/easement.

If you have any questions please do not hesitate to contact me at 972/578-3311.

Sincerely,

Chris W. Smith
Section Manager - Network Engineering & Planning
Twin Cities & Eastern Districts
Plano, Texas

ONCOR

Nolan Graham
Sr. Project Designer
Oncor Electric Delivery
2201 Woodlake Road
Denison, Texas 75021

Tel: (903) 868-8273
Fax: (903) 868-8249
ngraham1@oncor.com

August 12, 2010

Mr. Melvin Fleitman
1800 Pebblebrook Ln.
Sherman, Tx. 75092

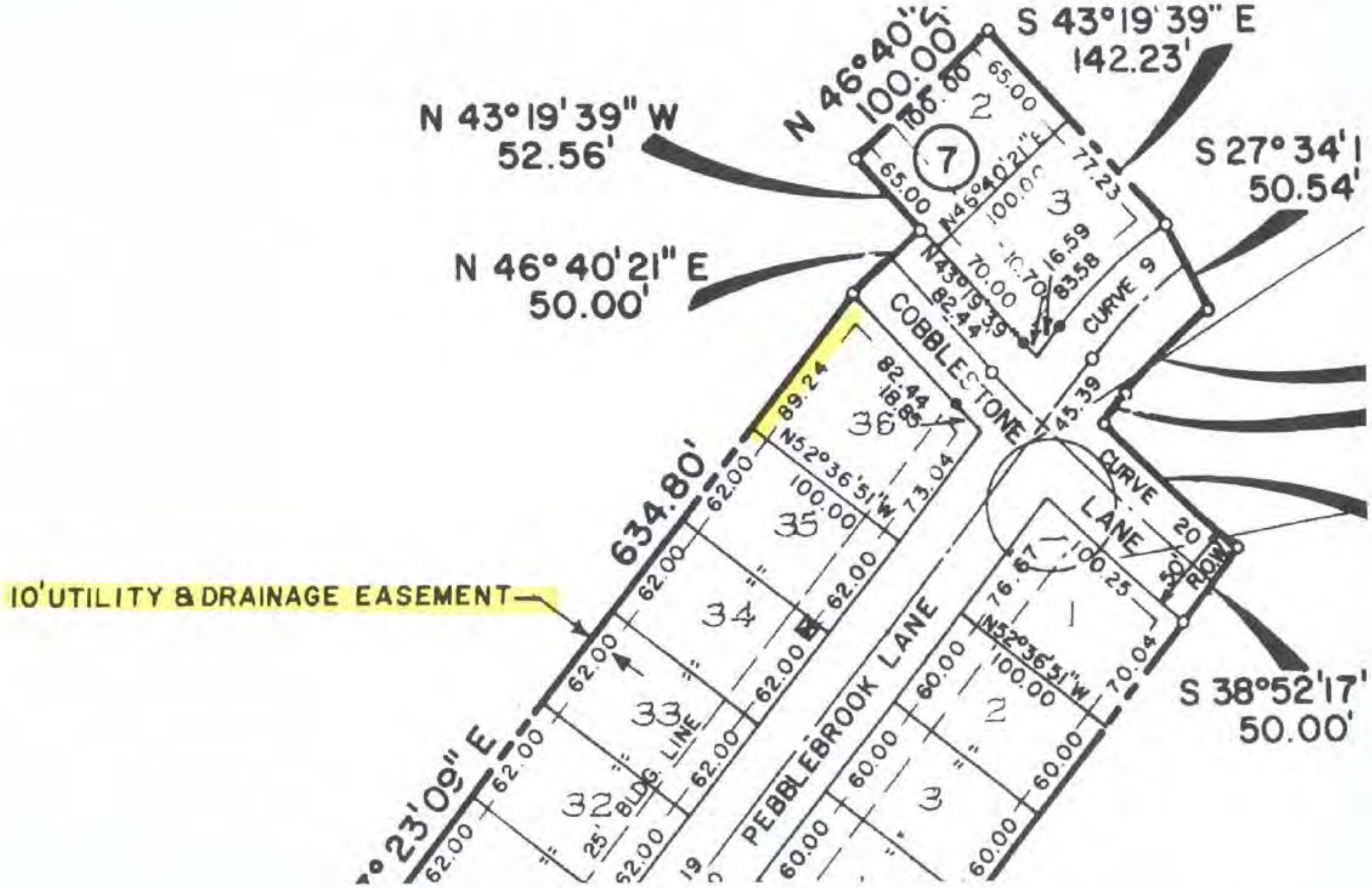
Dear Mr. Fleitman:

You have requested that Oncor Electric Delivery Company review a proposed encroachment of the utility easement along the back of your property. Per your statement, the encroachment will be for a surface built utility shed to be placed in the southwest corner of your back yard. Upon review of the proposed encroachment, Oncor Electric Delivery Company does not have any objections to your preceding with the construction of the utility shed as discussed.

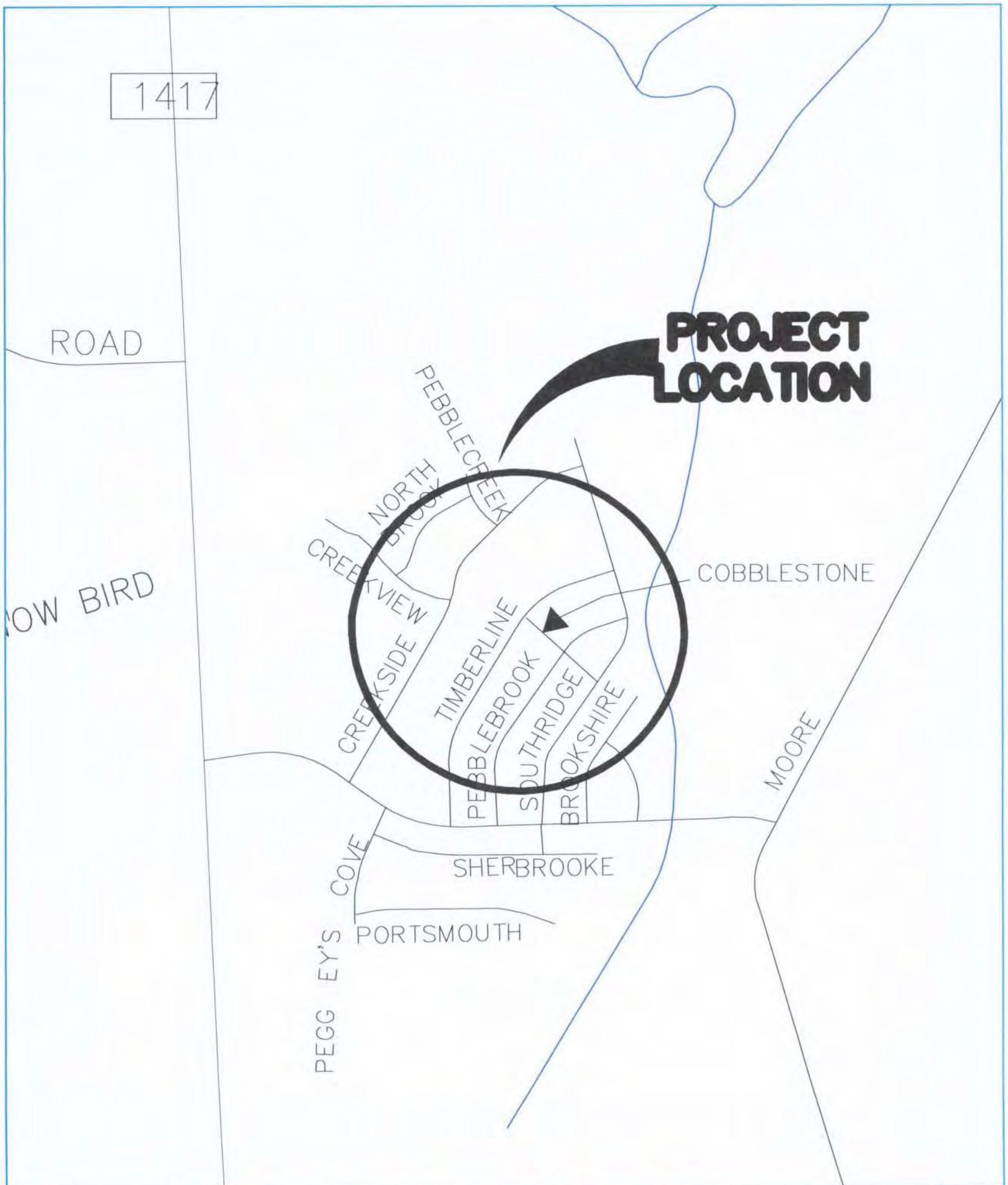
If I can be of further assistance, please call me at (903) 868-8273.

Sincerely,

Nolan Graham
Utility Designer, Sr.



S 43°19'39" E
142.23'
N 43°19'39" W
52.56'
S 27°34'1
50.54'
N 46°40'21" E
50.00'
634.80'
10'UTILITY & DRAINAGE EASEMENT
S 38°52'17'
50.00'
COBBLESTONE
PEBBLEBROOK LANE
CURVE LANE
CURVE 9
25' BLDG. LINE
50' R.O.W.



City of Sherman, Texas

1800 Pebblebrook Lane

PROJECT LOCATION MAP

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 9-7-2010

Subject: Agenda Item No. C.8

**** RESOLUTION NO. 5522***
Authorizing the Execution of an Interlocal Agreement between the City of Sherman and the City of Fort Worth for Household Hazardous Waste Services

Issue
To provide for the renewal of an Interlocal Agreement with the City of Fort Worth for the proper disposal of household hazardous waste to combat illegal dumping

Background
In 2006, the City of Sherman entered into its first Interlocal Agreement with the City of Fort Worth to provide household hazardous waste collection services. With the attached contract, Sherman will be going into its fifth year of household hazardous waste collection events using the services of the City of Fort Worth Solid Waste Department. We typically schedule, and have budgeted for, one collection event this fiscal year. Staff also provides an accompanying E-Waste collection station during these events, which is provided at no cost to the City from a Bonham-based business.

Origination
Department of Public Works

Financial Consideration
Funds have been budgeted and approved to host one household hazardous waste collection event during fiscal year (FY) 2010-2011. The cost to the City of Sherman is $47.00 per participating household. This unit cost is the same as last year.

Staff Recommendation
Approve the proposed Interlocal Agreement with the City of Fort Worth and partner with them to provide Sherman residents with one collection event during FY 2010-2011.

Alternatives
As may be directed by the City Council

Attachments
Resolution No. 5522
The City of Fort Worth's Standard Interlocal Agreement

Prepared by:
Don Keene, Exec. Director - Planning & Public Works

Approved by:
George Olson, City Manager

RESOLUTION NO. 5522

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING THE EXECUTION OF AN INTERLOCAL AGREEMENT BETWEEN THE CITY OF SHERMAN AND THE CITY OF FORT WORTH FOR HOUSEHOLD HAZARDOUS WASTE SERVICES; FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS RESOLUTION IS PASSED WAS NOTICED AND IS OPEN TO THE PUBLIC AS REQUIRED BY LAW.

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

SECTION 1. That the City Manager be and is hereby authorized, subject to all contract documents being properly completed and approved as to form and content by the City Attorney, to execute an Interlocal Agreement with the City of Fort Worth for household hazardous waste services, in accordance with the terms and provisions of the contract documents attached hereto and incorporated herein for all purposes.

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

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

CITY OF SHERMAN, TEXAS

BY: ________________________________
BILL MAGERS, MAYOR

ATTEST:

BY: ________________________________
LINDA ASHBY, CITY CLERK

APPROVED AS TO FORM AND CONTENT:

BY: ________________________________
BRANDON S. SHELBY,
CITY ATTORNEY

INTERLOCAL AGREEMENT FOR PARTICIPATION IN FORT WORTH'S

ENVIRONMENTAL COLLECTION CENTER

HOUSEHOLD HAZARDOUS WASTE PROGRAM

INTERLOCAL AGREEMENT FOR PARTICIPATION IN FORT WORTH'S
ENVIRONMENTAL COLLECTION CENTER
HOUSEHOLD HAZARDOUS WASTE PROGRAM

THIS AGREEMENT is entered into by and between the City of Fort Worth, Texas, a home-rule municipal corporation situated in Tarrant, Denton, Parker, and Wise Counties, Texas, hereinafter called "Fort Worth," acting by and through Fernando Costa, its duly authorized Assistant City Manager and the City of Sherman, hereinafter referred to as "Participating City" and located in Grayson County, Texas acting herein by and through George Olson (Name) its duly authorized City Manager (Title).

DELIVERY OF NOTICES

Any notices required to be given under this Agreement shall be delivered as follows:

If to Fort Worth:

Michael A. Gange, Assistant Director
TPW – Environmental Services Division
City of Fort Worth
1000 Throckmorton
Fort Worth, Texas 76102

If to Participating City:

City of Sherman
Environmental Code C/O Andreas Liss
220 W. Mulberry St
Sherman, Tx 75090

OPERATIONAL CONTACTS

Participating City's Operational Contact Persons:

Designated person is: Andreas Liss telephone number: 903.892.7077
Mobile phone number (24-hour) where he or she can be reached: 903.814.2986

Alternate person is Sheila Renner telephone number: 903.892.7122
Mobile phone number (24-hour) where he or she can be reached: 903.819.0100

VOUCHER UTILIZATION

The Participating City:

_____ DOES wish to use a voucher system for its residents visiting the ECC or a mobile event.

__✓__ DOES NOT wish to use a voucher system for its residents visiting the ECC or a mobile event.

If a voucher system will be used only residents with an official voucher provided by Participating City will be allowed to drop wastes off at the ECC or at mobile events in Participating City. **A copy of the official voucher must be attached to this agreement.**

INVOICE DELIVERY

Invoices to Participating City shall be delivered to:

Andreas Liss
Name

Environmental Code
Department (if applicable)

P. O. Box 1106
Street Address or PO Box

Sherman, Tx 75091-1106
City, State, ZIP

andreasl@ci.sherman.tx.us
email address for billing questions and correspondence

Participating City shall notify Fort Worth in writing if the above contact information changes during the term of this Agreement.

WITNESSETH

WHEREAS, Texas Government Code, Chapter 791, authorizes the formulation of interlocal cooperation agreements between and among local governments; and

WHEREAS, Texas Government Code, §791.011 provides that a local government may contract with another local government to perform governmental functions and services, and §791.003(3)(H) defines waste disposal as a governmental function and service; and

WHEREAS, Texas Government Code, §791.025 provides that a local government may agree with another local government to purchase services; and

WHEREAS, Fort Worth and Participating City desire to enter into an interlocal agreement whereby Fort Worth will purchase the services of a waste disposal/recycling firm or firms and will administer a household hazardous waste collection program; and

WHEREAS, Fort Worth and Participating City mutually desire to be subject to the provisions of Texas Government Code, Chapter 791, also known as the Interlocal Cooperation Act.

NOW THEREFORE, it is agreed as follows:

1.
DEFINITIONS

A. Unless a provision in this Agreement explicitly states otherwise, the following terms and phrases, as used in this Agreement, shall have the meanings hereinafter designated.

Act of God means an act occasioned by the direct, immediate, and exclusive operation of the forces of nature, uncontrolled or uninfluenced by the power of humans and without human intervention.

Bill of Lading lists the contents of the mobile collection unit.

Environmental Collection Center (ECC) means the City of Fort Worth Environmental Management Department facility located at 6400 Bridge Street, Fort Worth, Texas, which is to be used by Fort Worth for the aggregation of household hazardous wastes that have been brought to the facility by participating cities' households for subsequent recycling, disposal, and/or reuse.

Environmental damages means all claims, judgments, damages, losses, penalties, fines, liabilities (including strict liability), encumbrances, liens, costs, and expenses of investigation and defense of any claim, whether or not such claim is ultimately defeated, and of any good faith settlement or judgment, of whatever kind or nature, contingent or otherwise, matured or un-matured, foreseeable or unforeseeable, including without limitation reasonable attorney's fees and disbursements and consultant's fees, any of which are incurred subsequent to the execution of this Agreement as a result of the handling, collection, transportation, storage, disposal, treatment, recovery, and/or reuse of waste pursuant to this Agreement, or the existence of a violation of environmental requirements pertaining to same, and including without limitation:

(a) Damages for personal injury and death, or injury to property or natural resources;

(b) Fees incurred for the services of attorneys, consultants, contractors, experts, laboratories and all other costs incurred in connection with the investigation or remediation of such wastes or violation of environmental requirements including, but not limited to, the preparation of any feasibility studies or reports or the performance of any cleanup, remediation, removal, response, abatement, containment, closure, restoration or monitoring work required by any federal, state or local governmental agency or political subdivision, or otherwise expended in connection with the existence of such wastes or violations of environmental requirements, and including without limitation any attorney's fees, costs and expenses incurred in enforcing this Agreement or collecting any sums due hereunder; and

(c) Liability to any third person or governmental agency to indemnify such person or agency for costs expended in connection with the items referenced in subparagraph (b) herein.

Environmental requirements means all applicable present and future statutes, regulations, rules, ordinances, codes, licenses, permits, orders, approvals, plans, authorizations, concessions, franchises, and similar items, of all governmental agencies, departments, commissions, boards, bureaus, or instrumentalities of the United States, states, and political subdivisions thereof and all applicable judicial, administrative, and regulatory decrees, judgments, and orders relating to the protection of human health or the environment, including without limitation:

(a) All requirements, including but not limited to those pertaining to reporting, licensing, permitting, investigation, and remediation of emissions, discharges, releases, or threatened releases of hazardous materials, pollutants, contaminants, or hazardous or toxic substances, materials, or wastes whether solid, liquid, or gaseous in nature, into the air, surface water, groundwater, storm water, or land, or relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport, or handling of pollutants, contaminants, or hazardous or toxic substances, materials, or wastes, whether solid, liquid, or gaseous in nature; and

(b) All requirements pertaining to the protection of the health and safety of employees or the public.

Force majeure means decrees of or restraints by a governmental instrumentality other than the Parties, acts of God, work stoppages due to labor disputes or strikes, failure of Fort Worth's contractor(s) to perform pursuant to their agreements with Fort Worth for the conduct of the collection of household hazardous waste, fires, explosions, epidemics, floods, extreme weather, riots, war, rebellion, and sabotage.

Household hazardous waste (HHW) means any solid waste generated in a household by a consumer which, except for the exclusion provided for in 40 CFR § 261.4(b)(1), would be classified as a hazardous waste under 40 CFR Part 261.

Manifest means the uniform hazardous waste manifest form(s) that must accompany shipments of municipal hazardous waste or Class 1 industrial solid waste.

Mobile collection event means a household hazardous waste collection event by Participating City utilizing a mobile collection unit.

Mobile Collection Unit (MCU) means a non-self-propelled vehicle used for the periodic collection of household hazardous waste by Participating City, off-site of the ECC, which is transported to the ECC to dispose of the household hazardous waste collected at the mobile collection event. Mobile Collection Units owned by Fort Worth are designed to hold the hazardous waste of approximately 50 to 75 households.

Participating City means the municipality which has entered into this agreement with the City of Fort Worth.

Participating Entities, when used in the plural, means Fort Worth, Participating City, and all other entities which have entered into interlocal agreements with Fort Worth for the ECC household hazardous waste collection program.

Person means an individual, corporation, organization, government, or governmental subdivision or agency, business trust, partnership, association, or any other legal entity.

Waste has the same meaning as "solid waste" as that term is defined in Texas Health and Safety Code §361.003, and including hazardous substances.

B. Unless a provision in this Agreement explicitly states otherwise, the following abbreviations, as used in this Agreement, shall have the meanings hereinafter designated.

CERCLA - Comprehensive Environmental Response, Compensation, and Liability Act its amendments, associated case law, and state counterparts.

CPR - cardiopulmonary resuscitation.

DOT - United States Department of Transportation.

ECC – Fort Worth Environmental Collection Center.

EPA - United States Environmental Protection Agency.

HAZCAT - hazardous categorization.

HAZWOPER - hazardous waste operations and emergency response and the training, certification, and legal requirements associated therewith.

HM - hazardous materials.

HHW - household hazardous waste.

MCU - Mobile Collection Unit.

TCEQ – Texas Commission on Environmental Quality.

2.
PURPOSE

The purpose of this interlocal agreement (hereafter "Agreement") is the provision of services by Fort Worth to Participating City whereby, subject to the terms and conditions specified below, Fort Worth will administer and supervise a regional household hazardous waste collection program, which will be available to households within Participating City as described herein.

3.
TERM

This Agreement shall be effective from October 1, 2010 or the date the last party has signed this Agreement, whichever is later, through September 30, 2011 however the duties and responsibilities of the Parties for events which occurred during the term of the contract shall survive. If Participating City has mobile collection events scheduled during the months of October through December 2011 and this Agreement has not been renewed by the end of the regular term, this agreement shall be extended on a month to month basis until the mobile collection events have been completed or cancelled by Participating City.

4.
SERVICES OF FORT WORTH

Fort Worth agrees to perform the following services for Participating City in connection with the ECC household hazardous waste collection program:

A. Fort Worth will administer a regional household hazardous waste collection program. This program will include the operation of the Environmental Collection Center, which will accept for disposal and/or recycling household hazardous waste from households located within Participating City. Fort Worth shall not accept compressed flammable gas containers; radioactive materials; explosives or potentially shock sensitive materials; biological, etiologic, or infectious materials; wastes from businesses; or any other wastes that Fort Worth has determined are unacceptable.

B. Fort Worth will employ or retain personnel to provide the services necessary to perform Fort Worth's obligations in this Agreement.

C. Fort Worth will enter into a contract(s) with a waste disposal/recycling firm(s) for the handling, collection, transportation, storage, disposal, treatment, recovery, and/or reuse of household hazardous waste that is collected at the ECC or during mobile collection events.

D. Fort Worth will, if requested in writing by Participating City, provide Participating City with copies of waste manifests for shipments of waste from the ECC.

E. Fort Worth will, if requested in writing by Participating City, provide Participating City a monthly report of the Participating City's households who disposed of household hazardous waste at the Environmental Collection Center or a mobile collection event.

F. Fort Worth will issue a report and an invoice at the end of each quarter detailing the number of Participating City's households that disposed of household hazardous waste at the Environmental Collection Center or at mobile collection events.

G. Fort Worth will act under this Agreement in accordance with all applicable state and federal laws.

H. Mobile Collection Events

Participating City may schedule a mobile collection event to be operated by Fort Worth personnel using one of Fort Worth's MCUs or conduct their own mobile collection events using either Participating City's MCU or Fort Worth's Reserve MCU (as available). State regulations require notification to the Texas Commission on Environmental Quality (TCEQ) at least 45 days prior to conducting the event.

1. Fort Worth Operated Events:
   If Participating City would like to schedule a mobile collection event with the Fort Worth Mobile Collection Unit, Participating City shall contact the ECC as soon as possible for a list of available dates. The time and location shall be agreeable to both parties. Participating City may schedule one mobile collection event each contract year. Fort Worth will file notification of the event with TCEQ as required by 30 TAC §335.403.

   (a) Scheduling Events
   Fort Worth will begin scheduling mobile collection events for the 2011 calendar year on January 4, 2011. To ensure proper notification to TCEQ, events must be scheduled at least sixty (60) days ahead of the proposed date. Participating City acknowledges that Fort Worth contracts with other municipalities and that Fort Worth will be accommodating each Participating City's request on a first come first served basis. Therefore, Participating City acknowledges that its chosen date to schedule a mobile collection event may be reserved by another city and Participating City will have to then choose another date. Participating City will, in no event, be entitled to any damages or recovery of any costs, except as provided herein.

   (b) Location
   If Participating City chooses to hold the Mobile Collection Event on private property, Participating City shall obtain a signed waiver from the owner of the property sixty (60) days prior to the event. The waiver shall be in the form of Exhibit B or similar form approved by Fort Worth. The signed waiver must be sent to Fort Worth sixty (60) days before the Mobile Collection Event. If the signed waiver is not sent to Fort Worth sixty (60) days before the Mobile Collection Event, Fort Worth will not send the Fort Worth Mobile Collection Unit to the event and Participating City will, in no event, be entitled to any damages or recovery of any costs, except as provided herein. All events must be held on an impervious surface.

   (c) At the Mobile Collection Event, Participating City acknowledges and agrees that Fort Worth shall accept household hazardous waste from the first 50 households that show proof of residency at the Mobile Collection Event. After the first 50 households, Fort Worth will determine in its sole discretion how much more waste it can accept for proper transport back to the ECC. If more households arrive at the event than Fort Worth can accept, Participating City will in no event be entitled to any damages or recovery of any costs, except as provided herein.

   (d) Due to the lack of storage space at the ECC, Participating City acknowledges and agrees that if it requests the Fort Worth Mobile Collection Unit at a mobile collection event, a Participating City's MCU shall not also be at the event.

(e) Fort Worth, in its sole discretion, will determine whether to send the Fort Worth Mobile Collection Unit to Participating City's Collection Event during adverse weather, the threat of adverse weather, or other hazardous conditions including but not limited to sleet, snow, rain, mist or hail. In the event Fort Worth determines not to send the Fort Worth Mobile Collection Unit, Fort Worth shall attempt to notify persons listed herein as an "Operational Contact" by the Participating City and shall attempt to send a Fort Worth employee to the Participating City's event to tell any residents that come to dispose of household hazardous waste that the Fort Worth Mobile Collection Unit will not be coming to the event, but the resident can go to the ECC to dispose of the waste. A map with directions to the ECC also will be provided.

2. Participating City Mobile Collection Unit:

(a) Fort Worth agrees to accept household hazardous waste from mobile collection events conducted by Participating City using Participating City's MCU in accordance with the terms of this Agreement.

(b) Fort Worth agrees to restock the items it removes from Participating City's MCU, however, Fort Worth shall only restock items listed in Exhibit "A", attached and incorporated herein as if set forth.

3. Loan of the Reserve Mobile Collection Unit

The reserve MCU is a specially designed and equipped thirty-six (36) foot gooseneck box-trailer and one (1) ton pickup owned by Fort Worth. Participating City may request the loan of Fort Worth's Reserve MCU free of charge for use in a Household Hazardous Waste collection event when available. Participating City may use the Reserve MCU to transport HHW to Fort Worth's ECC or another collection center that may lawfully receive HHW. Participating City shall provide Fort Worth with a written request, facsimile or e-mail at least sixty (60) days prior to the event date for which the request is made. Fort Worth shall have sole determination whether the Reserve MCU is available for use by Participating City and shall notify Participating City as soon as is reasonably practicable of such decision. Fort Worth shall not participate in nor be responsible for any part of the Participating City's HHW Collection Event unless and except by written mutual agreement.

(a) Fort Worth shall disclose any known problems the Reserve MCU may have in performing the tasks necessary for the HHW Collection Event. Prior to issuance of the Reserve MCU, a pre-trip inspection for potential maintenance problems will be preformed by Fort Worth. Also, both parties will complete a pre-trip aesthetic assessment. Participating City shall be responsible for all certifications and insurance necessary for the proper operation of the Reserve MCU.

(b) Participating City agrees to maintain and return the Reserve MCU in as good condition as it was in when Participating City took possession for use. Participating City shall return the Reserve MCU to Fort Worth in a timely manner and as mutually agreed upon.

(c) Participating City shall be responsible for all property damage, personal injury or death caused by Participating City's employees, volunteers, contractors, or agents and arising out of the use of the Reserve MCU during the term of this Agreement.

(d) It is expressly understood and agreed that, in the execution of this Agreement, neither of the parties waives, nor shall be deemed hereby to waive, any immunity or defense that would otherwise be available to it against claims arising in the exercise of governmental powers and functions. By entering into this Agreement the parties do not intend to create any obligations, expressed or implied, other than those set forth herein and this Agreement shall not create any rights in parties not signatories hereto.

5.
DUTIES OF PARTICIPATING CITY

Participating City agrees to perform the following duties in connection with the household hazardous waste collection program:

A. Participating City will designate one of its employees, and another as an alternate, to act as its household hazardous waste collection Operational Contact to interact with Fort Worth as designated on the signature page to this contract.

B. Participating City will coordinate and fund all program advertising targeted to its own citizens, as it deems necessary. Such advertising shall include the type of wastes that will be accepted at the ECC, the requirement of proof of residency, and weather cancellation information.

C. Participating City shall notify its residents of the ECC hours of operation and dates it is closed as provided in Section 9 "The Environmental Collection Center Hours of Operation."

D. Participating City may choose to utilize a voucher system for its residents in order for them to bring HHW to the ECC. If Participating City chooses to use such a system, it shall designate so herein and include a copy of the official voucher. In addition, if a citizen from a Participating City that utilizes a voucher system comes to the ECC or a mobile collection event without a voucher, Participating City acknowledges and agrees that Fort Worth will not accept the household hazardous waste until Participating City authorizes the acceptance in writing.

E. Participating City may submit a written request for a monthly report listing the number of its city's households that have disposed of household hazardous waste at the ECC or a mobile collection event.

F. Participating City shall provide traffic control and signage for the mobile collection event, and shall provide personnel to assist Fort Worth with the offloading of material, surveys, and screening of persons dropping off household hazardous waste. Prior to the event, the parties shall agree upon the details of the traffic control, signage, and personnel assistance.

G. If a Participating City resident presents waste that was collected from multiple households, Fort Worth reserves the right to charge the Participating City based on the total number of households from which the waste originated even if the resident has only one voucher.

H. Participating City shall provide a means for disposing of solid waste (e.g. boxes, trash, containers) on site during a mobile collection event.

I. Mobile Collection Events using Participating City's MCU or Reserve MCU

1. Participating City is responsible for proper notification to TCEQ as required by 30 TAC §335.403.

2. Participating City shall advise the ECC at least 72 hours in advance of its mobile collection events. Participating City shall collect only HHW during a mobile collection event. Wastes from commercial, agricultural, and industrial sources shall not be accepted. Participating City shall not accept compressed flammable gas containers; radioactive materials; explosives or potentially shock sensitive materials; biological, etiologic, or infectious materials; or any other wastes that Fort Worth has determined are unacceptable.

3. In accordance with the latest DOT requirements, Participating City's MCU operators will properly categorize, package, mark, label, and load into the MCU, all wastes received at the mobile collection event. Recyclable products (used oil, used oil filters, latex paint, recyclable anti-freeze, lead-acid batteries, and fluorescent lights) will be segregated into containers for recyclables.

4. After accepting wastes, Participating City's MCU operators shall thoroughly check each container for proper labeling and identification. If a container is properly identified, the material will be segregated according to hazard class and prepared for packaging. If a container does not have adequate labeling to permit identification, the MCU operators shall then attempt to identify the material from its physical characteristics using HAZCAT analysis and from information provided by the household presenting the waste.

5. The Participating City's MCU operators shall package all hazardous materials in accordance with United States Department of Transportation (DOT) requirements, United States Environmental Protection Agency (EPA) requirements, and all other applicable federal and state requirements. After all the wastes have been properly identified and segregated, the MCU operators will reexamine the wastes for compatibility, list them on the container content sheets, and pack them into drums. Oil-based paints and latex paints shall be bulked separately in 55-gallon drums, or if the paint is left in its container, the paint can be packed in a lined cubic yard box, and packed and labeled according to federal and state regulations. Participating City shall not transport waste that is not HHW to the ECC. Participating City agrees to make its own arrangements to dispose of any non-HHW waste collected at the event.

6. Prior to transporting the HHW from the collection event site, Participating City's MCU operators shall complete a Bill of Lading, and shall keep the Bill of Lading in the cab of the truck hauling the MCU during transportation of the HHW to the ECC. Participating City shall require that a minimum of one copy of the latest North American Emergency Response Guidebook be kept within the cab of the truck.

7. During transportation, Participating City's MCU operators shall placard the MCU for transportation of hazardous waste in accordance with federal and state law.

8. Upon the return of the MCU to the ECC, Participating City's MCU operators shall follow the instructions of Fort Worth regarding the placement of the MCU for unloading. Fort Worth shall take possession of the MCU from Participating City after the MCU has been properly parked for unloading in accordance with Fort Worth's instructions and all required documents have been delivered to the ECC manager or his designee at the ECC. Fort Worth shall, within a reasonable amount of time, unload the HHW from the Participating City's MCU and store the unit at the ECC. After being contacted, Participating City shall pickup their unit within 10 days.

9. If Fort Worth, in its sole discretion, determines that Participating City's MCU operators improperly packaged any of the HHW delivered to the ECC, Fort Worth shall repackage such waste, and Participating City shall reimburse Fort Worth as set forth herein.

10. If a spill emanating from the Participating City's MCU or the Reserve MCU occurs at the ECC while the MCU is still in Participating City's possession, Fort Worth shall take control of the spill response and Participating City will reimburse Fort Worth for its response costs as set forth herein.

6.
USE OF WASTE DISPOSAL/RECYCLING FIRMS FOR HOUSEHOLD HAZARDOUS WASTE

A. Fort Worth will enter into a contract(s) with a waste disposal/recycling firm(s) for the handling, collection, transportation, storage, disposal, treatment, recovery, and/or reuse of household hazardous waste, from the ECC.

B. Such firm(s) shall be required pursuant to the contract(s) to assume generator status for the waste collected, (excluding used oil, lead-acid batteries and antifreeze) to choose a disposal site for the waste subject to Fort Worth's approval, and to indemnify Fort Worth and participating cities against any and all environmental damages and the violation of any and all environmental requirements resulting from the handling, collection, transportation, storage, disposal, treatment, recovery, and/or recycling of waste collected pursuant to this agreement, when said environmental damages or the violation of said environmental requirements was the result of any act or omission of contractor, its officers, agents, employees, or subcontractors, or the joint act or omission of contractor, its officers, agents, employees, or subcontractors and any other person or entity.

C. **THE PARTIES RECOGNIZE THAT ALTHOUGH THE FIRM (S) WILL BE REQUIRED TO ASSUME GENERATOR STATUS, THIS ASSUMPTION WILL NOT RELIEVE PARTICIPATING CITY OF LIABILITY FOR THE WASTE UNDER FEDERAL LAW**

AND STATE LAW. Fort Worth will arrange for recycling vendors for used oil, batteries, antifreeze, and other materials, as it deems appropriate.

7.
REUSE OF COLLECTED MATERIALS

A. From time-to-time Fort Worth will make available to residents and businesses of Fort Worth, as well as, Participating City and residents and businesses of Participating City for their use, collected household hazardous waste materials that are suitable for reuse, such as paint, fertilizer, motor oil, and antifreeze. Fort Worth shall not charge for any materials that are picked up for reuse.

B. Some materials made available for reuse may have been consolidated and filtered by Fort Worth prior to being made available. Used antifreeze will have been consolidated in a barrel, filtered, and pH balanced, and new antifreeze may have been added to the barrel.

C. In regards to materials accepted by Participating City, its employees, residents, or any other person **FORT WORTH MAKES NO REPRESENTATIONS, WARRANTIES, OR GUARANTIES THAT**:

1. the container contents are what the label indicates;

2. the container contents are those originally placed into the container by the manufacturer;

3. the product is of the quality intended for its use;

4. the contents of the container have been stored properly;

5. the instructions on the container label for use, storage, and first aid are current or correct;

6. the container is in unimpaired condition;

7. the product is still approved for use (i.e., it has not been banned or recalled); and

8. the product can be used without risk to persons, property or the environment.

FURTHERMORE, ALL WARRANTIES, EXPRESS AND IMPLIED, ARE SPECIFICALLY DENIED. PARTICIPATING CITY SHALL NOTIFY RECIPIENTS OF THESE TERMS AND CONDITIONS.

D. Participating City shall contact the ECC manager to arrange a pickup time to obtain materials. Participating City agrees that it shall not return to Fort Worth, directly or indirectly, any materials it obtains from Fort Worth under this paragraph.

E. **INDEMINIFICATION REGARDING REUSED OR RECYCLED MATERIALS.**

1. IN REGARDS TO REUSED OR RECYCLED MATERIALS ACCEPTED BY PARTICIPATING CITY, PARTICIPATING CITY DOES HEREBY WAIVE ALL CLAIMS,

INCLUDING PRODUCTS LIABILITY CLAIMS, AND RELEASES, AND HOLDS HARMLESS THE CITY OF FORT WORTH, AND ALL OF ITS OFFICIALS, OFFICERS, EMPLOYEES, AGENTS, AND VOLUNTEERS, IN BOTH THEIR PUBLIC AND PRIVATE CAPACITIES, FROM ANY AND ALL LIABILITY, CLAIMS, SUITS, DEMANDS, EXPENSES OF LITIGATION, OR CAUSES OF ACTION WHICH MAY ARISE BY REASON OF INJURY TO PERSONS, LOSS OF PROPERTY, DAMAGE TO PROPERTY, OR LOSS OF USE OF ANY PROPERTY , OCCASIONED BY THE TRANSPORTATION, STORAGE, HANDLING, USE, AND DISPOSAL BY PARTICIPATING CITY OF ANY MATERIALS ACCEPTED BY PARTICIPATING CITY UNDER THIS AGREEMENT FROM FORT WORTH.

2. IF THE PARTICIPATING CITY DOES NOT AGREE TO THE INDEMNIFICATION AND WAIVER IN PARAGRAPH E ABOVE, THEN THE PARTICIPATING CITY SHALL NOT ACCEPT, NOR ALLOW ANY OTHER PERSON TO ACCEPT ANY OF THE REUSED OR RECYCLED MATERIALS AND SHALL NOT BE REQUIRED TO AGREE TO THE WAIVER IN PARAGRAPH E. Initial here to reject term 7.E.1. and accept alternate term 7.E.2. _________.

F. In regards to materials accepted by residents or businesses of Participating Cities, FORT WORTH MAKES NO REPRESENTATIONS, WARRANTIES OR GUARANTIES THAT:

1. the container contents are what the label indicates;
2. the container contents are those originally placed into the container by the manufacturer;
3. the product is of the quality intended for its use;
4. the contents of the container have been stored properly;
5. the instructions on the container label for use, storage, and first aid are current or correct;
6. the container is in unimpaired condition;
7. the product is still approved for use (i.e., it has not been banned or recalled); and
8. the product can be used without risk to persons, property or the environment.

FURTHERMORE, ALL WARRANTIES, EXPRESS AND IMPLIED, ARE SPECIFICALLY DENIED.

G. Participating City shall attempt to inform its residents and businesses that if they go to the Environmental Collection Center to pick up household hazardous waste for reuse, a release of liability must be signed to accept the household hazardous waste for reuse.

Remainder of this page intentionally left blank

8.
RIGHT TO REFUSE WASTE

Participating City agrees that Fort Worth shall have the right to refuse to accept waste at the ECC from Participating City or Participating City's resident, if in the reasonable judgment of Fort Worth:

A. The waste is not household hazardous waste;

B. The waste fails to meet other established criteria established by this Agreement, or that have been established by Fort Worth subsequent to the execution of the Agreement;

C. The individual does not have sufficient identification to establish that he/she is in fact a resident of Participating City;

D. Participating City has implemented a voucher system for its residents to dispose of waste, and the individual does not have a valid voucher; or

E. The waste or the individual presents a hazard to the ECC or to persons or property at the ECC.

9.
ENVIRONMENTAL COLLECTION CENTER HOURS AND DAYS OF OPERATION

A. Hours of Operation

During the term of the Agreement, the ECC's hours of operation are as follows
Thursday and Friday 11:00 a.m. – 7:00 p.m.
Saturday 9:00 a.m. -- 3:00 p.m.

B. Days the Environmental Collection Center will be closed

During the term of the agreement, the ECC will be closed on the following holidays that are observed on days the ECC would otherwise be open to the public:

Thanksgiving Holiday, Thursday, Friday, and Saturday, November 25-27, 2010
Christmas Holiday, Friday, and Saturday, December 24-25, 2010
New Year's Day, Saturday, January 1, 2011

In addition to the above closures Fort Worth employees will not be available to conduct mobile collection events on May 28 and September 3 although the ECC will remain open on those days. The ECC may close due to furlough days or other causes, and the City of Fort Worth does not represent to Participating City that the ECC will be open on any particular days. If additional closures due to any cause are necessary Fort Worth will notify Participating City prior to the closure unless due to an unforeseeable event.

C. Notifying Residents

Participating City agrees to notify its residents of the ECC's hours of operation and dates it will be closed. Participating City also may advertise the 24-hour Environmental Collection Center telephone number: (817) 871-5257.

10.
COMPENSATION

As fair compensation for the services provided by Fort Worth pursuant to this Agreement:

A. Participating City agrees to pay Fort Worth the sum of **$47.00** per household per visit to the ECC (or per participating household in a Mobile Collection Event) to dispose of household hazardous waste. If a Participating City resident presents waste that was collected from multiple households, Fort Worth reserves the right to charge the Participating City based on the total number of households from which the waste originated.

B. If Fort Worth determines that Participating City's MCU operators improperly packaged any of the HHW delivered to the ECC, Fort Worth shall repackage such waste, and Participating City shall reimburse Fort Worth for its staff time at $20.00 an hour and the cost of supplies.

C. If a spill emanating from the Participating City's MCU or the Reserve MCU occurs at the ECC while the MCU is still in Participating City's possession, Fort Worth shall take control of the spill response and Participating City will reimburse Fort Worth for its response costs for City staff time ($60.00 per hour) plus the cost of supplies and the actual costs for the spill response and remediation incurred by the City of Fort Worth for third party contractors and responding governmental agencies.

D. The amount due to Fort Worth for services provided under this Section, Paragraphs A, B, and C, shall be billed to Participating City quarterly. Participating City shall pay Fort Worth within 30 days of receiving a bill from Fort Worth. If Fort Worth does not receive payment within 30 days, Fort Worth shall inform Participating City in writing that it will not accept any household hazardous waste from Participating City's residents and that Fort Worth will not participate in a mobile collection event or provide a mobile collection unit until paid.

E. At the end of the term of this Agreement, Fort Worth shall provide a final accounting to Participating City, which will include the total number of Participating City's households which participated in the program, repackaging fees, if any, and the total cost of spill response charged to Participating City, if any.

F. Pursuant to the requirements of Government Code §791.011 (a)(3), the amount due to Fort Worth under Subparagraph D. above shall be paid from revenues currently available to Participating City in the present fiscal year.

11.
ARTWORK, "CAPTAIN CRUD AND THE CRUDDIES," AND PROMOTIONAL MATERIALS LICENSE AGREEMENT

Fort Worth is the owner of **"Captain Crud"** and the Cruddies (**"Bloomer," "Otto," "Pestie, "Scrub,"** and **"Van Goo"**) and the recycling buddies (**"Scrappy," "Juggles,"** and **"Cana**

Nana") "Conquer Your Crud," and **"Crud Cruiser"**, and therefore all ownership rights belong to Fort Worth. Fort Worth has registered these marks as service marks with the Secretary of State.

A. Fort Worth hereby grants to Participating City a non-transferable, non-exclusive license to use all the artwork and promotional materials that may be provided by Fort Worth to be used solely in the conduct of the business of Participating City's disposal and recycling of household hazardous waste programs. If Participating City wishes to use to Licensed Art and/or Promotional Materials in other limited situations, Participating City must first obtain express written consent from Fort Worth.

B. Fort Worth may provide licensed Artwork and Promotional Materials to Participating City pursuant to the terms of this Agreement. Participating City acknowledges that by virtue of this License, Participating City acquires only the right to use the original and permitted duplicate copies of the Licensed Artwork and Promotional Materials and does not acquire any rights of ownership in the Licensed Artwork and Promotional Materials, which rights shall remain exclusively with Fort Worth. If Participating City wants to modify or change the artwork and/or promotional materials in any manner, Participating City hereby agrees to contact Fort Worth in writing to obtain written consent before modifying or changing any artwork and/or promotional materials.

C. If Participating City desires an actor to portray "Captain Crud" for an event, Participating City shall use actors approved by Fort Worth to portray "Captain Crud" since "Captain Crud" is owned by Fort Worth. Participating City shall be solely responsible for compensating actor for the services provided to Participating City. Participating City will contact Fort Worth as soon as possible with the date and time of the event agreeable to both parties to obtain approval for the chosen actor and to request and pickup the "Captain Crud" costume for its events. Fort Worth will provide the "Captain Crud" costume. However, Participating City agrees to be liable to Fort Worth for any damage to the costume or if Participating City fails to return the entire costume to Fort Worth or if the costume is not returned in the same condition as received.

12.
IMMUNITY

It is expressly understood and agreed that, in the execution of this Agreement, none of the Participating Cities waives, nor shall be hereby deemed to waive, any immunity or defense that would otherwise be available to it against claims arising in the exercise of governmental powers and functions, and that the services described in this Agreement are a governmental function.

13.
FORCE MAJEURE

A delay or failure of Fort Worth to perform services pursuant to this Agreement shall be excused to the extent that the delay or failure to perform resulted from a force majeure event, and the delay or failure was beyond the control of Fort Worth and not due to its fault or negligence. Participating City shall not have, and hereby waives, any claim whatever for any damages resulting from delays or failure to perform caused by a force majeure event.

14.
TERMINATION

The parties shall each have the right to terminate the Agreement for any reason, with or without cause, upon thirty (30) days written notice to the other party. Upon termination, the parties shall be released from all contractual obligations to the other party excluding "USE OF WASTE DISPOSAL/RECYCLING FIRMS FOR HOUSEHOLD HAZARDOUS WASTE" "REUSE OF COLLECTED MATERIALS" and "ARTWORK, "CAPTAIN CRUD AND THE CRUDDIES," AND "PROMOTIONAL MATERIALS LICENSE AGREEMENT" and any terms and conditions arising from events occurring during the term of the contract .

15.
ENTIRETY

This Agreement contains all commitments and Agreements of the parties hereto, and no other oral or written commitments shall have any force or effect if not contained herein, except that this Agreement can be amended or modified by the parties if such amendment or modification is in writing and signed by Participating City and Fort Worth.

16.
SEVERABILITY

In the event anyone or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision thereof and this Agreement shall be construed as if such invalid, illegal, or unenforceable provisions had never been contained herein.

17.
VENUE

Should any action, real or asserted, at law or in equity, arise out of the terms and conditions of this Agreement, venue for said action shall be in Tarrant County, Texas.

18.
AUTHORITY

This Agreement is made for Fort Worth and Participating City as an Interlocal Agreement, pursuant to Texas Government Code, Chapter 791.

19.
AUTHORIZATION

The undersigned officers and/or agents of the parties hereto are properly authorized officials and have the necessary authority to execute this Agreement on behalf of the parties hereto, and each party hereby certifies to the other that any necessary resolutions extending such authority have been duly passed and are now in full force and effect.

SIGNATURE PAGE
INTERLOCAL AGREEMENT FOR PARTICIPATION IN FORT WORTH'S
ENVIRONMENTAL COLLECTION CENTER, HOUSEHOLD HAZARDOUS WASTE PROGRAM

CITY OF FORT WORTH

By:

Fernando Costa
Assistant City Manager
Date: ____________________

CITY OF Sherman

By:

Printed name: George Olson
Title: City Manager
Date: 09/01/2010

APPROVED AS TO FORM
AND LEGALITY:

Arthur N. Bashor
Assistant City Attorney

APPROVED AS TO FORM
AND LEGALITY:

City Attorney / Assistant City Attorney

ATTEST:

Marty Hendrix
City Secretary

ATTEST:

City Secretary

Contract Authorization

Date

Exhibit "A"

RESTOCKING LIST FOR THE MOBILE COLLECTION UNIT

Material	Amount Restocked	Special Needs	Remarks
55 gallon open top drums (open top for loose packs)	Amount taken off the trailer		
55 gallon drums (closed top) (oil, antifreeze, bulk flammable materials and one extra)	Amount taken off the trailer		
Fiber drums (55 or 30 gallon) Aerosols, acids, bases and oxidizers)	Amount taken off the trailer		
Gaylord box liners (plastic)	Amount taken off the trailer		
55 gallon drum liners	Amount taken off the trailer		
5 gallon buckets (filters/haz chemicals)	Amount taken off the trailer		
Survey Forms	Amount taken off the trailer		
Labels/drum placard	Amount taken off the trailer		
Gaylord boxes	Amount taken off the trailer		
Absorbent pads	Amount taken off the trailer		
Vermiculite	Amount taken off the trailer		
Oil dry	Amount taken off the trailer		
Promotional Materials & Brochures	Amount needed		

Exhibit "B"

WAIVER AND RELEASE OF LIABILITY FOR COLLECTION OF HOUSEHOLD HAZARDOUS WASTE

I being the owner of property located at ______________________________ have been asked by the City of Sherman ______________ to allow a mobile collection event on my property to collect household hazardous waste on the ______________, 20___ I hereby give my permission to the City of Sherman ______________ and the City of Fort Worth, to hold a household hazardous waste collection event on my property in which the City of Sherman ______________ has asked the City of Fort Worth to send its mobile collection unit to collect the household hazardous waste that is brought to the event.

Therefore, I hereby RELEASE, DISCHARGE, HOLD HARMLESS, INDEMNIFY the City of Fort Worth or its officers, agents, and employees and the City of Sherman ______________ and its officers, agents, and/or employees for any and all claims, demands, liability, causes of action, actions or suits of any character that I may have against the City of Fort Worth or its officers, agents, and/or employees and the City of Sherman ______________ or its officers, agents, and/or employees for any property loss or damage, for any and all personal injury including death or any other damage of any kind or character which may arises or that arises from allowing the City of Sherman ______________ to hold a household hazardous waste collection event, in which the City of Fort Worth sends its mobile collection unit on my property.

I have read this Waiver and Release and fully understand its terms and conditions. I have not been influenced in any extent whatsoever by any representation or statements not contained in this Agreement.

______________________________ ______________________________
Signature Date

______________________________ ______________________________
Witness Date

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 9-7-2010

Subject: Agenda Item No. D.1

OTHER BUSINESS
Receive Fair Housing Impediment Analysis Update
from Community Development Coordinator Theresa Caudle

Issue

Sherman's Neighborhoods Services office, in conjunction with the City of Denison's Community Development office, is conducting a Fair Housing Study to analyze the impediments to fair housing in the Cities of Sherman and Denison. A requirement of the study process is to receive public input on fair housing issues from the community through Focus Group Sessions.

The City of Sherman will host three Focus Group Sessions on Thursday, September 23, 2010, conducted by J-QUAD Planning Group.

Background

The City of Sherman receives an entitlement grant (Community Development Block Grant) from the U.S. Department of Housing and Urban Development (HUD). We are required to conduct and submit an Analysis of Impediments to Fair Housing Choices (AI) as a part of the Consolidated Plan. The City certifies annually that it will affirmatively further fair housing, which means it will conduct an AI within our jurisdictions, take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting that analysis and actions in this regard. The AI covers the full array of public and private policies, practices and procedures affecting housing choice. The AI serves as the substantive logical basis for fair housing policy; provides essential and detailed information to policy makers, administrative staff, housing providers, lenders, and fair housing advocates; and assists in building public support for fair housing efforts within the entitlement jurisdictions/boundaries and beyond.

Origination

Theresa Caudle, Community Development Coordinator

Financial Consideration

The City of Sherman and Denison will equally share the cost of the Analysis of Impediments Study as we are in the same Metropolitan Statistical Area (MSA) and most of the information collected by the consultant is based on the MSA. The cities solicited separate proposals from qualified consultants to complete the study. J-QUAD Planning Group of Addison, Texas, will develop the Analysis of Fair Housing Impediments. The City will use Community Development Block Grant Administration Funds to pay for its portion of the study.

Staff Recommendation

It is suggested that the City Council attend the Fair Housing Focus Group Session in the City Council Chambers at 3:30 p.m. on Thursday, September 23, 2010. In the event a quorum of Council members decides to attend, a "Notice of Called Meeting" would be prepared and posted for this event.

Alternatives

No alternatives are recommended since the AI study is a requirement by HUD for receipt of federal funds for housing and community development.

Attachments

None

Prepared by:	**Approved by:**
Theresa Caudle, Community Development Coordinator	**George Olson, City Manager**

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 9-7-2010

Subject: Agenda Item No. D.2

CITIZEN REQUESTS

The Honorable Bill Magers, Mayor

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 9-7-2010

Subject: Agenda Item No. D.3

MEDIA QUESTIONS

The Honorable Bill Magers, Mayor

SHERMAN CITY COUNCIL

Agenda Communication Form

From: The Office of the City Manager **Date:** 9-7-2010

Subject: Agenda Item No. D.4

COUNCIL COMMENTS

The Honorable Bill Magers, Mayor

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 9-7-2010

Subject: Agenda Item No. D.5

ADJOURNMENT

The Honorable Bill Magers, Mayor

SHERMAN CITY COUNCIL

Agenda Communication Form

From: The Office of the City Manager **Date:** 9-7-2010

Subject: Agenda Item No. N/A

COUNCIL CALENDAR

2010
CITY COUNCIL MEETINGS

JANUARY

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

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

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						

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**				

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			

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		

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**	

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						

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					

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				

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			

DECEMBER

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

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

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