CITY OF SHERMAN
CITY COUNCIL CALLED MEETING AGENDA
COUNCIL CHAMBERS OF THE CITY HALL
220 WEST MULBERRY STREET
SHERMAN, TEXAS
TUESDAY, SEPTEMBER 2, 2008
5:00 P.M.

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

A.2 PLEDGE OF ALLEGIANCE

A.3 INVOCATION BY DEPUTY MAYOR CAROLYN S. WACKER

A.4 APPROVE MINUTES OF THE REGULAR CITY COUNCIL MEETING OF AUGUST 18, 2008

Special Presentation

A.5 SPECIAL PRESENTATION
Announcing the Winner of the First "Sherman Today" Photo Contest

Public Hearing

B.1 PUBLIC HEARING
Capital Improvement Program (CIP) 2008-2013

B.2 INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 5557
Approving a Negotiated Resolution Between the Atmos Cities Steering Committee and Atmos Energy Corp., Mid-Tex Division ("Atmos Mid-Tex" or "The Company") Regarding the Company's Rate Review Mechanism Filing in all Cities Exercising Original Jurisdiction; Declaring Existing Rates to be Unreasonable; 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' Proof of Revenues; Adopting a Savings Clause; Declaring an Effective Date; Requiring Delivery of this Ordinance to the Company and Legal Counsel

Close Public Hearing and Consider Adoption of Ordinances

B.3 ADOPTION OF ORDINANCES
Consider Adoption of Ordinance Number:
a) 5557

B.4 ADOPTION OF ORDINANCE NO. 5551
Providing for the Appropriation of Funds for Operating and Capital Expenditures for the Fiscal Year Beginning October 1, 2008, and Ending September 30, 2009

B.5 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. 5251
Approving and Adopting a Five-Year Capital Improvement Program for the City of Sherman, Texas

C.2 ** RESOLUTION NO. 5252*
Adopting an Investment Policy for the City of Sherman

C.3 ** RESOLUTION NO. 5253*
Authorizing Execution of Agreements with the Sherman Housing Authority, the Texoma Area Paratransit System, Inc., the Grayson County Crisis Center, the Child & Family Guidance Center of Texoma, the North Texas Youth Connection, and the Boys & Girls Club, Inc. for the Use of Community Development Block Grant Funds

C.4 ** RESOLUTION NO. 5254*
Authorizing Execution of an Interlocal Cooperation Contract with the Texas Department of Public Safety in Relation to the Sherman Police Department's Breath Testing and Laboratory Alcohol and Drug Testing Program

C.5 ** RESOLUTION NO. 5255*
Awarding a Bid to and Authorizing Execution of a Contract with Legacy Contracting, L.P. for the Replacement of Screw Lift Pumps at the Wastewater Treatment Plant

C.6 ** RESOLUTION NO. 5256*
Authorizing Execution of a Development Agreement with TexLanDev-Austin Landing, L.P. for the Construction of Public Facilities in the Austin Landing Phase Two Development to the City of Sherman

C.7 ** RESOLUTION NO. 5257*
Awarding a Bid to and Authorizing Execution of a Contract of Sale with W. Douglas Distributing, Ltd. d/b/a Douglas Distributing for an Annual Supply of Gasoline, Diesel and Bio-Diesel Fuel

Change Orders

D.1 ** CHANGE ORDER NO. 1*
Harrison Avenue Storm Drain Replacement; Lynn Vessels Construction, LLC; $969.99, Increase

D.2 ** CHANGE ORDER NO. 1*
2007-2008 Street Mill and Overlay Program; R.K. Hall Construction, Ltd.; $46,709.00, Increase

Other Business

D.3 OTHER BUSINESS
Receive Police Chief Tom Watt's Briefing on Graffiti in Sherman

D.4 ** OTHER BUSINESS*
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 26th Annual Sherman Arts Festival on Saturday, September 20, 2008

D.5 CITIZEN REQUESTS

D.6 MEDIA QUESTIONS

Consider Board/Commission Appointments

D.7 APPOINT/REMOVE OR CONSIDER QUALIFICATIONS TO BOARDS AND COMMISSIONS
Confirmation of City Manager Appointment of a Member to the Civil Service Commission (1)

D.8 COUNCIL COMMENTS

Executive Session

E.1 EXECUTIVE SESSION
In Accordance with Chapter 551, Government Code, V.T.C.S. (Open Meetings Law), "The City Council Will Now Hold a Closed Executive Meeting Pursuant to the Provisions of the Open Meetings Law, Chapter 551, Government Code, Vernon's Texas Codes Annotated, in Accordance with the Authority Contained in the Following Sections"

Section 551.071 Consultation with City Attorney Concerning Legal Matters:
(a) Panda Energy
(b) Cities Aggregation Power Project, Inc. (CAPP) Negotiations

Section 551.071 Consultation with City Attorney Concerning Pending or Contemplated Litigation:

(a) Cause No. 05-06-00420-CV; *City of Sherman, et al v. James Wayne*

(b) Lucky Stop 10's Request for Alcohol Permit

Section 551.072 Deliberations Regarding Real Property:

(a) Deliberate Regarding the Potential Purchase of a Piece of Real Property

Section 551.087 Deliberations Regarding Economic Development Negotiations:

(a) Deliberate Regarding Commercial or Financial Information that the City has Received from Business Prospects and Deliberate any Offers or Incentives to the Business Prospects, including the following:

(i) Panda Energy

The Council reconvenes into General Session

F.1 OPEN MEETING

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

F.2 ADJOURNMENT

COUNCIL CALENDAR

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 9-2-2008

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:** 9-2-2008

Subject: Agenda Item No. A.2

PLEDGE OF ALLEGIANCE

The Honorable Carolyn S. Wacker, Deputy Mayor

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 9-2-2008

Subject: Agenda Item No. A.3

INVOCATION BY DEPUTY MAYOR CAROLYN S. WACKER

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 9-2-2008

Subject: Agenda Item No. A.4

APPROVE MINUTES
THE REGULAR CITY COUNCIL MEETING OF AUGUST 18, 2008

STATE OF TEXAS §

August 18, 2008

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 18, 2008.

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

MEMBERS ABSENT: **NONE.**

CALL TO ORDER

CALL TO ORDER

Mayor Bill Magers called the meeting to order at 5:00 p.m. The Pledge of Allegiance and the Invocation were given by Council Member Joe Smith. Council Member Smith also called for 17 seconds of silence in memory of the victims of the recent bus accident in Sherman.

APPROVE MINUTES

APPROVE MINUTES

The Council reviewed the Minutes of the Regular City Council Meeting of August 4, 2008. Deputy Mayor Wacker moved to approve the Minutes as presented; Second by Council Member Steele. All present voted AYE.
MOTION CARRIED.

PROCLAMATION
"WOMEN'S EQUALITY DAY" – AUGUST 26, 2008

WOMEN'S EQUALITY DAY AUG. 26, 2008

Mayor Magers presented a proclamation to Deana Patterson, President of the Sherman Business and Professional Women, and Lana Bernardin, BPW Legislation Chair, proclaiming August 26, 2008 as "Women's Equality Day."

Ms. Bernardin thanked the Mayor, City Council, and the citizens of Sherman for their support of women in the community.

SPECIAL PRESENTATION
ANNOUNCING THE WINNER OF THE FIRST "SHERMAN TODAY" PHOTO CONTEST

"SHERMAN TODAY" PHOTO CONTEST

The Chamber of Commerce asked that this item be postponed to a later date.

OTHER BUSINESS
DISCUSSION OF THE SHERMAN DAY CARE

DAY CARE CENTER

Mayor Magers moved this item up in the agenda to accommodate many citizens that wished to speak.

Mayor Magers read a letter from Jack and Jill Day Care Center, Inc., concerning their letter of intent to lease the City's facilities at 1003 N. East Street to operate a non-profit child care center to provide child care to low income and economically disadvantaged families.

Mayor Magers explained that he and Council Member Howeth cannot participate in the discussion and have signed affidavits of conflict of interest. They will abstain from the discussion, however he said he will continue as parliamentarian. Mayor Magers turned the meeting over to Deputy Mayor Wacker.

George Olson, City Manager, said as they began budget proceedings, and when the Day Care Center was identified, the staff began looking for alternatives for additional funding to make up the difference in the match that is given to Child Care Management Services (CCMS) funds. That opportunity would be available through Jack and Jill Day Care Center.

The staff is also looking at other ways, through the proposed lease agreement, that would enhance the in-kind match that would be required to continue that funding.

Deputy Mayor Wacker said there would be a three minute limit on all speakers. Following the public input, she said the City Council will hold a discussion on the item.

<u>Montorya Akers, 1414 N. Throckmorton</u>
Ms. Akers said she is a single mother of three and has previously used the City's Day Care Center for two of her children. At this time her children do not attend the Day Care Center and are in private day care.

The private day care did have frequent employee turn-over and most of the employees were of a young age. She gave examples of the lower quality care her children received, including soiled clothes and less than nutritional meals.

Ms. Akers said the City's Day Care teachers are not just day care workers they are teachers and they really care about the children. They participate in training and continuing education to keep their jobs. She would rather have an educated person with knowledge of child care responsible for her children rather than an 18 or 19 year old, just out of high school and in need of a job.

Children from low income families do not deserve less than adequate child care.

Council Member Adami asked if the City was able to procure the same employees for the new facility, would that be a benefit. Ms. Akers said that was a big factor, but she was also disappointed in the frequent turn-over of the employees.

<u>Wanda Banks, 1816 Westside</u>
Ms. Banks is a director of a child care center in Sherman and has submitted a letter of interest in leasing the Sherman Day Care facility. She is opposed to closing the Center because there is a great community need.

She has operated Harmony Academy in Sherman, a non-profit Center, and is a local taxpayer interested in taking over the City's facility. Ms. Banks said she would also keep the current staff. Council Member Smith verified that Ms. Banks would interview the current staff before she decided to retain them.

<u>Ramonda Brooks, 2223 Alma</u>
Ms. Brooks has been a City employee at the Sherman Day Care Center for the past 12 years. She is proud to work at the City's Day Care Center and felt it should be an asset that Sherman is unique in operating a day care center. She felt that shows that the City cares for their citizens.

Ms. Brooks said budget decisions are difficult, however minimal funding is required for the Day Care Center compared to the overall budget. The Center also has so many positive "ripple" effects throughout the community. She asked the City Council to reconsider their decision and restore funding for the Day Care Center.

<u>David Cortinas, 713 E. Brockett</u>
Mr. Cortinas appeared representing United Way of Grayson County, and urged the City to find a solution for the needs of the community.

He said Tammy Davis, Grant Writer for the City, called him to discuss grant and funding opportunities for the Day Care Program. He felt it would be hard to find funding since the City is not a 501c3 entity.

Mr. Cortinas said there are some non-profit day care centers that might be able to "fill the gap." There is a growing need for quality, affordable child care in the community. He felt it would be best to match the need with a current non-profit organization that could absorb or take over the facility.

<u>Charla Hain, 1931 W. Taylor, Apt. 232</u>
Ms. Hain is a single parent of three children, works, and is a full-time student at Grayson County College. She discussed the quality of the Sherman Day Care Center as compared to other day care centers. She feels secure with the City's Day Care Center and the staff makes it safe.

Ms. Hain said even though they are low income, they still deserve better for their children. Her children feel secure there and are happy to be left with the staff at the facility. She must use a day care that accepts CCMS. She wants to finish school and give her children everything she can.

<u>Amanda Harvey, 303 S. Hwy 1417, Apt. A4</u>
Ms. Harvey is a single parent and has a 15 month old son that attends the Sherman Day Care Center. As a single parent her income goes to support herself and her child, and

she can't afford the $120 or more per week that other day care centers charge. Without day care, she will not be able to stay employed.

As a parent she must be able to trust her child care providers. The staff at Sherman's Day Care Center are certified and provide good care. Other day care centers are also not as clean. She asked the City Council to reconsider their decision to close the Day Care Center.

Shawna Mathenia, 1200 W. Taylor, Apt. 339
Ms. Mathenia has two children that attend the Day Care Center and the teachers have made a huge impact on them. She felt the Day Care Center was unique for Sherman and they should be proud of that service.

When she heard that Jack and Jill Day Care might take over the Day Care, she researched their rating through the Texas Department of Family and Protective Services. She was concerned that the City of Sherman would replace a Day Care Center with three years of no violations, with one that has had 12 violations during that same period. Four of the violations were for employees not complying with laws and rules and having bad background checks. Other issues were sanitary issues.

Ms. Mathenia said Sherman Day Care employees might get paid more than most similar employees, but they give more than most too.

Dr. Cynthia Manley, 618 W. Brockett
Dr. Manley is a 31 year resident of Sherman and is impressed with the Sherman Day Care Center. She thought it was a distinction for a City to have a day care, now she finds that it is a defect.

She added that the Day Care Center began with Edna Gladney, which is a part of history. Sherman is a City of family values and it is a major policy change if the Day Care Center is determined not to be a function of City government. She felt the Council should give more time to the decision in order for the citizens to voice their opinion.

In a budget of $74 million, the $200,000 needed for the Day Care Center is .027% of the budget. She asked the City Council to reconsider finding $200,000 for one of the best programs the City has had for 90 years.

Rachel Mitchell, 2510 N. Alexander
Ms. Mitchell appeared representing Workforce Solutions Texoma. She said the families that are being served by the Sherman Day Care Center are all receiving services and assistance through Workforce Solutions Texoma to pay for their child care.

That is made possible through an agreement approved annually by the City Council in which the City certifies the money spent on the Day Care Center to bring in additional Federal funds for child care assistance.

Out of that the City agreed to certify approximately $178,000 that brought in $180,000 in Federal funds that will go directly back to the Sherman Day Care Center by the end of the fiscal year. This served about 55 children per month.

It also brought in an additional $210,000 serving approximately 75 additional children every month that attend other day care centers in Sherman. This accounts for approximately half of the children Workforce Solutions Texoma funds every month in Sherman. The remaining children are funded through discretionary funds.

Ms. Mitchell said the certification that is done with the City of Sherman can only be done with a public entity, such as a City, County, or a local college that provides direct child care services to families. It can also be done through donations from private organizations, however those donations must be in cash and must not go back to the original donor.

According to Ms. Mitchell, the impact of closing the Sherman Day Care Center and providing the match with other entities will be that they can't serve all families through Sherman and will probably cut the number of families served in Sherman in half.

<u>Linda Mulder, 1105 S. Valentine</u>
Ms. Mulder is a retired teacher and expressed concern that the City couldn't find $200,000 in a budget of $74 million. She felt there was something that could be delayed in the Capital Improvement Program of $7.1 million to fund this needed service. She also suggested using money out of the $5.9 million reserve fund in that budget.

The Day Care Center provides a service to parents at a reduced cost while they work or attend school. It also offers nutritious meals and a curriculum of learning to help prepare these children for kindergarten.

She felt the Day Care Center has more value than repairing a street or building a hiking trail. She felt the City should be expanding the Day Care not getting rid of it. If the other day care centers were meeting the needs of the public, the Sherman Day Care Center would not be there.

The proposed lease to Jack and Jill Day Care will be for minimum wage employees which produces a different level of care. She asked if the City will be offering a severance package to the 12 employees that are being released. Will Ruth Gray, Social Services Administrator, see a reduced salary of 1/3 since that portion of her job duty is gone? Is the City saving money at the expense of the children?

She asked if the City had given them a chance to cut costs or to pursue other grants. Are there other private areas that could fund the Day Care Center? She asked about other items in the budget that might be cut too. Ms. Mulder said this is a disproportionate burden on the poor in Sherman and she asked the City Council to take another look at the situation.

Deputy Mayor Wacker said there is presently no agreement but the City only has a letter of intent with Jack and Jill Day Care. The Council Members have not discussed the proposal yet.

<u>Randy Nelson, Jr. 1105 N. Branch</u>
Mr. Nelson said he and his wife have four children, two of which attend the Sherman Day Care Center. While they were on the waiting list they were paying $800 per month for in-home child care. At a Day Care Center it would have cost $1,100 to $1,500 per month for two children. It will be hard for parents currently using the Day Care Center to afford other day care when it closes.

He said the current program is working and asked why the City needs to cut the program that has been working for so long. He added that the rumor is that the City wants to build a new park and a new jail.

Mayor Magers said the jail is being considered by Grayson County and has nothing to do with the City of Sherman. Mr. Nelson said the Day Care Center benefits the future of Sherman. Without it parents will have to drop out of school. He asked the Council to look out for the best interest of the citizens.

<u>Claudia Prado, 1407 S. Walnut</u>
Ms. Prado addressed the quality staff at the Day Care Center and said it is an asset to the community. She urged the City Council to support the Day Care program.

<u>R.A. Sommers, Sr., 2117 N. Duchess</u>
Mr. Sommers has been a resident of Sherman since 1978 and said it would be a tragedy to the neighborhood to close the Day Care Center. Generations have attended the Day Care Center and he felt it would be a tragedy to the neighborhood and the community to close it.

<u>LaQueta Wilson, 1010 N. East</u>
Ms. Wilson is the mother of three children, two of which attend the Sherman Day Care Center. She said the goal of the City is to maintain services at the current level and enhance services where appropriate. She felt the City needs to maintain the current services.

If a non-profit comes in, how will the employees keep their wages and benefits? She questioned the quality of care for the children if the United Way took over the program.

Ms. Wilson asked where the money is going to be used if it is not being spent on the Day Care Center. She said the citizens of Sherman are voters and are expressing their concerns to the City Council. She asked the City Council to review their decision to close the Day Care Center.

She understood that it costs $600,000 to operate the Day Care Center, and Ms. Wilson asked what the net cost to the City was to operate the Day Care Center. According to the 2007 Audit, the City ended the 2007 Fiscal Year with a balance of $10.8 million. If the City used this money to maintain services at the Day Care Center, it would not be "used up" for 40 years.

Ms. Wilson felt there was a way to keep the Day Care Center open, to keep the employees, and to keep it operational without United Way.

Tony Beaverson, 2609 Fair Oaks Circle
Mr. Beaverson has pride in Sherman but he said part of the problem with the budget was caused by the decision to change the taxing system by cutting property tax rates and replacing them with sales tax rates. If that change had not been made, programs might not have had to be cut. He added that the citizens did vote for that change.

He said the budget it a set of priorities and will reflect the priorities of the City Council. He felt cutting the Day Care Center would be a "sad commentary" on the priorities of the current City Council.

Across the nation we are seeing the setting of public needs and services, not by the needs of people, but by the tax rate. We need to support the needs of the citizens. Sherman is a community made up of families and we need to support all the citizens.

He urged the Council not to allow Sherman to loose its morality when it stops at the pocketbook. He urged the City Council to keep the Day Care Center open because it is good for the community.

David Cortinas, 713 E. Brockett
Mr. Cortinas congratulated those citizens that have appeared. It shows that the community cares. He urged citizens to trust and believe that their elected officials will do the best for them.

Shanequa Knight, 1215 N. Woods
Ms. Knight is a former student of Council Member Howeth's and her children previously attended her day care center, when it was open. Currently her children are cared for by family members. She said she refused to take her children to anyone other than family or the Sherman Day Care Center.

She praised the Day Care Center for actually teaching the children and not setting them in front of the television all day.

Ms. Knight is attending Texas A&M Commerce to obtain her Master's Degree. Without the Sherman Day Care Center her education would not be possible. She asked the City Council to help the single parents and low income families that rely on the Day Care Center.

<u>Jane Bylander, 1501 Ridgeway</u>
Ms. Bylander is a retired teacher and said the most important time for children is from age one to pre-kindergarten. This is an important time for the children and the Sherman Day Care Center is doing a marvelous job with them. Children need that training early to succeed in kindergarten and in school.

Deputy Mayor Wacker opened the discussion to Council Members.

Council Member Adami asked if there had been discussion about maintaining the current staff under the proposed letter of intent. Mr. Olson said there have only been preliminary discussions with Jack and Jill Day Care, but there was an interest in retaining the staff. Council Member Adami felt that could be a condition of any agreement that is made.

Council Member Steele asked if the City could advertise for bids and look at proposals from other entities that might be interested. Robby Hefton, Assistant City Manager/CFO, said non-profit organizations are exempt from the State law that requires bidding. Council Member Steele said even though it's not required, there might be a possibility for another third party to bid. Mr. Hefton said even though the City isn't required to bid the service, they could do so.

Council Member Smith said Ms. Banks indicated she was interested in operating the Day Care Center and would be interested in keeping the current staff.

Council Member Smith felt this could be a "win-win" situation in that they are removing an annual on-going cost to the City and moving it to the private sector, which is what the Master Plan calls for. This is one area that could be privatized, while maintaining the same geographic location. He commended the staff for their hard work in finding an alternative to closing the Day Care Center. He said there is obviously interest in maintaining that service at a lower cost to everyone.

He felt the City needs to move forward with review of a lease agreement with Ms. Banks or with the Jack and Jill Day Care Center, which would remove the burden from the City.

Deputy Mayor Wacker said the Council is prohibited by Charter from discussing personnel issues, such as setting

salaries and determining who can be hired. That is a staff decision. The staff would be the ones involved in those negotiations.

Linda Mulder, 1105 S. Valentine

Ms. Mulder said she understood that Jack and Jill Day Care Center had said they would be hiring people only at minimum wage. Deputy Mayor Wacker said that has not been presented to the City Council. There has been no formal discussion other than the letter of intent.

Ms. Mulder was concerned that the employees would not be guaranteed the same salary. Deputy Mayor Wacker said that will be negotiated by staff.

Deputy Mayor Wacker asked if the City provides the building to another entity would that qualify as an in-kind match. Mr. Hefton said it perhaps would qualify. The staff hopes to work with Workforce Texoma Solutions to find a solution for in-kind matches. In-kind matches could also be providing free water service or free trash service.

Council Member Softly recommended that the Council look at all avenues to see if the needs can be met in a win-win situation. Council Member Adami would like to see if the new operators could retain the same staff.

Deputy Mayor Wacker asked if the Council would like to direct the staff to research the situation further and see what arrangement might be feasible that would serve the need and continue to provide day care services at the Sherman Day Care Center.

Council Member Adami said this was a difficult decision and was not taken lightly by the City Council. He acknowledged how important the decision is to the citizens and said the Council will take their comments under consideration. He said they will do their best to provide a good solution for those needing the service and those providing the service.

ACTION TAKEN.

> **Motion by Council Member Smith to direct the staff to research partnership options to meet the needs and continue to provide day care services. Second by Council Member Softly.**

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

The gavel was passed back to Mayor Magers.

CONSENT AGENDA

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

CONSENT AGENDA

INTRODUCTION AND PUBLIC HEARING OF ORDINANCES

ORD 5551
ANNUAL BUDGET

Mayor Magers introduced Ordinance 5551 and called for a 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, 2008, AND ENDING SEPTEMBER 30, 2009; PROVIDING FOR A REPEALER.

Linda Mulder, 1105 S. Valentine

Ms. Mulder expressed concern than a disproportionate amount of money was being spent on building parks and recreational facilities, while other City services are being cut. There are reductions in staff at the Library, Engineering, Parks and Recreation, Grounds Maintenance, the Day Care Center and an EMS unit that is being redirected. She said jobs are hard to find these days. She was concerned about a City that "puts things in front of people."

She asked what percentage was used to figure the interest income in the budget. She asked where the $85,000 in oil and gas royalties went that is usually listed in the Municipal Airport and why the contractual services have jumped $158,488 from last year. When establishing the fleet budget, she asked where the $1.2 million budget came from. Is the $200,000 from the Day Care Center? If so, she asked the Council to put $200,000 back in for the Day Care Center and only put $1 million in the fleet fund.

Mayor Magers asked that Ms. Mulder submit her questions in writing so the City Council could provide answers.

Dr. Cynthia Manley, 618 W. Brockett

Dr. Manley expressed concern about the time frame for the budget process. She felt consideration of the budget has moved too fast. No one wants to close the Day Care Center and the issue is too complex to be voted on so quickly.

She also felt the budget was too heavy on parks and improvements which are not basic needs like water utilities and child care. She also felt 5:30 p.m. would be a better time for the meetings to be held.

Mayor Magers verified that the budget time tables are set by the City Charter and law. Mr. Hefton said the City does not have any flexibility on the budget time schedules.

No other citizens appeared before the City Council to discuss Ordinance 5551.

Mayor Magers introduced Ordinance 5552 and called for a public hearing:
AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, EXTENDING THE CORPORATE LIMITS OF SAID CITY SO AS TO ANNEX APPROXIMATELY 2.8 ACRES ALONG THE TRAVIS STREET RIGHT-OF-WAY SOUTH OF AUSTIN LANDING (F.M. 131) IN THE CITY OF SHERMAN'S EXTRA TERRITORIAL JURISDICTION; PROVIDING FOR A MUNICIPAL PLAN; PROVIDING FOR SEVERABILITY; PROVIDING FOR A REPEALER.

ORD 5552
ANNEXATION
TRAVIS ST. R-O-W
SOUTH OF
AUSTIN LANDING

No citizens appeared before the City Council to discuss Ordinance 5552.

Mayor Magers introduced Ordinance 5553 and called for a public hearing:
AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, EXTENDING THE CORPORATE LIMITS OF SAID CITY SO AS TO ANNEX APPROXIMATELY 3.72 ACRES OF LAND AT 5003 TRAVIS STREET (F.M. 131) IN THE CITY OF SHERMAN'S EXTRA TERRITORIAL JURISDICTION; PROVIDING FOR A MUNICIPAL PLAN; PROVIDING FOR SEVERABILITY; PROVIDING FOR A REPEALER.

ORD 5553
ANNEXATION
5003 TRAVIS ST.

No citizens appeared before the City Council to discuss Ordinance 5553.

Mayor Magers introduced Ordinance 5554 and called for a public hearing:
AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, EXTENDING THE CORPORATE LIMITS OF SAID CITY SO AS TO ANNEX APPROXIMATELY 858.774 ACRES ALONG U.S. HIGHWAY 75, BETWEEN LOY LAKE ROAD AND THE UNION PACIFIC RAILROAD SOUTH OF HIGHWAY 691, IN THE CITY OF SHERMAN'S EXTRA TERRITORIAL JURISDICTION. PROVIDING FOR A MUNICIPAL PLAN; PROVIDING FOR SEVERABILITY; PROVIDING FOR A REPALER.

ORD 5554
ANNEXATION
U.S. HWY 75,
BETWEEN LOY LAKE
AND UP RAILROAD

No citizens appeared before the City Council to discuss Ordinance 5554.

Mayor Magers introduced Ordinance 5555 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 SHERMAN BIBLE CHURCH (OWNERS) AND ALLIANCE ARCHITECTS, THOMAS MAXWELL (ARCHITECT), TO ALLOW A CHURCH IN AN R-1 (ONE FAMILY RESIDENTIAL) DISTRICT AT 2515 WEST LAMBERTH ROAD, BEING LOT 10, BLOCK 3 OF THE O'HANLON RANCH ADDITION; PROVIDING FOR A REPEALER; PROVIDING THAT THIS SPECIFIC USE PERMIT SHALL BE GRANTED SUBJECT TO CERTAIN CONDITIONS; PROVIDING A PENALTY NOT TO EXCEED $2,000.

ORD 5555
SUP FOR CHURCH
2515 W. LAMBERTH

No citizens appeared before the City Council to discuss Ordinance 5555.

<u>FIRST READING, PUBLIC HEARING, AND FIRST VOTE ON ORDINANCE</u>

ORD 5556
ATMOS FRANCHISE

Mayor Magers called for the first reading and public hearing on Ordinance 5556:
AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, GRANTING TO ATMOS ENERGY CORPORATION, MID-TEX DIVISION, A TEXAS AND VIRGINIA CORPORATION, ITS SUCCESSORS AND ASSIGNS, A FRANCHISE TO FURNISH, TRANSPORT AND SUPPLY GAS TO THE GENERAL PUBLIC IN THE CITY OF SHERMAN, GRAYSON COUNTY, TEXAS, FOR THE TRANSPORTING, DELIVERY, SALE, AND DISTRIBUTION OF GAS IN, OUT OF, AND THROUGH SAID MUNICIPALITY FOR ALL PURPOSES; PROVIDING FOR THE PAYMENT OF A FEE OR CHARGE FOR THE USE OF THE PUBLIC RIGHTS-OF-WAY; PROVIDING THAT IT SHALL BE IN LIEU OF OTHER FEES AND CHARGES, EXCEPTING AD VALOREM TAXES; REPEALING ALL PREVIOUS ATMOS ENERGY GAS FRANCHISE ORDINANCES; PRESCRIBING THE TERMS, CONDITIONS, OBLIGATIONS AND LIMITATIONS UNDER WHICH SUCH FRANCHISE SHALL BE EXERCISED; PROVIDING A MOST FAVORED NATIONS CLUASE; PROVIDING A SEVERABILITY CLUASE; PROVIDING FOR AN EFFECTIVE DATE.

No citizens appeared before the City Council to discuss Ordinance 5556.

The Ordinances were introduced and the Public Hearing was closed.

CLOSE PUBLIC HEARING

<u>ADOPTION OF ORDINANCES</u>

Ordinance 5552

ORD 5552
ANNEXATION
TRAVIS ST. R-O-W
SOUTH OF
AUSTIN LANDING

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, EXTENDING THE CORPORATE LIMITS OF SAID CITY SO AS TO ANNEX APPROXIMATELY 2.8 ACRES ALONG THE TRAVIS STREET RIGHT-OF-WAY SOUTH OF AUSTIN LANDING (F.M. 131) IN THE CITY OF SHERMAN'S EXTRA TERRITORIAL JURISDICTION; PROVIDING FOR A MUNICIPAL PLAN; PROVIDING FOR SEVERABILITY; PROVIDING FOR A REPEALER.

Ordinance 5553

ORD 5553
ANNEXATION
5003 TRAVIS ST.

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, EXTENDING THE CORPORATE LIMITS OF SAID CITY SO AS TO ANNEX APPROXIMATELY 3.72 ACRES OF LAND AT 5003 TRAVIS STREET (F.M. 131) IN THE CITY OF SHERMAN'S EXTRA TERRITORIAL JURISDICTION; PROVIDING FOR A MUNICIPAL PLAN; PROVIDING FOR SEVERABILITY; PROVIDING FOR A REPEALER.

Ordinance 5554

ORD 5554
ANNEXATION
U.S. HWY 75,

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, EXTENDING THE CORPORATE LIMITS

OF SAID CITY SO AS TO ANNEX APPROXIMATELY 858.774 ACRES ALONG U.S. HIGHWAY 75, BETWEEN LOY LAKE ROAD AND THE UNION PACIFIC RAILROAD SOUTH OF HIGHWAY 691, IN THE CITY OF SHERMAN'S EXTRA TERRITORIAL JURISDICTION. PROVIDING FOR A MUNICIPAL PLAN; PROVIDING FOR SEVERABILITY; PROVIDING FOR A REPALER.

BETWEEN LOY LAKE AND UP RAILROAD

ACTION TAKEN.

Motion by Council Member Smith to approve Ordinance Nos. 5552, 5553, and 5554, as presented. Second by Council Member Adami.

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

Ordinance 5555

ORD 5555
SUP FOR CHURCH
2515 W. LAMBERTH

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 SHERMAN BIBLE CHURCH (OWNERS) AND ALLIANCE ARCHITECTS, THOMAS MAXWELL (ARCHITECT), TO ALLOW A CHURCH IN AN R-1 (ONE FAMILY RESIDENTIAL) DISTRICT AT 2515 WEST LAMBERTH ROAD, BEING LOT 10, BLOCK 3 OF THE O'HANLON RANCH ADDITION; 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 No. 5555, as presented. Second by Council Member Steele.

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

<u>RESOLUTIONS</u>

<u>RESOLUTION NO. 5246 – AUTHORIZING EXECUTION OF AN AGREEMENT WITH BARTON CAPITAL, LTD FOR THE ABATEMENT OF AD VALOREM PROPERTY TAXES FOR THE CONSTRUCTION OF A NEW SINGLE-FAMILY RESIDENCE AT 1532 SOUTH MONTGOMERY STREET</u>

RES 5246
RESIDENTIAL TAX ABATEMENT
(1532 S. MONTGOMERY)

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF AN AGREEMENT WITH BARTON CAPITAL, LTD FOR THE ABATEMENT OF AD VALOREM PROPERTY TAXES FOR THE CONSTRUCTION OF A NEW SINGLE-FAMILY RESIDENCE AT 1532 SOUTH MONTGOMERY STREET.
CONSENT AGENDA.

<u>RESOLUTION NO. 5247 – AUTHORIZING EXECUTION OF AN AGREEMENT WITH BARTON CAPITAL, LTD FOR THE ABATEMENT OF AD VALOREM PROPERTY TAXES FOR THE</u>

RES 5247
RESIDENTIAL TAX ABATEMENT

<u>CONSTRUCTION OF A NEW SINGLE-FAMILY RESIDENCE AT 1602 SOUTH MONTGOMERY STREET</u>
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF AN AGREEMENT WITH BARTON CAPITAL, LTD FOR THE ABATEMENT OF AD VALOREM PROPERTY TAXES FOR THE CONSTRUCTION OF A NEW SINGLE-FAMILY RESIDENCE AT 1602 SOUTH MONTGOMERY STREET.
CONSENT AGENDA.

(1602 S. MONTGOMERY)

<u>RESOLUTION NO. 5248 – AUTHORIZING EXECUTION OF AN ADVANCE FUNDING AGREEMENT BETWEEN THE CITY OF SHERMAN AND THE STATE OF TEXAS, ACTING BY AND THROUGH THE TEXAS DEPARTMENT OF TRANSPORTATION, FOR VOLUNTARY LOCAL GOVERNMENT CONTRIBUTIONS TO TRANSPORTATION IMPROVEMENT PROJECTS WITH NO REQUIRED MATCH (A MULTIPLE BOX CULVERT REPLACEMENT PROJECT ON S.H. 91)</u>
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF AN ADVANCE FUNDING AGREEMENT BETWEEN THE CITY OF SHERMAN AND THE STATE OF TEXAS, ACTING BY AND THROUGH THE TEXAS DEPARTMENT OF TRANSPORTATION, FOR VOLUNTARY LOCAL GOVERNMENT CONTRIBUTIONS TO TRANSPORTATION IMPROVEMENT PROJECTS WITH NO REQUIRED MATCH (A MULTIPLE BOX CULVERT REPLACEMENT PROJECT ON S.H. 91).
CONSENT AGENDA.

**RES 5248
TXDOT LOCAL MATCH FOR PROJECT (S.H. 91 BOX CULVERT REPLACEMENT)**

<u>RESOLUTION NO. 5249 – APPROVING THE GREATER TEXOMA UTILITY AUTHORITY'S INTENTION TO ENTER INTO AN AGREEMENT WITH COOK CONCRETE FOR CONSTRUCTION OF THE TEXOMA PARKWAY WATER MAIN, PHASE III, FROM FRISCO ROAD TO FALLON DRIVE</u>
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, APPROVING THE GREATER TEXOMA UTILITY AUTHORITY'S INTENTION TO ENTER INTO AN AGREEMENT WITH COOK CONCRETE FOR CONSTRUCTION OF THE TEXOMA PARKWAY WATER MAIN, PHASE III, FROM FRISCO ROAD TO FALLON DRIVE.
CONSENT AGENDA.

**RES 5249
GTUA PROJECT FOR TEXOMA PKWY WATER MAIN**

<u>RESOLUTION NO. 5250 – AUTHORIZING THE CITY MANAGER TO EXECUTE AN AMENDMENT TO THE CONTRACT WITH ALLIED WASTE SERVICES FOR TWO ADDITIONAL YEARS OF RESIDENTIAL RECYCLING PROCESSING SERVICES</u>
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING THE CITY MANAGER TO EXECUTE AN AMENDMENT TO THE CONTRACT WITH ALLIED WASTE SERVICES FOR TWO ADDITIONAL YEARS OF RESIDENTIAL RECYCLING PROCESSING SERVICES.

**RES 5250
RESIDENTIAL RECYCLING SERVICES**

Jeff Miller, Director of Public Works, said he presented the Council with information about the co-mingled residential recycling program. The co-mingled recycling is sent to the Allied Waste Processing Center in Plano, Texas.

The program is working well and collects significant tonnage and generates excess revenue for the program. Deputy Mayor Wacker said citizens have asked her if the recycling collection can be done weekly instead of bi-weekly.

Mayor Magers verified that the revenue has doubled since 2004 and the tonnage has increased.

ACTION TAKEN.

Motion by Council Member Adami to approve Resolution No. 5250, as presented. Second by Council Member Wacker.

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

REQUEST TO ADVERTISE
CENTER STREET PARK PROJECT

REQUEST TO ADV CENTER ST. PARK PROJECT

The City Council approved permission to advertise for bids for the Center Street Park Project. At the April 7, 2008 Meeting, the City Council approved the Master Plan and required funding for the Project as presented by the City's Park Planner Dunkin Sims Stoffels. Funding has been allocated in the FY 2008-2009 Capital Improvement Program.
CONSENT AGENDA.

CHANGE ORDER NO. 1
HILLCREST DRIVE WATER MAIN REPLACEMENT FROM RICKETTS STREET TO SUNSET AVENUE; $170.00, DECREASE

CHANGE ORDER HILLCREST WATER MAIN REPLACEMENT ($170 DECREASE)

The City Council approved a change order for the Hillcrest Drive Water Main Replacement Project between Ricketts Street and Sunset Avenue. The change order is a final reconciliatory change order to adjust the final project quantities and results in a $170 decrease in the contract amount. The final contract price is $159,850. The project was funded through the Greater Texoma Utility Authority.
CONSENT AGENDA.

OTHER BUSINESS
CONSIDER SCHEDULING A JOINT MEETING OF THE CITY COUNCIL AND THE SHERMAN ECONOMIC DEVELOPMENT CORPORATION BOARD OF DIRECTORS FOR 12:00 NOON ON THURSDAY, SEPTEMBER 18, 2008, TO REVIEW SEDCO'S ANNUAL BUDGET AND WORK PLAN

SET JOINT MEETING WITH SEDCO

Council Member Steele asked that the Sherman Economic Development Corporation's budget be made available to the City Council prior to the meeting. Mr. Hefton said copies will be provided to the City Council prior to the meeting.

ACTION TAKEN.

Motion by Deputy Mayor Wacker to set a Called Council Meeting with the Sherman Economic Development Corporation for September 18, 2008 at 12:00 noon, to review their budget and work plan, as presented. Second by Council Member Adami.

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

FINAL PLAT APPROVAL OF THE STURGESS ADDITION; RON BARTON, OWNER (707 SOUTH MONTGOMERY STREET)

APPROVE FINAL PLAT STURGESS ADDITION (707 S. MONTGOMERY)

The City Council approved the Final Plat for the Sturgess Addition, located at 707 S. Montgomery, between Wells and Odneal Streets. The owner would like to plat the property into two 50-foot lots for residential development. The Planning and Zoning Commission recommended approval of the Final Plat.
CONSENT AGENDA.

FINAL PLAT APPROVAL OF THE CUPID BROUGHTON ADDITION; RON BARTON, OWNER (1217 NORTH BROUGHTON STREET)

APPROVE FINAL PLAT CUPID BROUGHTON ADDITION (1217 N. BROUGHTON)

The City Council approved the Final Plat of the Cupid Broughton Addition, located at 1217 N. Broughton, between Sycamore and Richards Streets. The owner would like to plat the tract into two 48.5-foot lots for residential development. The Planning and Zoning Commission recommended approval of the Final Plat.
CONSENT AGENDA.

REPLAT APPROVAL OF LOTS 9-15, BLOCK 8 OF THE W.P. CARTER'S ADDITION; RON BARTON, OWNER (616 AND 620 EAST SYCAMORE STREET)

APPROVE REPLAT W.P. CARTER'S ADDITION (616 & 620 E. SYCAMORE)

The City Council approved the Replat of Lots 9 through 15, Block 8 of the W.P. Carter's Addition, located at the corner of Sycamore and Throckmorton Streets. The owner would like to replat the tract into two 50-foot lots for residential development. The Planning and Zoning Commission recommended approval of the Replat.
CONSENT AGENDA.

CITIZENS REQUESTS

BUDGET TIME TABLE

BUDGET TIME TABLE

Dr. Cynthia Manley, 618 W. Brockett, said she understood that the City must follow the Charter on the budget time table, however she did not feel that would prevent the City from holding an extra meeting at a more convenient time for citizens to hear additional detail about the budget. She urged the Council to have better communication with the citizens so they would know what is included in the budget.

MEDIA QUESTIONS

MEDIA QUESTIONS

There were no media questions.

COUNCIL COMMENTS

BUDGET TIME TABLE

BUDGET TIME TABLE

Council Member Steele said sometimes it appears that the Council rushes through the budget process, however there is lots of time, thought, and discussion put into these decisions. No one likes to make hard decisions concerning citizens, but sometimes tough decisions are needed and cuts must be made. Other entities raise taxes where Sherman is fortunate to be able to lower taxes this year and still maintain a balanced budget.

DAY CARE CENTER

DAY CARE CENTER

Council Member Softly said the Council has to make a tough decision in tough times, but he is happy they are continuing to review the situation to get the best option to satisfy both sides.

DAY CARE CENTER

DAY CARE CENTER

Council Member Howeth was proud that one of her former students had the courage to appear earlier in the meeting and speak on the Day Care Center.

DAY CARE CENTER

DAY CARE CENTER

Mayor Magers thanked the citizens that appeared earlier to discuss the Day Care Center, for their professionalism.

LEGISLATIVE CHANGES FOR BUSES

LEGISLATIVE CHANGES FOR BUSES

Mayor Magers said Senator Kay Bailey Hutchison is working to make legislative changes concerning buses, and he spoke with her recently as she commended the Police and Fire Departments for their handling of the recent bus accident in Sherman.

He added that Sherman has an ordinance that was approved to make irresponsible companies pay the fees for catastrophic accidents. He felt the recent bus accident would fit that criteria and he asked City Attorney Doreen McGookey to enforce Ordinance 5398 to recover fees that were spent by the City of Sherman pertaining to the bus accident.

PHILOSOPHY OF GOVERNMENT

PHILOSOPHY OF GOVERNMENT

Mayor Magers said the earlier Day Care Center discussion was an example of the philosophy of what government should or should not do, and citizens can agree to disagree. He also commended the staff for a well though out good budget.

ADJOURNMENT

On Motion duly made and carried, the meeting adjourned at 6:32 p.m.

ADJOURNMENT

MAYOR

CITY CLERK

August 12, 2008

Mr. George Olson, City Manager
City of Sherman
220 W. Mulberry
Sherman, TX 75090

Dear Mr. Olson:

Please accept this letter of intent as written notification of Jack and Jill Day Care Center, Inc.'s commitment to leasing the facilities from the City of Sherman located at 1003 N. East Street. We propose to lease the facilities to operate a non-profit childcare center to provide childcare to low income and economically disadvantaged families.

We have provided childcare services to low income and economically disadvantaged families for over 50 years in Denison, and we believe the expansion of our program to Sherman would greatly benefit the community.

We look forward to hearing from you so that we can finalize the arrangements for the lease of these facilities and can complete our implementation plans for this important community service. Please call me at (903) 465-5299 if you have any further questions regarding these matters.

Best Regards,

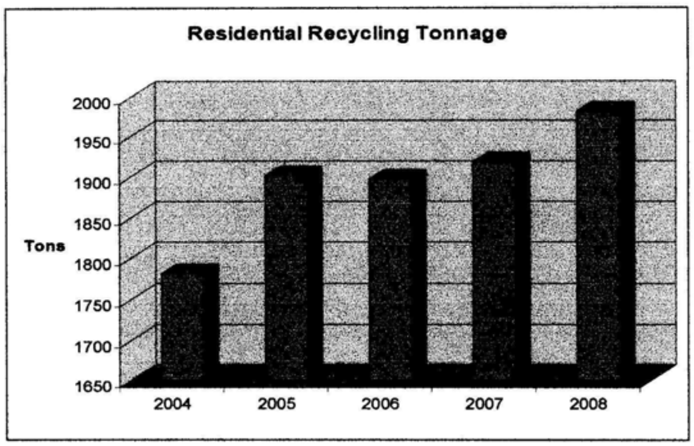
Kay Luper, Director
Jack and Jill Day Care Center, Inc.'s

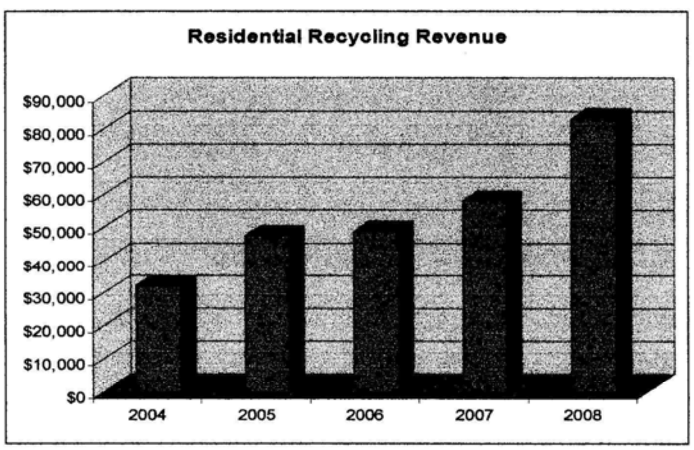
Nondas Bullard, Board President
Jack and Jill Day Care Center, Inc.'s

CITY OF SHERMAN
RESIDENTIAL RECYCLING PROGRAM

Program Performance Factors:

- **Residential Participation – 72%**
- **Percent of total waste stream recycled – 13%**
- **Annual savings in avoided landfill cost – $48,000**





SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 9-2-2008

Subject: Agenda Item No. A.5

SPECIAL PRESENTATION
Announcing the Winner of the First "Sherman Today" Photo Contest

Issue
Traci L. Carlson, President of the Sherman Chamber of Commerce, has requested this special presentation to announce the winner of the first "Sherman Today" photo contest

Background
The editorial staff of "Sherman Today" sponsored its first photo contest in the Summer 2008 issue. The contest required participants to be Sherman residents and pictures to portray some aspect of the quality of life we have in Sherman. Residents were permitted one entry each; and the deadline for entries was July 24, 2008. All entries were voted upon by the editorial committee; and the winning picture is to be published in the Fall issue of "Sherman Today", with full credits going to the photographer. The picture is to be framed and hung in City Hall, along with a plaque with the author's name and date. The framed picture will hang in City Hall until the next "Sherman Today" photo contest.

Origination
Traci L. Carlson, President of the Sherman Chamber of Commerce

Prepared and Approved by:
George Olson, City Manager

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 9-2-2008

Subject: Agenda Item No. B.1

PUBLIC HEARING
Capital Improvement Program (CIP) 2008-2013

Issue
Holding a public hearing for the City of Sherman's Capital Improvement Program covering the period from October 1, 2008 through September 30, 2013

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

Origination
Department 119, Engineering Services

Financial Consideration

2008-2013 Funding:	
General Fund	$25,990,000
Utility Fund	$44,675,000
Total Funding for 2008-2013	**$70,665,000**

Staff Recommendation
It is recommended that the City Council hold a public hearing for the Capital Improvement Program 2008-2013 at the September 2nd Council meeting.

Attachments
Summary of Capital Improvement Program 2008-2013

Prepared by:
Mark Gibson, Director of Utilities & Engineering

Approved by:
George Olson, City Manager

GENERAL SERVICES

2008-2009

	Drainage	Streets	Facilities	Parks	Water	Sewer	Totals
Solid Waste Transfer Station Repairs			$230,000				$230,000
Bleacher Renovation - Old Settler and Fairview				$200,000			$200,000
Pecan Grove Park - Phase II				$2,400,000			$2,400,000
Canyon Creek Drive Extension		$1,200,000					$1,200,000
Center Street Sports Complex				$1,300,000			$1,300,000
US Hwy 75 - West Frontage Road Reversal		$300,000					$300,000
Canyon Grove Road Relocation		$50,000					$50,000
Washington Street Rebuild/Resurface Heritage Parkway to end of maintenance		$4,000,000					$4,000,000
Lamberth Road west expansion to end of maintenance		$900,000					$900,000
Street Right-of-Way		$50,000					$50,000
Steet Oversizing Fund		$100,000					$100,000
Total 2008-2009	**$0**	**$6,600,000**	**$230,000**	**$3,900,000**	**$0**	**$0**	**$10,730,000**

2009-2010

	Drainage	Streets	Facilities	Parks	Water	Sewer	Totals
Hawn Park Lighted Practice Fields and Parking Addition				$250,000			$250,000
Fairview Park Spray Ground and Splash Expansion				$400,000			$400,000
Recreation Center Study				$40,000			$40,000
Baker Park Group Pavilion and Fishing Pier				$125,000			$125,000
Martin Luther King Park Restroom				$130,000			$130,000
Fairview Park - Commercial Field Softball Lighting				$150,000			$150,000
Fielder Park Basketball Court Renovation and Playground Improvements				$135,000			$135,000
Travis Street Improvements - Phase I - Taylor to Lamberth		$100,000					$100,000
Fallon Drive Construction - Preliminary Engineering and ROW		$100,000					$100,000
Solid Waste Interior Driveway Rebuild, Phase IV		$38,000					$38,000
U. S. Highway 75 Fallon Drive Ramps		$600,000					$600,000
Street Right-of-Way		$50,000					$50,000
Street Oversizing Fund		$100,000					$100,000
Travis Street - Washington to Houston St. Mill, overlay curb repair and stripping		$180,000					$180,000
Drainage Improvement Projects	$240,000						$240,000
Total 2009-2010	**$240,000**	**$1,168,000**	**$0**	**$1,230,000**	**$0**	**$0**	**$2,638,000**

2010-2011

	Drainage	Streets	Facilities	Parks	Water	Sewer	Totals
Rex Cruse Reconstruction - Preliminary Engineering and ROW		$85,000					$85,000
Travis Street Improvements - Phase II - Lamberth to Canyon Grove		$50,000					$50,000
Murphy Lane Extension		$550,000					$550,000
Solid Waste Interior Driveway Rebuild - Phase V		$60,000					$60,000
Fallon Drive West Construction to US Hwy 75		$1,500,000					$1,500,000
Library Renovation			$350,000				$350,000
Fairview Park Pavilions				$50,000			$50,000
MLK Park Athletic Field Renovation and Lighting				$150,000			$150,000
Cherry Park Playground				$150,000			$150,000
Rosedale Park Playground				$60,000			$60,000
Rosedale Park Restrooms				$130,000			$130,000
Northside Fire Station Update			$300,000				$300,000
Drainage Improvement Projects	$250,000						$250,000
Street Oversizing Fund		$100,000					$100,000
Street Right-of-Way		$50,000					$50,000
Total 2010-2011	**$250,000**	**$2,395,000**	**$650,000**	**$540,000**	**$0**	**$0**	**$3,835,000**

2011-2012

	Drainage	Streets	Facilities	Parks	Water	Sewer	Totals
Rex Cruse Reconstruction		$1,100,000					$1,100,000
Travis Street Improvements - Phase III - Canyon Grove to North Creek		$50,000					$50,000
Rosedale Park Field Renovation				$250,000			$250,000
Old Settlers Park - Phase III Field Renovation				$4,000,000			$4,000,000
Hawn Park Pavilion				$75,000			$75,000
Hawn Park Sprayground Expansion				$300,000			$300,000
Park Avenue East Extension - Preliminary Engineering and ROW		$100,000					$100,000
Street Oversizing Fund		$100,000					$100,000
Street Right-of-Way		$50,000					$50,000
Total 2011-2012	**$0**	**$1,400,000**	**$0**	**$4,625,000**	**$0**	**$0**	**$6,025,000**

2012-2013

	Drainage	Streets	Facilities	Parks	Water	Sewer	Totals
Green Mount Addition - Storm Sewer Improvements	$300,000						$300,000
Cypress Grove Rd. Rebuild - Rex Cruse to Redbud Trail		$442,000					$442,000
Hawn Skateboard Renovation - Phase II				$70,000			$70,000
Park Avenue East Extension		$1,500,000					$1,500,000
Park Avenue West Extension - Preliminary Engineering and ROW		$300,000					$300,000
Street Oversizing Fund		$100,000					$100,000
Street Right-of-Way		$50,000					$50,000
Total 2012-2013	**$300,000**	**$2,392,000**	**$0**	**$70,000**	**$0**	**$0**	**$2,762,000**
GENERAL GRAND TOTAL	**$790,000**	**$13,955,000**	**$880,000**	**$10,365,000**	**$0**	**$0**	**$25,990,000**

UTILITY SERVICES

2008-2009

	Drainage	Streets	Facilities	Parks	Water	Sewer	Totals
WWTP - Primary Clarifier #2 Rehabilitation						$300,000 *	$300,000
WTP - Upgrade Phase III					$1,500,000		$1,500,000
WWTP- Digester Roof Replacement						$2,000,000 *	$2,000,000
WWTP - Fine Screen Installation						$700,000 *	$700,000
Relief Sewer K-4 - Phase II						$900,000 *	$900,000
Willow Street Water Replacement					$95,000		$95,000
Oak Creek Dr Water Replacement					$140,000		$140,000
Fallon Drive Water Main Loop					$250,000		$250,000
Relief Sewer C-1 Replacement						$1,000,000 *	$1,000,000
Travis Street Water Line - Washington to Jones					$250,000		$250,000
Utility Main Oversizing					$50,000	$50,000	$100,000
TOTAL 2008-2009	**$0**	**$0**	**$0**	**$0**	**$2,285,000**	**$4,950,000**	**$7,235,000**

* Bonded

2009-2010

	Drainage	Streets	Facilities	Parks	Water	Sewer	Totals
Brents Street Sewer Replacement						$150,000	$150,000
Texoma Parkway Water Replacement - Phase IV					$300,000	*	$300,000
WTP - Control System Upgrade - Phase I					$250,000		$250,000
WWTP - Cover Biological Clarifiers						$1,000,000 *	$1,000,000
WWTP - Storm Water Storage Contingency						$650,000	$650,000
WWTP - Security Upgrade						$75,000	$75,000
Utility Main Oversizing					$50,000	$50,000	$100,000
Total 2009-2010	**$0**	**$0**	**$0**	**$0**	**$600,000**	**$1,925,000**	**$2,525,000**

* Bonded

2010-2011

	Drainage	Streets	Facilities	Parks	Water	Sewer	Totals
Texas Street Water Replacement					$170,000		$170,000
Brockett Street Water Replacement					$110,000		$110,000
College Street Water Replacement					$125,000		$125,000
Dripping Springs Road Water Main Loop					$175,000		$175,000
WTP - Control System Upgrade - Phase II					$250,000		$250,000
WWTP - Biosolids Processing Upgrade						$1,400,000 *	$1,400,000
WWTP Headworks Variable Frequency Drive Update						$200,000	$200,000
Upgrade McAfee Well Water Treatment					$150,000		$150,000
Utility Main Oversizing					$50,000	$50,000	$100,000
Total 2010-2011	**$0**	**$0**	**$0**	**$0**	**$1,030,000**	**$1,650,000**	**$2,680,000**

* Bonded

2011-2012

	Drainage	Streets	Facilities	Parks	Water	Sewer		Totals
WWTP - Nutrient Removal Preliminary Engineering						$800,000	*	$800,000
WWTP - Automated Dissolved Oxygen Control						$800,000	*	$800,000
WWTP Headworks Variable Frequency Drive Upgrade - Phase II						$200,000		$200,000
Ricketts Street Water Line Replacement Phase II					$450,000		*	$450,000
Pelton Street Water Line Replacement					$250,000			$250,000
Woods Street Water Line Replacement					$100,000			$100,000
Lamberth Road Water Line Replacement					$85,000			$85,000
Shannon Street Water Line Replacement					$135,000			$135,000
Water Treatment Plat Second Feed					$1,200,000		*	$1,200,000
Utility Main Oversizing					$50,000	$50,000		$100,000
TOTAL 2011-2012	**$0**	**$0**	**$0**	**$0**	**$2,270,000**	**$1,850,000**		**$4,120,000**

* Bonded

2012-2013

	Drainage	Streets	Facilities	Parks	Water	Sewer		Totals
Friendship Road Water Line					$225,000			$225,000
Eastside Outfall Return Sewer						$500,000	*	$500,000
WWTP - Nutrient Removal Process						$7,000,000	*	$7,000,000
Relief Sewer D-1						$290,000		$290,000
WTP- Disinfection By-Products Reduction					$20,000,000		*	$20,000,000
Utility Main Oversizing					$50,000	$50,000		$100,000
TOTAL 2012-2013	**$0**	**$0**	**$0**	**$0**	**$20,275,000**	**$7,840,000**		**$28,115,000**

* Bonded

	Drainage	Streets	Facilities	Parks	Water	Sewer	Totals
UTILITY GRAND TOTAL	**$0**	**$0**	**$0**	**$0**	**$26,460,000**	**$18,215,000**	**$44,675,000**
TOTAL CIP	**$790,000**	**$13,955,000**	**$880,000**	**$10,365,000**	**$26,460,000**	**$18,215,000**	**$70,665,000**

GENERAL SERVICES 2008-2013

CAPITAL IMPROVEMENT PROGRAM
GENERAL SERVICES
2008-2009

Project		Cost
Solid Waste Transfer Station Repairs		$230,000
Bleacher Renovation - Old Settler and Fairview		$200,000
Pecan Grove Park - Phase II	*	$2,400,000
Canyon Creek Drive Extension	*	$1,200,000
Center Street Sports Complex	*	$1,300,000
US Hwy 75 - West Frontage Road Reversal		$300,000
Canyon Grove Road Relocation		$50,000
Washington Street Rebuild/Resurface Heritage Parkway to end of maintenance	*	$4,000,000
Lamberth Road west expansion to end of maintenance	*	$900,000
Street Right-of-Way		$50,000
Steet Oversizing Fund		$100,000
Total 2008-2009		$10,730,000

CAPITAL IMPROVEMENT PROGRAM
GENERAL SERVICES
2009-2010

Project	Cost
Hawn Park Lighted Practice Fields and Parking Addition	$250,000
Fairview Park Spray Ground and Splash Expansion	$400,000
Recreation Center Study	$40,000
Baker Park Group Pavilion and Fishing Pier	$125,000
Martin Luther King Park Restroom	$130,000
Fairview Park - Commercial Field Softball Lighting	$150,000
Fielder Park Basketball Court Renovation and Playground Improvements	$135,000
Travis Street Improvements - Phase I - Taylor to Lamberth	$100,000
Fallon Drive Construction - Preliminary Engineering and ROW	$100,000
Solid Waste Interior Driveway Rebuild, Phase IV	$38,000
U. S. Highway 75 Fallon Drive Ramps	$600,000
Street Right-of-Way	$50,000
Street Oversizing Fund	$100,000
Travis Street - Washington to Houston St. Mill, overlay curb repair and stripping	$180,000
Drainage Improvement Projects	$240,000
Total 2009-2010	$2,638,000

CAPITAL IMPROVEMENT PROGRAM
GENERAL IMPROVEMENT
2010-2011

Project	Cost
Rex Cruse Reconstruction - Preliminary Engineering and ROW	$85,000
Travis Street Improvements - Phase II - Lamberth to Canyon Grove	$50,000
Murphy Lane Extension	$550,000
Solid Waste Interior Driveway Rebuild - Phase V	$60,000
Fallon Drive West Construction to US Hwy 75	$1,500,000
Library Renovation	$350,000
Fairview Park Pavilions	$50,000
MLK Park Athletic Field Renovation and Lighting	$150,000
Cherry Park Playground	$150,000
Rosedale Park Playground	$60,000
Rosedale Park Restrooms	$130,000
Northside Fire Station Update	$300,000
Drainage Improvement Projects	$250,000
Street Oversizing Fund	$100,000
Street Right-of-Way	$50,000
Total 2010-2011	$3,835,000

CAPITAL IMPROVEMENT PROGRAM
GENERAL IMPROVEMENT
2011-2012

Project	Cost
Rex Cruse Reconstruction	$1,100,000
Travis Street Improvements - Phase III - Canyon Grove to North Creek	$50,000
Rosedale Park Field Renovation	$250,000
Old Settlers Park - Phase III Field Renovation	$4,000,000
Hawn Park Pavilion	$75,000
Hawn Park Sprayground Expansion	$300,000
Park Avenue East Extension - Preliminary Engineering and ROW	$100,000
Street Oversizing Fund	$100,000
Street Right-of-Way	$50,000
Total 2011-2012	$6,025,000

CAPITAL IMPROVEMENT PROGRAM
GENERAL IMPROVEMENTS
2012-2013

Project	Cost
Green Mount Addition - Storm Sewer Improvements	$300,000
Cypress Grove Rd. Rebuild - Rex Cruse to Redbud Trail	$442,000
Hawn Skateboard Renovation - Phase II	$70,000
Park Avenue East Extension	$1,500,000
Park Avenue West Extension - Preliminary Engineering and ROW	$300,000
Street Oversizing Fund	$100,000
Street Right-of-Way	$50,000
Total 2012-2013	$2,762,000

UTILITIES SERVICES 2008-2013

CAPITAL IMPROVEMENT PROGRAM
UTILITY IMPROVEMENTS
2008-2009

Project		Cost
WWTP - Primary Clarifier #2 Rehabilitation	*	$300,000
WTP - Upgrade Phase III		$1,500,000
WWTP- Digester Roof Replacement	*	$2,000,000
WWTP - Fine Screen Installation	*	$700,000
Relief Sewer K-4 - Phase II	*	$900,000
Willow Street Water Replacement		$95,000
Oak Creek Dr Water Replacement		$140,000
Fallon Drive Water Main Loop		$250,000
Relief Sewer C-1 Replacement	*	$1,000,000
Travis Street Water Line - Washington to Jones		$250,000
Utility Main Oversizing		$100,000
TOTAL 2008-2009		$7,235,000

* Bonded

CAPITAL IMPROVEMENT PROGRAM
UTILITY IMPROVEMENTS
2009-2010

Project		Cost
Brents Street Sewer Replacement		$150,000
Texoma Parkway Water Replacement - Phase IV	*	$300,000
WTP - Control System Upgrade - Phase I		$250,000
WWTP - Cover Biological Clarifiers	*	$1,000,000
WWTP - Storm Water Storage Contingency		$650,000
WWTP - Security Upgrade		$75,000
Utility Main Oversizing		$100,000
Total 2009-2010		$2,525,000

*Bonded

CAPITAL IMPROVEMENT PROGRAM
UTILITY IMPROVEMENTS
2010-2011

Project	Cost
Texas Street Water Replacement	$170,000
Brockett Street Water Replacement	$110,000
College Street Water Replacement	$125,000
Dripping Springs Road Water Main Loop	$175,000
WTP - Control System Upgrade - Phase II	$250,000
WWTP - Biosolids Processing Upgrade	$1,400,000
WWTP Headworks Variable Frequency Drive Update	$200,000
Upgrade McAfee Well Water Treatment	$150,000
Utility Main Oversizing	$100,000
Total 2010-2011	$2,680,000

* Bonded

CAPITAL IMPROVEMENT PROGRAM
UTILITY IMPROVEMENTS
2011-2012

Project	Cost
WWTP - Nutrient Removal Preliminary Engineering	$800,000
WWTP - Automated Dissolved Oxygen Control	$800,000
WWTP Headworks Variable Frequency Drive Upgrade - Phase II	$200,000
Ricketts Street Water Line Replacement Phase II	$450,000
Pelton Street Water Line Replacement	$250,000
Woods Street Water Line Replacement	$100,000
Lamberth Road Water Line Replacement	$85,000
Shannon Street Water Line Replacement	$135,000
Water Treatment Plat Second Feed	$1,200,000
Utility Main Oversizing	$100,000
TOTAL 2011-2012	$4,120,000

* Bonded

CAPITAL IMPROVEMENT PROGRAM
UTILITY IMPROVEMENTS
2012-2013

Project	Cost
Friendship Road Water Line	$225,000
Eastside Outfall Return Sewer	$500,000
WWTP - Nutrient Removal Process	$7,000,000
Relief Sewer D-1	$290,000
WTP- Disinfection By-Products Reduction	$20,000,000
Utility Main Oversizing	$100,000
TOTAL 2012-2013	$28,115,000

*Bonded

SHERMAN CITY COUNCIL

Agenda Communication Form

From: The Office of the City Manager **Date:** 9-2-2008

Subject: Agenda Item No. B.2

INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 5557
Approving a Negotiated Resolution Between the Atmos Cities Steering Committee and Atmos Energy Corp., Mid-Tex Division ("Atmos Mid-Tex" or "The Company") Regarding the Company's Rate Review Mechanism Filing in all Cities Exercising Original Jurisdiction; Declaring Existing Rates to be Unreasonable; 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' Proof of Revenues; Adopting a Savings Clause; Declaring an Effective Date; Requiring Delivery of this Ordinance to the Company and 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 first 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 $19.8 million, and not the $33.5 million proposed by Atmos. After settlement talks between Atmos and the ACSC negotiation team, Atmos agreed to a $20 million increase. The ACSC Legal Counsel believes that the negotiated resolution is consistent with or better than a litigated outcome. Attached is a RRM package, including a model staff report, an RRM fact sheet, new tariffs, and proof of revenues) to implement new rates that reflect the negotiated resolution. The monthly bill impact for the average residential customer is $0.81. Sherman must take final action on the proposed ordinance by October 1, 2008. 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 and Kristen Doyle of Lloyd Gosselink Blevins Rochelle & Townsend, P.C., Legal Counsel to ACSC

Financial Consideration

Approval of this ordinance will result in rates than implement a $20 million increase in Atmos's revenues effective October 1, 2008, and a monthly increase of $0.81 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

Ordinance No. 5557
ACSC Legal Counsel Memorandum of August 13, 2008
Attachments A and B
Model Staff Report
Rate Review Mechanism Fact Sheet

Prepared by:
Doreen E. McGookey, City Attorney
Robby Hefton, Assistant City Manager/CFO

Approved by:
George Olson, City Manager

ORDINANCE NO. 5557

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS ("CITY"), APPROVING A NEGOTIATED RESOLUTION BETWEEN THE ATMOS CITIES STEERING COMMITTEE AND ATMOS ENERGY CORP., MID-TEX DIVISION ("ATMOS MID-TEX" OR "THE COMPANY") REGARDING THE COMPANY'S RATE REVIEW MECHANISM FILING IN ALL CITIES EXERCISING ORIGINAL JURISDICTION; DECLARING EXISTING RATES TO BE UNREASONABLE; 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' PROOF OF REVENUES; ADOPTING A SAVINGS CLAUSE; DECLARING AN EFFECTIVE DATE; REQUIRING DELIVERY OF THIS ORDINANCE TO THE COMPANY AND LEGAL COUNSEL; PROVIDING A REPEALER CLAUSE; PROVIDING FOR SEVERABILITY; 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 "The 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"), a coalition of more than 150 similarly situated cities served by Atmos Mid-Tex that have joined together to facilitate the review 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, Atmos and ACSC Cities have been in continuing disagreement, dispute, and litigation over the implementation of GRIP surcharges pursuant to Section 104.301 of the Texas Utilities Code; and

WHEREAS, as part of the negotiations to resolve Atmos' 2007 rate case, ACSC Cities and the Company worked collaboratively to develop the Rate Review Mechanism ("RRM") tariff that allows for an expedited rate review process controlled by Cities as a substitute to the current GRIP process instituted by the Legislature; and

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

WHEREAS, on or about April 14, 2008, Atmos Mid-Tex filed with the City its first application pursuant to the RRM tariff to increase natural gas rates by approximately $33.5

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' RRM filing and designated a Negotiation Committee made up of ACSC representatives and 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 is able to justify a rate increase of $19.8 million; and

WHEREAS, the ACSC Executive Committee, as well as ACSC lawyers and consultants, recommends ACSC members approve the attached rate tariffs ("Attachment A" to this Ordinance) that will increase the Company's revenue requirement by $20 million; and

WHEREAS, the attached tariffs implementing new rates and Atmos' Proof of Revenues ("Attachment B" to this Ordinance) are consistent with the negotiated resolution reached by ACSC Cities (including but not limited to a reduction of the residential customer monthly charge to $7.00 per month) and are just, reasonable, and in the public interest; and

WHEREAS, it is the intention of the parties that ACSC Cities receive the benefit of any Settlement Agreement that Atmos enters into with other entities arising out of its RRM or any associated appeals of a decision entered by the Railroad Commission regarding the Company's request to increase rates. The ACSC Cities' acknowledge that the exercise of this right is conditioned upon the ACSC Cities' acceptance of all rates, revenues, terms and conditions of any other Settlement Agreement or associated appeals arising out of the Company's RRM filing *in toto*; 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:

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

SECTION 2. That the City Council finds that the existing rates for natural gas service provided by Atmos Mid-Tex are unreasonable and new tariffs and Atmos' 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 if ACSC Cities determine 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 Atmos' RRM filing would be more beneficial to the ACSC Cities than the terms of the attached tariff, then the more favorable rates, revenues, terms and conditions, or benefits shall additionally accrue to the ACSC Cities. Exercise of this right is conditioned upon ACSC Cities' acceptance of all rates, revenues, terms and conditions of any other Settlement Agreement or associated appeals arising out of the Company's RRM filing *in toto*.

SECTION 4. That this Ordinance shall become effective from and after its passage with rates authorized by attached Tariffs to be effective for customer bills delivered on or after October 1, 2008.

SECTION 5. 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 1800, 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.

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 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 __________________, 2008.

ADOPTED on this the _________________ day of __________________, 2008.

EFFECTIVE DATE on this the _________ day of __________________, 2008.

CITY OF SHERMAN, TEXAS

BY: ________________________________

BILL MAGERS, MAYOR

ATTEST:

BY: ______________________________
LINDA ASHBY, CITY CLERK

APPROVED AS TO FORM AND CONTENT:

BY: ______________________________
DOREEN E. MCGOOKEY,
CITY ATTORNEY

Lloyd Gosselink
ATTORNEYS AT LAW

816 Congress Avenue, Suite 1900
Austin, Texas 78701
Telephone: (512) 322-5800
Facsimile: (512) 472-0532
www.lglawfirm.com

Ms. Doyle's Direct Line: (512) 322-5820
Email: kdoyle@lglawfirm.com

MEMORANDUM

TO: Atmos City Steering Committee (ACSC) Members

FROM: Geoffrey Gay
Kristen Doyle

DATE: August 13, 2008

RE: **FINAL ACTION BY OCTOBER 1ST – Atmos RRM Settlement**

The ACSC Settlement Committee (Jay Doegey – Arlington, Danny Reed – Fort Worth, Mark Israelson – Plano, Don Wilson – Eastland, Cathy Cunningham – various ACSC cities, Phil Boyd – Lewisville, Rodney Adams – Irving), with the advice and input of ACSC consultants and lawyers, has worked to resolve the Company's pending $33.5 million Rate Review Mechanism ("RRM") rate increase request without the necessity of a protracted and costly contested case proceeding. The attached tariff that reflects rates that will increase Atmos' revenues by $20 million. The negotiated result represents a 35 percent reduction in Atmos' requested rate increase. The monthly bill impact for an average residential customers is $0.81.

The RRM process was created by Atmos and ACSC to eliminate the piecemeal ratemaking GRIP process in favor of an expedited rate review controlled by cities The Company's filing is the first filing pursuant to the agreed RRM process. The ACSC Executive Committee recommends approval of the negotiated resolution because it represents an outcome that is equal to or better than the outcome expected from a lengthy contested case proceeding, and maintains cities' role as a regulator of natural gas rates.

Please schedule consideration of the ordinance for your next available council meeting. Final council action to approve the ordinance must take place by October 1st. To assist you, several documents are attached:

- An ordinance setting new rates. The approved Ordinance should include the attached Tariff ("Attachment A" to the Ordinance) and Proof of Revenues ("Attachment B")
- A model staff report
- An explanation of key provisions of the RRM tariff and filing

Please contact Kristen (512/322-5820, kdoyle@lglawfirm.com) immediately if your city is unable to meet the October 1st deadline for final action. Once final action has been taken by your city, please forward a copy of the ordinance to Atmos Mid-Tex and to our paralegal, Gary Stiffler (fax number: 512/472-0532, gstiffler@lglawfirm.com).

ATTACHMENT A

ATMOS ENERGY CORPORATION
MID-TEX DIVISION

RRC TARIFF NO: 19843
REVISION NO: 0

RATE SCHEDULE:	**R – RESIDENTIAL SALES**	
APPLICABLE TO:	**Entire Division (except Environs areas and the City of Dallas)**	
EFFECTIVE DATE:	**10/01/2008**	**PAGE: 23**

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	$ 7.00 per month
Commodity Charge – All Mcf	$2.2410 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: Commodity Charge includes an amount calculated in accordance with Rider RRM.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Franchise Fees are to be assessed solely to customers within municipal limits. This does not apply to Environs Customers.

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.

Issued By: David J. Park — Vice President, Rates and Regulatory Affairs
Date Issued: 08/13/2008

ATTACHMENT A

ATMOS ENERGY CORPORATION
MID-TEX DIVISION

RRC TARIFF NO: 19844
REVISION NO: 0

RATE SCHEDULE:	C – COMMERCIAL SALES	
APPLICABLE TO:	Entire Division (except Environs areas and the City of Dallas)	
EFFECTIVE DATE:	10/01/2008	PAGE: 24

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	$ 13.50 per month
Commodity Charge - All Mcf	$ 0.9809 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: Commodity Charge includes an amount calculated in accordance with Rider RRM.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Franchise Fees are to be assessed solely to customers within municipal limits. This does not apply to Environs Customers.

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.

Issued By: David J. Park — Vice President, Rates and Regulatory Affairs
Date Issued: 08/13/2008

ATTACHMENT A

ATMOS ENERGY CORPORATION
MID-TEX DIVISION

RRC TARIFF NO: 19842
REVISION NO: 0

RATE SCHEDULE:	**I – INDUSTRIAL SALES**	
APPLICABLE TO:	**Entire Division (except Environs areas and the City of Dallas)**	
EFFECTIVE DATE:	**10/01/2008**	**PAGE: 25**

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	$ 425.00 per month
First 0 MMBtu to 1,500 MMBtu	$ 0.2733 per MMBtu
Next 3,500 MMBtu	$ 0.1993 per MMBtu
All MMBtu over 5,000 MMBtu	$ 0.0427 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: Commodity Charge includes an amount calculated in accordance with Rider RRM.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Franchise Fees are to be assessed solely to customers within municipal limits. This does not apply to Environs Customers.

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."

Issued By: David J. Park — Vice President, Rates and Regulatory Affairs
Date Issued: 08/13/2008

ATTACHMENT A

ATMOS ENERGY CORPORATION
MID-TEX DIVISION

RRC TARIFF NO: 19842
REVISION NO: 0

RATE SCHEDULE:	I – INDUSTRIAL SALES	
APPLICABLE TO:	Entire Division (except Environs areas and the City of Dallas)	
EFFECTIVE DATE:	10/01/2008	PAGE: 26

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.

Issued By: David J. Park Vice President, Rates and Regulatory Affairs
Date Issued: 08/13/2008

ATTACHMENT A

ATMOS ENERGY CORPORATION
MID-TEX DIVISION

RRC TARIFF NO: 19845
REVISION NO: 0

RATE SCHEDULE:	**T – TRANSPORTATION**	
APPLICABLE TO:	**Entire Division (except Environs areas and the City of Dallas)**	
EFFECTIVE DATE:	**10/01/2008**	**PAGE: 27**

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	$ 425.00 per month
First 0 MMBtu to 1,500 MMBtu	$ 0.2733 per MMBtu
Next 3,500 MMBtu	$ 0.1993 per MMBtu
All MMBtu over 5,000 MMBtu	$ 0.0427 per MMBtu

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

Rate Review Mechanism: Commodity Charge includes an amount 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. Franchise Fees are to be assessed solely to customers within municipal limits. This does not apply to Environs Customers.

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.

Issued By: David J. Park — Vice President, Rates and Regulatory Affairs
Date Issued: 08/13/2008

ATTACHMENT A

RATE SCHEDULE:	T – TRANSPORTATION	
APPLICABLE TO:	Entire Division (except Environs areas and the City of Dallas)	
EFFECTIVE DATE:	10/01/2008	PAGE: 28

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.

ATTACHMENT A

ATMOS ENERGY CORPORATION
MID-TEX DIVISION

REVISION NO: 0

RIDER:	GCR – GAS COST RECOVERY	
APPLICABLE TO:	Entire Division	
EFFECTIVE DATE:	10/01/2008	PAGE: 40

Applicable to Rate R, Rate C, and Rate I for all gas sales made by Company, and applicable to Rate R, Rate C, Rate I, and Rate T for recovery of Pipeline System costs. The total gas cost recovery amount due is determined by adding the gas cost calculated in Section (a) below and the pipeline cost calculated in Section (b) below.

The amount due for gas cost (Section (a)) is determined by multiplying the Gas Cost Recovery Factor (GCRF) by the Customer's monthly volume. For Customers receiving service under Rate R and Rate C, monthly volume will be calculated on a Mcf basis. For Customers receiving service under Rate I, monthly volume will be calculated on an MMBtu basis and the quantities will be adjusted as necessary to recover actual gas costs.

The amount due for pipeline cost (Section (b)) is determined by multiplying the Pipeline Cost Factor (PCF) by the Customer's monthly volume. For Customers receiving service under Rate R and Rate C, monthly volume will be calculated on an Mcf basis. For Customers receiving service under Rate I and Rate T, monthly volume will be calculated on an MMBtu basis and the quantities will be adjusted as necessary to recover actual gas costs.

(a) Gas Cost

Method of Calculation

The monthly gas cost adjustment is calculated by the application of a Gas Cost Recovery Factor (GCRF), as determined with the following formula:

GCRF = Estimated Gas Cost Factor (EGCF) + Reconciliation Factor (RF) + Taxes (TXS)

EGCF = Estimated cost of gas, including lost and unaccounted for gas attributed to residential, commercial, and industrial sales, and any reconciliation balance of unrecovered gas costs, divided by the estimated total residential, commercial, and industrial sales. Lost and unaccounted for gas is limited to 5%.

RF = Calculated by dividing the difference between the Actual Gas Cost Incurred, inclusive of interest over the preceding twelve-month period ended June 30 and the Actual Gas Cost Billed over that same twelve-month period by the estimated total residential, commercial, and industrial sales for the succeeding October through June billing months. The interest rate to be used is the annual interest rate published by the PUC every December. The interest rate of 2008 is 4.69%.

Actual Gas Cost Incurred = The sum of the costs booked in Atmos Energy Corp., Mid-Tex Division account numbers 800 through 813 and 858 of the FERC Uniform System of Accounts, including the net impact of injecting and withdrawing gas from storage. Also includes a credit or debit for any out-of-period adjustments or unusual or nonrecurring costs typically considered gas costs and a credit for amounts received as Imbalance Fees or Curtailment Overpull Fees.

Actual Gas Cost Billed = EGCF multiplied by the monthly volumes billed to Residential, Commercial and Industrial Sales customers, less the total amount of gas cost determined to have been uncollectible and written off which remain unpaid for each month of the reconciliation period.

Issued By: David J. Park   Vice President, Rates and Regulatory Affairs
Date Issued: 08/13/2008

RIDER:	GCR – GAS COST RECOVERY	
APPLICABLE TO:	Entire Division	
EFFECTIVE DATE:	10/01/2008	PAGE: 41

Any amount remaining in the reconciliation balance after the conclusion of the period of amortization will be maintained in the reconciliation balance and included in the collection of the next RF.

Atmos Energy shall file annual reports with the Commission, providing by month the following amounts: Gas Cost Written Off. Margin Written Off, Tax and Other Written Off, Total Written Off, Gas Cost Collected and Margin Collected.

TXS = Any statutorily imposed assessments or taxes applicable to the purchase of gas divided by the estimated total residential, commercial and industrial sales.

ADJ = Any surcharge or refund ordered by a regulatory authority, inclusive of interest, divided by the estimated total residential, commercial, and industrial sales is to be included as a separate line item surcharge.

(b) Pipeline Cost

Method of Calculation

Each month, a Pipeline Cost Factor (PCF) is calculated separately for each Pipeline Cost Rate Class listed below. The formula for the PCF is:

PCF = PP / S, where:

PP = (P - A) x D, where:

P = Estimated monthly cost of pipeline service calculated pursuant to Rate CGS

D = Pipeline service allocation factor for the rate class as approved in the Company's most recent rate case, as follows:

Pipeline Cost Rate Class	Allocation Factor (D)
Rate R - Residential Service	.634698
Rate C - Commercial Service	.302824
Rate I - Industrial Service and Rate T - Transportation Service	.062478

A = Adjustment applied in the current month to correct for the difference between the actual and estimated pipeline cost revenue of the second preceding month, calculated by the formula:

A = R - (C - A2), where:

R = Actual revenue received from the application of the PP component in the second preceding month.

C = Actual pipeline costs for the second preceding month.

A2 = The adjustment (A) applied to the PP component in the second preceding month.

ATTACHMENT A

ATMOS ENERGY CORPORATION
MID-TEX DIVISION

REVISION NO: 0

RIDER:	GCR – GAS COST RECOVERY	
APPLICABLE TO:	Entire Division	
EFFECTIVE DATE:	10/01/2008	PAGE: 42

S = Estimated Mcf or MMBtu for the rate class for the current billing month.

The PCF is calculated to the nearest 0.0001 cent.

The Pipeline Cost to be billed is determined by multiplying the Mcf or MMBtu used by the appropriate PCF. The Pipeline Cost is determined to the nearest whole cent.

Issued By: David J. Park — Vice President Rates and Regulatory Affairs
Date Issued: 08/13/2008

ATTACHMENT A

ATMOS ENERGY CORPORATION
MID-TEX DIVISION

REVISION NO: 0

RIDER:	**CEE – CONSERVATION & ENERGY EFFICIENCY**	
APPLICABLE TO:	**Entire Division**	
EFFECTIVE DATE:	**10/01/2008**	**PAGE: 58**

Purpose

Atmos Energy Mid-Tex is proposing to institute a complete Conservation & Energy Efficiency program which will offer assistance to qualified customer segments in reducing energy consumption and lowering energy utility bills. The proposal is one where Atmos Energy shareholders will fund a percentage of the allowable expenses incurred annually, with a customer rate component providing the remainder of the funding. Following is a high-level, concept summary of the proposal. Atmos Energy Mid-Tex Division proposes to work with the communities it serves to develop the details of a new tariff and programs addressing conservation and energy efficiency.

Synopsis:

Voucher system to provide free energy savings materials and supplies to qualifying customers of Atmos Mid-Tex. Qualified Customers will receive up to two hundred dollars ($200.00) worth of caulking, weather-stripping, sheathing, sealing, water heater blankets, and like materials, other energy saving devices such as clock-thermostats, set-back devices ("covered items") from approved suppliers / retailers. Company will undertake efforts to enlist support from community groups, including its own Employee Action Program, to assist customers with installation. If it is determined that professional installation capabilities are necessary, the parties will agree on labor assistance amounts.

Eligibility

Low Income – Low-income rate-payers that qualify for heating bill assistance through LIHEAP agencies and all agencies that distribute Atmos "Share the Warmth" funds. Agencies that allocate assistance funds denote customer as Low Income, a status that lasts for one year.

Senior Citizen – Primary account holder can request eligibility through ATM call center or web-site. Customer provides primary SSN which is verified through Social Security Administration. And account holder that is or turns 65 years old in that year becomes eligible.

Funding

Initial program funding will be at two million dollars ($2,000,000). Atmos Energy shareholders will contribute one million dollars ($1,000,000.00) to this initiative annually with ratepayers providing one million dollars ($1,000,000.00) per year. It is proposed that the program operate on an October 1 through September 30 year, with benefits being capped at the two million dollar level for the initial program period.

Administration:

A third-party administrator will coordinate qualification of customers, voucher distribution, subsequent verification and reimbursement of eligible expenditures and general program administration. Program administration expenses will be funded from the annual approved budget.

Audits will be provided all interested parties within 120 days of the end of each program year to determine effectiveness.

Issued By: David J. Park — Vice President, Rates and Regulatory Affairs
Date Issued: 08/13/2008

ATTACHMENT A

ATMOS ENERGY CORPORATION
MID-TEX DIVISION

REVISION NO: 0

RIDER:	CEE – CONSERVATION & ENERGY EFFICIENCY	
APPLICABLE TO:	Entire Division	
EFFECTIVE DATE:	10/01/2008	PAGE: 59

Report

Atmos shall file an annual report detailing cost to administer the program with details of the amounts paid out of program for energy conversation assistance. The report shall also detail number of applicants, number rejected and accepted and reason rejected. The report shall be filed with the Gas Service Director.

Issued By: David J. Park — Vice President, Rates and Regulatory Affairs
Date Issued: 08/13/2008

ATTACHMENT A

ATMOS ENERGY CORPORATION
MID-TEX DIVISION

REVISION NO: 0

RIDER:	FF – FRANCHISE FEE ADJUSTMENT	
APPLICABLE TO:	Entire Division	
EFFECTIVE DATE:	10/01/2008	PAGE: 43

Application

Applicable to Customers inside the corporate limits of an incorporated municipality that imposes a municipal franchise fee upon Company for the Gas Service provided to Customer. Franchise Fees to be assessed solely to customers within the municipal limits. This does not apply to Environs customers.

Monthly Adjustment

Company will adjust Customer's bill each month in an amount equal to the municipal franchise fees payable for the Gas Service provided to Customer by Company. Municipal franchise fees are determined by each municipality's franchise ordinance. Each municipality's franchise ordinance will specify the percentage and applicability of franchise fees.

From time to time, Company will make further adjustments to Customer's bill to account for any over- or under-recovery of municipal franchise fees by Company.

ATTACHMENT A

TARIFF FOR GAS SERVICE

ATMOS ENERGY CORP.,
MID-TEX DIVISION

RIDER:	Rider WNA – Weather Normalization Adjustment	
APPLICABLE TO:	Entire System (except Environs areas and the City of Dallas)	REVISION: DATE:
EFFECTIVE DATE:	11/01/2008	PAGE: 1 OF 2

RIDER WNA – Weather Normalization Adjustment

Provisions for Adjustment

The base rate per Mcf (1,000,000 Btu) for gas service set forth n 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:

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

Where

i = any particular Rate Schedule or billing classfication 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 classfication 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:

$WNA_i = WNAF_i \times q_{ij}$

ATTACHMENT A

TARIFF FOR GAS SERVICE

ATMOS ENERGY CORP., MID-TEX DIVISION

RATE SCHEDULE:	Rate WNA – Weather Normalization Adjustment	
APPLICABLE TO:	Entire System (except Environs areas and the City of Dallas)	REVISION: DATE:
EFFECTIVE DATE:	11/01/2008	PAGE: 2 OF 2

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 Sensitivity (HSF) Factors

	Residential		Commercial	
Weather Station	Base use Mcf	HSF Mcf/HDD	Base use Mcf	HSF Mcf/HDD
Abilene	1.27	.0130	10.93	.0638
Austin	1.29	.0133	18.47	.0641
Dallas	1.79	.0186	20.83	.0878
Waco	1.30	.0141	11.41	.0617
Wichita Falls	1.35	.0143	11.62	.0540

Sample $WNAF_i$ Calculation:

$$.1533 \text{ per Mcf} = 1.2267 \times \frac{(.0131 \times (30-17))}{(1.14 + (.0131 \times 17))}$$

Where

i	=	Residential Single Block Rate Schedule
R_i	=	1.2267 per MCF (Rate R - Final Order GUD No. 9670)
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)
BL_i	=	1.14 Mcf (Residential - Abilene Area)

ATTACHMENT B

ATMOS ENERGY CORP., MID-TEX DIVISION
SUMMARY PROOF OF REVENUE AT PROPOSED RATES
TEST YEAR ENDING DECEMBER 31, 2007

Line	Description (a)		Total (b)	Reference (c)
	Rate R			
1	Rate Characteristics:			
2	Customer Charge		$7.00	RRM Settlement Agreement, Pg 2, Item 5
3				
4	Consumption Charge ($/Mcf)		$2.1600	Settlement Allocation
5	2007 RRM True-up ($/Mcf)		$0.0810	Settlement Allocation
6	Rider GCR Part A		$8.1244	Schedule H
7	Rider GCR Part B		$0.6243	Schedule I
8				
9	Billing Units (1):			
10	Bills		17,069,679	WP_J-1.1
11	Total MCF		78,708,921	WP_J-1.1
12				
13	Proposed Revenue:			
14	Customer Charge	$	119,487,753	
15	Consumption Charge		176,385,175	
16	Base Revenue	$	295,872,928	
17	Rider GCR Part A		639,460,135	
18	Rider GCR Part B		49,140,231	
19	Subtotal	$	984,473,295	
20	Revenue Related Taxes		59,244,614	
21				
22	Total Proposed Revenue- Rate R	$	1,043,717,909	
23				
24	Note 1: See Billing Determinants Study for details.			

ATTACHMENT B

ATMOS ENERGY CORP., MID-TEX DIVISION
SUMMARY PROOF OF REVENUE AT PROPOSED RATES
TEST YEAR ENDING DECEMBER 31, 2007

Line	Description		Total	Reference
	(a)		(b)	(c)
	Rate C			
1	Rate Characteristics:			
2	Customer Charge		$13.50	RRM Settlement Agreement, Pg 2, Item 5
3				
4	Consumption Charge ($/Mcf)		$0.9442	Settlement Allocation
5	2007 RRM True-up ($/Mcf)		$0.0367	Settlement Allocation
6	Rider GCR Part A		$8.1244	Schedule H
7	Rider GCR Part B		$0.5228	Schedule I
8				
9	Billing Units (1):			
10	Bills		1,434,516	WP_J-1.2
11	Total MCF		50,233,642	WP_J-1.2
12				
13	Proposed Revenue:			
14	Customer Charge	$	19,365,966	
15	Consumption Charge		49,273,373	
16	Base Revenue	$	68,639,339	
17	Rider GCR Part A		408,116,524	
18	Rider GCR Part B		26,261,046	
19	Subtotal	$	503,016,909	
20	Revenue Related Taxes		30,271,052	
21				
22	Total Proposed Revenue- Rate C	$	533,287,962	
23				
24	Note 1: See Billing Determinants Study for details.			

ATTACHMENT B

ATMOS ENERGY CORP., MID-TEX DIVISION
SUMMARY PROOF OF REVENUE AT PROPOSED RATES
TEST YEAR ENDING DECEMBER 31, 2007

Line	Description		Total	Reference
	(a)		(b)	(c)
	Rate I &T			
1	Rate Characteristics:			
2	Customer Charge	$	425.00	Settlement Allocation
3				
4	Block 1 ($/MMBTU)		$0.2352	Settlement Allocation
5	Block 2 ($/MMBTU)		$0.1715	Settlement Allocation
6	Block 3 ($/MMBTU)		$0.0367	Settlement Allocation
7	2007 RRM True-up ($/MMBTU):			Settlement Allocation
8	Block 1 ($/MMBTU)		$0.0381	
9	Block 2 ($/MMBTU)		$0.0278	
10	Block 3 ($/MMBTU)		$0.0060	
11	Rider GCR Part A		$8.1244	Schedule H
12	Rider GCR Part B		$0.2938	Schedule I
13				
14	Consumption Characteristics:			
15	Block 1 (First 1,500 MMBTU)		0.23502	(1)
16	Block 2 (Next 3,500 MMBTU)		0.26655	(1)
17	Block 3 (Over 5,000 MMBTU)		0.49843	(1)
18				
19	Billing Units (1):			
20	Bills		10,052	WP_J-1
21	Block 1		9,522,217	WP_J-1
22	Block 2		10,799,921	WP_J-1
23	Block 3		20,195,218	WP_J-1
24	Total MMBTU		40,517,356	
25				
26	Sales Volumes		2,331,063	WP_J-1
27				
28	Proposed Revenue:			
29	Customer Charge	$	4,272,100	
30	Block 1		2,602,422	
31	Block 2		2,152,424	
32	Block 3		862,336	
33	Base Revenue	$	9,889,282	
34	Rider GCR Part A		18,494,542	
35	Rider GCR Part B		11,902,411	
36	Subtotal	$	40,286,235	
37	Revenue Related Taxes		2,424,385	
38				
39	Total Proposed Revenue- Rate I&T	$	42,710,620	
40				
41	Note 1: See Billing Determinants Study for details.			

MODEL STAFF REPORT

The City, along with 150 other cities served by Atmos Energy Mid-Tex Division ("Atmos" or "Company"), is a member of the Atmos Cities Steering Committee ("ACSC"). On April 14, 2008, Atmos filed with the City an application to increase natural gas rates pursuant to the Rate Review Mechanism ("RRM") tariff approved by the City earlier this year. The Company's April RRM filing seeks a $33.5 million rate increase. The City worked with ACSC to analyze the schedules and evidence offered by Atmos to support its request to increase rates. The Ordinance and attached tariff approving rates that will increase the Company's revenues by $20 million effective October 1, 2008, are the result of negotiation between ACSC and the Company to resolve issues raised by ACSC during the review and evaluation of ACSC's RRM filing. The monthly bill impact for the average residential customer is $0.81. The ACSC Executive Committee recommends that all ACSC cities adopt the ordinance implementing the rate change.

RRM Background:

The RRM tariff was approved by cities as part of the settlement agreement to resolve Atmos' 2007 rate increase case. Atmos' rate request represents the first filing pursuant to the three-year trial project known as the RRM process. The RRM process was created collaboratively by the Steering Committee and Atmos as an alternative to the GRIP surcharge process. The RRM process allows for a more comprehensive rate review and annual adjustment that will function as a substitute for future GRIP filings during the three-year trial period specified by the tariff.

There are two components to the RRM adjustment. The prospective component adjusts rates for known and measurable changes in O&M and net plant investment. Atmos and ACSC agreed to cap changes to expenses and invested capital at no more than five percent. The true up component evaluates whether the Company has over or underrecovered its earnings for the previous year. For purposes of the RRM true up component, Atmos' 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 employee's spouse, alcohol, sports events, entertainment, arts and cultural events, sponsorship of sports, arts or cultural events, and social club membership dues.

Purpose of the Ordinance:

The purpose of the Ordinance is to approve rate tariffs (Attachment A) that reflect the negotiated rate change pursuant to the RRM process. The Ordinance also approves the Company's proof of revenues (Attachment B), a required part of the RRM filing.

As a result of the negotiations, ACSC was able to reduce the Company's requested $33.5 million RRM increase by more than 35 percent. Approval of the Ordinance will result in rates that implement a $20 million increase in Atmos' revenues effective October 1, 2008.

Reasons Justifying Approval of the Negotiated Resolution:

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 $33.5 million increase requested by the Company, ACSC consultants agree that the Company can justify an increase in revenues of at least $19.8 million.

A contested case proceeding before the RRC on the Company's current application will take several months and cost ratepayers millions of dollars in rate case expenses and would not likely produce a request 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.

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 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 that are being revised are attached to the Ordinance. Existing tariffs that are not being changed in any way are not attached to the Ordinance.

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

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

5. 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.

6. This section is a "Most Favored Nations" clause, which protects the City by mandating that if a Final Order or subsequent agreement approved in any proceeding addressing the issues raised in Atmos' RRM filing results in rates or terms that would be more beneficial to the ACSC Cities than the terms of this tariff, the City may, at its option, implement such more favorable rates or terms. The exercise of this right is contingent upon the City agreeing to adopt the terms of the Final Order or subsequent agreement *in toto*.

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

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

Rate Review Mechanism
Fact Sheet

*The Rate Review Mechanism (RRM) was created as part of a collaborative agreement between ACSC and Atmos. It replaces the unworkable and contentious Gas Reliability Infrastructure Program (GRIP) surcharge process.

*The RRM authorizes cities to meaningfully review and dispute the company's annual rate filings in an expedited rate proceeding at the city level. This authority was lacking under the GRIP process.

*The RRM will function as a substitute for future GRIP filings during the three-year trial period.

*The RRM permits the Company to seek an annual review of its revenues, estimated cost of operations, and capital investments. In most cases, the company cannot seek rate adjustments greater than 5 percent. The Company must provide evidence as part of the annual review process that Cities can assess and, if necessary, challenge.

*The RRM process allows Atmos to seek a surcharge from ratepayers if its anticipated expenses exceed its anticipated revenues for a 12 month period. However, if the Company's revenues exceed its authorized rate of return, it must issue refunds.

Costs Expressly Prohibited from Recovery Under the RRM:

First class air-fare, travel, meals or entertainment for employee's spouse, alcohol, sports events, entertainment, arts and cultural events, sponsorship of sports, arts or cultural events, and social club membership dues.

The RRM is applicable only to the Company's base rates - the cost of delivering natural gas to customers. The commodity price of natural gas is a pass-through cost to customers that can change monthly based upon the price of natural gas.

Process for RRM Filing:

Cities have 90 days to review the Company's RRM filing. After the 90-day "Review Period," the 30-day "Response Period" allows Cities to work with the Company regarding issues identified by the city during the Review Period.

Atmos Mid-Tex' first RRM was made April 14, 2008. In subsequent years, Atmos will make its RRM filing with Cities on or after April 1st of each year. (The filing date is referred to as the "Annual Evaluation Date" in the tariff.)

The City and the Company commit to act collaboratively during this process. However, if Cities and the Company cannot come to agreement at the end of the Response Period, the Company may appeal a city's action or inaction on the RRM to the Railroad Commission.

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 9-2-2008

Subject: Agenda Item No. B.3

ADOPTION OF ORDINANCES
Consider Adoption of Ordinance Number 5557

B.2 INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 5557
Approving a Negotiated Resolution Between the Atmos Cities Steering Committee and Atmos Energy Corp., Mid-Tex Division ("Atmos Mid-Tex" or "The Company") Regarding the Company's Rate Review Mechanism Filing in all Cities Exercising Original Jurisdiction; Declaring Existing Rates to be Unreasonable; 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' Proof of Revenues; Adopting a Savings Clause; Declaring an Effective Date; Requiring Delivery of this Ordinance to the Company and Legal Counsel

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 9-2-2008

Subject: Agenda Item No. B.4

ADOPTION OF ORDINANCE NO. 5551
Providing for the Appropriation of Funds for Operating and Capital Expenditures for the Fiscal Year Beginning October 1, 2008, and Ending September 30, 2009

Issue
To consider adoption of the budget for the 2008-2009 fiscal year

Background
The proposed budget reflects the direction given by the Council at the recent budget workshop held on July 17, 2008. The budget contains $74.0 million in appropriations, which represents an approximate 14% increase from the prior year's original budget, the increase of which relates primarily to capital improvements. In accordance with the discussions at the budget workshop, the proposed budget reduces the property tax rate to $.32/$100 and includes increases in water/sewer rates and solid waste rates of about 4% and 11%, respectively. More detailed information is available on the attachments. A required public hearing was held on the proposed budget at the City Council's August 18, 2008 meeting.

Origination
Assistant City Manager/Chief Financial Officer

Financial Consideration
The proposed budget contains appropriations of $74.0 million for the 2008-2009 fiscal year.

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

Alternatives
The Council could suggest making changes to the proposed budget, subject to the timetables for budget adoption contained in the Charter and state law.

Attachments
Ordinance No. 5551, summary budget text, summary budget schedule, individual fund statements

Prepared by:
Robby Hefton, Assistant City Manager/CFO

Approved by:
George Olson, City Manager

ORDINANCE NO. 5551

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, 2008, AND ENDING SEPTEMBER 30, 2009; 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, 2008, and ending September 30, 2009.

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, 2008, and ending September 30, 2009.

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 __________________, 2008.

ADOPTED on this the _________________ day of __________________, 2008.

EFFECTIVE DATE on this the _________ day of __________________, 2008.

CITY OF SHERMAN, TEXAS

BY: ________________________________

BILL MAGERS, MAYOR

ATTEST:

BY: ______________________________
LINDA ASHBY, CITY CLERK

APPROVED AS TO FORM
AND CONTENT:

____
DOREEN E. MCGOOKEY,
CITY ATTORNEY

PROPOSED BUDGET FOR THE CITY OF SHERMAN
FOR FISCAL YEAR 2008-2009
September 2, 2008

SUMMARY:

The attached proposed budget for 2008-2009 is based on the direction provided by the City Council at the budget workshop that was held on July 17, 2008.

The proposed budget reflects a continued focus on completing the short-term initiatives coming out of last years' budget development process. These initiatives include things such as:

- Certificates of obligation of about $7.1 million to fund street and park development initiatives
- Park development projects for Center Street Athletic Complex and Pecan Grove Park Phase II
- Thoroughfare development projects including Washington Street west, Lamberth Road west, and Canyon Creek Drive
- Property tax rate reduction to $.32/$100 from $.40/$100
- Inclusion of the Tourism function as a City department

Appropriations for 2008-2009 total about $74.0 million, of which $19.0 million is earmarked for capital spending. This total is approximately 14% more than the $65.1 million in the original 2007-2008 budget. Increased spending on capital projects and capital expenses represents the largest component of the increased appropriations.

Total budgeted full-time positions in the draft budget are 398, down from 414 in fiscal year 2007-2008. The decrease results from phasing-out the Daycare and from operating efficiency staff reductions in Library, Engineering, Parks and Recreation, and Grounds Maintenance. Additionally, one full-time position relating to Tourism is expected to be added to existing staff.

The General Fund is balanced on an on-going basis, with flat revenues and slightly decreased expenditures compared to last year. The property tax rate will be reduced to $.32 per $100 valuation overall, with about $.012 per $100 going to debt service, and $.308 per $100 going to General Fund operations. Sales tax revenue is projected to increase due primarily to implementation of the sales tax increase to reduce property taxes. The General Fund will make several one-time transfers totaling about $1.8 million to help restore Group Health Fund reserves and to establish a Fleet Replacement Fund for future replacement of varied fleet needs. All things considered, healthy reserve balances in the General Fund of about $5.9 million are projected to exist at the end of fiscal year (FY) 2009.

The Utility Fund is unbalanced on an on-going basis, caused primarily by a significant cost increase relating to disposal of biosolids from the Wastewater Treatment Plant operations. The budget includes a rate increase of about 4% overall, which is expected to generate an additional $.7 million in revenues. The need for additional rate increases in future years will be assessed based on the outcome of the study on long-term biosolids disposal alternatives. The staff is

committed to ensuring that ongoing rates support the operations of this fund. A net loss for 2008-2009 is budgeted at about $.6 million, caused by the biosolids disposal issue. Remaining fund balances are projected to be about $2.9 million, or about 53 days of ongoing operating expenses.

The Solid Waste Fund is essentially balanced on an on-going basis, with expenses exceeding revenues by about $.1 million due to transfers-out to help restore Group Health Fund reserves. Recent cost increases related to landfill disposal, fuel/energy and internal franchise costs have contributed to the need for a rate increase of about 11% in this fund. Since its inception in 2000-2001, there has not been a rate increase in the commercial solid waste program. The overall rate increase will be applied as needed to each of the operating departments within this fund to ensure that each segment of operation is self-supporting. Fund balances in this fund continue to be healthy, with an expected $1.1 million, or 72 days of operating funds, available at the end of 2009.

The draft budget contains over $12.6 million in projects in the General Improvement Fund related to various street and parks projects. As previously noted, a vast majority of these costs will be funded through debt financing. The most significant of these projects include Brockett Street, Washington Street, Lamberth Road, Canyon Creek Drive, Pecan Grove Park Phase II, and Center Street Athletic Complex. Reserves of about $1.4 million are expected after the completion of these projects.

In the Utility Improvement Fund, internal projects of about $2.9 million have been identified. Additionally, the City will issue an expected $4.9 million in revenue bonds through Greater Texoma Utility Authority (GTUA) for various large utility projects. The largest projects to be managed and funded through this source are the Waste Water Treatment Plant (WWTP) digester roof replacement and Relief Sewer C-1. These projects are not reflected on the City's books; rather they are paid through contractual debt payments to GTUA from the Utility Fund. Other utility projects are proposed to be funded through $4.6 million in available fund balance in the Utility Improvement Fund. These include Water Treatment Plant Phase III improvements, and various water line replacements. Reserves of about $1.8 million should be available in the fund at the completion of these projects.

DETAILED INFORMATION:

Additional information on <u>major components</u> of the 2008-2009 draft budget follows.

Certificates of Obligation: The draft budget includes the effects of issuing about $7.1 million in Certificates of Obligation (CO), funding of which could be used for projects such as Pecan Grove Park development, Washington Street, Lamberth Road, and Canyon Creek Drive. Debt service for this bond issue would be provided through ad-valorem taxes and a general revenue pledge.

Center Street Complex: The 2008-2009 draft budget includes $1.5 million for Center Street park development for features such as lighted sport fields, a trail system, and restroom and concession areas. The project is expected to be completed by spring, 2009.

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

Thoroughfare and Street Improvements: Two of the City's thoroughfares are slated for improvements in FY2009 – Washington Street and Lamberth Road. Both of these thoroughfares are expected to pave the way for near-term growth and development in these areas of the city. Additionally, Canyon Creek Drive will be extended westward to allow for public access to the Pecan Grove Park Phase II development. All of these projects are expected to begin in FY2009 and be completed in FY2010.

Water Treatment Plant Upgrade – Phase III: The draft budget for the Utility Improvement Fund includes $1,425,000 for this project, the final phase of a project that began in 2006-2007. This project will replace the membranes that filter the Lake Texoma water treated at the plant.

Wage Increase – 3% Across-the-Board: The draft budget contains a 3% increase in base salaries, coming as a 2% increase effective October 1, 2008 and an additional 2% coming April 1, 2009. The annual cost of this increase for all funds is projected to be about $600,000.

Water/Sewer and Solid Waste Rate Increases: Pressures on operating costs arising from things such as biosolids disposal, landfill disposal fees, fuel/energy costs and group health costs have contributed to the need for rate increases in these utility services. The overall water/sewer rate increase is expected to be about 4%, while the solid waste fees are expected to increase about 11% overall.

SUMMARY SCHEDULES, DETAILED FUND STATEMENTS, AND OTHER INFORMATION

The following pages include a schedule that summarizes the draft 2008-2009 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 Receipts and Expenditures/Expenses
Fiscal Year 2008-2009

	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	$ 7,186,775	$ 5,055,257	$ (74,116)	$ 1,376,841	$ 11,266,481	$ 1,313,643	$ 959,870	$ 74,116	$ 27,158,867
Receipts:									
Taxes	22,186,000	-	-	1,505,000	-		693,344		24,384,344
Water Sales	-	11,325,600	-	-	-		-		11,325,600
Sewer Sales	-	6,978,400	-	-	-		-		6,978,400
Solid Waste Sales	-	5,260,490	-	-	-		-		5,260,490
Other Fees for Services	3,956,760	102,000	7,249,718	876,000	-		-	(6,436,193)	5,748,285
Interest	215,000	239,500	66,000	48,905	250,000	15,000	29,200		863,605
Other	329,100	1,168,985	-	92,300	200,000	7,000	-		1,797,385
Bond Proceeds	-	-	-	1,350,000	7,050,000		-		8,400,000
Transfers In	2,312,493	-	2,260,000	545,000	-		115,986	(5,233,479)	-
Total Receipts	28,999,353	25,074,975	9,575,718	4,417,205	7,500,000	22,000	838,530	(11,669,672)	64,758,109
									-
Expenditures/Expenses:									-
Personnel	20,146,240	6,083,200	1,011,917	121,800	-		-		27,363,157
Supplies	1,157,762	1,196,076	1,211,732	555,460	-		-		4,121,030
Maintenance	1,015,428	1,507,570	604,270	1,039,450	-		-		4,166,718
Utilities	1,484,592	2,893,900	107,190	68,100	-		-		4,553,782
Contract Wages	355,060	89,280	13,050	-	-		-		457,390
Computer Services	566,575	104,900	14,000	-	-		-	(685,475)	-
Debt Service	195,237	5,711,023	95,232		-		627,186		6,628,678
Contractual Services	1,969,995	3,678,660	4,324,155	769,893	-		-	(3,170,000)	7,572,703
Vehicle Usage	1,225,971	1,362,047	-	1,400	-		-	(2,580,718)	8,700
Capital Expenses	208,750	527,618	990,450	1,962,000	15,360,000		-		19,048,818
Other		44,200	-	-	-		-		44,200
Transfers Out	1,826,283	2,546,212	-	160,986	200,000		500,000	(5,233,481)	-
Total Expenditures/Expenses	30,151,893	25,744,686	8,371,996	4,679,089	15,560,000	-	1,127,186	(11,669,674)	73,965,176
Ending Fund Balance	$ 6,034,235	$ 4,385,546	$ 1,129,606	$ 1,114,957	$ 3,206,481	$ 1,335,643	$ 671,214	$ 74,118	$ 17,951,800

General Fund
Summary of Revenues & Expenditures (Budget Basis)

	Actual 2006-2007	Adjusted Budget 2007-2008	Projected 2007-2008	Proposed 2008-2009
Beginning Fund Balance	$7,317,101	$ 7,501,883	$ 8,621,767	$ 7,050,008
Revenues				
Property Taxes	7,288,378	7,495,500	7,593,000	6,550,000
Sales Taxes	10,650,018	11,086,709	10,499,000	11,850,000
Franchise Taxes	3,274,622	3,330,000	3,561,000	3,663,000
Other Taxes	112,467	113,000	126,500	123,000
Fines & Forfeitures	668,660	754,500	849,606	923,000
Recreation	230,185	278,500	205,241	236,000
Permits & Licenses	433,390	439,000	437,418	438,000
Rentals	20,581	5,650	26,512	79,700
Cemetery Sales and Services	116,972	164,000	148,180	148,000
Sales & Services	384,859	514,785	447,357	382,060
Ambulance Services	2,212,832	1,850,000	1,700,000	1,750,000
Interest	558,684	425,000	415,959	210,000
Grants and Miscellaneous	494,418	675,998	899,781	296,250
Total Revenues	26,446,065	27,132,642	26,909,554	26,649,010
Transfers In	1,999,588	2,090,138	1,995,938	2,312,493
Total Receipts	28,445,654	29,222,780	28,905,492	28,961,503
Total Funds Available	35,762,755	36,724,664	37,527,259	36,011,511
Expenditures				
Personnel	18,908,864	19,633,685	20,170,000	20,146,240
Supplies	811,228	1,212,148	1,143,000	1,157,762
Maintenance	795,210	1,295,346	1,065,000	1,015,428
Utilities	1,240,649	1,510,115	1,433,000	1,484,592
Contract Wages	338,366	335,910	375,000	355,060
Computer Services	270,143	387,900	407,500	566,575
Debt Service	191,941	211,885	205,000	195,237
Contractual and Sundry Services	1,239,496	1,753,962	1,709,000	1,848,395
Vehicle Usage	1,051,316	1,207,900	1,125,000	1,225,971
Equipment and Buildings	1,497,774	1,025,596	994,751	208,750
Transfer Out to Debt Service	-	481,750	150,000	-
Transfer Out to Fleet Fund	-	-	-	1,000,000
Transfer Out to Ins Fund	-	-	-	766,283
Transfer Out to Comp Svc	-	-	-	60,000
Transfers Out- CIP Fund	796,000	1,700,000	1,700,000	-
Total Expenditures	27,140,988	30,756,197	30,477,251	30,030,293
Excess Receipts over Expenditures	1,304,665	(1,533,417)	(1,571,759)	(1,068,790)
Ending Fund Balance	$ 8,621,767	$ 5,968,467	$ 7,050,008	$ 5,981,218

Utility Fund
Summary of Revenues & Expenses (Budget Basis)

	Actual 2005-2006	Actual 2006-2007	Projected 2007-2008	Proposed 2008-2009
Beginning Reserve	$ 3,912,011	$ 6,410,850	$ 4,789,693	$ 3,455,109
Revenues				
Water Revenues	10,859,674	10,218,635	10,788,000	11,325,600
Sewer Revenues	6,610,903	6,567,903	6,733,000	6,978,400
Laboratory Charges	128,565	116,285	97,000	97,000
Service & Penalties	417,135	413,427	447,000	450,000
Earned Interest	323,847	379,039	240,000	175,000
Miscellaneous	301,025	313,827	298,773	464,485
Total Revenues	18,641,149	18,009,116	18,603,773	19,490,485
Total Funds Available	22,553,160	24,419,966	23,393,466	22,945,594
Expenses				
Personnel	3,896,147	4,181,354	4,226,234	4,484,284
Supplies	713,306	660,427	947,229	1,016,743
Maintenance & Repair	1,103,683	1,212,385	2,094,116	1,477,570
Utilities	2,649,014	2,579,701	2,749,700	2,881,700
Computer Services	68,683	66,387	72,500	90,900
Debt Service	4,577,430	4,562,052	4,753,613	5,386,936
Contract Wages	89,025	58,849	82,000	84,000
Contractual & Special Services	874,338	702,668	1,741,905	2,167,166
Vehicle Usage	228,019	198,005	246,457	271,564
Other	247,125	159,506	251,481	293,198
Capital Expenses	206,917	251,113	473,122	44,200
Total Expenses	14,653,687	14,632,447	17,638,357	18,198,261
Transfers Out				
General Fund	1,323,553	1,497,826	1,500,000	1,696,732
Others	165,070	3,500,000	800,000	172,531
Total Transfers Out	1,488,623	4,997,826	2,300,000	1,869,263
Total Expenses	16,142,310	19,630,273	19,938,357	20,067,524
Excess Revenues over Expenditures	2,498,839	(1,621,157)	(1,334,584)	(577,039)
Ending Reserve	$ 6,410,850	$ 4,789,693	$ 3,455,109	$ 2,878,070

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

	Actual 2005-2006	Actual 2006-2007	Projected 2007-2008	Proposed 2008-2009
Beginning Fund Balance	$ 1,614,345	$ 2,726,010	$ 2,174,490	$ 1,198,439
Revenues				
Solid Waste Fees	5,086,276	4,765,624	4,631,000	5,260,490
Service Penalties	-	69,556	60,000	70,000
Interest	55,578	94,377	55,000	45,000
Miscellaneous	140,759	133,600	170,375	184,500
Total Revenues	5,668,567	5,063,156	4,916,375	5,559,990
Total Funds Available	7,282,912	7,789,166	7,090,865	6,758,429
Expenses				
Personnel	1,255,190	1,456,465	1,529,215	1,598,916
Supplies	157,141	212,224	183,928	179,333
Maintenance & Repair	6,991	10,062	33,000	30,000
Utilities	7,419	7,796	10,500	12,200
Contract Wages	2,374	1,615	3,100	5,280
Computer Services	7,928	15,720	12,200	14,000
Solid Waste Debt Service	453,291	502,931	354,064	324,087
Contractual & Sundry Services	1,303,035	1,363,568	1,403,046	1,501,494
Vehicle Usage	712,524	757,073	957,244	1,090,483
Capital Expenses	300,003	191,285	210,191	234,420
Transfers Out	351,006	1,095,938	1,195,938	676,949
Total Expenses	4,556,902	5,614,677	5,892,426	5,667,162
Excess Receipts over Expenditures	1,111,665	(551,520)	(976,051)	(107,172)
Ending Fund Balance	$ 2,726,010	$ 2,174,490	$ 1,198,439	$ 1,091,267

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

		Actual 2006-2007	Projected 2007-2008	Proposed 2008-2009
Beginning Fund Balance		$ 4,173,153	$ 1,429,818	$ 6,661,318
Revenues:				
	Transfers In	1,504,028	2,400,000	-
	Austin College Participation			200,000
	Bond Proceeds		4,950,000	7,050,000
	Investment Interest	152,662	120,000	150,000
Total Revenues		1,656,690	7,470,000	7,400,000
Total Funds Available		5,829,843	8,899,818	14,061,318
Expenditures:				
	Taylor/Lamberth Right of Way	3,513	-	-
	Street Oversizing	20,929	-	-
	Fairview Pool Construction	2,051,892	-	-
	Old Settlers Park Shade Structures	93,036	-	-
	Old Settlers Park Road and Courts	252,382	-	-
	Rebuilding Loy Lake - Taylor to Lamberth	1,542,393	-	-
	Solid Waste Parking Lot Improvements - Phas	67,464	-	-
	Culvert at King Street and First Street	4,048	55,000	-
	FM 1417/Highway 56 Intersection ROW Acqui	28,350	-	-
	Fairview Soccer Field Irrigation/Renovation	130,231	-	-
	Fairview/MLK Lighted Hike/Bike Trail	127,145	262,000	-
	Fairview Park Picnic Pavilions	44,999	-	-
	Municipal Grounds Irrigation Project	33,643	-	-
	Texoma Pkwy - Loy Lake Box Culvert	-	25,000	-
	Harrison Storm Water Improvement	-	80,000	-
	Aerial and Topographic Map Updates	-	170,000	-
	Comprehensive Plan Study	-	175,000	95,000
	Center Street Complex Planning	-	5,000	-
	Hawn Park Upgrade	-	130,000	-
*	Pecan Grove Park - Phase I	-	200,000	200,000
	Old Settlers Park Restroom/Concession	-	150,000	-
	Emergency Siren Replacement	-	195,000	-
	Central Business District Rehabilitation Study	-	20,000	-
	Park Mapping Project	-	40,000	-
	Travis Street Overlay - Hwy 75 to Washington	-	111,500	-
	Street Right-of-Way & Oversizing	-	20,000	150,000
*	Brockett St. - Grand to Travis	-	400,000	1,600,000
*	Washington Street West	-	-	4,000,000
*	Lamberth Rd West	-	-	900,000
*	Canyon Creek Drive	-	-	1,200,000
*	Pecan Grove Park - Phase II	-	-	2,400,000
*	Center Street Sports Complex	-	200,000	1,300,000
	Solid Waste Transfer Station Repairs	-	-	230,000
	Bleacher Renovation - Fairview & OSP	-	-	200,000
	US 75 W. Frontage Road Reversal	-	-	300,000
	Canyon Grove Road - relocation	-	-	50,000
Total Expenditures		4,400,024	2,238,500	12,625,000
Ending Fund Balance		$ 1,429,818	$ 6,661,318	$ 1,436,318

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

		Actual 2006-2007	Projected 2007-2008	Proposed 2008-2009
Beginning Fund Balance		$ 3,083,122	$ 5,844,272	$ 4,605,163
Revenues				
	Interest Income/Other Income	216,868	150,000	100,000
	Transfer-in from Utility Fund	3,500,000	800,000	-
	Transfer-in from Utility Bond Funds		445,162	-
Total Revenues		3,716,868	1,395,162	100,000
Total Funds Available		6,799,990	7,239,434	4,705,163
Expenses				
	Lamberth/Devonshire Sewer Replacement	4,008	-	-
	Hub Street Water Line Replacement	57,756	-	-
	NW Sherman Water Line Replacement	86,004	-	-
	Ricketts/Kessler Water Line Replacement	54,729	-	-
	WTP - Upgrade Phase I	469,117	548,498	-
	Texoma Parkway Water Line Replacement - Phase II	29,509	-	-
	Hwy 56 Water Line Connection - West to Friendship	84,594	50,000	-
	Dexter Street Water Line Replacement	152,699	-	-
	West Washington Water Replacement	-	175,000	-
	Texoma Parkway Sewer Replacement	-	15,000	100,000
	Belden Street Water Line Replacement	7,831	71,644	-
	Oakhill Water Line Replacement	7,767	59,129	-
	WWTP Screw Lift Pump Replacement	-	320,000	300,000
	WTP - Upgrade Phase II	-	1,100,000	-
*	Relief Sewer K-4 Phase I	1,704	-	-
	Utility Oversizing	-	-	100,000
	Highland Street Water Replacement	-	135,000	-
	Travis Street Water Line Replacement - 75 to Washington	-	160,000	-
	WTP - Upgrade Phase III	-	-	1,500,000
	Fallon Drive Water Main Loop	-	-	250,000
	Travis Street Water Line Replacement - Washington to Jones	-	-	250,000
	Oak Creek Dr Water Line Replacement	-	-	140,000
	Willow St Water Line Replacement	-	-	95,000
*	WWTP Primary Clarifier #2 Rehab			-
*	WWTP Digester Roof Repair			-
*	WWTP Fine Screen Installation			-
*	Relief Sewer K-4 Phase II			-
*	Relief Sewer C-1 Replacement			-
	Transfers Out - Fleet Replacement Fund	-	-	200,000
Total Expenses		955,719	2,634,271	2,935,000
Ending Fund Balance		$ 5,844,272	$ 4,605,163	$ 1,770,163

*** Note: Projects thru GTUA will not be reflected on City's books. This presentation is for discussion purposes only.**

Public Charities Fund
Summary of Receipts & Expenditures

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

	Actual 2006-2007	Projected 2007-2008	Proposed 2008-2009
Beginning Fund Balance	$ 98,338	$ 94,610	$ 92,289
Receipts			
Interest	4,986	3,444	3,000
F.E.M.A. Grant	3,182	3,000	3,000
Glennie O. Ham Donations	1,583	2,000	2,500
Altrusa (W.A.F.A.)	250	250	250
Sherman Beautification	-	-	-
Library Donations	2,000	750	20,000
Animal Shelter Donations	7,641	5,000	5,000
Fishing Festival	94	-	-
Fire Dept Donations	2,600	1,500	2,000
Grant Revenue	-	16,885	-
Genealogical Donations	-	100	100
Medical Transportation	-	-	-
Total Receipts	22,336	32,929	35,850
Total Funds Available	120,674	127,539	128,139
Expenditures			
F.E.M.A. Grant	3,233	3,500	3,000
Library Donations	1,422	17,900	20,000
Glennie O. Ham Center	2,010	3,000	3,500
Day Care Lapsed Grant Funds	8,750	-	
Altrusa (W.A.F.A.)	264	250	250
Senior Citizen's Dance Club	57	100	500
Sherman Beautification	-	-	12,000
Animal Shelter Donations	-	5,000	20,000
Fire Dept Donations	2,378	500	1,300
Fishing Festival	101	-	1,000
Genealogical	-	-	50
Remodeling Contingency	7,850	5,000	50,000
Total Expenditures	26,064	35,250	111,600
Ending Fund Balance	$ 94,610	$ 92,289	$ 16,539

Land Transaction Fund
Summary of Receipts & Expenditures

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

	Actual 2006-2007	Projected 2007-2008	Proposed 2008-2009
Beginning Fund Balance	$ 54,359	57,218	44,478
Receipts			
Other revenue	-	-	-
Interest Earned	2,860	2,000	2,000
Total Receipts	2,860	2,000	2,000
Total Funds Available	57,218	59,218	46,478
Expenditures			
Miscellaneous	-	14,740	10,000
Ending Fund Balance	$ 57,218	$ 44,478	$ 36,478

Street Revolving Fund
Summary of Receipts & Expenditures

The capital projects fund accounts for street curb, gutter, improvements that are financed by developer or citizen cost assessments.

	Actual 2006-2007	Projected 2007-2008	Proposed 2008-2009
Beginning Fund Balance	$ 386,753	$ 416,623	$ 444,623
Receipts			
Interest Income	29,870	28,000	20,000
Street Assessment	-	-	-
Total Receipts	29,870	28,000	20,000
Total Funds Available	416,623	444,623	464,623
Total Expenditures	-	-	-
Ending Fund Balance	$ 416,623	$ 444,623	$ 464,623

TIF #1 Construction Fund
Summary of Receipts & Expenditures

	Proposed 2008-2009
Beginning Fund Balance	$ -
Receipts	
Bond Proceeds	900,000
Transfer from TIF Fund	500,000
Total Receipts	1,400,000
Total Funds Available	1,400,000
Expenditures	
Capital Improvements	1,400,000
Ending Fund Balance	$ -

TIF #2 Fund
Summary of Receipts & Expenditures

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

	Actual 2006-2007	Approved 2007-2008	Projected 2007-2008	Proposed 2008-2009
Beginning Fund Balance	$ -	$ 34,093	$ 25,138	$ 59,638
Receipts				
Property Tax	24,058	35,000	33,000	-
Bond Issuance Proceeds				450,000
Interest	1,080	1,000	1,500	900
Total Receipts	25,138	36,000	34,500	450,900
Total Funds Available	25,138	70,093	59,638	510,538
Expenditures				
Improvements	-	50,000	-	500,000
Total Expenditures	-	50,000	-	500,000
Ending Fund Balance	$ 25,138	$ 20,093	$ 59,638	$ 10,538

Auditorium Debt Service Fund
Summary of Receipts & Expenditures

	Actual 2006-2007	Projected 2007-2008	Proposed 2008-2009
Beginning Fund Balance	$ 94,938	$ 142,035	$ 144,635
Receipts			
Transfers-in from Hotel/Motel Tax	153,940	113,437	115,986
Interest	4,112	3,100	2,800
Total Receipts	158,052	116,537	118,786
Total Funds Available	252,990	258,572	263,421
Expenditures			
Debt Service	110,655	113,437	115,986
Agent Fees	300	500	500
Total Expenditures	110,955	113,937	116,486
Ending Fund Balance	$ 142,035	$ 144,635	$ 146,935

TIF #1 Debt Service Fund
Summary of Receipts & Expenditures

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

	Actual 2006-2007	Approved 2007-2008	Projected 2007-2008	Proposed 2008-2009
Beginning Fund Balance	$ 332,465	$ 483,563	$ 482,591	$ 588,435
Receipts				
Property Tax	324,892	326,000	326,000	330,000
Interest	25,217	27,000	27,000	24,000
Total Receipts	350,109	353,000	353,000	354,000
Total Funds Available	682,574	836,563	835,591	942,435
Expenditures				
Debt Service	199,983	246,656	246,656	241,106
Transfer to TIF Construction Fund	-	-	-	500,000
Agent Fees	-	500	500	500
Total Expenditures	199,983	247,156	247,156	741,606
Ending Fund Balance	$ 482,591	$ 589,407	$ 588,435	$ 200,829

TIF #2 Debt Service Fund
Summary of Receipts & Expenditures

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

	Proposed 2008-2009
Beginning Fund Balance	$ -
Receipts	
Property Tax	40,000
Interest	400
Total Receipts	40,400
Total Funds Available	40,400
Expenditures	
Debt Service	25,000
Agent Fees	250
Total Expenditures	25,250
Ending Fund Balance	$ 15,150

TIF #3 Fund
Summary of Receipts & Expenditures

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

	Approved 2007-2008	Projected 2007-2008	Proposed 2008-2009
Beginning Fund Balance	$ -	$ -	$ 76,800
Receipts			
Property Tax	55,000	75,000	80,000
Interest	200	1,800	2,000
Total Receipts	55,200	76,800	82,000
Total Funds Available	55,200	76,800	158,800
Expenditures			
Debt Service	-	-	-
Agent Fees	-	-	-
Total Expenditures	-	-	-
Ending Fund Balance	$ 55,200	$ 76,800	$ 158,800

CO Debt Service Fund
Summary of Receipts & Expenditures

	Approved 2007-2008	Projected 2007-2008	Proposed 2008-2009
Beginning Fund Balance	$ -	$ -	$ 150,000
Receipts			
Transfer from General Fund	481,750	150,000	-
Property Tax Revenues	-	-	243,344
Total Receipts	481,750	150,000	243,344
Total Funds Available	481,750	150,000	393,344
Expenditures			
Debt Service	481,250	-	243,344
Agent Fees	500	-	500
Total Expenditures	481,750	-	243,844
Ending Fund Balance	$ -	$ 150,000	$ 149,500

Auditorium & Ballroom Fund
Summary of Receipts & Expenditures

	Actual 2006-2007	Projected 2007-2008	Proposed 2008-2009
Beginning Fund Balance	$ 61,525	$ 72,946	$ 88,318
Receipts			
Transfer-In from Hotel/Motel	63,355	62,000	45,000
Interest	3,469	2,000	2,000
Auditorium/Ballroom Rental	22,217	25,000	25,000
Total Receipts	89,041	89,000	72,000
Total Funds Available	150,566	161,946	160,318
Expenditures			
Ballroom:			
Personnel	15,363	18,798	10,000
Supplies	17	-	6,735
Maintenance	4,283	533	8,850
Utilities	29,242	32,000	36,000
Equipment	211	7,560	-
Auditorium:			
Personnel	4,371	1,050	3,000
Maintenance	14,465	1,687	14,000
Utilities	9,668	12,000	13,000
Total Expenditures	77,620	73,628	91,585
Ending Fund Balance	$ 72,946	$ 88,318	$ 68,733

Police Programs Fund
Summary of Receipts & Expenditures

	Actual 2006-2007	Projected 2007-2008	Proposed 2008-2009
Beginning Fund Balance	$ 144,419	$ 227,645	$ 156,156
Receipts			
E 9-1-1 Service Fees	226,019	210,000	210,000
Security and Technology Fees	44,092	49,000	51,000
Interest	8,488	7,000	6,000
Total Receipts	278,599	266,000	267,000
Total Funds Available	423,018	493,645	423,156
Expenditures			
Personnel	57,463	72,210	108,800
Supplies	300	11,200	8,700
Maintenance/Repairs	95	5,700	6,700
Contractual Payments	110,961	130,644	133,200
Equipment	26,554	117,735	62,000
Total Expenditures	195,373	337,489	319,400
Ending Fund Balance	$ 227,645	$ 156,156	$ 103,756

Parks Pride Fund
Summary of Receipts & Expenditures

	Actual 2006-2007	Projected 2007-2008	Proposed 2008-2009
Beginning Fund Balance	$ 33,218	$ 31,659	$ 28,459
Receipts			
PRIDE Donations	10,948	11,000	11,000
Interest Income	1,520	800	700
Miscellaneous Income	82	-	-
Total Receipts	12,550	11,800	11,700
Total Funds Available	45,768	43,459	40,159
Expenditures			
Park Improvements	14,109	15,000	20,000
Total Expenditures	14,109	15,000	20,000
Ending Fund Balance	$ 31,659	$ 28,459	$ 20,159

Police Pride Fund
Summary of Receipts & Expenditures

	Actual 2006-2007	Projected 2007-2008	Proposed 2008-2009
Beginning Fund Balance	$ 19,634	$ 21,737	$ 11,737
Receipts			
PRIDE Donations	10,948	11,400	11,000
Interest Income	1,002	600	500
Total Receipts	11,950	12,000	11,500
Total Funds Available	31,584	33,737	23,237
Expenditures			
Supplies	1,385	4,000	4,000
Travel/Tuition	575	3,500	3,500
Contractual Services	687	5,000	5,000
Canine Replacement Dog	7,200	9,500	10,500
Total Expenditures	9,847	22,000	23,000
Ending Fund Balance	$ 21,737	$ 11,737	$ 237

Donations Fund
Summary of Receipts & Expenditures

This fund includes donations for Holiday Decorating & Library.

	Actual 2006-2007	Projected 2007-2008	Proposed 2008-2009
Beginning Fund Balance	$ 133	$ 569	$ 919
Receipts			
Donations	423	340	300
Interest Income	13	10	5
Total Receipts	436	350	305
Total Funds Available	569	919	1,224
Expenditures			
Supplies	-	-	800
Total Expenditures	-	-	800
Ending Fund Balance	$ 569	$ 919	$ 424

Hotel/Motel Tax Fund
Summary of Receipts & Expenses

	Actual 2005-2006	Actual 2006-2007	Projected 2007-2008	Proposed 2008-2009
Beginning Fund Balance	$ 256,417	$ 283,960	$ 191,563	$ 80,730
Receipts				
Hotel/Motel Tax 5%	368,754	336,587	320,000	357,000
Hotel/Motel Tax 2%	147,363	134,697	130,000	143,000
Interest	4,788	8,600	5,000	3,000
Total Receipts	618,602	479,884	455,000	503,000
Total Funds Available	875,019	763,844	646,563	583,730
Expenditures				
Museum Support	80,000	80,000	82,500	82,500
Museum - Payment for Past Services	100,000	-	-	-
Downtown Preservation	20,000	20,000	20,000	-
Convention and Visitors (Tourism)	166,315	207,455	229,725	199,000
Downtown Building Incentive	5,000	15,531	25,000	25,000
Arts Council	25,800	32,000	33,171	35,303
Transfer to Auditorium/Ballroom	46,581	63,355	62,000	45,000
Transfer 2% to Auditorium Debt Service	147,363	153,940	113,437	115,986
Total Expenditures	591,059	572,281	565,833	502,789
Excess Receipts over Expenditures	27,543	(92,397)	(110,833)	211
Ending Fund Balance	$ 283,960	$ 191,563	$ 80,730	$ 80,941

Drug Enforcement Fund
Summary of Receipts & Expenditures

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

	Actual 2006-2007	Projected 2007-2008	Proposed 2008-2009
Beginning Fund Balance	$ 17,843	$ 49,658	$ 9,470
Receipts			
Police Confiscated Funds	50,531	20,000	20,000
Interest Income	1,842	800	800
Total Receipts	52,373	20,800	20,800
Total Funds Available	70,216	70,458	30,270
Expenditures			
Supplies	7,178	17,988	16,000
Maintenance and Repair		2,000	1,600
Travel & Tuition	3,086	14,500	12,500
Machinery & Equipment	10,294	26,500	-
Total Expenditures	20,558	60,988	30,100
Ending Fund Balance	$ 49,658	$ 9,470	$ 170

Municipal Airport Fund
Summary of Receipts & Expenditures

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

	Actual 2006-2007	Approved 2007-2008	Projected 2007-2008	Proposed 2008-2009
Beginning Fund Balance	$ 294,614	$ 322,065	$ 395,343	$ 481,791
Receipts				
Interest Income	17,137	15,000	13,000	13,000
Airport Rentals	52,845	50,000	45,000	45,000
Oil & Gas Royalty	75,466	70,000	85,000	-
Fuel Sales	359,647	475,050	357,000	545,000
Grant Revenue	-	50,000	30,000	50,000
Miscellaneous Revenue	12,366	-	-	-
Total Receipts	517,461	660,050	530,000	653,000
Total Funds Available	812,075	982,115	925,343	1,134,791
Expenditures				
Fuel Purchases	341,655	445,050	332,000	515,000
Other Supplies	1,803	3,950	2,050	4,225
Maintenance	2,531	8,000	6,000	8,300
Contractual Services	53,382	162,500	84,902	243,390
Utilities	14,831	18,200	17,200	19,100
Vehicle Usage	2,530	1,900	1,400	1,400
Total Expenditures	416,732	639,600	443,552	791,416
Ending Fund Balance	$ 395,343	$ 342,515	$ 481,791	$ 343,375

Street Sales Tax
Summary of Receipts & Expenditures

This special revenue fund accounts for the revenues generated from the additional 1/8 cent sales tax and expenditures for street improvements funded through these revenues.

	Approved 2007-2008	Projected 2007-2008	Proposed 2008-2009
Beginning Fund Balance	$ -	$ -	$ 15,000
Receipts			
Street Sales Tax Revenues	473,000	314,000	1,005,000
Interest Income	-	1,000	2,000
Total Receipts	473,000	315,000	1,007,000
Total Funds Available	473,000	315,000	1,022,000
Expenditures			
Street Improvements	450,000	300,000	1,000,000
Total Expenditures	450,000	300,000	1,000,000
Ending Fund Balance	$ 23,000	$ 15,000	$ 22,000

Insurance Fund
Summary of Receipts & Expenditures

	Actual 2006-2007	Projected 2007-2008	Proposed 2008-2009
Beginning Fund Balance	$ 1,626,122	$ 1,083,257	$ 12,674
Receipts			
Employer Contributions	3,013,505	2,825,000	3,170,000
Employee Contributions	654,008	570,000	650,000
Retiree Contributions	141,274	155,000	160,000
COBRA Contributions	-	417	-
Interest Income	97,815	50,000	50,000
Miscellaneous	18,915	-	-
Transfers In	-	-	1,000,000
Total Receipts	3,925,517	3,600,417	5,030,000
Total Funds Available	5,551,639	4,683,674	5,042,674
Expenses			
Health & Dental Claims	3,777,135	4,100,000	3,600,000
Insurance Premiums & Cost	564,488	514,000	515,000
Life Insurance	93,589	32,000	32,000
AD & D	8,169	-	8,500
Miscellaneous	24,999	25,000	25,000
Transfer out	2	-	-
Total Expenses	4,468,382	4,671,000	4,180,500
Ending Fund Reserve	$ 1,083,257	$ 12,674	$ 862,174

Computer Service Fund
Summary of Receipts & Expenditures

	Actual 2006-2007	Projected 2007-2008	Proposed 2008-2009
Beginning Fund Balance	$ 503,367	$ 305,737	$ (59,118)
Revenues			
Interest Income	23,073	12,000	10,000
Computer Usage:			
General Fund	270,143	407,500	570,100
Equipment Services Fund	12,885	13,100	14,000
Utility Fund	66,387	72,500	90,900
Solid Waste Fund	15,720	12,200	14,000
Transfer In	-	-	60,000
Total Current Revenues	388,208	517,300	759,000
Total Funds Available	891,575	823,037	699,882
Expenses			
Personnel	253,924	257,973	259,807
Supplies	8,587	63,350	33,645
Maintenance & Repairs	62,145	189,000	154,448
Utilities	29,893	27,500	69,190
Contract Wages	79,366	115,000	13,050
Debt Service	10,706	95,232	95,232
Contractual Services & Other	85,049	38,100	28,800
Equipment, Capital Outlay	56,168	96,000	42,500
Total Expenses	585,838	882,155	696,672
Ending Fund Balance	$ 305,737	$ (59,118)	$ 3,210

Equipment Service Fund
Summary of Receipts & Expenditures

	Actual 2006-2007	Projected 2007-2008	Proposed 2008-2009
Beginning Fund Balance	$ (44,564)	$ (56,582)	$ (27,672)
Revenues			
Equipment Service Revenue:			
General Fund	1,050,896	1,124,661	1,224,771
Airport Fund	2,530	1,400	1,400
Utility Fund	205,035	246,457	271,564
Solid Waste Fund	752,350	957,244	1,082,983
Miscellaneous Revenue	-	2,700	-
	2,010,812	2,332,462	2,580,718
Total Funds Available	1,966,248	2,275,880	2,553,046
Expenses			
Personnel	684,526	727,408	752,110
Supplies	718,349	984,955	1,178,087
Maintenance & Repair	467,213	435,472	449,822
Utilities	26,119	37,000	38,000
Computer Services	12,885	13,100	14,000
Contractual Services	104,738	105,617	114,855
Equipment	9,000	-	5,025
Total Expenses	2,022,830	2,303,552	2,551,899
Ending Fund Balance	$ (56,582)	$ (27,672)	$ 1,147

Fleet Replacement Fund
Summary of Receipts & Expenditures

This new fund accounts for the purchase of fleet for use in the General Fund and Utility Fund.

	Proposed 2008-2009
Beginning Fund Balance	$ -
Revenues	
Transfers-In	1,200,000
Interest	6,000
	1,206,000
Total Funds Available	1,206,000
Expenses	
Equipment-General Fund	814,925
Equipment-Utility Fund	128,000
Total Expenses	942,925
Ending Fund Balance	$ 263,075

Water Customer Deposits
Summary of Receipts and Expenses

	Actual 2006-2007	Projected 2007-2008	Proposed 2008-2008
Beginning Fund Balance	$ 186,429	214,007	234,007
Receipts			
Interest Income	27,578	20,000	15,000
Total Funds Available	214,007	234,007	249,007
Expenses			
Miscellaneous	-	-	-
Ending Fund Balance	$ 214,007	$ 234,007	$ 249,007

Water & Sewer Pro Rata Fund
Summary of Receipts and Expenses

	Actual 2006-2007	Projected 2007-2008	Proposed 2008-2009
Beginning Fund Balance	$ 153,013	$ 161,202	$ 167,702
Receipts			
Interest Income	8,189	6,000	4,500
Pro Rata Fees	-	5,500	5,000
Total Receipts	8,189	11,500	9,500
Total Funds Available	161,202	172,702	177,202
Expenses			
Miscellaneous	-	5,000	10,000
Ending Fund Balance	$ 161,202	$ 167,702	$ 167,202

TRANSFERS SCHEDULE

FUND	DETAILS	BUDGETED FY08/09 Expense TRANSFER FROM Debit	BUDGETED FY08/09 Revenue TRANSFER TO Credit
100	From fund 600		
	From fund 700 5% franchise, admin cost		$ 1,696,732.00
	From fund 790, dept 243, 244, 245		$ 615,762.00
100	To fund 600 for group health	$ 766,283.00	
	To fund 630	$ 60,000.00	
	To fund 660	$ 1,000,000.00	
225	From fund 320	$ 500,000.00	
310	From fund 460		$ 115,986.00
320	To fund 225		$ 500,000.00
420	From fund 460		$ 45,000.00
460	To fund 310 and 420	$ 160,986.00	
600	From fund 100		$ 766,283.00
	From fund 700		$ 172,531.00
	From fund 790		$ 61,187.00
630	From Fund 100		$ 60,000.00
660	From fund 100		$ 1,000,000.00
	From fund 770		$ 200,000.00
700	To fund 600 for group health	$ 172,531.00	
	To fund 100 5% franchise, admin cost	$ 1,696,732.00	
770	To fund 660	$ 200,000.00	
790	To fund 100 5% franchise, admin cost	$ 201,281.00	
790	To fund 100 5% franchise, admin cost	$ 377,385.00	
790	To fund 100 5% franchise, admin cost	$ 37,096.00	
790	To fund 600 for group health	$ 61,187.00	
	TOTALS	**$ 5,233,481.00**	**$ 5,233,481.00**

City of Sherman, Texas

Bonded Debt as of 7/31/2008

	(1) $1,700,000 Combination Tax & Hotel Occupancy Tax Revenue 2000 Series, Certificates of Obligation				(2) $2,840,000 Combination Tax & Tax Increment Revenue 2004 Series TIF Zone#1, Certificates of Obligation			
Fiscal Yr	**Coupon**	**Principal**	**Interest**	**TOTAL**	**Coupon**	**Principal**	**Interest**	**TOTAL**
2009	5.75%	35,000.00	2,861.25	37,861.25	4.44%	125,000.00	116,106.00	241,106.00
2010	5.30%	35,000.00	927.50	35,927.50	4.44%	130,000.00	110,556.00	240,556.00
2011				-	4.44%	135,000.00	104,784.00	239,784.00
2012				-	4.44%	140,000.00	98,790.00	238,790.00
2013				-	4.44%	150,000.00	92,574.00	242,574.00
2014				-	4.44%	155,000.00	85,914.00	240,914.00
2015				-	4.44%	160,000.00	79,032.00	239,032.00
2016				-	4.44%	170,000.00	71,928.00	241,928.00
2017				-	4.44%	180,000.00	64,380.00	244,380.00
2018				-	4.44%	185,000.00	56,388.00	241,388.00
2019				-	4.44%	195,000.00	48,174.00	243,174.00
2020				-	4.44%	205,000.00	39,516.00	244,516.00
2021				-	4.44%	215,000.00	30,414.00	245,414.00
2022				-	4.44%	230,000.00	20,868.00	250,868.00
2023				-	4.44%	240,000.00	10,656.00	250,656.00
2024				-				-
2025				-				-
2026				-				-
2027				-				-
2028				-				-
2029				-				-
2030				-				-
		70,000.00	3,788.75	73,788.75		2,615,000.00	1,030,080.00	3,645,080.00

(1) These bonds were issued in 2000 to provide funding for Auditorium/Ballroom restoration. Debt service is financed through combination property tax and Hotel Motel tax revenues
These bonds were refinanced in 2006 (see 2006 Series GO Refunding).

(2) These bonds were issued in 2004 to provide funding for infrastructure development for Sherman Town Center. Debt service is financed through tax increment property tax reven

(3) These bonds were issued in 2006 to partially refund the 2000 Series Auditorium/Ballroom restoration bonds.

(4) These bonds were issued in 2008 to provide funding for various street and parks projects.

City of Sherman, Texas

Bonded Debt as of 7/31/2008

	(3)				(4)			
	$1,605,000 General Obligation Refunding, Series 2006				***$5,000,000 Tax and Waterworks and Sewer System Revenue Certificates of Obligation, Series 2008***			
Fiscal Yr	**Coupon**	**Principal**	**Interest**	**TOTAL**	**Coupon**	**Principal**	**Interest**	**TOTAL**
2009	3.50%	15,000.00	63,125.00	78,125.00			243,344.44	243,344.44
2010	3.50%	15,000.00	62,600.00	77,600.00	3.62%	175,000.00	177,832.50	352,832.50
2011	3.50%	55,000.00	61,375.00	116,375.00	3.62%	185,000.00	171,316.50	356,316.50
2012	3.50%	55,000.00	59,450.00	114,450.00	3.62%	190,000.00	164,529.00	354,529.00
2013	3.50%	60,000.00	57,437.50	117,437.50	3.62%	200,000.00	157,470.00	357,470.00
2014	3.50%	55,000.00	55,425.00	110,425.00	3.62%	210,000.00	150,049.00	360,049.00
2015	3.75%	60,000.00	53,337.50	113,337.50	3.62%	215,000.00	142,356.50	357,356.50
2016	3.75%	60,000.00	51,087.50	111,087.50	3.62%	225,000.00	134,392.50	359,392.50
2017	3.75%	65,000.00	48,743.75	113,743.75	3.62%	235,000.00	126,066.50	361,066.50
2018	3.75%	70,000.00	46,212.50	116,212.50	3.62%	245,000.00	117,378.50	362,378.50
2019	4.00%	70,000.00	43,500.00	113,500.00	3.62%	255,000.00	108,328.50	363,328.50
2020	4.00%	75,000.00	40,600.00	115,600.00	3.62%	265,000.00	98,916.50	363,916.50
2021	4.00%	80,000.00	37,500.00	117,500.00	3.62%	280,000.00	89,052.00	369,052.00
2022	4.00%	80,000.00	34,300.00	114,300.00	3.62%	290,000.00	78,735.00	368,735.00
2023	4.00%	85,000.00	31,000.00	116,000.00	3.62%	305,000.00	67,965.50	372,965.50
2024	4.00%	85,000.00	27,600.00	112,600.00	3.62%	315,000.00	56,743.50	371,743.50
2025	4.25%	85,000.00	24,093.75	109,093.75	3.62%	330,000.00	45,069.00	375,069.00
2026	4.25%	95,000.00	20,268.75	115,268.75	3.62%	345,000.00	32,851.50	377,851.50
2027	4.25%	100,000.00	16,125.00	116,125.00	3.62%	360,000.00	20,091.00	380,091.00
2028	4.375%	100,000.00	11,812.50	111,812.50	3.62%	375,000.00	6,787.50	381,787.50
2029	4.375%	105,000.00	7,328.13	112,328.13		-		-
2030	4.375%	115,000.00	2,515.63	117,515.63		-		-
		1,585,000.00	855,437.51	2,440,437.51		5,000,000.00	2,189,275.44	7,189,275.44

(1) These bonds were issued in 2000 to provide funding for Auditorium/Ballroom restoration. Debt service is financed through combination property tax and Hotel Motel tax revenues. These bonds were refinanced in 2006 (see 2006 Series GO Refunding).

(2) These bonds were issued in 2004 to provide funding for infrastructure development for Sherman Town Center. Debt service is financed through tax increment property tax revenues.

(3) These bonds were issued in 2006 to partially refund the 2000 Series Auditorium/Ballroom restoration bonds.

(4) These bonds were issued in 2008 to provide funding for various street and parks projects.

City of Sherman

Property Tax Historical Summary

Fiscal Year	Estimated Taxable Value (in 000)	Tax Levy (in 000)	Total Collections (in 000)
2003	$ 1,474,063	$ 5,896	$ 5,846
2004	$ 1,514,256	$ 6,057	$ 5,921
2005	$ 1,557,228	$ 6,229	$ 6,258
2006	$ 1,767,235	$ 7,069	$ 6,802
2007	$ 1,894,959	$ 7,580	$ 7,288
2008 (est)	$ 1,950,000	$ 7,800	$ 7,593

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 9-2-2008

Subject: Agenda Item No. B.5

CONSENT AGENDA

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

C.2 **** RESOLUTION NO. 5252***
Adopting an Investment Policy for the City of Sherman

C.3 **** RESOLUTION NO. 5253***
Authorizing Execution of Agreements with the Sherman Housing Authority, the Texoma Area Paratransit System, Inc., the Grayson County Crisis Center, the Child & Family Guidance Center of Texoma, the North Texas Youth Connection, and the Boys & Girls Club, Inc. for the Use of Community Development Block Grant Funds

C.4 **** RESOLUTION NO. 5254***
Authorizing Execution of an Interlocal Cooperation Contract with the Texas Department of Public Safety in Relation to the Sherman Police Department's Breath Testing and Laboratory Alcohol and Drug Testing Program

C.5 **** RESOLUTION NO. 5255***
Awarding a Bid to and Authorizing Execution of a Contract with Legacy Contracting, L.P. for the Replacement of Screw Lift Pumps at the Wastewater Treatment Plant

C.6 **** RESOLUTION NO. 5256***
Authorizing Execution of a Development Agreement with TexLanDev-Austin Landing, L.P. for the Construction of Public Facilities in the Austin Landing Phase Two Development to the City of Sherman

C.7 **** RESOLUTION NO. 5257***
Awarding a Bid to and Authorizing Execution of a Contract of Sale with W. Douglas Distributing, Ltd. d/b/a Douglas Distributing for an Annual Supply of Gasoline, Diesel and Bio-Diesel Fuel

D.1 **** CHANGE ORDER NO. 1***
Harrison Avenue Storm Drain Replacement; Lynn Vessels Construction, LLC; $969.99, Increase

D.2 * CHANGE ORDER NO. 1

2007-2008 Street Mill and Overlay Program; R.K. Hall Construction, Ltd.; $46,709.00, Increase

D.4 * OTHER BUSINESS

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 26th Annual Sherman Arts Festival on Saturday, September 20, 2008

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 9-2-2008

Subject: Agenda Item No. C.1

RESOLUTION NO. 5251
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 2008-2013

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

Origination
Department 119, Engineering Services

Financial Consideration

2008-2013 Funding:	
General Fund	$25,990,000
Utility Fund	$44,675,000
Total Funding for 2008-2013	**$70,665,000**

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. 5251
Five-Year Capital Improvement Program

Prepared by:
Mark Gibson, Director of Utilities & Engineering

Approved by:
George Olson, City Manager

RESOLUTION NO. 5251

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 September 2, 2008 at a regular City Council meeting;

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

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

SECTION 2. That the effective date of this resolution shall be the 2nd day of September, 2008.

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 ________________, 2008.

CITY OF SHERMAN, TEXAS

BY: ______________________________

BILL MAGERS, MAYOR

ATTEST:

BY: __________________________________
LINDA ASHBY, CITY CLERK

APPROVED AS TO FORM AND CONTENT:

BY: __________________________________
DOREEN E. MCGOOKEY,
CITY ATTORNEY

GENERAL SERVICES

2008-2009

	Drainage	Streets	Facilities	Parks	Water	Sewer	Totals
Solid Waste Transfer Station Repairs			$230,000				$230,000
Bleacher Renovation - Old Settler and Fairview				$200,000			$200,000
Pecan Grove Park - Phase II				$2,400,000			$2,400,000
Canyon Creek Drive Extension		$1,200,000					$1,200,000
Center Street Sports Complex				$1,300,000			$1,300,000
US Hwy 75 - West Frontage Road Reversal		$300,000					$300,000
Canyon Grove Road Relocation		$50,000					$50,000
Washington Street Rebuild/Resurface Heritage Parkway to end of maintenance		$4,000,000					$4,000,000
Lamberth Road west expansion to end of maintenance		$900,000					$900,000
Street Right-of-Way		$50,000					$50,000
Steet Oversizing Fund		$100,000					$100,000
Total 2008-2009	**$0**	**$6,600,000**	**$230,000**	**$3,900,000**	**$0**	**$0**	**$10,730,000**

2009-2010

	Drainage	Streets	Facilities	Parks	Water	Sewer	Totals
Hawn Park Lighted Practice Fields and Parking Addition				$250,000			$250,000
Fairview Park Spray Ground and Splash Expansion				$400,000			$400,000
Recreation Center Study				$40,000			$40,000
Baker Park Group Pavilion and Fishing Pier				$125,000			$125,000
Martin Luther King Park Restroom				$130,000			$130,000
Fairview Park - Commercial Field Softball Lighting				$150,000			$150,000
Fielder Park Basketball Court Renovation and Playground Improvements				$135,000			$135,000
Travis Street Improvements - Phase I - Taylor to Lamberth		$100,000					$100,000
Fallon Drive Construction - Preliminary Engineering and ROW		$100,000					$100,000
Solid Waste Interior Driveway Rebuild, Phase IV		$38,000					$38,000
U. S. Highway 75 Fallon Drive Ramps		$600,000					$600,000
Street Right-of-Way		$50,000					$50,000
Street Oversizing Fund		$100,000					$100,000
Travis Street - Washington to Houston St. Mill, overlay curb repair and stripping		$180,000					$180,000
Drainage Improvement Projects	$240,000						$240,000
Total 2009-2010	**$240,000**	**$1,168,000**	**$0**	**$1,230,000**	**$0**	**$0**	**$2,638,000**

2010-2011

	Drainage	Streets	Facilities	Parks	Water	Sewer	Totals
Rex Cruse Reconstruction - Preliminary Engineering and ROW		$85,000					$85,000
Travis Street Improvements - Phase II - Lamberth to Canyon Grove		$50,000					$50,000
Murphy Lane Extension		$550,000					$550,000
Solid Waste Interior Driveway Rebuild - Phase V		$60,000					$60,000
Fallon Drive West Construction to US Hwy 75		$1,500,000					$1,500,000
Library Renovation			$350,000				$350,000
Fairview Park Pavilions				$50,000			$50,000
MLK Park Athletic Field Renovation and Lighting				$150,000			$150,000
Cherry Park Playground				$150,000			$150,000
Rosedale Park Playground				$60,000			$60,000
Rosedale Park Restrooms				$130,000			$130,000
Northside Fire Station Update			$300,000				$300,000
Drainage Improvement Projects	$250,000						$250,000
Street Oversizing Fund		$100,000					$100,000
Street Right-of-Way		$50,000					$50,000
Total 2010-2011	**$250,000**	**$2,395,000**	**$650,000**	**$540,000**	**$0**	**$0**	**$3,835,000**

2011-2012

	Drainage	Streets	Facilities	Parks	Water	Sewer	Totals
Rex Cruse Reconstruction		$1,100,000					$1,100,000
Travis Street Improvements - Phase III - Canyon Grove to North Creek		$50,000					$50,000
Rosedale Park Field Renovation				$250,000			$250,000
Old Settlers Park - Phase III Field Renovation				$4,000,000			$4,000,000
Hawn Park Pavilion				$75,000			$75,000
Hawn Park Sprayground Expansion				$300,000			$300,000
Park Avenue East Extension - Preliminary Engineering and ROW		$100,000					$100,000
Street Oversizing Fund		$100,000					$100,000
Street Right-of-Way		$50,000					$50,000
Total 2011-2012	**$0**	**$1,400,000**	**$0**	**$4,625,000**	**$0**	**$0**	**$6,025,000**

2012-2013

	Drainage	Streets	Facilities	Parks	Water	Sewer	Totals
Green Mount Addition - Storm Sewer Improvements	$300,000						$300,000
Cypress Grove Rd. Rebuild - Rex Cruse to Redbud Trail		$442,000					$442,000
Hawn Skateboard Renovation - Phase II				$70,000			$70,000
Park Avenue East Extension		$1,500,000					$1,500,000
Park Avenue West Extension - Preliminary Engineering and ROW		$300,000					$300,000
Street Oversizing Fund		$100,000					$100,000
Street Right-of-Way		$50,000					$50,000
Total 2012-2013	**$300,000**	**$2,392,000**	**$0**	**$70,000**	**$0**	**$0**	**$2,762,000**
GENERAL GRAND TOTAL	**$790,000**	**$13,955,000**	**$880,000**	**$10,365,000**	**$0**	**$0**	**$25,990,000**

UTILITY SERVICES

2008-2009

	Drainage	Streets	Facilities	Parks	Water	Sewer	Totals
WWTP - Primary Clarifier #2 Rehabilitation						$300,000 *	$300,000
WTP - Upgrade Phase III					$1,500,000		$1,500,000
WWTP- Digester Roof Replacement						$2,000,000 *	$2,000,000
WWTP - Fine Screen Installation						$700,000 *	$700,000
Relief Sewer K-4 - Phase II						$900,000 *	$900,000
Willow Street Water Replacement					$95,000		$95,000
Oak Creek Dr Water Replacement					$140,000		$140,000
Fallon Drive Water Main Loop					$250,000		$250,000
Relief Sewer C-1 Replacement						$1,000,000 *	$1,000,000
Travis Street Water Line - Washington to Jones					$250,000		$250,000
Utility Main Oversizing					$50,000	$50,000	$100,000
TOTAL 2008-2009	**$0**	**$0**	**$0**	**$0**	**$2,285,000**	**$4,950,000**	**$7,235,000**

* Bonded

2009-2010

	Drainage	Streets	Facilities	Parks	Water	Sewer	Totals
Brents Street Sewer Replacement						$150,000	$150,000
Texoma Parkway Water Replacement - Phase IV					$300,000	*	$300,000
WTP - Control System Upgrade - Phase I					$250,000		$250,000
WWTP - Cover Biological Clarifiers						$1,000,000 *	$1,000,000
WWTP - Storm Water Storage Contingency						$650,000	$650,000
WWTP - Security Upgrade						$75,000	$75,000
Utility Main Oversizing					$50,000	$50,000	$100,000
Total 2009-2010	**$0**	**$0**	**$0**	**$0**	**$600,000**	**$1,925,000**	**$2,525,000**

* Bonded

2010-2011

	Drainage	Streets	Facilities	Parks	Water	Sewer	Totals
Texas Street Water Replacement					$170,000		$170,000
Brockett Street Water Replacement					$110,000		$110,000
College Street Water Replacement					$125,000		$125,000
Dripping Springs Road Water Main Loop					$175,000		$175,000
WTP - Control System Upgrade - Phase II					$250,000		$250,000
WWTP - Biosolids Processing Upgrade						$1,400,000 *	$1,400,000
WWTP Headworks Variable Frequency Drive Update						$200,000	$200,000
Upgrade McAfee Well Water Treatment					$150,000		$150,000
Utility Main Oversizing					$50,000	$50,000	$100,000
Total 2010-2011	**$0**	**$0**	**$0**	**$0**	**$1,030,000**	**$1,650,000**	**$2,680,000**

* Bonded

2011-2012

	Drainage	Streets	Facilities	Parks	Water	Sewer		Totals
WWTP - Nutrient Removal Preliminary Engineering						$800,000	*	**$800,000**
WWTP - Automated Dissolved Oxygen Control						$800,000	*	**$800,000**
WWTP Headworks Variable Frequency Drive Upgrade - Phase II						$200,000		**$200,000**
Ricketts Street Water Line Replacement Phase II					$450,000		*	**$450,000**
Pelton Street Water Line Replacement					$250,000			**$250,000**
Woods Street Water Line Replacement					$100,000			**$100,000**
Lamberth Road Water Line Replacement					$85,000			**$85,000**
Shannon Street Water Line Replacement					$135,000			**$135,000**
Water Treatment Plat Second Feed					$1,200,000		*	**$1,200,000**
Utility Main Oversizing					$50,000	$50,000		**$100,000**
TOTAL 2011-2012	**$0**	**$0**	**$0**	**$0**	**$2,270,000**	**$1,850,000**		**$4,120,000**

* Bonded

2012-2013

	Drainage	Streets	Facilities	Parks	Water	Sewer		Totals
Friendship Road Water Line					$225,000			**$225,000**
Eastside Outfall Return Sewer						$500,000	*	**$500,000**
WWTP - Nutrient Removal Process						$7,000,000	*	**$7,000,000**
Relief Sewer D-1						$290,000		**$290,000**
WTP- Disinfection By-Products Reduction					$20,000,000		*	**$20,000,000**
Utility Main Oversizing					$50,000	$50,000		**$100,000**
TOTAL 2012-2013	**$0**	**$0**	**$0**	**$0**	**$20,275,000**	**$7,840,000**		**$28,115,000**

* Bonded

	Drainage	Streets	Facilities	Parks	Water	Sewer	Totals
UTILITY GRAND TOTAL	**$0**	**$0**	**$0**	**$0**	**$26,460,000**	**$18,215,000**	**$44,675,000**
TOTAL CIP	**$790,000**	**$13,955,000**	**$880,000**	**$10,365,000**	**$26,460,000**	**$18,215,000**	**$70,665,000**

GENERAL SERVICES 2008-2013

CAPITAL IMPROVEMENT PROGRAM
GENERAL SERVICES
2008-2009

Project		Cost
Solid Waste Transfer Station Repairs		$230,000
Bleacher Renovation - Old Settler and Fairview		$200,000
Pecan Grove Park - Phase II	*	$2,400,000
Canyon Creek Drive Extension	*	$1,200,000
Center Street Sports Complex	*	$1,300,000
US Hwy 75 - West Frontage Road Reversal		$300,000
Canyon Grove Road Relocation		$50,000
Washington Street Rebuild/Resurface Heritage Parkway to end of maintenance	*	$4,000,000
Lamberth Road west expansion to end of maintenance	*	$900,000
Street Right-of-Way		$50,000
Steet Oversizing Fund		$100,000
Total 2008-2009		$10,730,000

CAPITAL IMPROVEMENT PROGRAM
GENERAL SERVICES
2009-2010

Project	Cost
Hawn Park Lighted Practice Fields and Parking Addition	$250,000
Fairview Park Spray Ground and Splash Expansion	$400,000
Recreation Center Study	$40,000
Baker Park Group Pavilion and Fishing Pier	$125,000
Martin Luther King Park Restroom	$130,000
Fairview Park - Commercial Field Softball Lighting	$150,000
Fielder Park Basketball Court Renovation and Playground Improvements	$135,000
Travis Street Improvements - Phase I - Taylor to Lamberth	$100,000
Fallon Drive Construction - Preliminary Engineering and ROW	$100,000
Solid Waste Interior Driveway Rebuild, Phase IV	$38,000
U. S. Highway 75 Fallon Drive Ramps	$600,000
Street Right-of-Way	$50,000
Street Oversizing Fund	$100,000
Travis Street - Washington to Houston St. Mill, overlay curb repair and stripping	$180,000
Drainage Improvement Projects	$240,000
Total 2009-2010	$2,638,000

CAPITAL IMPROVEMENT PROGRAM
GENERAL IMPROVEMENT
2010-2011

Project	Cost
Rex Cruse Reconstruction - Preliminary Engineering and ROW	$85,000
Travis Street Improvements - Phase II - Lamberth to Canyon Grove	$50,000
Murphy Lane Extension	$550,000
Solid Waste Interior Driveway Rebuild - Phase V	$60,000
Fallon Drive West Construction to US Hwy 75	$1,500,000
Library Renovation	$350,000
Fairview Park Pavilions	$50,000
MLK Park Athletic Field Renovation and Lighting	$150,000
Cherry Park Playground	$150,000
Rosedale Park Playground	$60,000
Rosedale Park Restrooms	$130,000
Northside Fire Station Update	$300,000
Drainage Improvement Projects	$250,000
Street Oversizing Fund	$100,000
Street Right-of-Way	$50,000
Total 2010-2011	$3,835,000

CAPITAL IMPROVEMENT PROGRAM
GENERAL IMPROVEMENT
2011-2012

Project	Cost
Rex Cruse Reconstruction	$1,100,000
Travis Street Improvements - Phase III - Canyon Grove to North Creek	$50,000
Rosedale Park Field Renovation	$250,000
Old Settlers Park - Phase III Field Renovation	$4,000,000
Hawn Park Pavilion	$75,000
Hawn Park Sprayground Expansion	$300,000
Park Avenue East Extension - Preliminary Engineering and ROW	$100,000
Street Oversizing Fund	$100,000
Street Right-of-Way	$50,000
Total 2011-2012	$6,025,000

CAPITAL IMPROVEMENT PROGRAM
GENERAL IMPROVEMENTS
2012-2013

Project	Cost
Green Mount Addition - Storm Sewer Improvements	$300,000
Cypress Grove Rd. Rebuild - Rex Cruse to Redbud Trail	$442,000
Hawn Skateboard Renovation - Phase II	$70,000
Park Avenue East Extension	$1,500,000
Park Avenue West Extension - Preliminary Engineering and ROW	$300,000
Street Oversizing Fund	$100,000
Street Right-of-Way	$50,000
Total 2012-2013	$2,762,000

UTILITIES SERVICES 2008-2013

CAPITAL IMPROVEMENT PROGRAM

UTILITY IMPROVEMENTS

2008-2009

Project		Cost
WWTP - Primary Clarifier #2 Rehabilitation	*	$300,000
WTP - Upgrade Phase III		$1,500,000
WWTP- Digester Roof Replacement	*	$2,000,000
WWTP - Fine Screen Installation	*	$700,000
Relief Sewer K-4 - Phase II	*	$900,000
Willow Street Water Replacement		$95,000
Oak Creek Dr Water Replacement		$140,000
Fallon Drive Water Main Loop		$250,000
Relief Sewer C-1 Replacement	*	$1,000,000
Travis Street Water Line - Washington to Jones		$250,000
Utility Main Oversizing		$100,000
TOTAL 2008-2009		$7,235,000

* Bonded

CAPITAL IMPROVEMENT PROGRAM
UTILITY IMPROVEMENTS
2009-2010

Project		Cost
Brents Street Sewer Replacement		$150,000
Texoma Parkway Water Replacement - Phase IV	*	$300,000
WTP - Control System Upgrade - Phase I		$250,000
WWTP - Cover Biological Clarifiers	*	$1,000,000
WWTP - Storm Water Storage Contingency		$650,000
WWTP - Security Upgrade		$75,000
Utility Main Oversizing		$100,000
Total 2009-2010		$2,525,000

*Bonded

CAPITAL IMPROVEMENT PROGRAM
UTILITY IMPROVEMENTS
2010-2011

Project	Cost
Texas Street Water Replacement	$170,000
Brockett Street Water Replacement	$110,000
College Street Water Replacement	$125,000
Dripping Springs Road Water Main Loop	$175,000
WTP - Control System Upgrade - Phase II	$250,000
WWTP - Biosolids Processing Upgrade	$1,400,000
WWTP Headworks Variable Frequency Drive Update	$200,000
Upgrade McAfee Well Water Treatment	$150,000
Utility Main Oversizing	$100,000
Total 2010-2011	$2,680,000

* Bonded

CAPITAL IMPROVEMENT PROGRAM
UTILITY IMPROVEMENTS
2011-2012

Project	Cost
WWTP - Nutrient Removal Preliminary Engineering	$800,000
WWTP - Automated Dissolved Oxygen Control	$800,000
WWTP Headworks Variable Frequency Drive Upgrade - Phase II	$200,000
Ricketts Street Water Line Replacement Phase II	$450,000
Pelton Street Water Line Replacement	$250,000
Woods Street Water Line Replacement	$100,000
Lamberth Road Water Line Replacement	$85,000
Shannon Street Water Line Replacement	$135,000
Water Treatment Plat Second Feed	$1,200,000
Utility Main Oversizing	$100,000
TOTAL 2011-2012	$4,120,000

* Bonded

CAPITAL IMPROVEMENT PROGRAM
UTILITY IMPROVEMENTS
2012-2013

Project	Cost
Friendship Road Water Line	$225,000
Eastside Outfall Return Sewer	$500,000
WWTP - Nutrient Removal Process	$7,000,000
Relief Sewer D-1	$290,000
WTP- Disinfection By-Products Reduction	$20,000,000
Utility Main Oversizing	$100,000
TOTAL 2012-2013	$28,115,000

*Bonded

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 9-2-2008

Subject: Agenda Item No. C.2

**** RESOLUTION NO. 5252***
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 August 2007. The changes to the policy are administrative in nature and are relatively minor. The one substantive change is to add a Federal Home Loan Bank (FHLB) letter of credit as an acceptable form of collateral securing the City's bank deposits. The Investment Committee has reviewed and approved the proposed changes to the Policy.

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. 5252 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. 5252

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:

<u>SECTION 1</u>. That all prior investment policies of the City of Sherman are hereby revoked in their entirety.

<u>SECTION 2</u>. 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.

<u>SECTION 3</u>. That it is hereby officially found and determined that the meeting at which this resolution is passed is open to the public and that public notice of the time, place, and purpose of said meeting was given as required by law.

PASSED AND APPROVED on this the _____ day of ________________, 2008.

CITY OF SHERMAN, TEXAS

ATTEST:

BY: ________________________________ **BY:** ________________________________

LINDA ASHBY, CITY CLERK **BILL MAGERS, MAYOR**

APPROVED AS TO FORM AND CONTENT:

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DOREEN E. MCGOOKEY, CITY ATTORNEY

memorandum

DATE: Tuesday, August 26, 2008

TO: The Investment Committee
The Honorable Robert G. Softly, Councilmember
The Honorable Willie Steele, Councilmember
George Olson, City Manager

FROM: Robby Hefton, Assistant City Manager/CFO RH

SUBJECT: Investment Policy Revisions

Attached is a copy of the Investment Policy, modified to reflect changes proposed by the staff. The changes are administrative in nature and are relatively minor, with the exception of adding a Federal Home Loan Bank (FHLB) letter of credit as an acceptable form of collateral securing the City's bank deposits. By law, the Investment Policy must be reviewed at least annually by the Council.

If you would like to convene an Investment Committee meeting to discuss these changes prior to the Council meeting on September 2, 2008, please let me know. Otherwise, the adoption of this policy will be included on that Council Agenda for consideration and approval.

Please call me at (903) 892-7203 if you have any questions about this item.

RH:pc

attachment (as stated above)

Sherman

CITY OF SHERMAN
INVESTMENT POLICY
September 2, 2008

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 and Deferred Compensation Fund.

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 September 2, 2008 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 and dealers 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 be held to a minimum.

5.2 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.

5.3 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.

5.4 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.

5.5 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.

5.6 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, time deposits, 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 ~~Director of Finance~~ *Chief Financial Officer* shall maintain a list of security brokers, dealers, 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 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 9.5. Annually, the Investment Committee must review, revise and adopt a list of qualified brokers 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 Time Deposits at Depository Bank: Certificates of Deposit at the depository bank are authorized if they are guaranteed or insured by the Federal Deposit Insurance Corporation or its successor and are collateralized by obligations that are allowable under state law. 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 deposits, 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 deposits always exceeds those deposits.

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 deposits, 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 deposits always exceeds those deposits.

7.5 Investment Pools: Public funds investment pools which have been created to function as a money market mutual fund are authorized investments of the City provided that they meet the following criteria: (1) they are continuously rated no lower than AAA or AAA-m or at an equivalent rating by at least one nationally recognized rating service; (2) they mark their portfolio to market daily; (3) they maintain a stable net asset value of no less than .995 and no more than 1.005; (4) they limit their investments to those allowable to local governments by state law; and, (5) they meet or exceed the initial and monthly disclosure requirements of applicable state law. The target investment level and portfolio cap are forty-five percent (45%) and fifty percent (50%), respectively. Deposits in investment pools that contain commercial paper are not authorized.

7.6 Repurchase Agreements; Bankers' Acceptances: These investment options are authorized for the City of Sherman only to the extent that they are contained in the portfolios of approved public funds investment pools in which the City invests. The direct investment in repurchase agreements, and bankers' acceptances by the City of Sherman is not authorized. However, indirect investment in repurchase agreements by the City's depository under a sweep arrangement is allowable for purposes of this policy.

8.0 Prohibited Securities:

8.1 Allowed by State Law but Prohibited by This Policy: The following instruments are eligible for investment by local governments according to state law, but have been intentionally prohibited for the City by this policy: collateralized mortgage obligations; mutual funds; commercial paper; and investment pools except those pools which are created to function as money market mutual funds. This prohibition is in view of the time constraints on and the expertise level of the investment officers.

8.2 Expressly Prohibited by State Law and This Policy: The following securities are expressly prohibited by state law and this policy: (1) obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal; (2) obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest; (3) collateralized mortgage obligations that have a stated final maturity date of greater than 10 years; and (4) collateralized mortgage obligations the interest rate of which is determined by an index that adjust opposite to the changes in a market index (inverse floaters).

9.0 Limits on Maturity of Entire Portfolio:

The following limits on the maturities of investments apply to the entire City portfolio, except for the bond proceeds. The funds on deposit at the bank depository are included in the calculation of these percentages:

Available within 1 month	At least 25% of the portfolio
Available within 3 months	At least 33% of the portfolio
Available within 6 months	At least 45% of the portfolio
Available within 1 year	At least 60% of the portfolio
Available within 2 years	At least 70% of the portfolio
Available within 3 years	At least 80% of the portfolio
Available within 4 years	At least 90% of the portfolio
Available within 5 years	100% of the portfolio

For the City portfolio, excluding any bond proceeds, the maximum average dollar-weighted maturity shall be 500 days.

10.0 Collateralization:

In accordance with state law and the depository contract, all demand deposits and all time deposits will be collateralized by the pledging of investment securities <u>*or by letters of credit from Federal Home Loan Bank. If securities are used as collateral*</u>, 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. The award shall be on the basis of the highest yield to the City. Records of the bids and award shall be maintained by the CFO's office, or the office of his designee.

12.2 Delivery-Versus-Payment: The safekeeping agent must receive all investments, other than investment pool funds, before funds are released for their purchase.

12.3 Compliance Audit: In conjunction with its annual financial audit, the City shall require a compliance audit of management controls on investments and adherence to this policy.

12.4 Daily Collateral Comparison: Each business day, the market value of the collateral pledged against the funds maintained at the bank depository shall be compared to the amount of those deposits. If the total funds in the depository approach the market value of the collateral, the CFO shall take appropriate action. Records of this comparison shall be maintained in the CFO's office, or the office of his designee.

12.5 Other Components: Other sections of this policy contain aspects of internal control procedures. These include holding securities until maturity, providing adequate training for all investment officers, requiring vendors to meet minimum qualifications before selling securities to the City, disclosing personal or business relationships between investment officers and vendors, and regular reporting of investments to the City Council.

13.0 Valuation:

The market value of each investment in the City's portfolio will be calculated quarterly, on the following basis:

13.1 Bank Deposits: Bank deposits are denominated in cash and, therefore, their face value and market value are identical. Deposit levels will be monitored daily via telephone or electronic means and confirmed on the monthly bank statement.

13.2 Investment Pools: Monthly statements are received from the investment pools which show the amount on deposit and the market value of the pool as a percentage of the book value. The market value of the investment pools will be the product of these two figures.

13.3 Treasury Notes: The market value of Treasury Notes ~~will be calculated as the product of the face value of the Note and the bid price for that Note as quoted in the *Wall Street Journal*, or~~ will be obtained from the City's third-party securities custodian.

13.4 Treasury Bills: The market value of Treasury Bills ~~will be the face value of the Bill discounted at the bid yield as quoted in the *Wall Street Journal* for the appropriate number of days, or~~ will be obtained from the City's third-party securities custodian.

13.5 Agencies: ~~For Agency securities listed in the *Wall Street Journal*, the valuation method will be the same as those of the Treasury securities. For those not listed, the market value~~ *The market value of Agency securities* will be obtained from the City's third-party securities custodian.

14.0 Performance Standards:

For each of the City's investment objectives, following are the performance standards:

14.1 Safety: All investment principal is maintained.

14.2 Liquidity: Sufficient cash is maintained or can be generated to pay all current obligations without selling direct securities or incurring loss of principal.

14.3 Yield: Yield on the portfolio of City funds, excluding demand deposits at the bank depository, should approximate the Treasury Bill yield having similar weighted-average maturities.

15.0 Reporting:

No less than quarterly, the investment officers shall prepare, sign, and present to the City Council a report of the City's investments. The report must contain all the disclosures mandated by state law, including Section .023 of the PFIA, and must be prepared in compliance with generally accepted accounting principles.

16.0 Investment Policy Adoption and Revision:

The City Council shall adopt the written investment policy by resolution. Annually the City Council shall review the investment policy and strategy. Revisions to the policy shall be made by City Council resolution.

APPENDIX A

GLOSSARY OF COMMON TREASURY TERMINOLOGY

Agencies: Federal agency securities.

Amortized cost: Cost of investments adjusted for amortized premiums and discounts.

Asked: The price offered for securities.

Bid: The price offered by a buyer of securities.

Book value: A term synonymous with amortized cost.

Broker: A broker brings buyers and sellers together for a commission paid by the initiator of the transaction or by both sides; he does not position. In the money market, brokers are active in markets in which banks buy and sell money and in interdealer markets.

Certificate of Deposit (CD): A time deposit with a specific maturity evidenced by a certificate. Large-denomination CD's are typically negotiable.

Collateral: Securities, evidence of deposit or other property which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

Commercial Paper (CP): An unsecured short-term promissory note issued by corporations, with maturities ranging from 2-270 days.

Coupon: (a) the annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value. (b) A certificate attached to a bond evidencing interest due on a payment date.

Credit Risk: The risk of loss of principal and interest due to a failure of the security or broker.

Dealer: A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account.

Debenture: A bond secured only by the general credit of the issuer.

Delivery versus Payment: There are two methods of delivery of securities: delivery versus payment and delivery versus receipt (also called free). Delivery versus payment is delivery of securities with an exchange of money for the securities. Delivery versus receipt is delivery of securities with an exchange of a signed receipt for the securities.

Discount: The difference between the cost price of a security and its value at maturity when quoted at lower than face value. A security selling below original offering price shortly after sale also is considered to be at a discount.

Discount Securities: Non-interest bearing money market instruments that are issued at a discount and redeemed at maturity for full face value, e.g., U.S. Treasury bills.

Diversification: Dividing investment funds among a variety of securities offering independent returns.

Federal Credit Agencies: Agencies of the Federal government set up to supply credit to various classes of institutions and individuals, e.g., S&L's, small business firms, students, farmers, farm cooperatives, and exporters.

Federal Deposit Insurance Corporation (FDIC): A federal agency that insures bank deposits, currently up to $100,000 per deposit.

Federal Funds Rate: The rate of interest at which Fed funds are traded.

This rate is currently pegged by the Federal Reserve through open-market operations.

Federal Home Loan Banks (FHLB): The institutions that regulate and lend savings and loan associations. The Federal Home Loan Banks play a role analogous to that played by the Federal Reserve Banks vis-a-vis member commercial banks.

Federal National Mortgage Association (FNMA): FNMA, like GNMA, was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal corporation working under the auspices of the Department of Housing and Urban Development, H.U.D. It is the largest single provider of residential mortgage funds in the United States. Fannie Mae, as the corporation is called, is a private stockholder-owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans in addition to fixed-rate mortgages. FNMA's securities are also highly liquid and are widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.

Federal Open Market Committee (FOMC): Consists of seven members of the Federal Reserve Board and five of the twelve Federal Reserve Bank Presidents. The President of the New York Federal Reserve Bank is a permanent member while the other Presidents serve on a rotating basis. The Committee periodically meets to set Federal reserve guidelines regarding purchases and sales of Government Securities in the open-market as a means of influencing the volume of bank credit and money.

Federal Reserve System: The central bank of the United States created by Congress and consisting of a seven member Board of Governors in Washington, D.C. 12 regional banks and about 5,700 commercial banks that are members of the system.

Government National Mortgage Association (GNMA or Ginnie Mae): Securities guaranteed by GNMA and issued by mortgage bankers, commercial banks, savings and loan associations, and other institutions. Security holder is protected by full faith and credit of the U.S. Government, Ginnie Mae securities are backed by FHA, VA or FMHM mortgages. The term pass-through is often used to describe Ginnie Maes.

Laddered Portfolio: Investment portfolio with securities in each maturity range (e.g. monthly) over a specified period of time.

Liquidity: A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be done at those quotes.

Local Government Investment Pool (LGIP): The aggregate of all funds from political subdivisions that are placed in custody for investment and reinvestment.

Market Risk: The risk that the market value and interest earnings of an investment or a portfolio will fall due to changes in general interest rates.

Market Value: The price at which a security is trading and could presumably be purchased or sold.

Master Repurchase Agreement: To protect investors, many public investors will request that repurchase agreements be preceded by a master repurchase agreement between the investor and the financial institution or dealer. The master agreement should define the nature of the transaction, identify the relationship between the parties, establish normal practices regarding ownership and custody of the collateral securities during the term of the investment, provide remedies in the case of default by either party and clarify issues of ownership. The master repurchase agreement protects the investor by eliminating the uncertainty of ownership and hence, allowing investors to liquidate collateral if a bank or dealer defaults during the term of the agreement.

Maturity: The date upon which the principal or stated value of an investment becomes due and payable.

Money Market: The market in which short-term debt instruments (bills, commercial paper, bankers' acceptances, etc.) are issued and traded.

Offer: The price asked by a seller of securities.

Open Market Operations: Purchases and sales of government and certain other securities in the open market by the New York Federal Reserve Bank as directed by the FOMC in order to influence the volume of money and credit in the economy. Purchases inject reserves into the bank system and stimulate growth of money and credit; sales have the opposite effect. Open market operations are the Federal Reserve's most important and most flexible monetary policy tool.

Portfolio: Collection of securities held by an investor.

Primary Dealer: A group of government securities dealers that submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC) registered securities broker-dealers, banks and a few unregulated firms.

Prudent Person Rule: An investment standard. Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

Qualified Public Depositories: A financial institution which does not claim exemption from the payment of any sales or compensating use or ad valorem taxes under the laws of this state, which has segregated for the benefit of the commission eligible collateral having a value of not less than its maximum liability and which has been approved by the Public Deposit Protection Commission to hold public deposits.

Rate of Return: The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond or the current income return.

Repurchase Agreement (RP or REPO): A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date. The security "buyer" in effect lends the "seller" money for the period of the agreement, and the terms of the agreement are structured to compensate him for this. Dealers use RP extensively to finance their positions. Exception: When the Fed is said to be doing RP, it is lending money, that is, increasing bank reserves.

Safekeeping: A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank's vaults for protection.

Secondary Market: A market made for the purchase and sale of outstanding issues following the initial distribution.

Securities & Exchange Commission: Agency created by Congress to protect investors in securities transactions by administering securities legislation.

Treasury Bills: A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt.

Most bills are issued to mature in three months, six months or one year.

Treasury Bonds: Long-term U.S. Treasury securities having initial maturities of more than ten years.

Treasury Notes: Intermediate term coupon bearing U.S. Treasury securities having initial maturities from one to ten years.

Unrealized Gains (Losses): Increases (decreases) in the value of investments representing the difference between the amortized cost of the investments and their current market value. Increases (decreases) in value are caused primarily by changes in market interest rates subsequent to purchasing investments.

Weighted Average Rate of Return: Rate of return calculated based on interest earnings and the length of actual holding for each individual security.

Yield: The rate of annual income return on an investment, expressed as a percentage. (a) **Income Yield** is obtained by dividing the current dollar income by the current market price of the security. (b) **Net Yield** or **Yield to Maturity** is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

Yield: The rate of annual income return on investment, expressed as a percentage.

APPENDIX B

APPROVED LIST OF BROKER/DEALERS

Bank of Texas/BOSC, Inc.
Sherman, TX

JPMorgan Securities, Inc.
Dallas, TX

First Southwest Company
Dallas, TX

First Tennessee Financial Bank
Dallas, TX

Merrill Lynch Pierce Fenner & Smith, Inc.
Dallas, TX

SAMCO Capital Markets
Dallas, TX

Southwest Securities
Dallas, TX

MBIA Municipal Investors Service Corp.
Armonk, NY

TexPool Participant Services
Dallas, TX

TexStar Participant Services
Dallas, TX

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 9-2-2008

Subject: Agenda Item No. C.3

**** RESOLUTION NO. 5253***

Authorizing Execution of Agreements with the Sherman Housing Authority, the Texoma Area Paratransit System, Inc., the Grayson County Crisis Center, the Child & Family Guidance Center of Texoma, the North Texas Youth Connection, and the Boys & Girls Club, Inc. for the Use of Community Development Block Grant Funds

Issue
Public Service Contracts for the Fiscal Year (FY) 2008 Community Development Block Grant (CDBG) Program

Background
The FY 2008 CDBG Program, previously adopted by the Sherman City Council via Resolution No. 5200 at the May 5, 2008 meeting, allocates certain CDBG funds to provide various public services through sub-recipient agencies. These agreements are designed to coincide with the CDBG funding cycle and will cover the period of October 1, 2008, through September 30, 2009.

Origination
Theresa Caudle, Neighborhood Services Coordinator

Financial Consideration
Funds have been appropriately allocated through the specific public hearing and grant submission process, as required by the U.S. Department of Housing and Urban Development.

Staff Recommendation
Staff recommends the Sherman City Council approve and authorize the City Manager to execute the required contract documents.

Alternatives
The Sherman City Council could choose to amend the FY 2008 Community Development Block Grant Statement/Action Plan as they deem necessary and appropriate.

Attachments
Resolution No. 5253
Resolution No. 5200
FY 2008 Community Development Block Grant Final Statement/Action Plan

Prepared by:
Theresa Caudle, Neighborhood Services Coordinator

Approved by:
George Olson, City Manager

RESOLUTION NO. 5253

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF AGREEMENTS WITH THE SHERMAN HOUSING AUTHORITY, THE TEXOMA AREA PARATRANSIT SYSTEM, INC., THE GRAYSON COUNTY CRISIS CENTER, THE CHILD & FAMILY GUIDANCE CENTER OF TEXOMA, THE NORTH TEXAS YOUTH CONNECTION, AND THE BOYS & GIRLS CLUB, INC. FOR THE USE OF COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS; FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS RESOLUTION IS PASSED WAS NOTICED AND IS OPEN TO THE PUBLIC AS REQUIRED BY LAW.

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

SECTION 1. That the City Manager be and is hereby authorized and directed, subject to all contract documents being properly completed and approved as to form by the City Attorney, to execute agreements with the Sherman Housing Authority, the Texoma Area Paratransit System, Inc., the Grayson County Crisis Center, the Child & Family Guidance Center of Texoma, the North Texas Youth Connection, and the Boys & Girls Club, Inc. for the use of Community Development Block Grant Funds, in accordance with the terms and provisions of the contract documents to be attached hereto and incorporated herein for all purposes.

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

PASSED AND APPROVED on this the _____ day of ________________, 2008.

CITY OF SHERMAN, TEXAS

ATTEST:

BY: ______________________________
BILL MAGERS, MAYOR

BY: ______________________________
LINDA ASHBY, CITY CLERK

APPROVED AS TO FORM AND CONTENT:

____
DOREEN E. MCGOOKEY,
CITY ATTORNEY

RESOLUTION NO. 5200

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING PUBLICATION OF THE PROPOSED FINAL STATEMENT/ACTION PLAN FOR THE COMMUNITY DEVELOPMENT BLOCK GRANT FOR FISCAL YEAR 2008; AUTHORIZING SUBMISSION OF THE BLOCK GRANT APPLICATION; AUTHORIZING EXECUTION OF CERTAIN ASSURANCES OF COMPLIANCE IN CONNECTION WITH THE ADMINISTRATION AND CONDUCT OF THE COMMUNITY DEVELOPMENT PROGRAM FOR FISCAL YEAR 2008; FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS RESOLUTION IS PASSED IS OPEN TO THE PUBLIC AS REQUIRED BY LAW.

WHEREAS, under the Housing and Community Development Act of 1974, as amended, the City of Sherman is eligible to receive an estimated $321,189.00 for fiscal year 2008, to be expended on eligible activities primarily benefiting low/moderate income families; and

WHEREAS, the Community Development Block Grant regulations require the opportunity for citizen participation in the development of the final statement and authorizing of the expenditure of such funds; and

WHEREAS, after proper notice was published in the Herald Democrat, a newspaper of general circulation in the City of Sherman, public hearings were held by said Community Development Staff to receive citizen participation and input on February 1, 2008, and February 3, 2008; and

WHEREAS, the City Council, after due consideration of the proposed Community Development Final Statement and of all matters raised at public meetings, is of the opinion that, unless public comment warrants revisions, said final statement should be submitted as the Community Development Application for the City of Sherman for the program year 2008 to the U.S. Department of Housing and Urban Development, in order to secure funding as provided herein;

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

SECTION 1. That the Community Development Final Statement, embodying those projects set forth on Attachment "A", attached hereto and made a part hereof for all purposes, is hereby approved and adopted as the Community Development Plan of the City of Sherman, Texas, for the program year 2008.

SECTION 2. That the City Council of the City of Sherman hereby certifies and assures the U.S. Department of Housing and Urban Development that development of this application for funds under the Housing and Community Development Act of 1974, as amended, and the implementation of the Block Grant Program will be conducted in accordance with all applicable provisions of the "Assurances" as required.

SECTION 3. That the City Manager of the City of Sherman is hereby authorized to execute, on behalf of the City of Sherman, the "Assurances" set forth on Attachment "B", attached hereto and made a part hereof for all purposes. These Assurances concern compliance with certain guidelines, regulations, and policies in preparation of this application and in conducting the Community Development Program of the City of Sherman.

SECTION 4. That the City Manager of the City of Sherman is hereby authorized to submit, as the Chief Executive Officer of the City of Sherman, and on behalf of the City of Sherman, the Community Development Final Statement and a certified copy of this resolution and all attachments thereto to the U.S. Department of Housing and Urban Development, in application for funds available to the City of Sherman under the Housing and Community Development Act of 1974, as amended. Said application shall be made on forms required by the U.S. Department of Housing and Urban Development.

SECTION 5. That the City Manager of the City of Sherman is hereby authorized and designated to act as Chief Executive Officer in connection with this application, and is hereby authorized and directed to provide such additional information as may be required in connection with said application.

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

PASSED AND APPROVED on this the 5th day of May, 2008.

CITY OF SHERMAN, TEXAS

ATTEST:

BY: [signature]
BILL MAGERS, MAYOR

BY: Linda Ashby
LINDA ASHBY, CITY CLERK

APPROVED AS TO FORM AND CONTENT:

[signature]

DOREEN E. MCGOOKEY,
CITY ATTORNEY

CITY OF SHERMAN, TEXAS
FINAL STATEMENT/ACTION PLAN OF
COMMUNITY DEVELOPMENT OBJECTIVES
AND PROJECTED USE OF FUNDS FOR PROGRAM YEAR 2008

GRANT NO: B-2008-MC-48-0027

The City of Sherman has received notice from the U.S. Department of Housing and Urban Development (HUD) that its entitlement grant for the Community Development Program (CDBG) for fiscal year 2008 is $321,189.00. These funds will be received on October 1, 2008. Activities that directly benefit low and moderate-income persons will be available citywide. Other activities which have an area benefit will only be available in areas of the city which are populated by a majority of low and moderate-income persons. The City has met citizen participation requirements.

The City of Sherman's Consolidated Plan is a document which is required by the U.S. Department of Housing and Urban Development, and includes the following subjects: (1) Housing and Homeless Needs Assessment - A description of the jurisdiction's estimated housing needs for the ensuing five-year period; (2) Housing Market Analysis - A description of the significant characteristics of the jurisdiction's housing market, including supply, demand, condition and cost of housing and the housing stock and services available {i.e., public and assisted housing, homeless, elderly, frail elderly, persons with disabilities (mental/physical/developmental), persons with alcohol and other drug addictions, and persons with HIV/AIDS and related diseases; (3) Strategic Plan - A description of the five-year strategy and plan to address affordable housing, homelessness, other special needs and non-housing community development plan; and, (4) Action Plan - A description of the jurisdiction's one-year plan of activities to be undertaken during the coming year.

The overall goal of this community development planning and development program is to develop viable urban communities by providing decent housing, a suitable living environment and expanded economic opportunities principally for low and moderate-income persons of the City of Sherman. Therefore, based on these objectives, the following use of funds is being proposed:

COMMUNITY DEVELOPMENT PROGRAM ACTION PLAN
PROGRAM YEAR 2008

OWNER-OCCUPIED HOUSING REHABILITATION:...**$194,909**
A program of specific housing repairs will be provided to low and moderate income homeowners who reside within the city limits of Sherman, to bring their properties to code requirements. Expenditures will be limited to $5,000 per housing unit under this activity. This activity will cause no displacement of low and moderate income persons.

FIRST-TIME HOMEOWNERSHIP PROGRAM:... **$ 25,000**
A program, in cooperation with local lending institutions, to provide technical, educational and financial assistance to low and moderate income first-time homebuyers through a variety of services, including basic closing-cost assistance, at a maximum of $2,000.

DEMOLITION/CLEARANCE PROGRAM:...**$ 5,000**
A program to demolish vacant, substandard structures and clear property lots which pose a risk to health/safety of low-moderate income target neighborhoods.

PROGRAM ADMINISTRATION:...**$ 63,000**
The City proposes to use the Administration funds for personnel and support for all phases of the application process, environmental reviews, fair labor standard compliance, contract management, fair housing Grantee Performance Report, preparation of annual Action Plan and Performance Report associated with the City of Sherman Five-Year Consolidated Plan and Strategy.

PUBLIC SERVICE ACTIVITIES:

Sherman Housing Authority:...**$ 8,800**
A program to address the problems of drug abuse and associated crime in public housing. Activities include increasing law enforcement services to stop the sell of illegal drugs in and around assisted housing, apprehend sellers of such drugs and an overall reduction of crime in the assisted housing area.

Texoma Area Paratransit System, Inc:..$ 17,600
A program that will provide transportation assistance to low and moderate income individuals who reside within the city limits of Sherman including transportation to and from work, to and from school, and to doctor and grocery trips for the elderly.

Crisis Center:..$ 3,080
A program of activities that will provide emergency assistance to homeless women and children of domestic violence, who at one time, resided within the city limits of Sherman.

Child Guidance Center..$ 1,000
A program to provide counseling services for family dysfunction, alcohol and substance abuse, domestic violence and sexual abuse for the low and moderate income adult Sherman residents.

North Texas Youth Connection:..$ 1,400
A program to provide truancy counseling to low and moderate income Sherman youth who has excessive school absences.

Boys & Girls Club of Sherman, Inc:..$ 1,400
A program to provide scholarships for the low and moderate income Sherman youth. Scholarship funding will provide the opportunity for low/moderate income youth to participate in organized sports activities that would not otherwise be able to participate.

TOTAL PROGRAM ALLOCATION:..$321,189

The City of Sherman seeks, through the following program objectives, to improve housing conditions, neighborhood appearance, employment opportunities, and the overall quality of life for low and moderate-income citizens. No activities will be undertaken which cause involuntary displacement of persons.

CITY OF SHERMAN COMMUNITY DEVELOPMENT OBJECTIVES

1. Encourage citizen participation and input to obtain maximum public involvement in program activities.
2. Promote the rehabilitation and repair of deteriorating housing through the City's rehabilitation program.
3. Promote homeownership opportunities for low-moderate income persons through the City's First-time Homeownership closing cost assistance program.
4. Eliminate slum and blight through the removal of structures that create unsafe, unsanitary and hazardous situations for the public.
5. Promote drug elimination programs for low and moderate income assisted housing families/households.
6. Provide support for transportation assistance to low and moderate income persons.
7. Provide support for provision of emergency shelter/assistance to the homeless.
8. Assist in providing counseling services to youth and adults from low and moderate income families.
9. Assist in providing youth activities for children from low and moderate income families.

The Action Plan of Community Development Objectives and Projected Use of Funds for Program Year 2008 are available in the Community Development Office of the City of Sherman. Any citizen or agency interested in commenting on this Final Statement of Objectives is invited to submit written comments c/o Theresa Caudle, CD Coordinator, City of Sherman, P. O. Box 1106 Sherman, TX 75091-1106. Written comments must be received prior to 5:00 p.m. on Monday, June 9, 2008. A summary of comments received will be made a part of the summary of citizen participation of this Plan.

91.225 CERTIFICATIONS

In accordance with the applicable statutes and the regulations governing the consolidated plan regulations, the City of Sherman certifies that:

Affirmatively Further Fair Housing -- The jurisdiction will affirmatively further fair housing, which means it will conduct an analysis of impediments to fair housing choice within the jurisdiction, 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.

Anti-displacement and Relocation Plan -- It will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, and implementing regulations at 49 CFR 24; and it has in effect and is following a residential anti-displacement and relocation assistance plan required under section 104(d) of the Housing and Community Development Act of 1974, as amended, in connection with any activity assisted with funding under the CDBG or HOME programs.

Drug Free Workplace -- It will or will continue to provide a drug-free workplace by:

1. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;

2. Establishing an ongoing drug-free awareness program to inform employees about -

   (a) The dangers of drug abuse in the workplace;

   (b) The grantee's policy of maintaining a drug-free workplace;

   (c) An available drug counseling, rehabilitation, and employee assistance program; and

   (d) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;

3. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph 1;

4. Notifying the employee in the statement required by paragraph 1 that, as a condition of employment under the grant, the employee will -

(a) Abide by the terms of the statement; and

(b) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;

5. Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph 4(b) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position, title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;

6. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph 4(b), with respect to any employee who is so convicted -

(a) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or

b) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;

7. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs 1, 2, 3, 4, 5 and 6.

Anti-Lobbying -- To the best of the jurisdiction's knowledge and belief:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or any employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence any officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or any employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions; and

3. It will require that the language of paragraph 1 and 2 of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

Authority of Jurisdiction -- The consolidated plan is authorized under State and local law (as applicable) and the jurisdiction possesses the legal authority to carry out the programs for which it is seeking funding, in accordance with applicable HUD regulations.

Consistency with plan -- The housing activities to be undertaken with CDBG, HOME, ESG, and HOPWA funds are consistent with the strategic plan.

Section 3 -- It will comply with section 3 of the Housing and Urban Development Act of 1968, and implementing regulations at 24 CFR Part 135.

Signature/Authorized Official
George Olson, City Manager

Date Signed:
May 6, 2008

Specific CDBG Certifications

The City of Sherman certifies that:

Citizen Participation -- It is in full compliance and following a detailed citizen participation plan that satisfies the requirements of 24 CFR 91.105.

Community Development Plan -- Its consolidated housing and community development plan identifies community development and housing needs and specifies both short-term and long-term community development objectives that provide decent housing, expand economic opportunities primarily for persons of low and moderate income (See 24 CFR 570.2 and 24 CFR part 570).

Following a Plan -- It is following a current consolidated plan (or Comprehensive Housing Affordability Strategy) that has been approved by HUD.

Use of Funds -- It has complied with the following criteria:

1. Maximum Feasible Priority. With respect to activities expected to be assisted with CDBG funds, it certifies that is has developed its Action Plan so as to give maximum feasible priority to activities which benefit low and moderate-income families and aid in the prevention or elimination of slums or blight. The Action Plan may also include activities which the grantee certifies are designed to meet other community development needs having a particular urgency because existing conditions pose a serious threat to the health or welfare of the community, and other financial resources are not available;

2. Overall Benefit. The aggregate use of CDBG funds including section 108 guaranteed loans during program year 2008, shall principally benefit persons of low and moderate income in a manner that ensures that at least 70 percent of the amount is expended for activities that benefit such persons during the designated period;

3. Special Assessments. It will not attempt to recover any capital costs of public improvements assisted with CDBG funds including section 108 loan guaranteed funds by assessing any amount against properties owned and occupied by persons of low and moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements. However, if CDBG funds are used to pay the proportion of a fee or assessment that relates to the capital costs of public improvements (assisted in part with CDBG funds) financed from other revenue sources, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds.

The jurisdiction will not attempt to recover any capital costs of public improvements assisted with CDBG funds, including section 108, unless CDBG funds are used to pay the proportion of fee or assessment attributable to the capital costs of public improvements financed from other revenue sources. In this case, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds. Also, in the case of properties owned and occupied by a moderate-income (not low-income) families, an assessment or charge may be made against the property for public improvements financed by a source other than CDBG funds if the jurisdiction certifies that it lacks CDBG funds to cover the assessment.

Excessive Force -- It has adopted and is enforcing:

1. A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and

2. A policy of enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location which is the subject of such non-violent civil rights demonstrations within its jurisdiction.

Compliance With Anti-discrimination laws -- The grant will be conducted and administered in conformity with Title VI of the Civil Rights Act of 1964 (42 USC 2000d), the Fair Housing Act (42 USC 3601-3619), and implementing regulations.

Lead-Based Paint -- Its notification, inspection, testing and abatement procedures concerning lead-based paint will comply with the requirements of 24 CFR Part 35, Subparts A, B, J, K and R.

Compliance with Laws -- It will comply with applicable laws.

Signature/Authorized Official
George Olson, City Manager

Date Signed:
May 6, 2008

APPENDIX TO CERTIFICATIONS:

INSTRUCTIONS CONCERNING LOBBYING AND DRUG-FREE WORKPLACE REQUIREMENTS:

A. Lobbying Certification

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1252, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

B. Drug-Free Workplace Certification

1. By signing and/or submitting this application or grant agreement, the grantee is providing the certification.

2. The certification is a material representation of fact upon which reliance is placed when the agency awards the grant. If it is later determined that the grantee knowingly rendered a false certification, or otherwise violates the requirements of the Drug-Free Workplace Act, HUD, in addition to any other remedies available to the Federal Government, may take action authorized under the Drug-Free Workplace Act.

3. Workplaces under grants, for grantees other than individuals, need not be identified on the certification. If known, they may be identified in the grant application. If the grantee does not identify the workplaces at the time of application, or upon award, if there is no application, the grantee must keep the identity of the workplace(s) on file in its office and make the information available for Federal inspection. Failure to identify all known workplaces constitutes a violation of the grantee's drug-free workplace requirements.

4. Workplace identifications must include the actual address of buildings (or parts of buildings) or other sites where work under the grant takes place. Categorical descriptions may be used (e.g., all vehicles of a mass transit authority or State highway department while in operation, State employees in each local unemployment office, performers in concert halls or radio stations).

5. If the workplace identified to the agency changes during the performance of the grant, the grantee shall inform the agency of the change(s), if it previously identified the workplaces in question (see paragraph three).

6. The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant:

Place of Performance (Street address, city, county, state, zip code)

City of Sherman Neighborhod Services Office; 405 North Rusk Street. Sherman, Grayson County, Texas 75090,

Check ______ if there are workplaces on file that are not identified here. The certification with regard to the drug-free workplace is required by 24 CFR part 24, subpart F.

The certification with regard to the drug-free workplace is required by 24 CFR part 24, subpart F.

7. Definitions of terms in the Nonprocurement Suspension and Debarment common rule and Drug-Free Workplace common rule apply to this certification. Grantees' attention is called, in particular, to the following definitions from these rules:

"Controlled substance" means a controlled substance in Schedules I through V of the Controlled Substances Act (21 U.S.C. 812) and as further defined by regulation (21 CFR 1308.11 through 1308.15);

"Conviction" means a finding of guilt (including a plea of nolo contendere) or imposition of sentence, or both, by any judicial body charged with the responsibility to determine violations of the Federal or State criminal drug statutes;

"Criminal drug statute" means a Federal or non-Federal criminal statute involving the manufacture, distribution, dispensing, use, or possession of any controlled substance;

"Employee" means the employee of a grantee directly engaged in the performance of work under a grant, including: (i) All "direct charge" employees; (ii) all "indirect charge" employees unless their impact or involvement is insignificant to the performance of the grant; and (iii) temporary personnel and consultants who are directly engaged in the performance of work under the grant and who are on the grantee's payroll. This definition does not include workers not on the payroll of the grantee (e.g., volunteers, even if used to meet a matching requirement; consultants or independent contractors not on the grantee's payroll; or employees of subrecipients or subcontractors in covered workplaces).

____
Signature/Authorized Official
George Olson, City Manager

Date Signed:
May 6, 2008

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 9-2-2008

Subject: Agenda Item No. C.4

**** RESOLUTION NO. 5254***

Authorizing Execution of an Interlocal Cooperation Contract with the Texas Department of Public Safety in Relation to the Sherman Police Department's Breath Testing and Laboratory Alcohol and Drug Testing Program

Issue

To authorize an Interlocal Cooperation Contract between the Texas Department of Public Safety (DPS) and the City of Sherman Police Department. DPS will provide for the purchase of certain forms, manuals, and supplies for the Sherman Police Department to use in their Breath Testing and Laboratory Alcohol and Drug Testing Program.

Background

The Sherman Police Department routinely purchases these required supplies from DPS. The existing contract has expired and needs to be renewed. Typically, these materials are less expensive when purchased from DPS than from commercial vendors.

Origination

Sherman Police Department

Financial Consideration

Costs of the various materials are based on the current price sheet provided by DPS. Funds are available in the budget for the purchase of these items.

Staff Recommendation

It is recommended that the Council authorize the execution of the proposed Interlocal Cooperation Contract for the purchase of these required supplies from DPS.

Alternatives

While not recommended, the Council could opt to purchase available supplies from a commercial vendor at a greater cost.

Attachments

Resolution No. 5254
Interlocal Cooperation Contract
DPS Price Sheet

Prepared by:
Tom Watt, Police Chief

Approved by:
George Olson, City Manager

RESOLUTION NO. 5254

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF AN INTERLOCAL COOPERATION CONTRACT WITH THE TEXAS DEPARTMENT OF PUBLIC SAFETY IN RELATION TO THE SHERMAN POLICE DEPARTMENT'S BREATH TESTING AND LABORATORY ALCOHOL AND DRUG TESTING PROGRAM; FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS RESOLUTION IS PASSED WAS NOTICED AND IS OPEN TO THE PUBLIC AS REQUIRED BY LAW.

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

SECTION 1. That the City Manager be and is hereby authorized and directed, subject to all documents being properly completed and approved as to form by the City Attorney, to execute an Interlocal Cooperation Contract with the Texas Department of Public Safety in relation to the Sherman Police Department's Breath Testing and Laboratory Alcohol and Drug Testing Program, in accordance with the terms and provisions of the agreement attached hereto and incorporated herein as if set forth in their entirety.

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 ________________, 2008.

CITY OF SHERMAN, TEXAS

BY: ________________________________
BILL MAGERS, MAYOR

ATTEST:

BY: ________________________________
LINDA ASHBY, CITY CLERK

APPROVED AS TO FORM AND CONTENT:

BY: ________________________________
DOREEN E. MCGOOKEY,
CITY ATTORNEY

INTERLOCAL COOPERATION CONTRACT

THE STATE OF TEXAS

COUNTY OF TRAVIS

THIS CONTRACT is entered into by and between the Texas Department of Public Safety and the local governmental agency shown below as the Contract Parties, pursuant to the authority granted and in compliance with the provisions of "The Interlocal Cooperation Contract Act," Government Code, Chapter 791, and in furtherance of the responsibilities of the Texas Department of Public Safety as provided in Government Code, Chapter 411.

I. CONTRACTING PARTIES

The Receiving Agency: Sherman Police Department

Complete Address: 317 S. Travis Sherman, TX 75091

Street Address City and State Zip Code

The Performing Agency: Texas Department of Public Safety

II. STATEMENT OF SERVICE TO BE PERFORMED:

The Texas Department of Public Safety will provide, in accordance with the procedures set forth in Department rules, certain forms, manuals, and supplies for the Receiving Agency to use in the Breath Testing and Laboratory Alcohol and Drug Testing Program. The purpose and objective of this Contract are to control and establish uniform procedures, paperwork and supplies used in the above mentioned programs.

III. BASIS FOR CALCULATING COSTS:

Cost shall be in accordance with the attached document (revised price sheet).

IV. PAYMENT FOR SUPPLIES:

Receiving Agency shall submit full payment to the Department of Public Safety at the time each order materials and supplies are submitted. Payment shall be made from the Receiving Agency's current revenues.

V. TERMS OF CONTRACT:

This Contract shall become effective September 1, 2007 and shall terminate on August 31, 2009

THE UNDERSIGNED CONTRACTING PARTIES bind themselves to the faithful performances of this Contract. It is mutually understood that this Contract shall be effective if signed by a person authorized to do so according to the normal operating procedure of said party. If the governing body of a party is required to approve this Contract, it shall not become effective until approved by the governing body of that party. In that event, this contract shall be executed by the duly authorized official(s) of the party as expressed in the approving resolution or order of the governing body of said party, a copy of which shall be attached to this Contract.

RECEIVING AGENCY	PERFORMING AGENCY
______________________	TEXAS DEPARMENT OF PUBLIC SAFETY
Name of Agency	Name of Agency
By: ______________________	By: ______________________
Authorized Signature	Authorized Signature
______________________	______________________
Title	Title
Date: ______________________	Date: ______________________

NON DPS AGENCIES
PRICE SHEET

This is a SAMPLE ORDER SHEET. **USING YOUR LETTERHEAD,** please follow this format rather than a purchase order form. These items must be **PRE-PAID.**

QUANTITY	STOCK NO.	DESCRIPTION	MINIMUM QUANTITY	PRICE	TOTAL AMOUNT
_____	TLEBR07/0	TEST RECORDS	5pkgs. 100/pkg	$ 5.00pkg	_____
_____	TLEBR38/3	INTOXILYZER MANUAL	Each (Binder, Tabs & Contents)	7.00each	_____
_____	DIC023/3	PEACE OFFICER'S SWORN REPORT	Pad of 50 sets	2.50/pad	_____
_____	DIC023A/9	SPECIMEN ROUTING RPT.	Pad of 50 sets	2.50/pad	_____
_____	DIC024/1	DWI STATUTORY WARNING	Pad of 50 sets	2.50/pad	_____
_____	DIC025/8	NOTICE OF SUSPENSION	Pad of 50 sets	2.50/pad	_____
_____	DIC054/8	SWORN REPORT CMV	Pad of 50 sets	2.50/pad	_____
_____	DIC055/5	PEACE OFFICER STATUTORY WARNING FOR COMM. VEH.	Pad of 50 sets	2.50/pad	_____
_____	DIC056/3	BREATH TEST TECHNICAL SUPERVISOR AFFIDAVIT	Pad of 50 sets	2.50/pad	_____
_____	DIC057/1	DISQUALIFICATION NOTICE	Pad of 50 sets	2.50/pad	_____
_____	TLE001/1	OFFENSE REPORT	Pad of 100 sheets	1.50/pad	_____
_____	TLE001A/7	DWI SOBRIETY TEST	Pad of 100 sheets	1.50/pad	_____
_____	TLE51/6	BLOOD SPECIMEN	Pad of 100 sheets	1.50/pad	_____
_____	TLE51A/2	AFFIDAVIT OF PERSON WHO WITH DREW BLOOD	Pad of 100 sheets	1.50/pad	_____
_____	* 680-24-01045-3	MOUTH PIECES	1 Ctn of 100 each	17.50/ctn	_____
_____	* 680-93-8050	ALCOHOL BLOOD TEST KIT	1 EACH	4.00/each	_____
_____	* 680-93-8060	URINE SPECIMEN TEST KIT	1 EACH	4.50/each	_____
_____	* 475-34-7920	SYRINGE TRANSPORT TUBES	1 EACH	3.50/each	_____

8.25% TAX (If Applicable) _____

TOTAL AMOUNT ENCLOSED _____

PRICES SUBJECT TO CHANGE WITHOUT NOTICE!

* Municipalities and Counties must have an Inter-local Contract on file to purchase these items.

Mail orders and payment to:

D P S GENERAL SERVICES BUREAU
P.O.BOX 15999
AUSTIN, TEXAS 78761-5999
512-424-5718

Revised (08-01-07)

NON DPS AGENCIES
PRICE SHEET

This is a SAMPLE ORDER SHEET of the D.W.I. Forms that we have available in **SPANISH USING YOUR LETTERHEAD**, please follow this format rather than a purchase order form. These items must be **PRE-PAID.**

QUANTITY	STOCK NO.	DESCRIPTION	MINIMUMQUANITITY	PRICE	TOTAL AMOUNT
______	DIC024S/6	DWI STATUTORY WARNING	Pad of 50 sets	$ 2.50/pad	______
______	DIC025S/3	NOTICE OF SUSPENSION	Pad of 50 sets	2.50/pad	______
______	DIC055S/0	PEACE OFFICER STATUTORY WARNING FOR COMM. VEH.	Pad 100 sheets	2.50/pad	______
______	DIC057S/6	DISQUALIFICATION	Pad of 50 sets	2.50/pad	______

8.25%TAX (If Applicable) ______

TOTAL AMOUNT ENCLOSED ______

PRICES SUBJECT TO CHANGE WITHOUT NOTICE!

Prices include shipping and handling.

Mail orders and payments to:

D P S GENERAL SERVICES BUREAU
P.O.BOX 15999
AUSTIN, TEXAS 78761-5999
(512) 424-5718

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 9-2-2008

Subject: Agenda Item No. C.5

**** RESOLUTION NO. 5255***

Awarding a Bid to and Authorizing Execution of a Contract with Legacy Contracting, L.P. for the Replacement of Screw Lift Pumps at the Wastewater Treatment Plant

Issue

To consider an award of bid for the replacement of the Wastewater Treatment Plant's screw lift pumps

Background

The current Capital Improvement Program contains a project to replace the screw lift pumps at the Wastewater Treatment Plant. Six (6) bidders responded to the request for bids. A bid tabulation is attached.

Origination

Department of Utilities Administration

Financial Consideration

Adequate funding for this project is included in this year's Capital Improvement Program.

Staff Recommendation

It is recommended that the contract for replacement of screw lift pumps at the Wastewater Treatment Plant be awarded to the low bidder, Legacy Contracting, L.P., in the amount of $699,000.00 and that the City Manager be authorized to execute the required contract documents.

Alternatives

As may be directed by the City Council

Attachments

Resolution No. 5255
Engineer's Recommendation
Bid Tabulation
Contract
Location Map

Prepared by:
Mark Gibson, Utilities and Engineering Director

Approved by:
George Olson, City Manager

RESOLUTION NO. 5255

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AWARDING A BID TO AND AUTHORIZING EXECUTION OF A CONTRACT WITH LEGACY CONTRACTING, L.P. FOR THE REPLACEMENT OF SCREW LIFT PUMPS AT THE WASTEWATER TREATMENT PLANT; FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS RESOLUTION IS PASSED WAS NOTICED AND IS OPEN TO THE PUBLIC AS REQUIRED BY LAW.

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

SECTION 1. That Legacy Contracting, L.P. is hereby awarded the bid in the total amount of Six Hundred Ninety-Nine Thousand Dollars and No Cents ($699,000.00) for the replacement of the screw lift pumps at the Wastewater Treatment Plant; and that the City Manager be and is hereby authorized and directed, subject to all contract documents being properly completed and approved as to form by the City Attorney, to execute a contract with Legacy Contracting, L.P. for the replacement of the screw lift pumps, in accordance with the terms and provisions of all contract documents attached hereto and made a part hereof for all purposes.

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

PASSED AND APPROVED on this the _____ day of ________________, 2008.

CITY OF SHERMAN, TEXAS

ATTEST:

BY: ________________________________
BILL MAGERS, MAYOR

BY: ________________________________
LINDA ASHBY, CITY CLERK

APPROVED AS TO FORM AND CONTENT:

BY: ________________________________
DOREEN E. MCGOOKEY,
CITY ATTORNEY

FREEMAN-MILLICAN, INC.
ENGINEERS - ARCHITECTS - PLANNERS

J. TERRY MILLICAN, P.E.
RICHARD A. DORMIER, P.E.
JOHN D. GATTIS, A.I.A.
DAMIR LULO, P.E.
MICHAEL K. STACEY, P.E.
LARRY J. FREEMAN, P.E.

August 21, 2008

Mr. Mark Gibson
Director of Utilities and Engineering
City of Sherman, Texas
P. O. Box 1106
Sherman, Texas 75091

Re: Aeration Basin Lift Station Rehabilitation

Dear Mr. Gibson:

Bids were received for construction of the Wastewater Treatment Plant (WWTP) Aeration Basin Lift Station Rehabilitation project on August 20, 2008. A bid tabulation is attached. The project includes removal of three 24 year old screw lift pump, modifications and installation of three 12,600 gallon per minute submersible centrifugal sewage pumps.

Seven potential bidders received bid documents. Six bids were received. The low bid at $699,000.00 is very competitive as reflected by the bid tabulation. It appears that inflation is the primary reason the low bid exceeds the estimated budget.

Freeman Millican's previous experience with the low bidder, Legacy Contracting, L.P. has been very good. This contractor built the third aeration basin at the WWTP. We recommend that the City of Sherman award the contract to Legacy Contracting, L.P. based on the low bid of $699,000.00 and authorize execution of the required contract documents.

Sincerely,
FREEMAN - MILLICAN, INC

David E. Gattis

David E Gattis, P.E.

Enclosures - 1

12225 GREENVILLE AVENUE, SUITE 121 DALLAS, TEXAS, 75243 (214) 503-0555 FAX (214) 503-1148

BID TABULATION SUMMARY

OWNER: City of Sherman

PROJECT: Aeration Basin Lift Station Rehabilitation

BID TIME & DATE: August 20, 2008 at 2:00 PM

BID LOCATION: Offices of the Director of Utilities and Engineering

BIDDER		BID TOTAL	COMPLETION TIME (DAYS)
Crescent Constructors	Bid Bond	$811,000.00	240
Jerry Paul Higgins, Inc.	BB	987,359.00	240
Howard Construction	BB	870,000.00	240
Lloyd Plyler Construction	No Bid		
Mitchell Enterprises	BB	863,000.00	240
Gracon Construction	BB	800,000.00	240
Legacy Contracting	BB	699,000.00	240

STATE OF TEXAS
DAVID E. GATTIS
36563
LICENSED
PROFESSIONAL ENGINEER

8-22-08
David E. Gattis

CITY OF SHERMAN §
COUNTY OF GRAYSON §

CONTRACT
BETWEEN THE CITY OF SHERMAN AND THE CONTRACTOR

THIS AGREEMENT is by and between the **CITY OF SHERMAN** ("CITY" or "OWNER") and

and ______________________________(" CONTRACTOR").

The **CITY** and **CONTRACTOR**, for the consideration set forth in Article 4 of the Contract and the mutual covenants expressed in this Contract, agree as follows:

ARTICLE 1 - PROJECT

1.01 CONTRACTOR shall complete all Work as specified or indicated in the Contract Documents. The Project is generally described as follows:

AERATION BASIN LIFT STATION REHABILITATION

This Project will be completed with/without change orders and all extra work in connection with the project, as described in the contract documents, shall be at the CONTRACTOR'S sole cost and expense all the materials, supplies, machinery, equipment, tools, superintendence, labor, necessary and customary insurance, and other accessories and services necessary to complete the Project in accordance with the Contract Documents.

ARTICLE 2 – INDEPENDENT CONTRACTOR

2.01 CONTRACTOR is and throughout this Contract shall remain an INDEPENDENT CONTRACTOR and as such is the sole judge on how to perform the work required under this Contract.

ARTICLE 3 - CONTRACT TIMES

3.01 *Commencement of Contract*

A. CONTRACTOR agrees to commence work under this Contract on or before the date specified in the written "Notice to Proceed" of the CITY.

B. All time limits for Milestones, if any, Substantial Completion, and completion and readiness for final payment as stated in the Contract Documents are of the essence of the Contract.

3.02 *Dates for Substantial Completion and Final Payment*

A. The Work will be substantially completed by CONTRACTOR within 240 consecutive calendar days, and completed and ready for final payment in accordance with paragraph 5.07 of the General Conditions within 300 consecutive calendar days.

A. CONTRACTOR agrees to commence work under this Contract on or before the date specified in the written "Notice to Proceed" of the CITY.

3.03 *Liquidated Damages*

A. CONTRACTOR and CITY recognize that time is of the essence of this Contract and that CITY will suffer loss that is difficult to calculate if the Work is not completed within the times specified in paragraph 3.02 above, plus any extensions thereof allowed in accordance with paragraph 4.02 of the General Conditions. The parties also recognize the expense, and difficulties involved with a delay make it impossible to evaluate the actual loss suffered by CITY due to the nature of this project if the Work is not completed on time. Accordingly, CITY and CONTRACTOR agree that as liquidated damages for the delay (but not as a penalty), CONTRACTOR shall pay CITY **$ 600** for each day that expires after the time specified in paragraph 3.02 for Substantial Completion until the Work is substantially complete. After Substantial Completion, if CONTRACTOR shall neglect, refuse, or fail to complete the remaining Work within the Contract Time or any proper extension thereof granted by CITY, CONTRACTOR shall pay CITY $150 for each day that expires after the time specified in paragraph 3.02 for completion and readiness for final payment until the Work is substantially completed. The parties agree that the amount of $150 per calendar day represents a fair and reasonable estimate of the CITY'S damages.

ARTICLE 4 - CONTRACT PRICE/CONSIDERATION

4.01 CITY shall pay CONTRACTOR for completion of the Work in accordance with the Contract Documents an amount in current funds equal to the sum of the amounts determined pursuant to paragraphs 4.01.A and 4.01.B below:

A. For all Project work, a total Sum of:

______________________________ ($__________)
(use words) (figure)

B. The above price reflects the consideration for the performance of this Contract.

ARTICLE 5 - PAYMENT PROCEDURES

5.01 *Submittal and Processing of Payments*

A. CONTRACTOR shall submit Applications for Payment in accordance with Article 5 of the General Conditions. Applications for Payment will be processed by the ENGINEER (defined in Article 9 of this Contract) as provided in the General Conditions.

ARTICLE 6 - CONTRACTOR'S REPRESENTATIONS

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

A. CONTRACTOR has examined and carefully studied the Contract Documents and the other related data identified in the Bidding Documents.

B. CONTRACTOR has visited the Site and become familiar with and is satisfied as to the general, local, and Site conditions that may affect cost, progress, and performance of the Work.

C. CONTRACTOR is familiar with and is satisfied as to all federal, state, and local Laws and Regulations that may affect cost, progress, and performance of the Work.

D. CONTRACTOR has carefully studied all Contract Documents and understands the Work and Performance required in the Contract Documents and represents to the CITY that CONTRACTOR is fully capable of completing the work specified in the Contract Documents.

E. CONTRACTOR has obtained and carefully studied (or assumes responsibility for having done so) all additional or supplementary examinations, investigations, explorations, tests, studies, and data concerning conditions (surface, subsurface, and underground facilities) at or contiguous to the Site which may affect cost, progress, or performance of the Work or which relate to any aspect of the means, methods, techniques, sequences, and procedures of construction to be employed by CONTRACTOR, including applying the specific means, methods, techniques, sequences, and procedures of construction, if any, expressly required by the Contract Documents to be employed by CONTRACTOR, and safety precautions and programs incident thereto

F. CONTRACTOR does not consider that any further examinations, investigations, explorations, tests, studies, or data are necessary for the performance of the Work at the Contract Price, within the Contract Times, and in accordance with the other terms and conditions of the Contract Documents.

G. CONTRACTOR is aware of the general nature of work to be performed by CITY and others at the Site that relates to the Work as indicated in the Contract Documents.

H. CONTRACTOR has correlated the information known to CONTRACTOR, information and observations obtained from visits to the Site, reports and drawings identified in the Contract Documents, and all additional examinations, investigations, explorations, tests, studies, and data with the Contract Documents.

I. CONTRACTOR has given ENGINEER written notice of all conflicts, errors, ambiguities, or discrepancies that CONTRACTOR has discovered in the Contract Documents, and the written resolution thereof by ENGINEER is acceptable to CONTRACTOR.

J. The Contract Documents are generally sufficient to indicate and convey understanding of all terms and conditions for performance and furnishing of the Work.

ARTICLE 7 - CONTRACT DOCUMENTS

7.01 *Contents*

A. The Contract Documents consist of the following and are incorporated into this Contract for all purposes:

1. This Contract;

2. Performance Bond;

3. Payment Bond;

4. General Conditions of Agreement;

5. Special Conditions of Agreement;

6. Any Other Documents listed in the Table of Contents of the Project Manual;

7. Any Drawings associated with the Project;

8. Addenda (if applicable);

9. Exhibits to this Contract(enumerated as follows):

   a. Exhibit 1 - Notice to Proceed;
   b. Exhibit 2 - CONTRACTOR'S Bid;
   c. Exhibit 3 - Aeration Basin Lift Station Pumping Equipment Contract Documents between the city of Sherman and ITT Flygt Corporation dated December 2007
   d. Exhibit 4 - Documentation submitted by CONTRACTOR prior to Notice of Award;

10. The following which may be delivered or issued on or after the Effective Date of the Contract and are not attached hereto:

    a. Written Amendments;
    b. Work Change Directives;
    c. Change Order(s), if permissible under the Resolution enacted by the City.

B. There are no Contract Documents other than those listed above in this Article 7.

C. The Contract Documents may only be amended, modified, or supplemented as provided in Paragraph 9.10 of this Contract.

ARTICLE 8 – NOTICE

Any notice and/or statement required or permitted to be delivered shall be deemed delivered by depositing same in the United States mail, certified with return receipt requested, postage prepaid, addressed to the appropriate party at the following addresses, or at such other addresses provided by the parties in writing;

If intended for CITY to:	If intended for CONTRACTOR, to:
Designee: ______________________	Designee: __________________
Address:	Address:
______________________________	__________________________
______________________________	__________________________

ARTICLE 9 - MISCELLANEOUS

9.01 *Terms*

A. Terms used in this Contract will have the meanings indicated in the General Conditions.

B. In addition to the terms in the General Conditions, the term "ENGINEER" in this Contract shall mean the firm of Freeman-Millican, Inc., Dallas, Texas or other party designated as the ENGINEER by the City.

9.02 *Assignment of Contract*

A. No assignment by a party hereto of any rights under or interests in the Contract will be binding on another party hereto without the written consent of the party sought to be bound; and, specifically but without limitation, moneys that may become due and moneys that are due may not be assigned without such consent (except to the extent that the effect of this restriction may be limited by law), and unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under the Contract Documents.

9.03 *Successors and Assigns*

A. CITY and CONTRACTOR each binds itself, its partners, successors, assigns, and legal representatives to the other party hereto, its partners, successors, assigns, and legal representatives in respect to all covenants, agreements, and obligations contained in the Contract Documents.

9.04 *Severability and Conflict*

A. Any provision or part of the Contract Documents held to be void or unenforceable under any Law or Regulation shall be deemed stricken, and all remaining provisions shall continue to be valid and binding upon CITY and CONTRACTOR, who agree that the Contract Documents shall be reformed to replace such stricken provision or part thereof with a valid and enforceable provision that comes as close as possible to expressing the intention of the stricken provision.

B. If there are any conflicts between the Contract and the Contract Documents, the provisions in the Contract prevail over the provisions in the Contract Documents.

9.05 *Captions*

Section or other headings contained in this Contract are for reference purposes only and shall not affect in any way the meaning or interpretation of this Contract.

9.06 *INDEMENITY AND DUTY TO DEFEND*

A. CONTRACTOR AGREES TO DEFEND, INDEMNIFY AND HOLD CITY, ITS OFFICERS, AGENTS AND EMPLOYEES, HARMLESS AGAINST ANY AND ALL CLAIMS, LAWSUITS, JUDGMENTS, COSTS AND EXPENSES INCLUDING ATTORNEYS FEES, FOR PERSONAL INJURY (INCLUDING DEATH), PROPERTY DAMAGE OR OTHER HARM, FOR WHICH RECOVERY OF DAMAGES IS SOUGHT, SUFFERED BY ANY PERSON OR PERSONS, THAT MAY ARISE OUT OF OR BE OCCASIONED BY CONTRACTOR'S BREACH OF ANY OF THE TERMS OR PROVISIONS OF THIS AGREEMENT, OR BY ANY NEGLIGENT, GROSSLY NEGLIGENT, STRICTLY LIABLE ACT, OR ANY OMISSION OF CONTRACTOR, ITS OFFICERS, AGENTS, EMPLOYEES OR SUBCONTRACTORS, IN THE PERFORMANCE OF THIS AGREEMENT

(HEREINAFTER "CLAIMS"); EXCEPT THAT THE INDEMNITY PROVIDED FOR IN THIS PARAGRAPH SHALL NOT APPLY TO ANY LIABILITY RESULTING FROM THE SOLE NEGLIGENCE OR FAULT OF CITY, ITS OFFICERS, AGENTS, EMPLOYEES OR SEPARATE CONTRACTORS. IN ADDITION, THIS INDEMNIFICATION AND SAVE HARMLESS SHALL APPLY TO ANY IMPUTED OR ACTUAL JOINT ENTERPRISE LIABILITY.

B. CONTRACTOR 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 CONTRACTOR 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 CONTRACTOR'S OBLIGATION TO DEFEND THE CITY OR AS A WAIVER OF CONTRACTOR'S OBLIGATION TO INDEMNIFY THE CITY PURSUANT TO THIS CONTRACT. CONTRACTOR 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 THE CONTRACT. IF CONTRACTOR FAILS TO RETAIN COUNSEL WITHIN SUCH TIME PERIOD, CITY SHALL HAVE THE RIGHT TO RETAIN DEFENSE COUNSEL ON ITS OWN BEHALF, AND CONTRACTOR SHALL BE LIABLE FOR ALL COSTS INCURRED BY CITY IN DEFENSE OF CLAIMS FOR WHICH CONTRACTOR 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.

9.07 *Deletion of Arbitration Clause*

The parties agree that Paragraph 6.03 entitled Arbitration in the General Conditions, is not binding on the parties. This paragraph is not designed to prevent the parties from mutually agreeing to select arbitration as a means of resolving any disputes related to this Contract. The parties, however, agree not to be bound by the terms of 6.03 entitled Arbitration in the General Conditions.

9.08 *Choice of Law: Venue.*

This contract, the entire relationship of the parties, and any litigation between the parties (whether grounded in contract, tort, statute, law or equity) shall be governed by, construed in accordance with, and interpreted pursuant to the laws of the State of Texas, without giving effect to its choice of laws principles. This contract is wholly performable in Grayson County, Texas. Exclusive venue for any litigation between the parties shall be brought in Grayson County, Texas, and shall be brought in the State District Courts of Grayson County, Texas, or in the United States District Court for the Eastern District of Texas. The parties waive any challenge to personal jurisdiction or venue (including without limitation a challenge based on inconvenience) in Grayson County, Texas, and specifically consent to the jurisdiction of the State District Courts of Grayson County, Texas, or in the United States District Court for the Eastern District of Texas, Sherman Division.

9.09 *Binding Authority*

By their signatures below, the individuals represent that they have reviewed Contract with their attorney and that the individuals have the express authority to enter into this Contract.

9.10 *Entire Agreement*

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

9.11 *Contract Interpretation*

Although this CONTRACT 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.

9.12 *Definitions*

Certain words in this contract are defined for the purpose hereof as follows:

Bidding documents – The Proposal, Instructions to Bidders, Technical Specifications, and Drawings.

Laws and Regulations – The laws, ordinances, regulations, directives, and resolutions of the United States, State of Texas, Grayson County, City of Sherman or other political subdivision of the State of Texas having jurisdiction over the Site.

Site – The site of the work.

IN WITNESS WHEREOF, CITY and CONTRACTOR have signed this Contract in duplicate. One counterpart each has been delivered to CITY and CONTRACTOR. All portions of the Contract Documents have been signed or identified by CITY and CONTRACTOR or on their behalf.

This Contract will be effective on ________________, ______ (which is the Effective Date of the Contract).

CITY: **CITY OF SHERMAN, TEXAS**	CONTRACTOR:
______________________________	______________________________
By: ___________________________ City Manager	By: ___________________________
Attest _________________________ City Clerk	Attest _________________________ Notary Public
	Commission Expires: ________________

Agent for service of process: ____________________

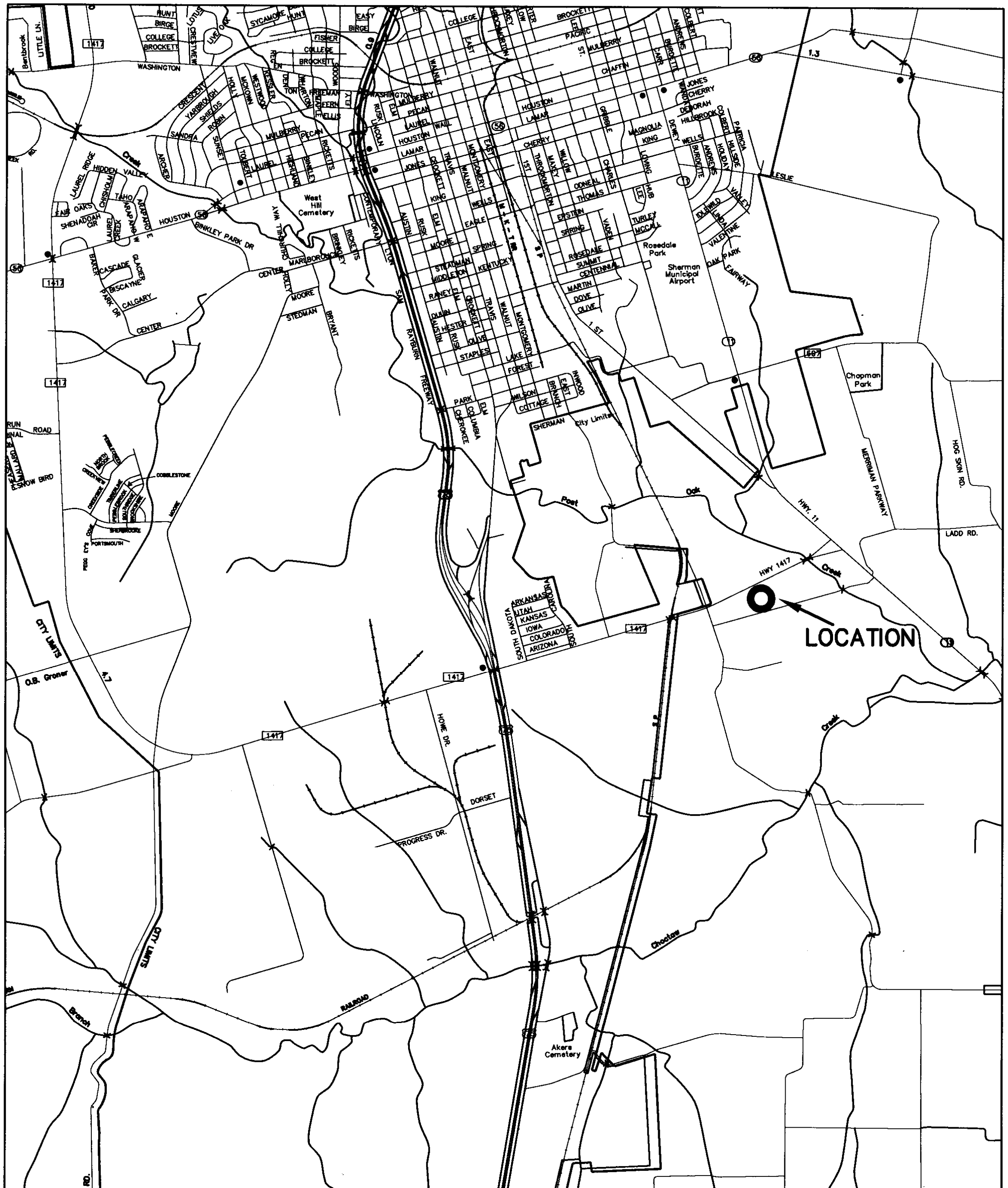
____

(If CONTRACTOR is a corporation or a partnership, attach evidence of authority to sign.)

Approved as to form:

____

Doreen E. McGookey
City Attorney



AERATION BASIN PUMPING EQUIPMENT MODIFICATIONS AT WASTEWATER TREATMENT PLANT

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SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 9-2-2008

Subject: Agenda Item No. C.6

**** RESOLUTION NO. 5256***

Authorizing Execution of a Development Agreement with TexLanDev-Austin Landing, L.P. for the Construction of Public Facilities in the Austin Landing Phase Two Development to the City of Sherman

Issue

The construction of public facilities in the Austin Landing Phase Two Development to the City of Sherman

Background

TexLanDev-Austin Landing, L.P. proposes to construct a regional retention basin on the 2.688 acres on the east side of the 4900 block of North Travis Street, the Austin Landing Phase Two Development. The drainage improvements will handle the detention requirements for the west side of Travis as well as for the apartments and commercial tracts.

Origination

TexLanDev-Austin Landing, L.P.
Department of Utilities and Engineering

Financial Consideration

There is no financial impact to approval of this developer's agreement.

Staff Recommendation

Staff recommends approval of the Development Agreement for the Austin Landing Phase Two Development.

Attachments

Resolution No. 5256
Development Agreement
Location Map

Prepared by:
Mark Gibson, Director of Utilities and Engineering

Approved by:
George Olson, City Manager

RESOLUTION NO. 5256

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF A DEVELOPMENT AGREEMENT WITH TEXLANDEV-AUSTIN LANDING, L.P. FOR THE CONSTRUCTION OF PUBLIC FACILITIES IN THE AUSTIN LANDING PHASE TWO DEVELOPMENT TO THE CITY OF SHERMAN; FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS RESOLUTION IS PASSED WAS NOTICED AND IS OPEN TO THE PUBLIC AS REQUIRED BY LAW.

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

SECTION 1. That the City Manager be and is hereby authorized and directed, subject to all contract documents being properly completed and approved as to form by the City Attorney, to execute a Development Agreement with TexLanDev-Austin Landing, L.P. for the construction of public facilities in the Austin Landing Phase Two Development to the City of Sherman, Grayson County, Texas, in the same or substantially same form as the contract documents to be attached hereto and incorporated herein for all purposes.

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

PASSED AND APPROVED on this the _____ day of ________________, 2008.

CITY OF SHERMAN, TEXAS

BY: ________________________________

BILL MAGERS, MAYOR

ATTEST:

BY: ________________________________

LINDA ASHBY, CITY CLERK

APPROVED AS TO FORM AND CONTENT:

BY: ________________________________

DOREEN E. MCGOOKEY,
CITY ATTORNEY

STATE OF TEXAS §

COUNTY OF GRAYSON §

DEVELOPMENT AGREEMENT BETWEEN

THE CITY OF SHERMAN AND TEXLANDEV – AUSTIN LANDING, L.P.

PHASE TWO DEVELOPMENT

THIS DEVELOPMENT AGREEMENT ("Agreement") is made and entered into this____ day of ____________, 2008 (the "Effective Date"), by and between the City of Sherman ("City"), a municipal corporation organized under the laws of the State of Texas, and TexLanDev – Austin Landing, L.P., a Texas Limited Partnership ("Developer") for the development of Phase Two of the Austin Landing Development.

WITNESSETH:

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

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

WHEREAS, Developer owns or controls lands located in Sherman, Texas, and described in the final plat submitted to the City by the Developer and attached hereto and made a part hereof as if fully set out in this paragraph as Exhibit "A" and hereinafter referred to as the "Property", and Developer intends to develop the Property by constructing improvements thereon;

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

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

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

ARTICLE I.

SPECIFIC CONTRACT PROVISIONS

1. **Assurance of Title:** At the time of execution of this Agreement, the Developer agrees to deliver to City a copy of a Title Insurance Policy, or an opinion of title from a qualified attorney-at-law addressed to the City in a form and substance satisfactory to City with respect to the Property, which policy or opinion shall include a current report on the status of the title, setting out the name of the legal title holders, the outstanding mortgages, taxes, liens and covenants. The provisions of this paragraph are for the purpose of evidencing Developer's legal right to grant the exclusive rights of service contained in this Agreement.

2. **Assurance of Accuracy of Documents:** Developer has caused the subdivision plat of the Property (the "Plat") and all plans and specifications (the "Plans"), including the drainage improvements located in the Sherman Oaks Drive right-of-way (collectively the "Project") as part of the public facilities of the City, to be prepared by a Registered Professional Engineer. Developer also represents that Plat and Plans accurately depict such subdivision and the improvements comprising the Project. Developer understands that the City will rely on the accuracy of the Plat and Plans in making its determination as to whether the documents comply with all City ordinances, state, and federal law.

3. **Development Documents:** Upon the execution of this Agreement, Plat, Plans, and orders of the City Planning and Zoning Commission and the City Council, made in connection with the approval of the subdivision depicted on the Plat (hereinafter the "Subdivision") are confirmed, ratified, and agreed upon by both parties and attached hereto as Exhibit "B". Developer agrees to comply with such orders and Ordinance No. 2684, and any amendments as of the date of the execution of the contract, as applicable to the Subdivision; and all of the work of the Project will be done under the supervision of the City Engineer (as defined in Paragraph 9 of this Article) to City standards, and in accordance with applicable City regulations. The Plat, Plans, orders of the City Planning and Zoning Commission, and the City Council, and Ordinance No. 2684 (hereinafter collectively referred to as the "Development Documents") are incorporated into this Agreement a part thereof for all purposes.

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

5. **Performance Bond:** No work shall be performed within the Subdivision until the Developer presents to the City Manager a satisfactory Performance Bond and a Payment Bond, as provided by Chapter 2253 of the Texas Government Code, from the contractor with whom Developer contracts for such work (the "Contractor"), in favor of the Developer and the City. Such bond shall be made for 100% of the contract price for all streets and utilities and public works to be installed in the Subdivision, and shall be in a

form containing all other provisions set forth in Chapter 2253 of the Texas Government Code, including, but not limited to, Section 2253.021 of that Chapter.

6. **Failure to Complete Development:** If the Developer does not complete the Improvements contained in the Development Documents on or before August 1, 2009, the City may, at its election, use the Performance Bond to complete such Improvements. The date in this Paragraph may be extended by the mutual agreement of the parties. Such extension shall be in writing, as provided in Paragraph 13 of Article II.

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

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

9. **City Engineer:** Before work is begun on any improvement, the City Engineer shall designate a person, hereinafter identified as "City Engineer," who shall be notified and arrangements made for inspection by the City Engineer at such stages of construction as required by him, and no improvement constructed underground shall be covered by the Developer until inspected by the City Engineer and approved by him. At any time any construction is contrary to the plans and specifications in the Development Documents, the City Engineer shall be, and is, empowered to stop construction on the portion that does not comply with the Development Documents and require correct construction and installation at the Developer's risk and without liability to the City.

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

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

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

13: **Guarantee or Maintenance Bond:**

a. If, within one year after the acceptance, defects should appear in the materials or workmanship, the Developer shall have such defects promptly repaired at its own expense, and shall leave the work as intended by the plans and specifications.

This guarantee will apply to all parts of the work which have been accepted by the City.

b. Instead of the Guarantee set forth in subparagraph (a) of this paragraph, Developer may provide a Maintenance Bond to the City at the time of final acceptance of the improvements by the City Engineer. The Bond shall name the City as an obligee under the bond and the bond shall provide a one (1) year guarantee on all the improvements contained in the Development Documents.

14. **WAIVER OF RIGHTS:**

(a) Section 212.904 of the Texas Local Government Code

(i) Developer understands that, pursuant to Section 212.904 of the Texas Local Government Code, the developer is entitled to an apportionment of the municipal infrastructure cost and that such apportionment must be done by a professional engineer. Developer hereby agrees that any land or property it donates to the City, as reflected on the Final Plat, is roughly proportionate to the need for such land. Developer further acknowledges and agrees that all prerequisites to such a determination of rough proportionality have been met, and that any costs incurred relative to said donation are related both in nature and extent to the impact of the development of the Property and its needs related thereto. BY MY SIGNATURE ON THIS AGREEMENT, I HEREBY FREELY, KNOWINGLY AND VOLUNTARILY WAIVE MY RIGHTS UNDER SECTION 212.904 OF THE TEXAS LOCAL GOVERNMENT CODE, OR ANY OTHER RELATED CLAIMS. I AGREE THAT THE DEVELOPER'S AGREEMENT MAY PROCEED WITHOUT THE REQUIREMENTS IMPOSED ON THE CITY UNDER SECTION 212.904 OF THE TEXAS LOCAL GOVERNMENT CODE, EXCEPT DEVELOPER SPECIFICALLY RESERVES ITS RIGHT TO APPEAL THE APPORTIONMENT IN ACCORDANCE WITH SECTION 212.904 OF THE TEXAS LOCAL GOVERNMENT CODE. I CONSENT TO THIS WAIVER AFTER HAVING THE OPPORTUNITY TO REVIEW THIS AGREEMENT AND WAIVER PROVISION WITH MY ATTORNEY, OR IF I HAVE NOT REVIEWED THIS WITH AN ATTORNEY, THAT I HAVE HAD THE OPPORTUNITY TO DO SO AND HAVE VOLUNTARILY CHOSEN NOT TO SEEK THE ADVICE OF AN ATTORNEY.

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

(b) CHAPTER 395 OF THE TEXAS LOCAL GOVERNMENT CODE:

Developer also understands that any monies held in escrow by the City in accordance with the Future Installation Cost Agreement may also qualify as Impact Fees, as provided in Chapter 395 of the Texas Local Government Code. BY MY SIGNATURE ON THIS AGREEMEMT, I HEREBY FREELY, KNOWINGLY AND VOLUNTARILY WAIVE ANY RIGHTS UNDER I MAY HAVE UNDER CHAPTER 395 OF THE TEXAS LOCAL GOVERNMENT OCDE. I AGREE THAT THIS DEVELOPER'S AGREEMENT MAY PROCEED WITHOUT THE REQUIREMENTS IMPOSED ON THE CITY IN CHAPTER 395 OF THE TEXAS LOCAL GOVERNMENT CODE. I CONSENT TO THIS WAIVER AFTER HAVING THE OPPORTUNITY TO REVIEW THIS AGREEMENT AND WAIVER PROVISION WITH MY ATTORNEY, OR IF I HAVE NOT REVIEWED THIS WITH AN ATTORNEY, THAT I HAVE HAD THE OPPORTUNITY TO DO SO AND HAVE VOLUNTARILY CHOSEN NOT TO SEEK THE ADVICE OF AN ATTORNEY.

INSTEAD, I AGREE THAT MONIES MAY BE HELD BY THE CITY IN ACCORDANCE WITH THE FUTURE INSTALLMENT COSTS AGREEMENT AND THAT THE CITY IS NOT REQUIRED TO COMPLY WITH THE PROCEDURES IN CHAPTER 395 OF THE TEXAS LOCAL GOVERNMENT CODE.

15. **Future Installation Costs:** Developer agrees to submit to the City the amount of $18,230.06, which is required to cover the cost of any future paving improvements to be held in escrow, as set forth in the attached Exhibit "C," which is incorporated into this Agreement for all purposes.

16. **Other Provisions:**

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

    B. The Developer shall pay to the City an engineering plan review, inspection, and testing fee equal for $791.04.

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

    D. Developer agrees that the detention pond located on the Property will be privately owned and maintained.

ARTICLE II.

GENERAL CONTRACT PROVISIONS

1. **Force Majeure**. If the performance of any of the parties hereto is delayed by reason of war, civil commotion, acts of God, inclement weather (including a reasonable time

for "mud" days following rain), unanticipated subsurface conditions, fire or other casualty, court injunction or any circumstances which are reasonably beyond the control of the party obligated or permitted under the terms of this Agreement to do or perform the same, regardless of whether any such circumstance is similar to any of those enumerated or not, the party so obligated or permitted shall be excused from doing or performing the same during such period of delay, so that the time period applicable to such design or construction requirement shall be extended for a period of time equal to the period such party was delayed. The terms above shall not apply to extend the time permitted for any payment obligations set forth in this Agreement.

2. INDEMNIFICATION AND HOLD HARMLESS. TO THE MAXIMUM EXTENT PERMITTED BY LAW, DEVELOPER OBLIGATES ITSELF TO THE CITY TO FULLY AND UNCONDITIONALLY PROTECT, INDEMNIFY AND DEFEND THE CITY, ITS OFFICERS, AGENTS AND EMPLOYEES, AND HOLD IT HARMLESS FROM AND AGAINST ANY AND ALL COSTS, EXPENSES, REASONABLE ATTORNEY FEES, CLAIMS, SUITS, LOSSES OR LIABILITY FOR INJURIES TO PROPERTY, INJURIES TO PERSONS (INCLUDING DEVELOPERS EMPLOYEES), INCLUDING DEATH, AND FROM ANY OTHER COSTS, EXPENSES, REASONABLE ATTORNEY FEES, CLAIMS, SUITS, LOSSES OR LIABILITIES OF ANY AND EVERY NATURE WHATSOEVER ARISING IN ANY MANNER, DIRECTLY OR INDIRECTLY, OUT OF OR IN CONNECTION HEREWITH THE CONSTRUCTION OF THE PROJECT OR THE DEFAULT OF ITS OBLIGATIONS HEREUNDER, REGARDLESS OF CAUSE OR OF THE SOLE, JOINT, COMPARATIVE OR CONCURRENT NEGLIGENCE OR GROSS NEGLIGENCE OF DEVELOPER, ITS OFFICERS, AGENTS OR EMPLOYEES. THIS INDEMNIFICATION AND SAVE HARMLESS SHALL APPLY TO ANY IMPUTED OR ACTUAL JOINT ENTERPRISE LIABILITY. This indemnity does not waive any governmental immunity available to the City under Texas law and does not waive any defenses of the parties under Texas law.

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

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

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

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

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

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

CITY:

DESIGNEE: Mark Gibson, P.E.

ADDRESS: 220 W. Mulberry Street

Sherman, TX 75090

PHONE: 903-892-7622

FAX: 903-870-7802

DEVELOPER:

DESIGNEE: Don Combs

ADDRESS: 205 Highland Knoll

Highland Village, TX 75077

PHONE: 214-632-9748

FAX: 972-317-8606

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

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

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

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

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

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

IN WITNESS WHEREOF parties have caused this Agreement to be executed in duplicate this _______ day of _______ 2008, with an original to each party.

CITY: **CITY OF SHERMAN, TEXAS**

DEVELOPER
TEXLANDEV-AUSTIN LANDING, L.P. (a Texas limited partnership)
BY: TexLanDev, LLC, a Texas Limited Liability Company, its general partner

Don Combs

By: George Olson
City Manager

By: Don Combs, Managing Member

Attest: ______________________
City Clerk

Attest: Lori K. Wright
Notary Public

LORI K. WRIGHT
Notary Public,
State of Texas
Comm. Exp. 02-23-12

Approved as to form:

____
Doreen E. McGookey
City Attorney

APPROVAL RECOMMENDED:

____
Mark Gibson, P.E. Director of Utilities and Engineering Services

FUTURE INSTALLATION COST AGREEMENT

THIS FUTURE INSTALLATION COST AGREEMENT ("Agreement") is made and entered into as of this _____ day of ______________________________, 2008, by and between, **TexLanDev – Austin Landing, L.P., a Texas Limited Partnership** ("Developer") and the **CITY OF SHERMAN**, a Texas Political Subdivision, 220 W. Mulberry, Sherman, TX 75090 ("City"),

WHEREAS, Developer owns the real property located in Grayson County, Texas and more particularly described in Exhibit A to the Developer's Agreement;

WHEREAS the Developer desires that the City accept the improvements as a part of the public facilities of the City and

WHEREAS, Developer recognizes that certain street improvements will not be needed until sometime in the future;

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

1. This Future Installation Cost Agreement is subject to the Condition Precedent set forth in Article I, Paragraph 1 of the Development Agreement.

2. The Funds. Concurrently with the execution and delivery of this Agreement, the Developer will deliver the following amount: **$18,230.06**, being herein referred to as the "Funds," and direct that the same be held and used by the City as herein provided. If any security other than cash is paid to the City to cover the cost of future street improvements, the security shall contain a provision for increasing the amount of the security at a rate of four (4%) percent per annum. Any Funds that are cash may be held in an interest bearing account.

3. City Shall Hold the Funds. Except as may be otherwise provided in this Agreement, the City shall hold the funds in an escrow account of local financial institution that names the City as a party to such account. The City may draw from the Funds at a point and time that the City Engineer, as defined in the Developer's Agreement, finds it necessary to complete the construction of any street improvements, water and sewer lines, or other utilities described the Developer's Agreement. The City agrees not to use the Funds for any other purpose other than what is set forth in this Agreement and the Developer's Agreement.

4. Construction. The Funds shall be used to assist in paying, either totally or partially, for the completion of any street improvements related to the attached Exhibit B, to the Developer's Agreement.

5. Counterparts. This Agreement is executed in counterparts, each of which shall be deemed an original and such counterparts shall constitute and be one and the same instrument.

6. Assignment of Interest. None of the Undersigned shall assign or attempt to assign or transfer his or its interest hereunder or any part hereof. Any such assignment or attempted assignment by any one or more of the Undersigned shall be in direct conflict and the City shall not be bound thereby.

7. Amendments. This Agreement cannot be amended or modified except by another agreement in writing signed by all the parties to this Agreement.

8. Headings. The paragraph headings contained herein are for convenience of reference only and are not intended to define, limit or describe the scope or intent of any provision of this Agreement.

9. Governing Law. This Agreement shall be deemed to have been made and shall be construed and interpreted in accordance with the laws of the State of Texas.

10. Conflict. To the extent that there are any conflicts between the this Agreement and the Developer's Agreement, the provisions in the Agreement prevail over the provisions in the Developer's Agreement.

11. Notices. All notices entitled or required to be given under this Agreement shall be in writing and shall be sent by (a) United States certified mail, return receipt requested, postage paid or (b) commercial courier service guaranteeing next business day delivery and requiring receipt of delivery (such as Federal Express) to the following addresses:

CITY:

DESIGNEE: Mark Gibson, P.E.

ADDRESS: 220 W. Mulberry Street

Sherman, TX 75090

PHONE: 903-892-7622

FAX: 903-870-7802

DEVELOPER:

DESIGNEE: Don Combs

ADDRESS: 205 Highland Knoll

Highland Village, TX 75077

PHONE: 214-632-9748

FAX: ____________________

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed in multiple originals effective the day and date set forth above.

CITY: **CITY OF SHERMAN, TEXAS**

____
By: George Olson
City Manager

Attest ____________________________
City Clerk

Approved as to form:

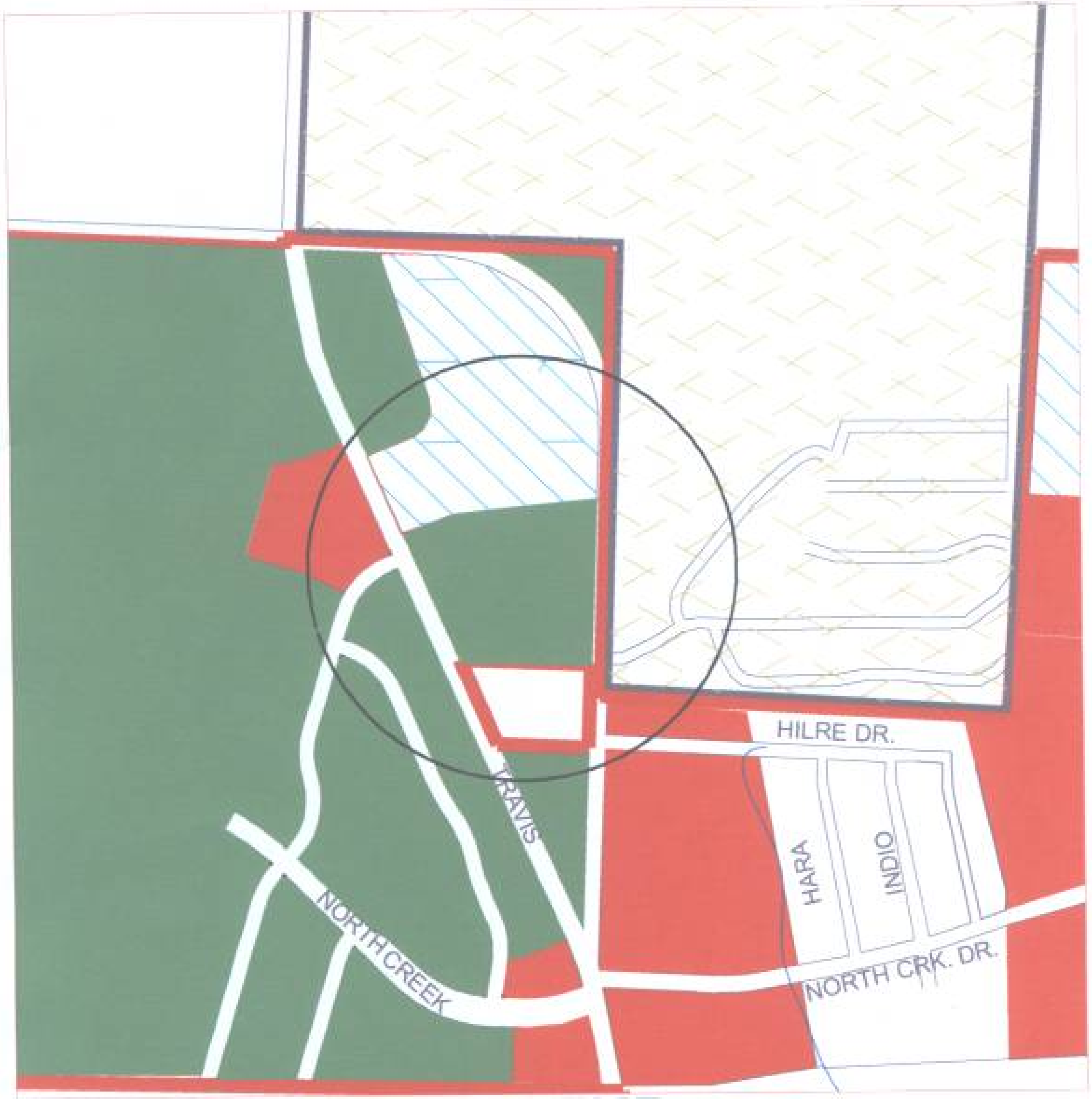
____
Doreen E. McGookey
City Attorney

DEVELOPER
TEXLANDEV-AUSTIN LANDING, L.P. (a Texas limited partnership)
BY: TexLanDev, LLC, a Texas Limited Liability Company, its general partner

Don Combs
By: Don Combs, Managing Member

Attest Diane A. Callahan
Notary Public

NOTARY PUBLIC STATE OF TEXAS
DIANE A. CALLAHAN
Notary Public, State of Texas
My Commission Expires 12-07-08



LEGEND

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

4900 BLK NORTH TRAVIS FINAL PLAT

Department of Developmental Services

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 9-2-2008

Subject: Agenda Item No. C.7

**** RESOLUTION NO. 5257***

Awarding a Bid to and Authorizing Execution of a Contract of Sale with W. Douglas Distributing, Ltd. d/b/a Douglas Distributing for an Annual Supply of Gasoline, Diesel and Bio-Diesel Fuel

Issue

An annual contract for the supply of gasoline, diesel and bio-diesel fuel to support City fleet and equipment

Background

The City of Sherman annually contracts with an outside vendor for the supply of gasoline and diesel fuel for the City's fleet and equipment. Request to advertise for public bids for the fiscal year (FY) 2008-2009 annual supply of fuel was approved by the Sherman City Council in its meeting of July 21, 2008. Two local vendors submitted bids for gasoline, diesel, and bio-diesel, both on-site and with bulk delivery. While fuel prices may vary on a daily basis depending on the Rack price, Douglas Distributing submitted a bid with the lowest vendor mark up across the board for all fuels. Bio-diesel can be used in approximately 60% of the older fleet and equipment diesel engines; but it does not appear at this time that its use will result in a significant cost savings for the City. The gallons used to determine the total annual fuel cost are estimated quantities for all but off-site locations. Off-site gallons are the actual gallons used by the City fleet over the past twelve-month period. Based upon these estimates, sufficient funds have been appropriated in the FY 2008-2009 budget. However, the stability of fuel prices is uncertain due to a number of economic and political factors outside the control of the City. Therefore, if prices increase significantly above current levels, funding may not be sufficient to cover the cost of fuel; and budget adjustments may be necessary.

Origination

Public Works Department

Financial Consideration

Funding for the annual supply of fleet and equipment fuel is provided in the fiscal year 2008-2009 budget.

Staff Recommendation

It is the staff's recommendation that the Sherman City Council award the lowest qualified bid to W. Douglas Distributing, Ltd. Douglas Distributing of Sherman, Texas, based upon the lowest vendor mark up, for a one 12-month period with four, 12-month renewals, commencing on October 1, 2008.

Alternatives

Those as may be recommended by the City Council

Attachments

Bid Tabulation; Resolution No. 5257; Contract of Sale

Prepared by:
Jeff Miller, Public Works Director

Approved by:
George Olson, City Manager

CITY OF SHERMAN
BID TABULATION
ANNUAL SUPPLY OF FUEL FOR CITY FLEET/EQUIPMENT

Douglass Distributing						
		Gallons	**Vendor Cost Plus Tax**	**Vendor Mark up**	**Price Per Gallon**	**Annual Cost Estimate**
	Gasoline - Bulk	50,000	$3.059	$0.0399	$3.0989	$154,945.00
	Diesel - Bulk	50,000	$3.445	$0.0399	$3.4849	$174,245.00
	Bio-Diesel (B-20) - Bulk	20,000	$3.5324	$0.0399	$3.5723	$71,446.00
	Bio-Diesel (B20) - Off-Site	30,000	$3.5324	$.0492	$3.5816	$107,448.00
	Gasoline - Off-Site	113,081	$3.1703	$0.0492	$3.2195	$364,064.27
	Diesel - Off-Site	196,150	$3.4915	$0.0492	$3.5407	$694,508.30
	Total Cost Off-Site Fuel					**$1,058,572.57**
Chapman, Inc.						
	Gasoline - Bulk	50,000	$3.0405	$0.15	$3.1905	$159,525.00
	Diesel - Bulk	50,000	$3.423	$0.15	$3.573	$178,650.00
	Bio-Diesel (B-20) - Bulk	20,000	NO		BID	
	Bio-Diesel (B20) - Off-Site	30,000	NO		BID	
	Gasoline - Off-Site	113,081	$3.0405	$0.15	$3.1905	$360,784.93
	Diesel - Off-Site	196,150	$3.423	$.015	$3.573	$700,843.95
	Total Cost Off-Site Fuel					**$1,061,628.88**

RESOLUTION NO. 5257

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AWARDING A BID TO AND AUTHORIZING EXECUTION OF A CONTRACT OF SALE WITH W. DOUGLAS DISTRIBUTING, LTD. D/B/A DOUGLAS DISTRIBUTING FOR AN ANNUAL SUPPLY OF GASOLINE, DIESEL AND BIO-DIESEL FUEL; 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 W. Douglas Distributing, Ltd. d/b/a Douglas Distributing of Sherman, Texas, is hereby awarded the bid and agrees to make fuel available for the City of Sherman fleet for the amount specified in Exhibit A of the contract, and that the City Manager be and is hereby authorized and directed, subject to all contract documents being properly completed and approved as to form by the City Attorney, to execute a contract with W. Douglas Distributing, Ltd. d/b/a Douglas Distributing for the annual supply of gasoline, diesel, and bio-diesel fuel, in accordance with the contract documents attached hereto and made a part hereof for all purposes.

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

PASSED AND APPROVED on this the _____ day of ________________, 2008.

CITY OF SHERMAN, TEXAS

BY: ________________________________
BILL MAGERS, MAYOR

ATTEST:

BY: ________________________________
LINDA ASHBY, CITY CLERK

APPROVED AS TO FORM AND CONTENT:

____
DOREEN E. MCGOOKEY,
CITY ATTORNEY

CONTRACT OF SALE

THE STATE OF TEXAS	§	
	§	**KNOW ALL MEN BY THESE**
COUNTY OF GRAYSON	§	

That the **CITY OF SHERMAN, TEXAS**, a municipal corporation, hereinafter referred to as "BUYER", and **W. DOUGLAS DISTRIBUTING, Ltd. d/b/a Douglas Distributing** of Sherman, Texas, hereinafter referred to as "SELLER."

WITNESSETH:

Terms of Purchase. SELLER agrees to sell and will deliver to BUYER, and BUYER agrees to purchase from SELLER,

Off-Site and Bulk Gasoline and Diesel Fuel - Including Bio-Diesel

and as more properly specified in Exhibit "A"(hereinafter referred to as "Fuel").

As consideration for this Contract, SELLER agrees to make the *Fuel* available for the amount specified herein and BUYER agrees to purchase these items exclusively from the SELLER, as specified in Exhibit "A."

Reference is hereby made to the specifications and requirements of the Invitation to Bid prepared by BUYER and the Bid submitted by SELLER in answer to BUYER's Invitation to Bid. All of the specifications and requirements of BUYER's Invitation to Bid and SELLER's Bid, identified as Exhibit "A", are incorporated herein by reference and made a part of this contract for all purposes.

SELLER hereby agrees to provide the *Fuel* to BUYER at Sherman, Texas, as requested by BUYER.

BUYER retains the right to reject all or any part of the *Fuel* delivered by SELLER that do not comply with the specifications as set forth in the Invitation to Bid and the Bid Proposal submitted by SELLER. Should any of the *Fuel* be rejected because of failure to meet specifications, and SELLER not supply conforming products within ten (10) days of date of rejection, then BUYER may purchase such products from the next lowest bidder willing to honor its bid, and SELLER agrees to pay to BUYER in cash the difference in the Bid Proposals.

Ownership of Items. SELLER represents that it is the record and beneficial owner of the items set forth in Exhibit "A," free and clear of any Lien and any other limitation or restriction (including any restriction on the right to vote, sell or otherwise dispose of the items, and will transfer and deliver to Buyer the items free and clear of any Lien and any such limitation or restriction.

Insurance. SELLER agrees to carry insurance as specified in Exhibit "A" and to name the BUYER as an additional insured.

INDEMNIFICATION. SELLER AGREES TO DEFEND, INDEMNIFY AND HOLD BUYER, ITS OFFICERS, AGENTS AND EMPLOYEES, HARMLESS AGAINST ANY AND ALL CLAIMS, LAWSUITS, JUDGMENTS, COSTS AND EXPENSES INCLUDING ATTORNEYS FEES, FOR PERSONAL INJURY (INCLUDING DEATH), PROPERTY DAMAGE OR OTHER HARM, FOR WHICH RECOVERY OF DAMAGES IS SOUGHT, SUFFERED BY ANY PERSON OR PERSONS, THAT MAY ARISE OUT OF OR BE OCCASIONED BY SELLER'S BREACH OF ANY OF THE TERMS OR PROVISIONS OF THIS AGREEMENT, OR BY ANY NEGLIGENT, GROSSLY NEGLIGENT, STRICTLY LIABLE ACT, OR ANY OMISSION OF SELLER, ITS OFFICERS, AGENTS, EMPLOYEES OR SUBCONTRACTORS, IN THE PERFORMANCE OF THIS AGREEMENT (HEREINAFTER "CLAIMS"); EXCEPT THAT THE INDEMNITY PROVIDED FOR IN THIS PARAGRAPH SHALL NOT APPLY TO ANY LIABILITY RESULTING FROM THE SOLE NEGLIGENCE OR FAULT OF BUYER, ITS OFFICERS, AGENTS, EMPLOYEES OR SEPARATE CONTRACTORS. IN ADDITION, THIS INDEMNIFICATION AND SAVE HARMLESS SHALL APPLY TO ANY IMPUTED OR ACTUAL JOINT ENTERPRISE LIABILITY.

No Waiver of Governmental Immunity. This Agreement does not waive, nor shall it be deemed to waive, any immunity or defense, including, but not limited to, governmental immunity, that would otherwise be available to the BUYER against claims arising from the exercise of governmental powers and functions.

Litigation. There is no action, suit, investigation, or proceeding pending against, or to the knowledge of SELLER threatened against or affecting, SELLER or any of their respective properties before any court or arbitrator or any governmental body, agency or official which in any manner challenges or seeks to prevent, enjoin, alter or materially delay the transactions contemplated by this Agreement.

Payment of Monies Owed to the City of Sherman. BUYER may, in its discretion, apply any monies owed to SELLER, the contracting party under this agreement, in partial or complete satisfaction of any property taxes due or other monies owe the City of Sherman, which are or become delinquent during the term of this contract.

Amendment of Contract. This agreement may not be changed, varied or altered except by an instrument in writing, duly executed on behalf of BUYER and by SELLER.

Assignment of Contract. No assignment by a party hereto of any rights under or interests in the Contract will be binding on another party hereto without the written consent of the party sought to be bound; and, specifically but without limitation, moneys that may become due and moneys that are due may not be assigned without such consent (except to the extent that the effect of this restriction may be limited by law), and unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under this Contract.

Severability. Any provision or part of this Contract is held to be void or unenforceable under any Law or Regulation shall be deemed stricken, and all remaining provisions shall continue to be valid and binding upon the BUYER and SELLER, who agree that the Contract shall be reformed to replace such stricken provision or part thereof with a valid and enforceable provision that comes as close as possible to expressing the intention of the stricken provision.

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.

Applicable Laws and Venue. <u>This agreement shall be construed in accordance with the laws of the State of Texas, shall be deemed performable and enforceable in the State of Texas, with venue in Grayson County, Texas</u>.

IN WITNESS WHEREOF, this instrument, in duplicate originals of equal force, has been executed on behalf of SELLER and on behalf of BUYER, City of Sherman, by its City Manager and attested by its City Clerk, effective the 26 day of August, 2008.

SELLER:	**BUYER:**
W. DOUGLAS DISTRIBUTING, Ltd.	**CITY OF SHERMAN, TEXAS**
d/b/a Douglas Distributing	
BY: [signature]	**BY:** ______________
NAME: Brad Douglas	
TITLE: President	**CITY MANAGER**
325 E. Forest Ave.	**220 W. MULBERRY**
Sherman, Texas 75090	**SHERMAN, TEXAS 75090**
DATE: August 24, 2008	**DATE:** ______________
ATTEST:	**ATTEST:**
BY: [signature]	______________
NAME: Brent Andrews	**LINDA ASHBY, CITY CLERK**
TITLE: ______________	

APPROVED:

____

DOREEN E. MCGOOKEY
CITY ATTORNEY

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 9-2-2008

Subject: Agenda Item No. D.1

**** CHANGE ORDER NO. 1***
Harrison Avenue Storm Drain Replacement; Lynn Vessels Construction, LLC; $969.99, Increase

Issue
To consider approval of a change order for the Harrison Avenue Storm Drain Replacement

Background
At the June 16, 2008 meeting, the City Council approved a contract with Lynn Vessels Construction, LLC for replacement of a section of an existing storm sewer between Lowell Avenue and Mulberry Street along Harrison Avenue, which was failing. The cost to replace the pipe was included in the 2007-2012 Capital Improvement Program (CIP) budget. Change Order No. 1 is a final reconciliatory change order to adjust the final project quantities for the Harrison Avenue Storm Drain Replacement between Lowell Avenue and Mulberry Street.

Origination
Department of Public Works

Financial Consideration
The change order results in a $969.99 increase in the contract amount, yielding a final contract price of $79,520.22. Funds are available in the budget for this change order.

Staff Recommendation
It is recommended that Change Order No. 1 be approved.

Alternatives
As may be directed by the City Council

Attachments
Change Order No. 1
Location Map

Prepared by:
Jeff Miller, Public Works Director

Approved by:
George Olson, City Manager

Change Order

No. 1

Date of Issuance: 08/12/08 Effective Date: 08/12/08

Project: Harrison Ave. Storm Drain Replacement	Owner: City of Sherman	Owner's Contract No.:
Contract:		Date of Contract:
Contractor: Lynn Vessels Construction, LLC		Engineer's Project No.:

The Contract Documents are modified as follows upon execution of this Change Order:

Description: Adding items for Limestone Screenings and Asphalt Street Repair, & Adjustments to original quantities.

Attachments: (List documents supporting change):

CHANGE IN CONTRACT PRICE:	CHANGE IN CONTRACT TIMES:
Original Contract Price: $ 78,550.23	Original Contract Times: ☐ Working days ☐ Calendar days Substantial completion (days or date): ____ Ready for final payment (days or date): ____
[Increase] [Decrease] from previously approved Change Orders No. 0 to No. 0 : $____	[Increase] [Decrease] from previously approved Change Orders No.____ to No.____: Substantial completion (days): ____ Ready for final payment (days): ____
Contract Price prior to this Change Order: $ 78,550.23	Contract Times prior to this Change Order: Substantial completion (days or date): ____ Ready for final payment (days or date): ____
Increase of this Change Order: $ 969.99	[Increase] [Decrease] of this Change Order: Substantial completion (days or date): ____ Ready for final payment (days or date): ____
Contract Price incorporating this Change Order: $ 79,520.22	Contract Times with all approved Change Orders: Substantial completion (days or date): ____ Ready for final payment (days or date): ____

RECOMMENDED:	ACCEPTED:	ACCEPTED:
By: [signature]	By: ____	By: [signature]
Engineer (Authorized Signature)	Owner (Authorized Signature)	Contractor (Authorized Signature)
Date: 8/26/08	Date: ____	Date: 8-14-2008

Approved by Funding Agency (if applicable): ____ Date: ____

EJCDC No. C-941 (2002 Edition)
Prepared by the Engineers' Joint Contract Documents Committee and endorsed by the Associated General Contractors of America and the Construction Specifications Institute.

PERIODIC ESTIMATE

ESTIMATE NO: Final
PROJECT: Harrison Ave. Storm Drain Replacement
OWNER: City of Sherman
ADDRESS: 220 W. Mulberry, Sherman, TX 75090
CONTRACTOR: Lynn Vessels Construction, LLC
ADDRESS: P.O. Box 1212, Sherman, TX 75091

Original Contract Amount	$78,550.23
Total Additions	$1,688.74
Total Deductions	-$718.75
Contract as Revised to Date	$79,520.22
Total Amount of Work Done to Date	$79,520.22
Materials on Hand	$0.00
Total Work & Materials	$79,520.22
Amount Retained (10) Percent	$0.00
Balance	$79,520.22
Less Previous Payments	$46,851.57
Amount Due This Application	$32,668.65

Contract Date	06/10/08
Days Allowed to Complete	90
Date of Substantial Completion	
Date of Final Completion	08/08/08

CONTRACTOR'S Certification: The undersigned CONTRACTOR certifies that (1) all previous progress payments received from OWNER on account of work done under the Contract referred to above has been applied to discharge in full all obligations of CONTRACTOR incurred in connection with the work covered by prior Applications for Payment numbered 1 through ____ inclusive; and (2) title to all materials and equipment incorporated in said Work or otherwise listed in or covered by this Application for Payment will pass to OWNER at time of payment free and clear of all liens, claims, security interests and encumbrances (except such as covered by Bond acceptable to the OWNER).

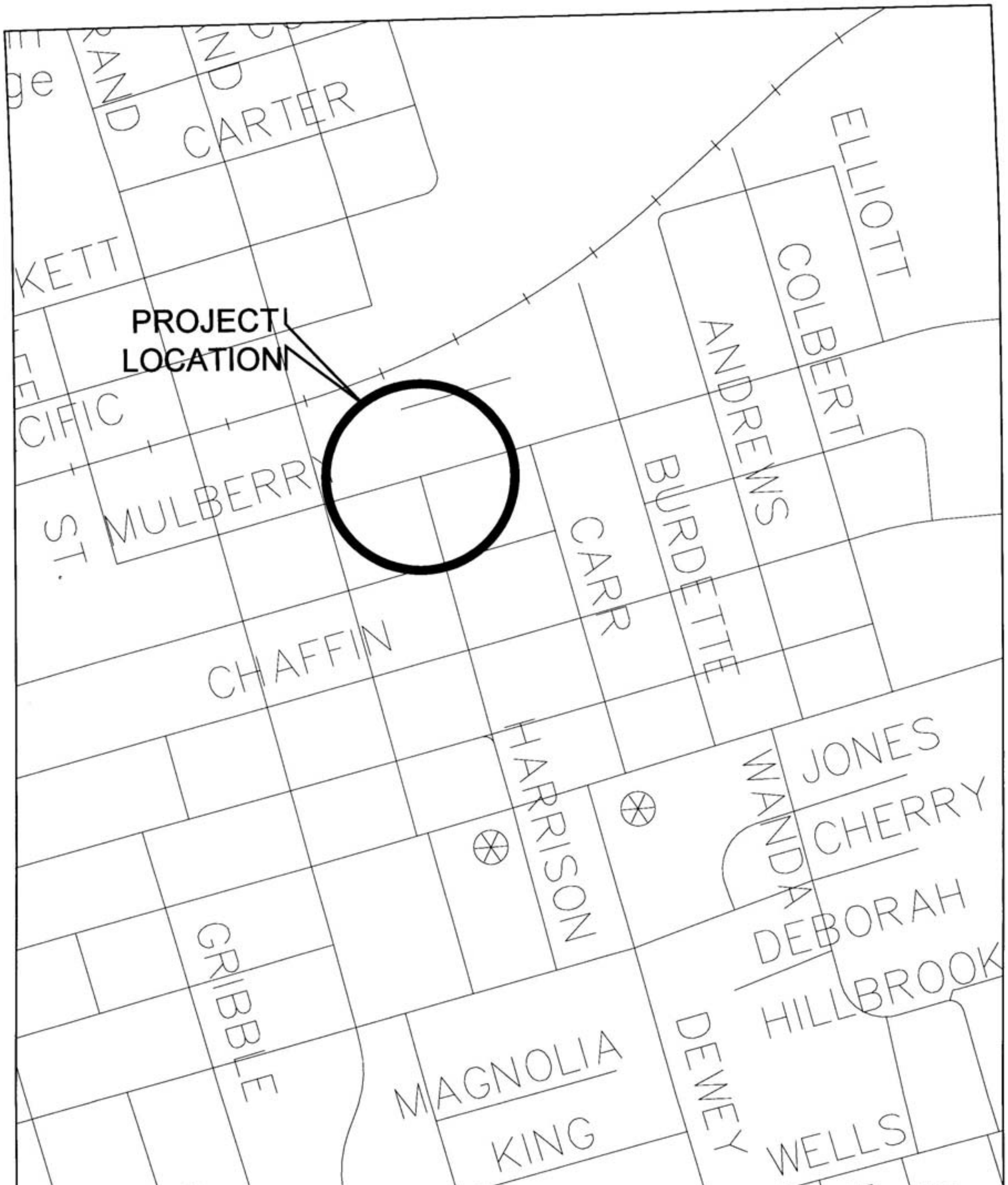
Lynn Vessels Construction, LLC.
Contractor

By: Lynn Vessels, Owner
Dated: 8/12, 2008

ENGINEER'S Recommendation:
This application (with accompanying documentation) meets the requirements of the Contract Documents and payment of the above AMOUNT DUE THIS APPLICATION is recommended.

Dated________________, 2008

Teague Nall & Perkins
Engineer
By: Chris [signature] 8/26/08



City of Sherman, Texas

HARRISON AVENUE STORM SEWER REPLACEMENT

PROJECT LOCATION MAP

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 9-2-2008

Subject: Agenda Item No. D.2

**** CHANGE ORDER NO. 1***
2007-2008 Street Mill and Overlay Program; R.K. Hall Construction, Ltd.; $46,709.00, Increase

Issue
To consider approval of a change order for the 2007-2008 Street Mill and Overlay Program

Background
At the July 21, 2008 meeting, the City Council approved a contract with R.K. Hall Construction, Ltd. for street mill and overlay services during fiscal year 2007-2008. This fiscal year, the City's overall street improvement program includes several mill and overlay projects that are part of both the new "Enhanced Thoroughfare Network" program and the Capital Improvement Program. In an effort to improve the City's chances of receiving the lowest possible bid, all mill and overlay projects were bundled together as one large project to include:

- Travis Street from Kam Corners to Washington Street (CIP);
- Ricketts Street from McGee to Washington (Street Department budget); and
- Taylor Street from Ricketts Street to Heritage Parkway (sales tax revenue).

The bid received from R.K. Hall provided savings over the planned budget for the above projects. With these savings, one additional street segment is being proposed on this year's mill & overlay project list. That segment would be to resurface Loy Lake Road, between Taylor Street and Texoma Parkway, and provide further improvement to this heavily traveled thoroughfare. Change Order No. 1 will provide the estimated funding for the Loy Lake segment.

Origination
Public Works Department

Financial Consideration
The change order results in a $46,709.00 increase in the contract amount. Funds for this increase are available in the current budget and will be funded through project savings for other mill and overlay projects.

Staff Recommendation
It is recommended that Change Order No. 1 be approved.

Alternatives
As may be directed by the City Council

Attachments
Change Order No. 1
Location Map

Prepared by:
Jeff Miller, Public Works Director

Approved by:
George Olson, City Manager

CITY OF SHERMAN
CONTRACT CHANGE ORDER

Resolution No. 5238

Date: September 2, 2008

Change Order No. 1

Project: 2008 Mill & Overlay
Location: Loy Lake Rd., Taylor St. to Texoma Pkwy.

To: R.K. Hall Construction
You are hereby requested to comply with the following changes from the contract plans and specifications:

Item Number (1)	Description of Changes, Quantities Units, Unit Prices, change in completion schedule, etc. (2)	Decrease in Contract Price (3)	Increase in Contract Price (4)
1	Mill & overlay per specifications and bid. Loy Lake Rd., Taylor St. to Texoma Parkway	N/A	$46,709.00

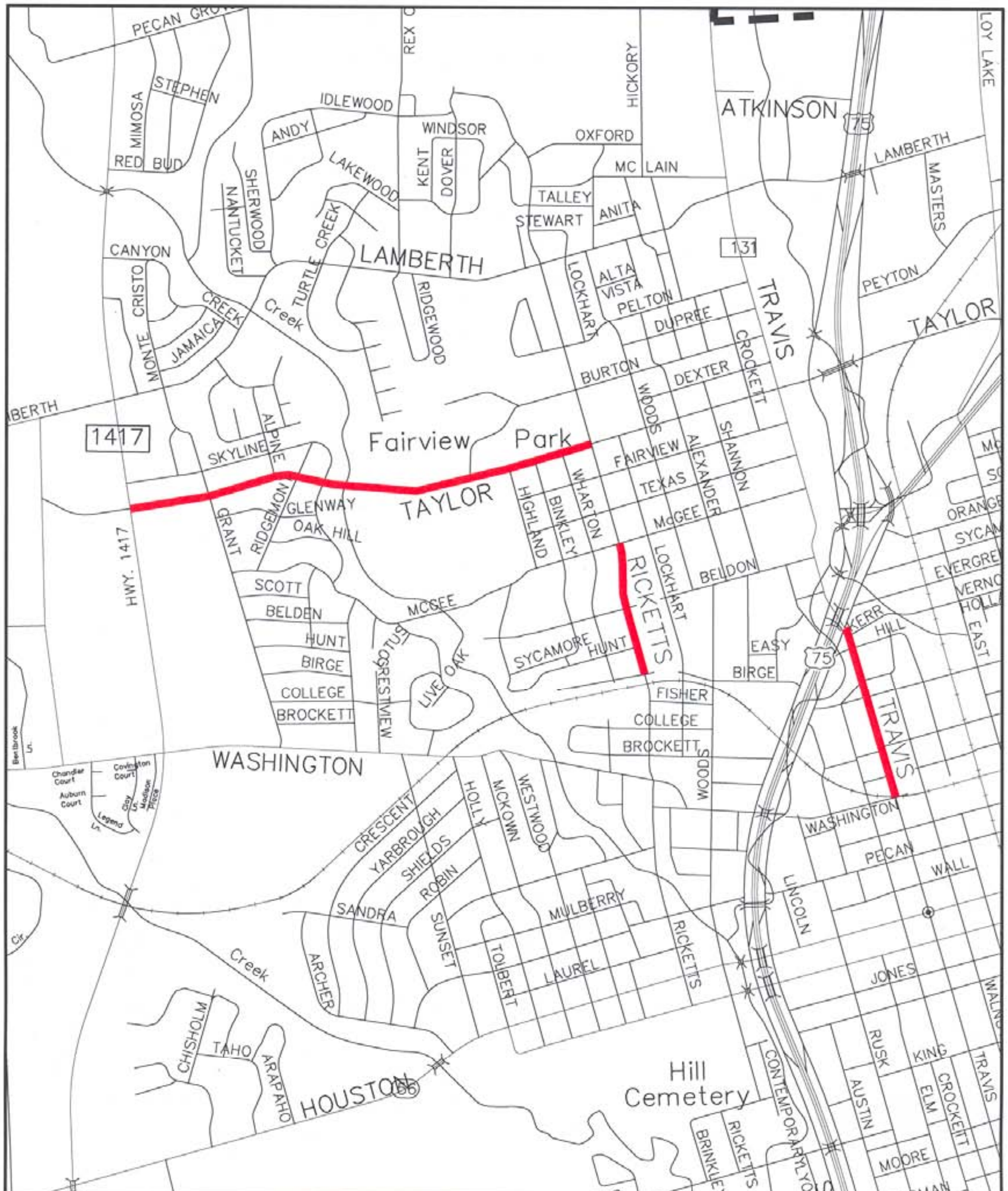
The sum of **$46,709.00** is hereby **added to** project based upon the bid prices as awarded in contract dated July 21, 2008.

The time provided for completion in the contract is **unchanged**. This document shall become an amendment to the contract, and all provisions of the contract will apply hereto.

Accepted By:______________________________ Date:____________________

Recommended By:______________________________ Date:____________________

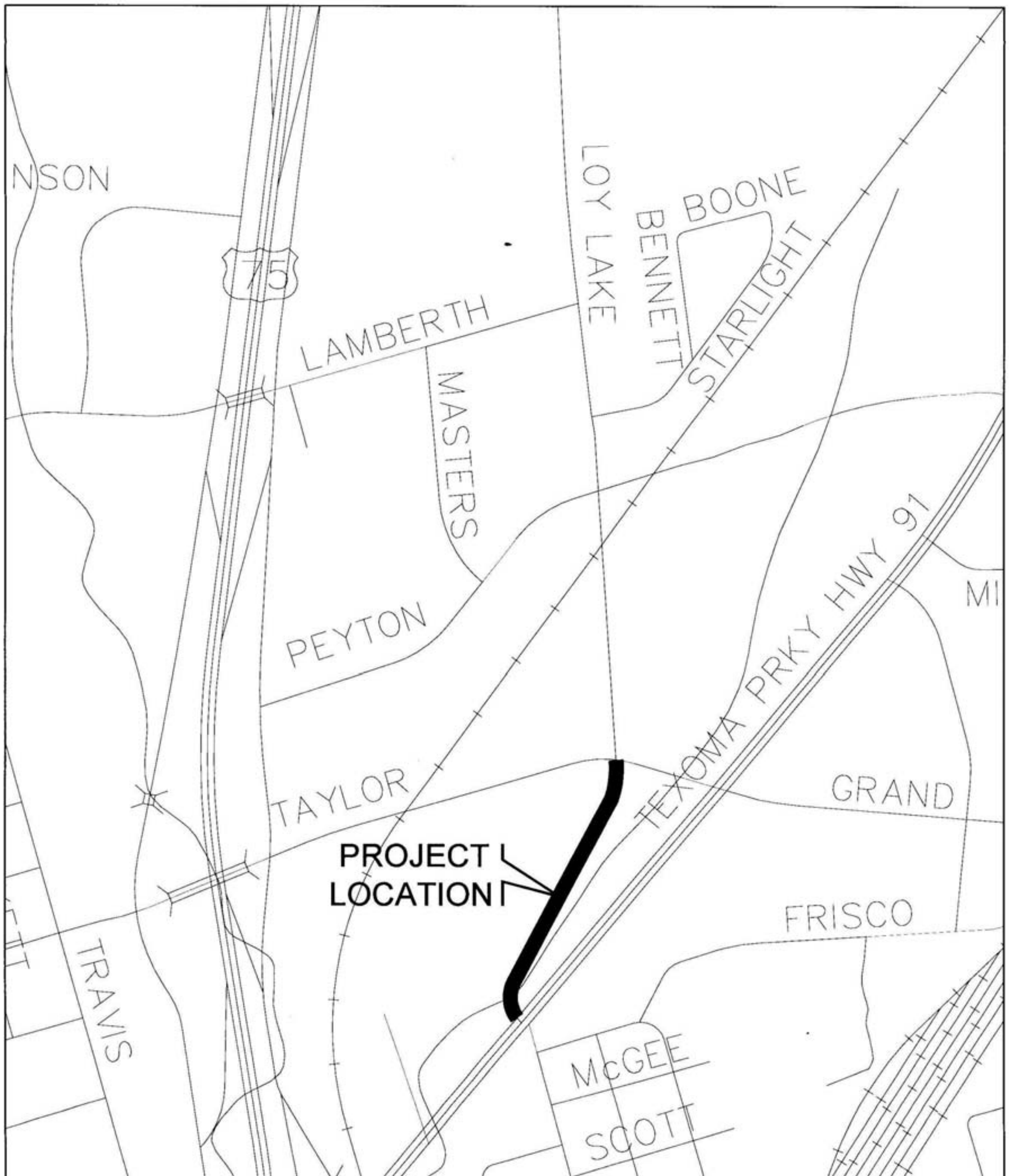
Approved By:______________________________ Date:____________________
George Olson, City Manager



City of Sherman, Texas

2008 MILL & OVERLAY

PUBLIC WORKS



City of Sherman, Texas

ADDITIONAL MILL and OVERLAY PROJECT

PROJECT LOCATION MAP

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 9-2-2008

Subject: Agenda Item No. D.3

OTHER BUSINESS
Receive Police Chief Tom Watt's Briefing on Graffiti in Sherman

Issue
Graffiti in Sherman

Background
Graffiti has been determined to be a nuisance because its continued existence constitutes a visual blight upon the area in which located. The greatest disincentive to graffiti is its prompt eradication. The best way of minimizing the blight created by graffiti is the quick removal of the graffiti.

Origination
Police Department

Financial Consideration
Minimal for staff

Staff Recommendation
Adopt aggressive ordinance to remove graffiti from private property

Alternatives
As the City Council directs

Attachments
- List of locations where graffiti is currently displayed
- 4 photographs depicting graffiti issue in one section of Sherman

Prepared by:
Tom Watt, Police Chief

Approved by:
George Olson, City Manager

<u>Graffiti – East Side</u>

Broughton/College: Paint symbol on railroad switching box – private property

Frisco Road side under Grand Street Overpass: Painted figures – private property; park side of foot stairs at Grand Street overpass, inside

Old Settlers Park: Red gang symbols – public property

Northeast side of brick building at 1612 North Grand (next to Grand Street Overpass): Painted symbols – private property

1329 North Grand: Painted names – private property, convenience store

300 North East: Building with painted name on it – private property

North East corner of First and Cherry: Unknown words on building – private property

Centennial and Railroad tracks: Gang symbols on RR shed – private property

Odneal at both sets of Railroad tracks: Gang symbols and "SPIN" on RR shed and grain silos – private property

510 East King (contractor storage): Unknown writings – private property

Cherry Street at Railroad tracks: Gang symbols and "SPIN" – private property

500 East Houston Street: Unknown words and "HIEST" – private property

Lamar at Railroad tracks: Names, words on grain towers – private property

Two buildings at 500 East Houston: Words – private property

902 East Lamar: Gang symbols on building – private property

Harrison Street underpass: Words – public

South Gribble, Armory: Gang symbols – private property

Rosedale Park: Gang symbols on back of sign – public property

616 East Rosedale, east end of apartment building: Gang symbols – private property

1300 block of South Throckmorton: Drawing and names in street – public property

Hawn Park, north end of ramp: Gang symbols – public property

Grand Street Overpass: Gang symbols – public property

Randolf alley in the 1300-1400 block: Gang graffiti on building and fence “Spin”– private property

525 South Walnut: Gang graffiti back side “Spin” – private property

100 East Lamar (Cardwell law firm): Top of building “Heist” – private property

Alley between Walnut and Montgomery in the 1500 block: Gang graffiti – public property

201 North Walnut (open building): Sprayed on inside – private property

817 South Montgomery: Gang graffiti on front of building – private property

518 East Lamar (Johnson and Burks): Gang graffiti Latin Kings – private property

900 North Broughton (RR junction box): “Yez” on north side; possibly a bird on west side, has been painted over

1500 North Grand Ave. (Grand bridge pillar): “Par sa” or “pan sa” – public property

2200 Texoma Parkway (west of Hastings): “Xoz” – private property

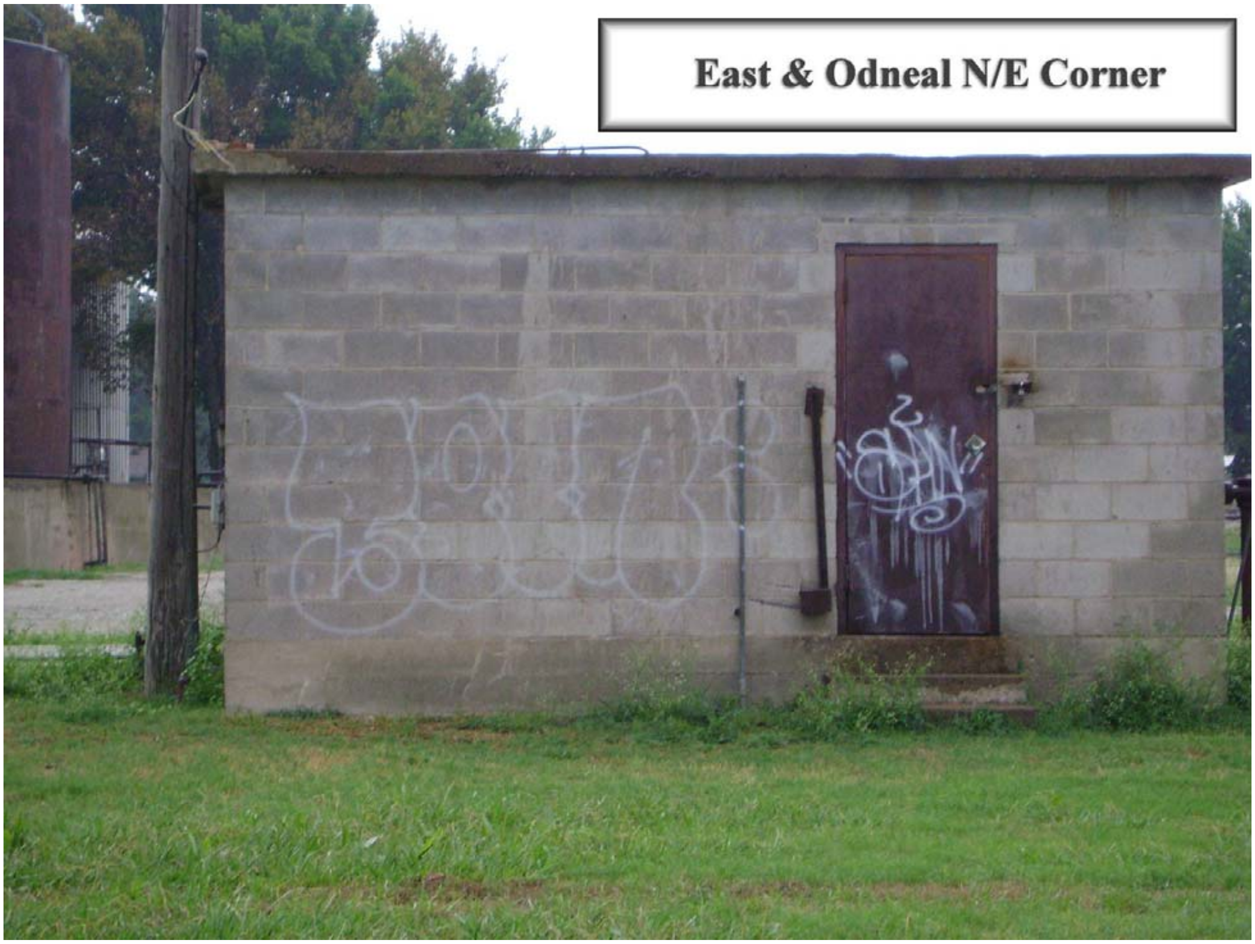
2200 Texoma Parkway (Feras Restaurant): West side of concrete wall around dumpster – “soe” – private property

1300 East Pacific (Old Wire Plant, building facing north): “Panda” “there was a hole here” “Tau H' Eta C” “So What” “Secret to the universe is here if you look” – private property


100 E. Lamar

500 S. Walnut (Business)

Odneal & Montgomery



East & Odneal N/E Corner

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 9-2-2008

Subject: Agenda Item No. D.4

**** OTHER BUSINESS***

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 26th Annual Sherman Arts Festival on Saturday, September 20, 2008

Issue

The Sherman Arts Festival Committee proposes to hold the 26th annual Sherman Arts Festival on Saturday, September 20th, and requests barricades and street closures, suspension of parking time limits, and the use of City facilities and services, including trash pickup, trash cans, dumpsters, and street sweepers.

Background

The Sherman Arts Festival Committee proposes to hold its 26th annual Sherman Arts Festival on the Municipal Building grounds from 9:00 a.m. to 5:00 p.m. on Saturday, September 20th, and has reserved the Oliver Dewey Mayor Outdoor Theater, the Municipal Ballroom, and the Kidd-Key Auditorium. In order to accommodate the 5K race, 15K race and the festival itself, they request barricades and street closures around the Municipal Building and the Grayson County Courthouse (for the Hispanic Heritage Festival), along with suspension of parking time limits in the downtown area and the utilization of City services, including trash pickup, the placement of trash cans and dumpsters, access to tables and chairs, and the sweeping of streets around the Municipal Building, up Mulberry to Crockett, and adjacent to the Courthouse square sometime prior to September 14th. In addition to the above specific requests, the event will require traffic control assistance and medical support from the City of Sherman. No objections or concerns have been expressed concerning the proposed event or its location.

Origination

Sherman Arts Festival Committee Representative John R. Murphy
Hispanic Heritage Festival Representative Rhonda Marroquin

Financial Consideration

Labor and equipment to assist with the control of traffic and implementation of barricades, placement of trash cans and dumpsters, trash pickup and sweeping the streets in the area

Staff Recommendation

It is recommended that the City Council approve the request to hold this annual event on the Municipal Building grounds and that the staff be authorized to make the necessary expenditures and use necessary City resources to accommodate this event.

Alternatives

No alternatives are recommended.

Attachments

Mr. Murphy's request of August 12, 2008; Poster; Sherman Arts Festival 15K info; Barricade/Location Map
Hispanic Heritage Verbal Request

Prepared by:
Jeff Miller, Public Works Director

Approved by:
George Olson, City Manager

August 12, 2008

George Olson,
City Manager
City of Sherman
P.O. Box 1106
Sherman, TX 75091-1106

George,

The Sherman Arts Festival Committee would like to reserve the grounds, including the gazebo, ballroom, auditorium, and all of the tables and chairs that you have made available in the past from mid-morning on Thursday September 18 thru Saturday, September 20, 2008 at 6 p.m.

I hope SCAH has already reserved the ballroom for most of this week.

Please find attached the requested street closures that allow for the 5K race, and the Festival itself. The 15K will also be run this year, and a map of the course is also attached. Some special help will be needed (again) from the Police Department to insure a safe route for the 15K. The logistics involved are … interesting – this route is laid out and certified thru the national association. We understand that the bike race will be held at a later date.

As in the past, if the Street Department could put the barricades on the sidewalk/shoulder adjacent to the intersections on Friday afternoon, we will block the streets at dark-thirty on Saturday morning. And, we will return them to the sidewalks/shoulders Saturday evening.

Tents:

> We will, again, be getting the framed 10x10 tents for the gatekeepers (the ones which will not blow away in a small breeze). The tent company wants to set them up where they will be needed, on Friday afternoon. We are asking y'all to provide barricades to surround these tents - which will be picked up on Monday morning. We will, of course try to place the tents

outside of traffic lanes, but this will require one be in the middle of Rusk just South of Washington.

We will be getting another large tent for the dining area. Mike will clearly mark the irrigation and electrical lines, and the tent company guarantees they won't hit the lines if they are marked.

We understand that the Hispanic Celebration will be held simultaneously on the Courthouse Square.

The completion of power taps to the grounds by your folks will have a HUGE impact on the way we operate The Festival. Please convey our appreciation to any and all involved in getting these taps installed!

This is the 26th annual Arts Festival!! Thank you and your staff for your continued support. If you have any questions, please contact me.

Sincerely,

John R Murphy

Celebrate! ART

www.shermantx.org 903 957 0310

26th Annual Sherman Arts Festival

SCP Theatricks Musical - Oliver Sept. 5 -7 & 12 - 14

Script to Screen Sept. 12 - 13

Red River Quilts Sept. 16 - 20

Youth Art, Fine Art & Woodcarving Shows Sept. 19 - 20

Outdoor Events - Run, Art -Crafts, Music, Food, Kids Fun & Storytelling Sept. 20

Book Sale - Sept 20

Geno Delafose French Rockin' Boogie - Sept. 20

Butterfield Trail Heritage Celebration, Sept. 21

Festival sponsors - Sherman Council for the Arts & Humanities, City of Sherman, Sherman Tourism, Sherman Service League, SCP Theatricks, Sherman Education Foundation, American Bank of Texas, Atmos Energy, Sherry Smith/Ebby Halliday Realtor, John Moseley, Herald Democrat, Cable One, Texoma Living, KXII, Altrusa

SHERMAN ARTS FESTIVAL 15K

DOWNTOWN SHERMAN, TEXAS
USAT&F Certification #
Measured 12-Sep-2007 by Ken Ashby

COURSE DIRECTIONS

1. Start (S) on Rusk St.
2. Left (E) on King St.
3. Left (N) on Travis St.
4. Left (W) on Washington St.
5. Right (N) on Woods St.
6. Left (W) on Belden St.
7. Right (N) on Woods St
8. Left (W) on Lamberth Rd.
9. Left (S) on Little Ln.
10. Left (E) on Washington St.
11. Right (S) on Sunset Blvd.
12. Right (SW) on Crescent Dr.
13. Left (SE) on Archer Dr.
14. Right (W) on Houston St.
15. Left (SE) on Binkley Park Dr.
16. Left (E) on Center St.
17. Left (N) on Rusk St. to finish.

MEASURED POINTS

Each point is marked with white paint and shiner.

START: On Rusk St, 27' before (N of) Laurel St, even with LP-71162-203. Same as 5K start.

0.5-M: On King St, 3' after (E of) C/L of Elm St.

1-M: On Travis St, 72' after (N of) Houston St.

2-M: On Woods St, at far (N) edge of Birge St.

3-M: On Woods St, by front door to # 2316, and 153' before (S of) Alta Vista.

5-Km: On Woods St, 53' before Lamberth Rd.

4-M: On Lamberth Rd, 10' after (SW of) bridge.

5-M: On Little Ln, 22' before Estate West Rd.

6-M: On Washington St, by front door to # 1801, and 109' before (W of) Westlake Village sign.

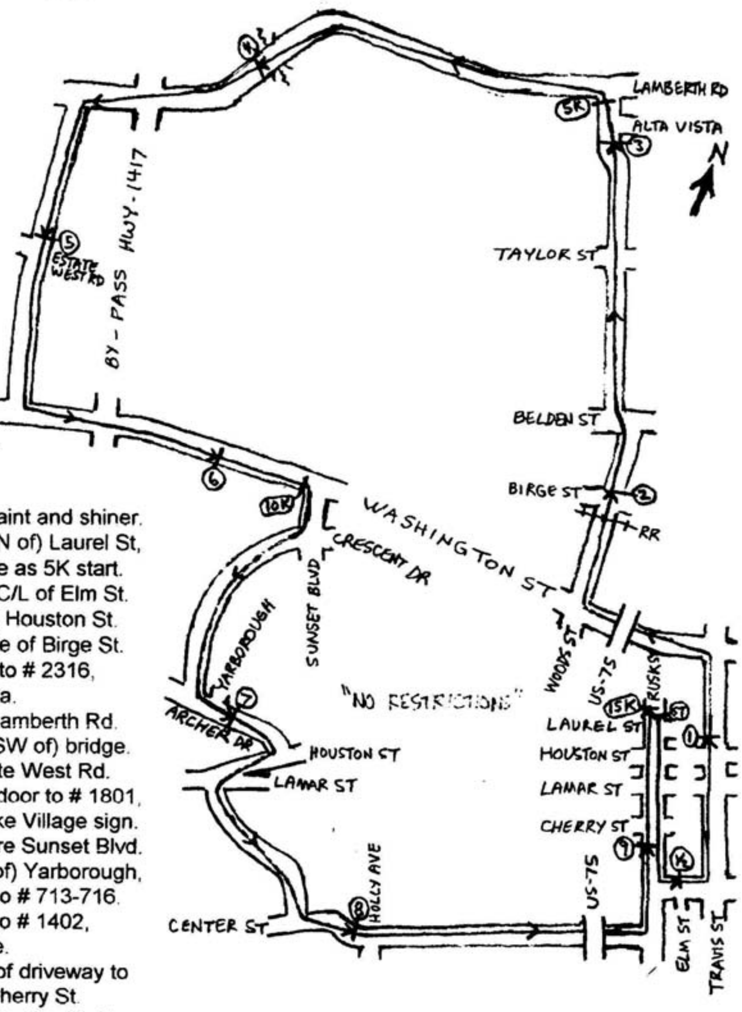
10-Km: On Wash'ton St, 20' before Sunset Blvd.

7-M: On Archer Dr, 72' after (SE of) Yarborough, and 17' after (SE of) entrance to # 713-716.

8-M: On Center St, by front door to # 1402, and 82' before (W of) Holly Ave.

9-M: On Rusk St, at far (N) edge of driveway to # 413, and 185' before (S of) Cherry St.

15-Km (FINISH): On Rusk St, 105' after (N of) Laurel St, 78' after start, and 3' after 5K finish.



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Sherman Education Foundation

ENHANCE • ENRICH • EDUCATE

presents the

3rd Annual

5K/15K Run & Mini-K

September 20, 2008

in conjunction with the

24th Annual

sherman arts festival

Sherman, Texas

www.shermantx.org

Bob Utter Ford
Lincoln Mercury Kia

John G. Papalia, M.D.

Grayson Home Health

Wachovia Securities

Ebby Halliday Realtors
EBBY.COM

Ability

MS

Landmark Bank

Apex

Dickey's

LoneStar Food Store

RE/MAX Select

American Bank of Texas

Tyson
Tyson Foods, Inc.

Academy Sports + Outdoors

Run Time

Texoma Neon Co.

Celebraté! THE RUN

CASH AWARDS 5K/15K

1st Place Overall - $100/$100
1st Place Master (40+) - $50/$50
1st Place Grand (50+) - $50/$50
and new this year . . .
1st Place Senior (60+) - $50/$50

Top overall, male and female, receive awards and cash.
Top Master (40+), Grand (50+) and Senior (60+), male and female, receive an award and cash prize.
Top three finishers in each age group receive awards.
Also new this year . . .
Largest Team and Largest Group receive awards.

5K & 15K AGE GROUPS:

Male & Female: 0-9, 10-14, 15-19, 20-24, 25-29, 30-34, 35-39, 40-44, 45-49, 50-54, 55-59, 60-64, 65-69, 70+

SCHOOL TEAMS & GROUP INFO

School Teams (8+ students) - 1/2 price
Groups (5+) - $15 for 5K/15K; $8 Mini-K

Use exact Team/Group names on registrations.
Send Team/Group registrations together by 9/15/08.

PACKET PICK-UP

September 18 & 19 Noon - 6 pm

Academy Sports + Outdoors
3939 U.S. Highway 75 North
Sherman, Texas

REGISTRATION

15K - Single entry fee is $20 until 9/15/08. Race day entries and entries postmarked after this date are $25. Entry fee includes a t-shirt.

5K - Single entry fee is $20 until 9/15/08. Race day entries and entries postmarked after this date are $25. Entry fee includes a t-shirt.

Mini-K - A one-mile run/walk for all ages. Single entry fee is $10 until 9/15/08. Race day entries and entries postmarked after this date are $15.
Entry fee includes a t-shirt.

TECHNICAL SHIRTS

for the first 100 paid 5K or 15K entrants!

RACE DAY SCHEDULE OF EVENTS

6:00 am	Registration & packet pick-up
7:15 am	15K Registration Ends
7:30 am	15K Run Starts
7:45 am	5K Registration Ends
8:00 am	5K Run Starts
9:00 am	Mini-K Fun Run Starts
10:30 am	5K & 15K Awards Ceremony

THE COURSE

The 5K, 15K and Mini-K begin and end at the corner of Laurel & Rusk Streets near the Sherman Municipal Grounds where the Sherman Arts Festival takes place.

The courses are on city streets and the 5K/15K each have water station(s) available. The 5K & 15K courses are USAT&F certified and course routes are available at: www.shermanisd.net/SEF/run/run_index.htm

Run Time — ChampionChip Timed Event

Runners are responsible for picking up their own chip at the chip distribution table in the registration area on race day.

Questions? Contact us at 903.891.6431 or kbickerstaff@shermanisd.net

ENTRY FORM

Name ______________________

M F Age______ Birthdate ____________

Address ______________________

City____________________ St ________

Zip ___________ Phone ______________

E-Mail ______________________

Team/Group Name ______________________

Personal Champion Chip ______________________

Shirt Size: YS YM S M L XL XXL
(we do our best to provide the size you request, however sizes cannot be guaranteed)

_____ Timed 5K

_____ Timed 15K

register online at active.com

_____ Mini-K

Make checks payable to:
Sherman Education Foundation
P. O. Box 1176
Sherman, TX 75091

Waiver Statement: (must be signed) With signed completion of this entry, I assume full responsibility for any injury or accident which may occur during participation in the event or while on event premises. I release and hold harmless sponsor, promoters and all persons and entities associated with the event. I will not enter unless medically fit and properly trained. I know there may be traffic on the course. I assume the risks associated with the event, including but not limited to falls, contact with other participants, effects of weather including heat and/or humidity, and conditions of the road. If used, I assume all responsibility associated with operation of a baby jogger. I grant my permission to use photographs, videotape, or any other record of this event. I have read the foregoing and certify my agreement by my signature, and my parent's or guardian's if under 18.

____
Signature of Participant

____
Signature of Parent/Guardian (if under 18)

View Route

Name:	**Sef 15k**
Rating:	*unrated*
Distance:	9.47 miles / 15.24 km
Location:	Start: Piner Middle School - Sherman, TX, US
Attributes:	loop, mixed flat & hills, roads
Description:	

Elevation Profile

Click to view elevation profile

0

Total climb: 0 feet / 0 m

Total elevation change: 0 feet / 0 m

Added by Barbara Ann on 6/19/2008

DISCLAIMER: USATF and the author of this route make no warranties as to the conditions, safety, distance accuracy, or suitability for running of this route. Run at your own risk!

Regarding Sherman Arts Festival 2008

Street Closures:

- Mulberry at the west side of city offices parking lot
- Pecan at the west side of Elm as it heads south from Pecan and at the west side of Rusk as it turns west onto Pecan
- Laurel at the west side of Elm as it heads south from Laurel
- Elm at the north side of Mulberry
- Rusk at the north side of Houston and the south side of Washington

Additional Requests:

- Request 20 cones dropped off at the church lot on Washington & Elm
- Request 8 barricades at Pecan & Rusk and the traffic light there to be flashing
- Request permit free parking in all city-owned lots on Sept. 20th and the use of the Municipal Building parking lot for food vendor parking
- Request use of City Services, trash pick-up, trash cans and dumpsters to be used. Request streets around the Municipal building and up Mulberry to Crockett be swept sometime prior to September 14th

Request from the Hispanic Heritage Council
Hispanic Heritage Festival on the Courthouse Square

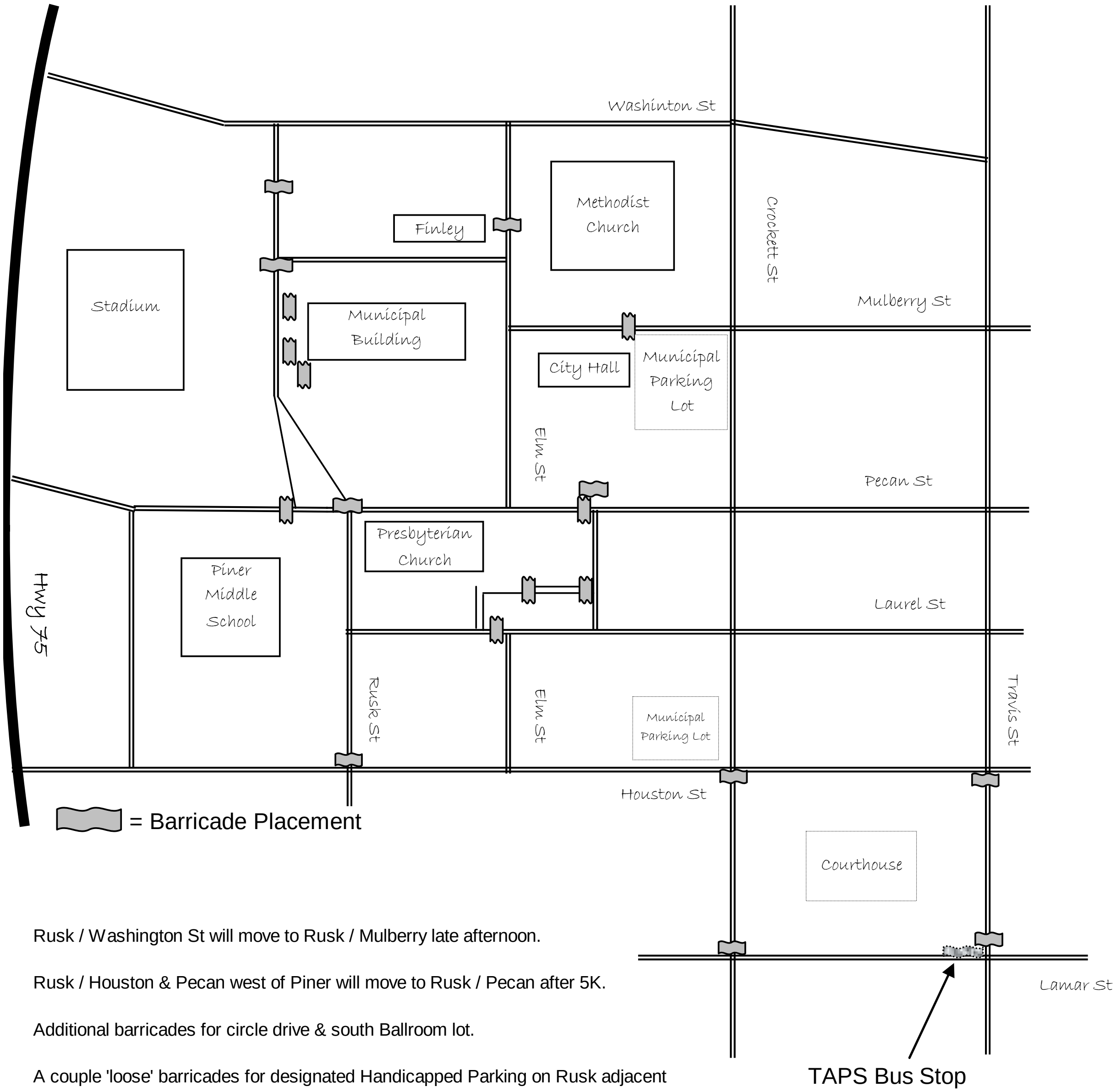
Street Closures:

- Crockett between Lamar and Houston and Houston and Wall with barricades (maintaining through traffic on Houston Street)
- Travis between Houston and Lamar

Additional Requests:

- Request barricading of the parking spaces on the north and south sides of the Courthouse (Houston and Lamar)
- Request barricade of the last three parking spaces on the south side of Lamar, as it approaches Travis, for the TAPS bus pickup/drop off
- Request an additional twelve street barricades placed at the north side of the Courthouse (main front)
- Request for one city dumpster to be placed on the west side Courthouse parking lot (north corner of the parking lot)
- Request ten of the green roll around trash cans

Barricade/Location Map



Rusk / Washington St will move to Rusk / Mulberry late afternoon.

Rusk / Houston & Pecan west of Piner will move to Rusk / Pecan after 5K.

Additional barricades for circle drive & south Ballroom lot.

A couple 'loose' barricades for designated Handicapped Parking on Rusk adjacent to Mulberry.

NOTE: barricades around the Courthouse are for the Hispanic Heritage folks. Assuming they will be there.

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 9-2-2008

Subject: Agenda Item No. D.5

CITIZEN REQUESTS

The Honorable Bill Magers, Mayor

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 9-2-2008

Subject: Agenda Item No. D.6

MEDIA QUESTIONS

The Honorable Bill Magers, Mayor

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 9-2-2008

Subject: Agenda Item No. D.7

APPOINT/REMOVE OR CONSIDER QUALIFICATIONS
TO BOARDS AND COMMISSIONS
Confirmation of City Manager Appointment
of a Member to the Civil Service Commission (1)

Issue
There is currently a vacancy on the Civil Service Commission. Lee Salinas has completed an application for service on the Commission. The City Manager is responsible for appointment of members to the Civil Service Commission, with confirmation by the City Council. The appointment will be to fill an unexpired term to June 8, 2010.

Background
The Civil Service Commission makes provisions for open, competitive, and free examinations for Civil Service applicants; makes rules and regulations governing promotions; investigates disciplinary suspensions; and make rules and regulations on efficiency ratings for all employees in the Civil Service classified service.

Origination
The appointment originated with the City Manager's Office.

Financial Consideration
There is no financial consideration.

Staff Recommendation
It is recommended that the City Council confirm the City Manager's appointment of Lee Salinas to the Civil Service Commission.

Alternatives
The alternative is to delay confirmation of the City Manager's appointment of a new member to the Civil Service Commission.

Attachments
A roster, fact sheet, applicant list, and application are attached for examination.

Prepared by:
Linda Ashby, City Clerk

Approved by:
George Olson, City Manager

MEMBERSHIP ROSTER

<u>CIVIL SERVICE COMMISSION</u>

LENGTH OF TERMS: THREE YEARS-LGC143-006

MEMBER	DISTRICT	TERM BEGINS	TERM EXPIRES	TERMS	MEMBERSHIP REQUIREMENTS
			6/8/2010		See LGC 143.006
James Lough	4	A 6/7/2005 R 6/7/2008	6/7/2008 6/7/2011	1 2	
Charles H. Brown, Sr.	4	A 5/29/2002 R 5/29/2005 R 5/29/2008	5/29/2005 5/29/2008 5/29/2011	1 2 3	

NOTE:

Chair:

CITY STAFF: Wayne Blackwell, Civil Service Director
Revised 4/22/2008

FACT SHEET

CIVIL SERVICE COMMISSION

Established by LOCAL GOVERNMENT CODE 143.

1. Number of Members THREE
2. Term of Appointment THREE YEARS
3. Consecutive Term Rule THREE TERMS
4. Qualifications for Membership (1) be of good moral character; (2) be a United States Citizen; (3) be a resident of the municipality who has resided in the municipality for more than three years; (4) be over 25 years of age; and (5) not have a held a public office within the preceding three years
5. Appointed by CHIEF EXECUTIVE OFFICER (CITY MANGER), CONFIRMED BY CITY COUNCIL
6. Board Organization

   CHAIRPERSON ELECTED

   VICE CHAIR ___ELECTED
7. Departmental Responsibility DIRECTOR OF CIVIL SERVICE/PERSONNEL DIRECTOR
8. Meeting Date January, March, May, July, September, November, and special meetings as called
9. Attendance Requirements REQUIRED

PURPOSE:

To formulate standards and qualifications for each class or position in the classified service.

RESPONSIBILITIES:

To make provisions for open, competitive and free examinations for civil service applicants, to make rules and regulations governing promotions; to investigate disciplinary suspensions; to make rules and regulations on efficiency ratings for all employees in the civil service classified service.

updated 10/16/95

APPLICANT LIST

Civil Service Commission

Positions Vacant __1____

Applicant	Address	District	Qualifications
Lee Salinas	1709 Yarborough	4	Former HR Director

COMMENTS:

RECEIVED AUG 2006 in the CITY CLERK'S OFFICE

CITY OF SHERMAN
APPLICATION FOR BOARD OR COMMISSION MEMBERSHIP

Return completed application to:
City Clerk's Office
220 W. Mulberry
P.O. Box 1106
Sherman, TX 75091
Fax: (903) 892-7394

Please type or use black ink
Please complete one application for each board or commission membership
Please limit attachments to two pages
For questions or additional information, call the City Clerk's Office, (903) 892-7206

Name: E. (Lee) Salinas
(Please print legal name and your name as you wish it to appear, if different.)

Name of Board or Commission: Civil Service

☐ Yes, I would be interesting in serving on subcommittees that may be formed.

Personal Information	**Occupational Information**
Home Address: 1709 Yarborough Dr.	Business Name: —
Mailing Address: Same	Occupation: Retired
Telephone: 903-892-1717 Fax:	Address:
E-Mail: lsalinas1@verizon.net	Telephone: Fax:
Sherman Resident for 25 years County: Grayson	E-Mail:
Drivers License No.: TX 07829841	
*Voter Registration No.: 1024969022 ✓	

Which Council District do you live in? *(see attached map)* 4 ✓

Prior work experience: *(please include dates)*
Grayson County - H.R. Dir 1998-2006
Dalmatian Group - H.R. 1998-1992
Texas Instruments - MFG/HR 1992-1979

Educational Achievement:

High School Graduate? ☒ Yes ☐ No Year Graduated/Left School?
Business College, Correspondence School, Adult Education, Other?
Name of College/University: Univ. of Okla. + SMU ☒ Bachelor's ☒ Master's ☐ PhD

Volunteer Work: *(please include dates)*
United Way 2002-2005
American Red Cross - 2000-2003
Boy Scouts - 12yrs

Have you ever been convicted of a crime (except for minor traffic offenses that resulted only in a fine)? ☐ Yes ☒ No

If yes, please explain in complete detail. State the nature and approximate date of the conviction, the sentence imposed, whether the sentence has been completed, and any other information you consider to be relevant.

Taxes - No

Application held for 12 months from date received

Are you presently serving on a City board or commission? ☐ Yes ☑ No

If so, which one?

Why do you want to become a member of this particular board or commission *(how would you use this experience to benefit the City)*?
Previous H.R. experience in all aspects of employee relations and management should be an asset in employee issues.

Briefly explain what you believe are the three most important issues facing this board or commission and how you believe this board or commission should address each issue?

1) ~~Getting~~ Recruiting and retaining qualified police and Fire fighters

2) To be unbiased in employee hearings to resolve issues.

3) Provide suggestions/recomendations on applicable rules, regulations/policies.

List any abilities, skills, licenses, certificates, specialized training, or interests you have which are applicable to this board or commission:
Numerous certificates in H.R. Seminars; computer literate; bi-lingual

Please specify any business or personal relationships with the City or other activities, which might create a serious conflict of interest or affect your ability to serve if you should be appointed to this board or commission:
None

Have you attended a meeting of the board/commission you are applying to or talked to anyone currently on the board? ☐ Yes ☑ No
Comments:

Statement of Intent

I am aware of the requirements of the City regarding conflicts of interest of appointees to the City of Sherman Boards and Commissions, as noted in the overview. I am aware of meeting dates and times of the Board/Commission for which I have applied, and that Board/Commission members are expected to attend a minimum of 75 percent of regularly scheduled meetings annually of their Board/Commission. If appointed, I agree to serve on the Board/Commission for which I have applied. Applications, including those received after the posted deadline, will remain on file for one year from the date of receipt.

**I affirm that I am qualified to vote.*

Signature: E. Salinas *Date:* 8-23-08

In compliance with Chapter 552, Vernon's Texas Codes Annotated (Open Records Law), information provided on this application may be available to the public, upon request.

SHERMAN CITY COUNCIL

Agenda Communication Form

From: The Office of the City Manager **Date:** 9-2-2008

Subject: Agenda Item No. D.8

COUNCIL COMMENTS

The Honorable Bill Magers, Mayor

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 9-2-2008

Subject: Agenda Item No. E.1

EXECUTIVE SESSION

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

Section 551.071 **Consultation with City Attorney Concerning Legal Matters:**
- **(a) Panda Energy**
- **(b) Cities Aggregation Power Project, Inc. (CAPP) Negotiations**

Section 551.071 **Consultation with City Attorney Concerning Pending or Contemplated Litigation:**
- **(a) Cause No. 05-06-00420-CV; *City of Sherman, et al v. James Wayne***
- **(b) Lucky Stop 10's Request for Alcohol Permit**

Section 551.072 **Deliberations Regarding Real Property:**
- **(a) Deliberate Regarding the Potential Purchase of a Piece of Real Property**

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

The Honorable Bill Magers, Mayor

SHERMAN CITY COUNCIL

Agenda Communication Form

From: The Office of the City Manager **Date:** 9-2-2008

Subject: Agenda Item No. F.1

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

The Honorable Bill Magers, Mayor

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 9-2-2008

Subject: Agenda Item No. F.2

ADJOURNMENT

The Honorable Bill Magers, Mayor

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 9-2-2008

Subject: Agenda Item No. N/A

COUNCIL CALENDAR

2008
CITY COUNCIL MEETINGS

JANUARY

Sun	Mon	Tue	Wed	Thu	Fri	Sat
		1	2	3	4	5
6	**7**	8	9	10	11	12
13	14	15	16	17	18	19
20	**21**	**22**	23	24	25	26
27	28	29	30	31		

FEBRUARY

Sun	Mon	Tue	Wed	Thu	Fri	Sat
					1	2
3	**4**	5	6	7	8	9
10	11	12	13	14	15	16
17	**18**	19	20	21	22	23
24	25	26	27	28	**29**	

MARCH

Sun	Mon	Tue	Wed	Thu	Fri	Sat
						1
2	**3**	4	5	6	7	8
9	10	11	12	13	14	15
16	**17**	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

APRIL

Sun	Mon	Tue	Wed	Thu	Fri	Sat
		1	2	3	4	5
6	**7**	8	9	10	11	12
13	14	15	16	17	18	19
20	**21**	22	23	24	25	26
27	28	29	30			

MAY

Sun	Mon	Tue	Wed	Thu	Fri	Sat
				1	2	3
4	**5**	6	7	8	9	**10**
11	12	**13**	14	15	16	17
18	**19**	20	21	**22**	23	24
25	26	27	28	**29**	30	31

JUNE

Sun	Mon	Tue	Wed	Thu	Fri	Sat
1	**2**	3	4	5	6	7
8	9	**10**	11	12	13	14
15	**16**	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

JULY

Sun	Mon	Tue	Wed	Thu	Fri	Sat
		1	2	3	4	5
6	**7**	8	9	10	11	12
13	14	15	16	**17**	**18**	19
20	**21**	22	23	24	25	26
27	28	29	30	31		

AUGUST

Sun	Mon	Tue	Wed	Thu	Fri	Sat
					1	2
3	**4**	5	6	7	8	9
10	11	12	13	14	15	16
17	**18**	19	20	21	22	23
24	25	26	27	28	29	30
31						

SEPTEMBER

Sun	Mon	Tue	Wed	Thu	Fri	Sat
	1	**2**	3	4	5	6
7	8	9	10	11	12	13
14	**15**	16	17	**18**	19	20
21	22	23	24	25	26	27
28	29	30				

OCTOBER

Sun	Mon	Tue	Wed	Thu	Fri	Sat
			1	2	3	4
5	**6**	7	8	9	10	11
12	13	14	15	16	17	18
19	**20**	21	22	23	24	25
26	27	28	29	30	31	

NOVEMBER

Sun	Mon	Tue	Wed	Thu	Fri	Sat
						1
2	**3**	4	5	6	7	8
9	10	11	12	13	14	15
16	**17**	18	19	20	21	22
23	24	25	26	27	28	29
30						

DECEMBER

Sun	Mon	Tue	Wed	Thu	Fri	Sat
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	**15**	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

01/21/08 - M.L.K., Jr. Birthday - Called Council Meeting on 01/22/08
02/29/08 - 12:00 Noon Called Meeting with Chamber Board
05/10/08 - City Council Election
05/13/08 - 12:00 Noon Called Meeting to Canvass Election Results
05/22/08 - 6:00 PM Called Meeting for Comprehensive Plan Community Forum
05/29/08 - 6:00 PM Called Meeting for Comprehensive Plan Community Forum
06/10/08 - 12:00 Noon Budget Planning Meeting in Council Chambers
07/17-18/08 - Budget Workshop in Council Chambers (adjourned on 07/17/08)
09/01/08 - Labor Day - Called Council Meeting on 09/02/08
09/18/08 - 12:00 Noon Joint Meeting with SEDCO Board