CITY OF SHERMAN
CITY COUNCIL REGULAR MEETING AGENDA
COUNCIL CHAMBERS OF THE CITY HALL
220 WEST MULBERRY STREET
SHERMAN, TEXAS
MONDAY, AUGUST 20, 2007
5:00 P.M.

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

A.2 PLEDGE OF ALLEGIANCE

A.3 INVOCATION BY THE HONORABLE DEPUTY MAYOR CHIP ADAMI

A.4 APPROVE MINUTES OF THE REGULAR CITY COUNCIL MEETING OF AUGUST 6, 2007

Proclamation

A.5 PROCLAMATION
"Women's Equality Day" – August 26, 2007

Public Hearing

B.1 PUBLIC HEARING
Conduct the First Public Hearing on the Proposed Ad Valorem Tax Rate for the City of Sherman, Texas, for the Tax Year 2007

B.2 INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 5475
Providing for the Appropriation of Funds for Operating and Capital Expenditures for the Fiscal Year Beginning October 1, 2007, and Ending September 30, 2008

B.3 **TABLED AT THE JULY 16, 2007 MEETING:**
PUBLIC HEARING OF ORDINANCE NO. 5470
Providing for Permanent "No Parking" Signs Restricting Parking Along Both Sides of the 1100 Block of West McGee Street within the City Limits of the City of Sherman

Close Public Hearing and Consider Adoption of Ordinances

B.4 ADOPTION OF ORDINANCES
Consider Adoption of Ordinance Number: 5470

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. 5065*
Adopting an Investment Policy for the City of Sherman

C.2 ** RESOLUTION NO. 5066*
Amending the Authorized Representatives to Invest City of Sherman Funds with the Texas Local Government Investment Pool (TexPool)

C.3 ** RESOLUTION NO. 5067*
Amending the Authorized Representatives to Invest City of Sherman Funds with Wells Fargo Brokerage Services, LLC

C.4 RESOLUTION NO. 5068
Authorizing Execution of a Deed Without Warranty to Austin College for the Conveyance of Property being Williams Street, from Porter Street to Willow Street; that all Surveying Costs Incurred will be Paid by Austin College

C.5 ** RESOLUTION NO. 5069*
Awarding a Bid to and Authorizing Execution of a Contract with Howard Construction, Inc. for the West Washington Street Water Main Replacement

C.6 ** RESOLUTION NO. 5070*
Awarding a Bid to and Authorizing Execution of a Contract with Vessels Construction for Construction of the Solid Waste Parking Lot Phase III Project

C.7 ** RESOLUTION NO. 5071*
Authorizing the 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 708 East Sycamore Street

C.8 RESOLUTION NO. 5072
Nominating a Candidate to Fill a Vacancy on the Grayson Central Appraisal District Board of Directors

Request to Advertise

D.1 ** REQUEST TO ADVERTISE*
2007 Biosolids Project for the Sherman Wastewater Treatment Plant

Other Business

D.2 OTHER BUSINESS
Receive Update from TxDOT Sherman Area Engineer Kevin Harris on TxDOT Projects

D.3 OTHER BUSINESS
Receive Employee Group Benefits Presentation from P. Todd Dorton of Fidelity Benefits & Insurance Services

D.4 OTHER BUSINESS
Review Draft Capital Improvement Program (CIP) 2007-2012

D.5 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 Friday, September 14, 2007, to Review SEDCO's Annual Budget and Work Plan

D.6 CITIZEN REQUESTS

D.7 MEDIA QUESTIONS

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) Receive Update on Fire Chief Internal Investigation
(b) Discuss Proposed Substandard Structure Ordinance

Section 551.074 Personnel Matters:

(a) Receive Update on Fire Chief Internal Investigation

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:** 8-20-2007

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:** 8-20-2007

Subject: Agenda Item No. A.2

PLEDGE OF ALLEGIANCE

The Honorable Chip Adami, Deputy Mayor

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 8-20-2007

Subject: Agenda Item No. A.3

INVOCATION BY THE HONORABLE DEPUTY MAYOR CHIP ADAMI

SHERMAN CITY COUNCIL

Agenda Communication Form

From: The Office of the City Manager **Date:** 8-20-2007

Subject: Agenda Item No. A.4

APPROVE MINUTES
THE REGULAR CITY COUNCIL MEETING OF AUGUST 6, 2007

STATE OF TEXAS §

August 6, 2007

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 6, 2007.

MEMBERS PRESENT: MAYOR BILL MAGERS; DEPUTY MAYOR CHIP ADAMI. COUNCIL MEMBERS SMITH, T. STEELE, W. STEELE, WACKER.

MEMBERS ABSENT: COUNCIL MEMBER HUGHES.

CALL TO ORDER

CALL TO ORDER

Mayor Bill Magers called the meeting to order at 5:00 p.m. The Pledge of Allegiance was led by Boy Scouts Robert Logston, Billy Helms, and Alex Jung from Covenant Presbyterian Church's Troop 9. Scout Master is Kim Thomas. The Invocation was given by Council Member Cary Wacker.

APPROVE MINUTES

APPROVE MINUTES

The Council reviewed the Minutes of the Regular Meeting of July 16, 2007. Deputy Mayor Adami moved to approve the Minutes as presented; Second by Council Member Terrence Steele. All present voted AYE.
MOTION CARRIED.

INTRODUCTION AND PUBLIC HEARING OF ORDINANCES

ORD 5471 ZONING REQUIREMENTS FOR DUPLEXES

Mayor Magers introduced Ordinance 5471 and called for a public hearing:
AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING CHAPTER 14, EXHIBIT A OF THE CODE OF ORDINANCES, ENTITLED "GENERAL ZONING ORDINANCE," AT SECTION 6.2, TO AMEND THE REQUIREMENTS FOR DUPLEXES. PROVIDING FOR INCLUSION IN THE CODE OF ORDINANCES. PROVIDING FOR SEVERABILITY. PROVIDING FOR A REPEALER.

Dr. Jerry Lincecum, 608 N. Cleveland

Dr. Lincecum presented photographs of duplexes being built in the 700 block of Harrison Street, that he called "mega duplexes." He added that he and 75 other citizens had presented a petition to the City to change the building code regarding duplexes.

Dr. Lincecum said he previously learned that, according to Sherman's building code, a developer could construct on his block on Cleveland Street, two duplexes with as many as sixteen bedrooms. The addition of those two buildings would double the number of people living in that block, would create parking problems, and the building permits would be issued without any notification to the neighbors.

He added that these "mega duplexes" are appearing in older neighborhoods throughout Sherman and typically are constructed in pairs or groups of three or four. These types of dwellings are causing concern about neighborhood density.

Dr. Lincecum served on a committee, chaired by Council Member Terrence Steele, that recommended to the Planning and Zoning Commission that revisions be made. They first increased the off-street parking requirements and have now submitted a draft ordinance that would limit the maximum number of bedrooms in a duplex to four, unless an exception is granted. With the request for an exception, the neighbors would be allowed input into the decision.

Dr. Lincecum felt the proposed ordinance would be a step to solving the problem and he urged the City Council to adopt the ordinance as proposed.

Dr. Peggy Redshaw, 608 N. Cleveland
Dr. Redshaw said there is little space between these "mega duplexes" and they are constructed in small areas leaving hardly any area on the sides, front or back, that isn't paved or hard surfaces. This leads to increased street flooding, which is already a problem in her neighborhood.

Dr. Redshaw addressed flooding in her neighborhood which has worsened in recent years due to increased concrete and no storm drains. The additional concrete is caused by developers trying to meet the off-street parking requirements imposed by the City.

Dr. Redshaw supported the proposed ordinance, which would restrict the duplexes to four bedrooms per building.

Dr. Ketih Kisselle, 1302 N. Cleveland
Dr. Kisselle said his concern for the construction of the large scale duplexes is the potential for worsening of the surface water run-off in their neighborhood. Rain water either goes into the grown, runs off the grown, on evaporates into the air. With large areas paved for off-street parking, this leaves very little uncovered ground for water to be absorbed.

For large commercial areas, managing water run-off is an obvious consideration and there are designed retention ponds to alleviate the flooding and help protect the water quality of the streams. The construction of these large duplexes doesn't include a design for dealing with the large amount of surface water run-off.

The costs for the increased flooding, decreased stream quality, and the decrease of the water that recharges the underground aquifers will fall on the City and the neighborhood. This hidden cost won't be paid by the developer.

Dr. Kisselle felt the proposed changes to the ordinance would address the concerns and help reduce the surface water run-off.

Phyllis Rieser, 1015 N. Grand

Ms. Rieser expressed support for the proposed ordinance because the College Park Area has been very impacted from the mega duplexes. She would like to see the homes in the area renewed by young families and expressed concern about the upkeep of the neighborhood.

She added that the ordinance does have an option where a family can request an exception for additional bedrooms if they want a larger family. The exception would allow an opportunity for neighbors to be aware of the request and have an opportunity to voice their concerns.

Ms. Rieser asked the Council to consider approval of the proposed ordinance.

Gil Randall, 622 N. Cleveland

Mr. Randall said he was concerned about the individual ownership of property and the fact that people having an invested interest in properties tend to keep them in better repair. Single families are generally investing money in their property and taking care of the home. Generally those living in duplexes don't have the invested interest in the property that homeowners have.

Mr. Randall added that his neighborhood has a lot of investor owned property and it is very hard for property owners to increase the appraisal value of their home. He added that the value of his property decreased because of the condition of surrounding property.

Dan Murray, 2414 Monte Cristo

Mr. Murray asked why the issue was being considered by the City Council. He said he never heard of a City Council telling a developer how many bedrooms they can build.

He said he will be building many duplexes and he felt to restrict the number of bedrooms would be very unusual and unreasonable. He felt there was a better way to achieve the desired effect rather than restrict the number of bedrooms.

Benny Risner, 12651 Briar Forest Dr., Suite 190, Houston, Texas

Mr. Risner is involved with lots on North Cleveland Street. He asked what the reason was for the proposed ordinance change and when this would lead to the Council deciding how many bedrooms could be included in a single-family home throughout the City.

He added that many cities want affordable housing, and the proposed ordinance says we want affordable housing, we just don't want it in our neighborhood.

He asked the Council to consider not passing the proposed ordinance.

No other citizens appeared before the City Council to discuss Ordinance 5471.

ORD 5472
SUP FOR
HALFWAY HOUSE
(210 S. RUSK)

Mayor Magers introduced Ordinance 5472 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 FOUR RIVERS OUTREACH, INC. (OWNER) AND ARTHUR HORN (REPRESENTATIVE) TO ALLOW A HALFWAY HOUSE IN A C-2 (GENERAL COMMERCIAL) DISTRICT AND THE CENTRAL BUSINESS DISTRICT AT 210 SOUTH RUSK STREET. 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.

<u>Arthur Horn, 77 Coker Road</u>
Mr. Horn is the Executive Director of Four Rivers Outreach, Inc., which is requesting the specific use permit to allow a halfway house at 210 S. Rusk Street. Several years ago they saw the need to reach out to addicts in the City.

Four Rivers Outreach also works with the Star Recovery Program, organized by 59th District Judge Rim Nall. The program assists addicts and alcoholics that are working through the Star Recovery Program as well as on probation or in Alcoholics Anonymous. Mr. Horn said they only work with people from the community.

Four Rivers Outreach also holds life skill classes in financial management, relationships, job skills, life management, a 12-step spiritual program, interactive mentoring class, journey to freedom, and for ladies that have been abused or battered. They currently minister to 50 to 60 citizens weekly.

Mr. Horn added that their location is two blocks from the jail, two blocks from Alcoholics Anonymous, and they are surrounded by bail bondsmen, a location where their clientele frequents. He said they are not a homeless shelter or a halfway house, although their request is for a halfway house, since that is the only description the City has.

The center is better described as a “transitional center” and their goal is to transition people from economic, intellectual, spiritual, and relationship problems to a better life. Their center would be able to house a maximum of 16 people, and they fully intend to meet all City regulations and requirements for the facility.

They also plan to institute a program to assist with rentals and within two and a half years to assist with home ownership for participants. They are a faith-based,

community based entity, but are not associated with any specific church. He felt the organization was already making an impact on the community.

Mayor Magers asked how they received their residents. Mr. Horn explained that most of their clients come through Judge Nall's program and the probation department. They are also involved with the Texas Workforce Commission and have obtained jobs for eight people.

Mayor Magers asked what the average number of days was that a resident would stay at the center. Mr. Horn said normally it is a six to nine month program.

Mayor Magers asked how the program was funded. Mr. Horn said they are a 501c3 entity and are privately funded. They are also an approved provider for Access to Recovery with the State of Texas. This provides for transitional housing, life skill classes, vocational training, and GED training. They also partner with the college for vocational training to elevate job skills.

No other citizens appeared before the City Council to discuss Ordinance 5472.

ORD 5473
STOP SIGNS

Mayor Magers introduced Ordinance 5473 and called for a public hearing:
AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, PROVIDING FOR PERMANENT "STOP" SIGNS AT THE INTERSECTIONS OF TIMBERCREEK ROAD AND WASHINGTON STREET, LEGEND LANE AND WASHINGTON STREET, CLAY LANE AND WASHINGTON STREET, AND MADISON PLACE AND WASHINGTON STREET WITHIN THE CITY LIMITS OF THE CITY OF SHERMAN. PROVIDING FOR A PENALTY PROVISION. PROVIDING FOR SEVERABILITY. PROVIDING FOR A REPEALER.

No citizens appeared before the City Council to discuss Ordinance 5473.

ORD 5474
YIELD SIGNS

Mayor Magers introduced Ordinance 5474 and called for a public hearing:
AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, PROVIDING FOR PERMANENT "YIELD" SIGNS AT THE INTERSECTION OF LINDA LANE AND PATRICIA DRIVE WITHIN THE CITY LIMITS OF THE CITY OF SHERMAN. PROVIDING FOR A PENALTY PROVISION. PROVIDING FOR A REPEALER. PROVIDING FOR SEVERABILITY.

No citizens appeared before the City Council to discuss Ordinance 5474.

CLOSE PUBLIC
HEARING

The Ordinances were introduced and the Public Hearing was closed.

ADOPTION OF ORDINANCES

Ordinance 5471

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING CHAPTER 14, EXHIBIT A OF THE CODE OF ORDINANCES, ENTITLED "GENERAL ZONING ORDINANCE," AT SECTION 6.2, TO AMEND THE REQUIREMENTS FOR DUPLEXES. PROVIDING FOR INCLUSION IN THE CODE OF ORDINANCES. PROVIDING FOR SEVERABILITY. PROVIDING FOR A REPEALER.

ORD 5471 ZONING REQUIREMENTS FOR DUPLEXES (TABLED)

Mayor Magers said the issue needs to be addressed and he would agree if he lived near a duplex that had 16 bedrooms. However, he was concerned that counting bedrooms doesn't solve the problem. He said items to discuss could include green space, the urban density problem, duplex zones, and various different solutions to address the problem.

He added that he has a problem with the government telling people how many bedrooms they can have in their house. The City does regulate some areas with overlay districts, but the items regulated don't go "inside the home" and regulate areas there. Mayor Magers said he personally had a problem doing that and did not feel that was government's role.

Mayor Magers said there is a growth issue in Sherman and residents of the College Park area are seeing it more because they live near a college. The City is planning to update the Comprehensive Master Plan and Mayor Magers said he would consider looking at the issue in another context, but did not advocate a restriction on the number of bedrooms.

Council Member Terrence Steele said he was a part of the Committee but was unaware that the recommendation for two bedrooms was going to the Planning and Zoning Commission. He though the Committee was going to request that the Commission look at the issue and make a recommendation to the Committee. He felt the requirement was too restrictive for the entire City.

Council Member Terrence Steele recommended that the Council send the issue back to the Planning and Zoning Commission for further discussion.

Deputy Mayor Adami shared philosophical issues with the Mayor and added that one of the underlying issues that everyone would agree with is the question of whether anyone wants a duplex in an existing neighborhood of residential homes. Most people would not want a duplex in their neighborhood.

He felt the bigger issue that should be considered with the Master Plan, is single-family zoning in the City in general. Issues that would need to be considered would be where it could be located and what would happen with existing residential zoning already in place.

Council Member Willie Steele said when he was on the Planning and Zoning Commission, one area they addressed was off-street parking. This requirement has already prohibited the building of some of the large duplexes on certain lots.

He agreed that something needs to be done, but said he was not sure the extent of requirements needed. Council Member Willie Steele agreed with Council Member Terrence Steele that the entire Committee should review the issue on a City-wide basis and not just a College Park basis.

In summation, Mayor Magers said he understood Council Members to say there needs to be a solution, but the question needed to be reviewed. He urged duplex developers to look at their sites and to reduce the number of parking spaces in front of the house.

Council Member Wacker felt that a part of the ordinance caption addressed the need to reduce the conflict between new construction and existing development and to respect the context of the neighborhood. She felt this was very important, however she felt there was a flaw in the two bedroom solution. She felt it might be more important to review density or some ratio of building size to lot green space which might close loopholes.

Council Member Smith verified that regulations could be enacted in the College Park Overlay District that do not apply to the rest of the City.

ACTION TAKEN.

Motion by Council Member Terrence Steele to table Ordinance No. 5471, and send it back to the Planning and Zoning Commission for further review in conjunction with the Comprehensive Master Plan. Second by Council Member Willie Steele.

VOTING AYE: Adami, Smith, T. Steele, W. Steele, Wacker.
VOTING NAY: None.
MOTION CARRIED TO TABLE.

ORD 5472
SUP FOR
HALFWAY HOUSE
(210 S. RUSK)

Ordinance 5472
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 FOUR RIVERS OUTREACH, INC. (OWNER) AND ARTHUR HORN (REPRESENTATIVE) TO ALLOW A HALFWAY HOUSE IN A C-2 (GENERAL COMMERCIAL) DISTRICT AND THE CENTRAL BUSINESS DISTRICT AT 210 SOUTH RUSK STREET. 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.

Deputy Mayor Adami applauded the mission of Four Rivers Outreach and felt it was needed in the community. However

he felt the issue could become a very "touchy" situation if it were considered for a residential area rather than a general commercial district. He was willing to consider the request because of the location, however he felt there could be issues if the same request was considered for a residential area.

Council Member Smith agreed, adding that this group has a good cause and he has dealt with the Star Recovery Program which has done great things for participants. He agreed that the commercial location makes it unique.

ACTION TAKEN.

> **Motion by Council Member Smith to approve Ordinance No. 5472, as presented. Second by Deputy Mayor Adami.**

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

ORD 5473
STOP SIGNS

Ordinance 5473
AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, PROVIDING FOR PERMANENT "STOP" SIGNS AT THE INTERSECTIONS OF TIMBERCREEK ROAD AND WASHINGTON STREET, LEGEND LANE AND WASHINGTON STREET, CLAY LANE AND WASHINGTON STREET, AND MADISON PLACE AND WASHINGTON STREET WITHIN THE CITY LIMITS OF THE CITY OF SHERMAN. PROVIDING FOR A PENALTY PROVISION. PROVIDING FOR SEVERABILITY. PROVIDING FOR A REPEALER.

ORD 5474
YIELD SIGNS

Ordinance 5474
AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, PROVIDING FOR PERMANENT "YIELD" SIGNS AT THE INTERSECTION OF LINDA LANE AND PATRICIA DRIVE WITHIN THE CITY LIMITS OF THE CITY OF SHERMAN. PROVIDING FOR A PENALTY PROVISION. PROVIDING FOR A REPEALER. PROVIDING FOR SEVERABILITY.

ACTION TAKEN.

> **Motion by Council Member Terrence Steele to approve Ordinance Nos. 5473 and 5474, as presented. Second by Council Member Willie Steele.**

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

CONSENT AGENDA

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

RESOLUTIONS

RESOLUTION NO. 5053 – AUTHORIZING THE EXECUTION OF AN EMPLOYMENT AGREEMENT WITH THE CITY MANAGER

RES 5053 EMPLOYMENT AGREEMENT WITH CITY MANAGER

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING THE EXECUTION OF AN EMPLOYMENT AGREEMENT WITH THE CITY MANAGER.

Mayor Magers said the Council received the proposed agreement earlier and since that time there have been two small changes. The length of time for the City Manager to give voluntary notice would be moved from 60 days to 90 days and there is no informal deliberation on the part of the governing body, it would be as a majority of the governing body.

He asked if any other questions needed to be addressed or if the Council wanted to discuss the issue in Executive Session. No Council Members felt the issue needed to be addressed in Executive Session.

ACTION TAKEN.

Motion by Council Member Smith to approve Resolution No. 5053, as presented. Second by Council Member Wacker.

VOTING AYE: Magers, Adami, Smith, T. Steele, W. Steele, Wacker.

VOTING NAY: None.

MOTION CARRIED.

RESOLUTION NO. 5052 – AUTHORIZING EXECUTION OF A DEVELOPER'S AGREEMENT WITH NORTHSIDE ON TRAVIS, LTD. FOR CONSTRUCTION OF PUBLIC FACILITIES IN THE NORTHSIDE ON TRAVIS ADDITION TO THE CITY OF SHERMAN

RES 5052 DEVELOPER'S AGREEMENT NORTHSIDE ON TRAVIS

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF A DEVELOPER'S AGREEMENT WITH NORTHSIDE ON TRAVIS, LTD. FOR CONSTRUCTION OF PUBLIC FACILITIES IN THE NORTHSIDE ON TRAVIS ADDITION TO THE CITY OF SHERMAN.

CONSENT AGENDA.

RESOLUTION NO. 5054 – APPROVING THE USE OF THE PROCEEDS OF THE TEXOMA HOUSING FINANCE CORPORATION SINGLE FAMILY MORTGAGE REVENUE BONDS, SERIES 2007 IN THE CITY, AND RESOLVING OTHER MATTERS IN CONNECTION THEREWITH

RES 5054 USE OF BOND REVENUE

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, APPROVING THE USE OF THE PROCEEDS OF THE TEXOMA HOUSING FINANCE CORPORATION SINGLE FAMILY MORTGAGE REVENUE BONDS, SERIES 2007 IN THE CITY, AND RESOLVING OTHER MATTERS IN CONNECTION THEREWITH.

CONSENT AGENDA.

RES 5055
UTILITY EASEMENT ENCROACHMENT (2622 HWY 75 NORTH)

<u>RESOLUTION NO. 5055 – AUTHORIZING EXECUTION OF A UTILITY EASEMENT ENCROACHMENT AT LOT 5R-2, BLOCK 1 OF THE REPLAT OF LOT 5, BLOCK 1 OF THE CORNERSTONE ADDITION (2622 U.S. HIGHWAY 75 NORTH) IN THE CITY OF SHERMAN</u>
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF A UTILITY EASEMENT ENCROACHMENT AT LOT 5R-2, BLOCK 1 OF THE REPLAT OF LOT 5, BLOCK 1 OF THE CORNERSTONE ADDITION (2622 U.S. HIGHWAY 75 NORTH) IN THE CITY OF SHERMAN.
CONSENT AGENDA.

RES 5056
UTILITY EASEMENT ENCROACHMENT (3425 N. FM 1417)

<u>RESOLUTION NO. 5056 – AUTHORIZING EXECUTION OF A UTILITY EASEMENT ENCROACHMENT AT LOT 1 OF THE REPLAT OF LOTS 1 & 2 OF THE REPLAT OF LOT 2 OF THE REPLAT OF LOT 1B OF POST OAK CROSSING ADDITION, FOR A MONUMENT SIGN AT 3425 NORTH F.M. 1417 IN THE CITY OF SHERMAN</u>
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF A UTILITY EASEMENT ENCROACEMENT AT LOT 1 OF THE REPLAT OF LOTS 1 & 2 OF THE REPLAT OF LOT 2 OF THE REPLAT OF LOT 1B OF POST OAK CROSSING ADDITION, FOR A MONUMENT SIGN AT 3425 NORTH F.M. 1417 IN THE CITY OF SHERMAN.
CONSENT AGENDA.

RES 5057
LOCKHART STREET WATER MAIN

<u>RESOLUTION NO. 5057 – AUTHORIZING GREATER TEXOMA UTILITY AUTHORITY TO CONTRACT WITH JERRY PAUL HIGGINS, LTD. FOR THE LOCKHART STREET WATER MAIN REPLACEMENT</u>
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING GREATER TEXOMA UTILITY AUTHORITY TO CONTRACT WITH JERRY PAUL HIGGINS, LTD. FOR THE LOCKHART STREET WATER MAIN REPLACEMENT.
CONSENT AGENDA.

RES 5058
CENTRAL BUSINESS DISTRICT TAX ABATEMENT PROGRAM

<u>RESOLUTION NO. 5058 – DECLARING THE CITY OF SHERMAN'S ELIGIBILITY AND INTENTION TO RENEW ITS TAX ABATEMENT PROGRAM TO PROMOTE DEVELOPMENT / REDEVELOPMENT IN THE CENTRAL BUSINESS DISTRICT OF THE CITY; ESTABLISHING GUIDELINES AND CRITERIA</u>
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, DECLARING THE CITY OF SHERMAN'S ELIGIBILITY AND INTENTION TO RENEW ITS TAX ABATEMENT PROGRAM TO PROMOTE DEVELOPMENT / REDEVELOPMENT IN THE CENTRAL BUSINESS DISTRICT OF THE CITY. ESTABLISHING GUIDELINES AND CRITERIA.
CONSENT AGENDA.

RES 5059
RESIDENTIAL TAX ABATEMENT (608 N. BRANCH)

<u>RESOLUTION NO. 5059 – AUTHORIZING THE EXECUTION OF AN AGREEMENT WITH TXA HOLDINGS PROPERTIES, LP FOR THE ABATEMENT OF AD VALOREM PROPERTY TAXES</u>

FOR THE CONSTRUCTION OF A NEW SINGLE-FAMILY RESIDENCE AT 608 NORTH BRANCH STREET

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING THE EXECUTION OF AN AGREEMENT WITH TXA HOLDINGS PROPERTIES, LP FOR THE ABATEMENT OF AD VALOREM PROPERTY TAXES FOR THE CONSTRUCTION OF A NEW SINGLE-FAMILY RESIDENCE AT 608 NORTH BRANCH STREET.
CONSENT AGENDA.

RES 5060
RESIDENTIAL
TAX ABATEMENT
(613 S. CHARLES)

RESOLUTION NO. 5060 – AUTHORIZING THE 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 613 SOUTH CHARLES STREET

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING THE 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 613 SOUTH CHARLES STREET.
CONSENT AGENDA.

RES 5061
EXEMPTION FOR
POLICE VEHICLES

RESOLUTION NO. 5061 – PROVIDING FOR THE EXEMPTION OF CERTAIN VEHICLES USED BY THE SHERMAN POLICE DEPARTMENT FROM THE INSCRIPTION REQUIREMENTS AS AUTHORIZED BY V.T.C.A. TRANSPORTATION CODE §721.005; AUTHORIZING INDIVIDUALS TO APPLY FOR SPECIAL LICENSE PLATES

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, PROVIDING FOR THE EXEMPTION OF CERTAIN VEHICLES USED BY THE SHERMAN POLICE DEPARTMENT FROM THE INSCRIPTION REQUIREMENTS AS AUTHORIZED BY V.T.C.A. TRANSPORTATION CODE §721.005. AUTHORIZING INDIVIDUALS TO APPLY FOR SPECIAL LICENSE PLATES.
CONSENT AGENDA.

RES 5062
TRAFFIC CITATION
MODULE FOR
POLICE DEPT.

RESOLUTION NO. 5062 – EXECUTING THE SECOND AMENDMENT TO THE ORIGINAL CONTRACT WITH SUNGARD HTE, INC. FOR THE PURCHASE OF OSSI TRAFFIC CITATION MODULE AT THE SHERMAN POLICE DEPARTMENT

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, EXECUTING THE SECOND AMENDMENT TO THE ORIGINAL CONTRACT WITH SUNGARD HTE, INC. FOR THE PURCHASE OF OSSI TRAFFIC CITATION MODULE AT THE SHERMAN POLICE DEPARTMENT.

RES 5063
COURT CASE
MANAGEMENT
SOFTWARE FOR
POLICE DEPT.

RESOLUTION NO. 5063 – EXECUTING THE SECOND AMENDMENT TO THE ORIGINAL CONTRACT WITH TYLER TECHNOLOGIES, INC. FOR THE PURCHASE OF INCODE COURT CASE MANAGEMENT SOFTWARE AT THE SHERMAN POLICE DEPARTMENT

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, EXECUTING THE SECOND AMENDMENT

TO THE ORIGINAL CONTRACT WITH TYLER TECHNOLOGIES, INC. FOR THE PURCHASE OF INCODE COURT CASE MANAGEMENT SOFTWARE AT THE SHERMAN POLICE DEPARTMENT.

George Olson, City Manager, explained that both contracts, for the traffic citation module and the court case management software, came in under budget by a total of about $13,000.

ACTION TAKEN.

Motion by Council Member Smith to approve Resolution Nos. 5062 and 5063, as presented. Second by Deputy Mayor Adami.

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

REQ TO ADVERTISE ANNUAL AUDIT

REQUEST TO ADVERTISE SERVICES TO PERFORM THE ANNUAL AUDIT FOR PERIOD ENDING SEPTEMBER 30, 2007

The City Council approved a request to advertise for services to perform the annual audit for the fiscal year ending September 30, 2007. The City's financial policies require the periodic rotation of auditors and based on the quality of audit services performed in the prior year, the staff recommends selecting a different firm to perform the upcoming audit.

Deputy Mayor Adami asked where advertisements would be published. Robby Hefton, Director of Finance and Administration, said advertising would be placed in several governmental financial periodicals, but probably not in local markets.
CONSENT AGENDA.

ANNUAL SUPPLY WATER & SEWER PARTS & SUPPLIES

ANNUAL CONTRACT FOR WATER AND SEWER PARTS AND SUPPLIES

The City Council approved the request to advertise for bids for the annual contract for water and sewer parts and supplies.
CONSENT AGENDA.

ANNUAL SUPPLY TIRES & TUBES

ANNUAL SUPPLY OF TIRES AND TUBES

The City Council approved the request to advertise for bids for the annual supply of tires and tubes for the City's fleet and equipment needs.
CONSENT AGENDA.

TRINITY WATER WELL REPAIRS

REPAIRS TO DORCHESTER TRINITY WATER WELLS 8T AND 10T

The City Council approved the request to advertise for a bid to repair the Dorchester 8 Trinity and Dorchester 10 Trinity Water Wells. The pumps on the wells have failed and need to be pulled and inspected, with repairs and/or replacement as required.
CONSENT AGENDA.

RESTROOM / LOCKER ROOM AREA RENOVATION AT THE SHERMAN POLICE DEPARTMENT

POLICE DEPT. RENOVATION

The City Council approved the request to advertise for the renovation of the restroom/locker room area in the basement of the Police Department. During the FY 2006-2007 budget planning session, the Council allocated $34,000 for the renovation project.
CONSENT AGENDA.

CHANGE ORDER NO. 1
DICKERSON CONSTRUCTION COMPANY, INC.; HIGHWAY 56 WATER MAIN; $4,305.82, DECREASE

CHANGE ORDER HWY 56 WATER MAIN

The City Council approved Change Order No. 1, which is a final reconciliatory change order to adjust the final contract amount on the construction of the Highway 56 water main. The change order resulted in $2,616 in additional and $6,821.82 in deductions for a net decrease of $4,305.82. The final contract price was $73,538.18.
CONSENT AGENDA.

OTHER BUSINESS
REVIEW 2007-2008 DRAFT BUDGET

DRAFT BUDGET

Mr. Hefton said the staff is required by law to present the draft budget at least 50 days prior to the start of the new fiscal year. He asked that if the Council had any changes in the draft budget, they submit them as soon as possible for final presentation.

Mr. Hefton added that the draft budget includes everything discussed at the Budget Workshop. Mayor Magers verified that the budget is also in balance.

DISCUSSION OF THE PROPOSED TAX RATE FOR FISCAL YEAR 2007-2008 AND SCHEDULING PUBLIC HEARINGS FOR BUDGET AND PROPOSED TAX RATE

PROPOSED TAX RATE

Mr. Hefton reminded the Council that they need to set the calendar for adoption of the Annual Budget and the tax rate. The State continues to add disclosure and notice requirements and public hearings to the adoption of budgets and tax rates. The proposed calendar reflects all the State requirements.

The calendar includes a public hearing on the Annual Budget, introduction of the budget ordinance, and the first public hearing on the tax increase for August 20, 2007; adoption of the budget ordinance, ratification of the property tax increase – budget, and the second public hearing on the tax increase for September 4, 2007; and adoption of the tax rate on September 17, 2007.

Mayor Magers reiterated that the property tax rate remains unchanged at $0.40 per $100 valuation for the upcoming fiscal year.
ACTION TAKEN.

> **Motion by Council Member Willie Steele to approve the budget calendar, as presented. Second by Deputy Mayor Adami.**

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

APPROVE QUARTERLY INVESTMENT REPORT FOR PERIOD ENDING JUNE 30, 2007

QUARTERLY INVESTMENT REPORT

The City Council approved the quarterly investment report for the period ending June 30, 2007. The report reflects a portfolio position with a book value of nearly $31.7 million.

As of June 30, 2007, the City was in compliance with all applicable State laws and the provisions of the City's Investment Policy. The portfolio remains adequately liquid and its yield of 5.24% for the quarter was more than the benchmark yield of 4.8%. The market value of the overall portfolio was 100% of the book value.
CONSENT AGENDA.

RECEIVE UPDATE ON THE ANNUAL MILL AND OVERLAY PROGRAM FROM DIRECTOR OF PUBLIC WORKS AND ENGINEERING DIRECTOR JEFF MILLER

MILL & OVERLAY UPDATE

Jeff Miller, Director of Public Works and Engineering, presented an update on the annual mill and overlay program for street maintenance.

Because of the recent flooding, some of the City departments got behind on their routine work and some of the planned projects. The Street Department reached a point where it was obvious that they would not be able to complete all planned street maintenance work that was anticipated. This planned work included 30 miles of sealcoat and four street segments for mill and overlay.

With the current resources, the Street Department can complete the 30 miles of sealcoat prior to the end of the fiscal year.

The City has advertised for a contractor to complete the four street segments that were planned for mill and overlay. Bids should be received in the next couple of weeks and the Council will be asked to consider the bids at the September 4, 2007 Council Meeting. This should allow time to award the bid for all street work during this fiscal year. Completion of the street segments during this fiscal year will depend on the bids received.

Deputy Mayor Adami verified that the four mill and overlay projects are Washington Street, from Rusk Street to Travis Street; Woods Street, from Washington Street to Belden Street; Ricketts Street, from Lamar Street to Washington Street; and Ricketts Street, from McGee Street to Taylor Street.

CONSIDER THE DESIGNATION OF A REPRESENTATIVE TO THE SHERMAN-DENISON METROPOLITAN PLANNING ORGANIZATION INTERMODAL URBAN TRANSPORTATION PLANNING POLICY BOARD

MPO REPRESENTATIVE

Mayor Magers explained that Mr. Miller currently serves on the Sherman-Denison Metropolitan Planning Organization Intermodal Urban Transportation Planning Policy Board, however it has been recommended that elected officials take a more active part in the policy making part of the Board. A technical board will also be organized of City professionals. He asked the Council to appoint the Mayor to the MPO Board and they will then organize a technical board of City professionals to serve.

ACTION TAKEN.

Motion by Council Member Wacker to appoint Mayor Bill Magers to serve as Sherman's representative on the Sherman-Denison Metropolitan Planning Organization Intermodal Urban Transportation Planning Policy Board. Second by Deputy Mayor Adami.

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

CONSIDER CALLING A SPECIAL MEETING OF THE CITY COUNCIL FOR TUESDAY, SEPTEMBER 4, 2007, DUE TO CONFLICT WITH A FEDERAL HOLIDAY

SET CALLED COUNCIL MTG.

The City Council called a special meeting of the City Council for 5:00 p.m. on Tuesday, September 4, 2007, to make up for the first regular meeting in September, which falls on Labor Day.
CONSENT AGENDA.

SET PUBLIC HEARING FOR CAPITAL IMPROVEMENT PROGRAM (CIP) 2007-2012 FOR TUESDAY, SEPTEMBER 4, 2007

SET CIP PUBLIC HEARING

The City Council set a public hearing for the City's Capital Improvement Program (CIP) 2007-2012 for Tuesday, September 4, 2007. The proposed capital improvement funding for the General Fund is $27,994,040 and for the Utility Fund is $26,460,000. Total CIP funding for FY 2007-2012 is proposed at $54,454,040.
CONSENT AGENDA.

FINAL PLAT APPROVAL OF AUSTIN LANDING, PHASE TWO, BEING 2.688 ACRES IN THE ALEXANDER AND RICHARDS SURVEY, ABSTRACT NO. 42; TEXLANDEV-AUSTIN, LP, OWNER (4900 BLOCK OF NORTH TRAVIS)

APPROVE FINAL PLAT AUSTIN LANDING, PHASE TWO

The City Council approved the Final Plat of Austin Landing, Phase Two, which is 2.688 acres in the Alexander and Richards Survey, Abstract No. 42, located in the 4900 blocks of North Travis Street.

The property owners would like to plat the property into one lot for a regional detention basin for the Austin Landing project on the east side of North Travis Street. The detention basin will handle detention requirements for the west side of Travis as well as for the apartments and commercial tracts. The Planning and Zoning Commission recommended approval of the Final Plat.
CONSENT AGENDA.

<u>REPLAT APPROVAL OF VADEN CUPID ADDITION, A REPLAT OF LOTS 1 AND 2, BLOCK 6 OF THE C.L. STOWE ADDITION; BARTON CAPITAL, OWNER (615 SOUTH VADEN STREET)</u>

APPROVE REPLAT VADEN CUPID ADDITION

The City Council approved the Replat of the Vaden Cupid Addition, a Replat of Lots 1 and 2, Block 6 of the C.L. Stowe Addition, located at 615 South Vaden Street.

The property owners are replatting the property into three, fifty foot lots for residential development. The Planning and Zoning Commission recommended approval of the replat. CONSENT AGENDA.

<u>CITIZENS REQUESTS</u>

<u>ANNUAL UNITED WAY CAMPAIGN</u>

UNITED WAY CAMPAIGN

Terry Tombaugh, 5111 Blue Flame Road, said he is serving as Annual United Way Campaign Chairman for Grayson County this year. One initiative is to be all-inclusive of Grayson County. He invited City Council Members to the Kick-Off Breakfast that is scheduled for August 30, 2007, at 7:30 a.m., at Girls, Inc. Invitations will also be mailed to Council Members.

<u>CITIZEN REQUESTS TO SPEAK ON PREVIOUS ITEM</u>

CITIZEN REQUEST TO SPEAK

A lady from the audience wanted to speak on Item D-15 concerning the Replat approval of the Vaden Cupid Addition, located at 615 S. Vaden Street.

Mayor Magers explained that the item had already been considered and approved through the Consent Agenda process and they could not return to a discussion of that item. He asked Scott Shadden, Director of Developmental Services, to speak with her after the meeting to address questions she might have.

<u>CONSIDER THE QUALIFICATIONS, APPOINTMENT AND REMOVAL OF MEMBERS TO BOARDS AND COMMISSIONS: KEEP SHERMAN BEAUTIFUL COMMISSION (4)</u>

KEEP SHERMAN BEAUTIFUL

ACTION TAKEN.

> **Motion by Council Member Terrence Steele to appoint Donna Evans to the Keep Sherman Beautiful Commission for a term from August 7, 2007 to August 7, 2009. Second by Council Member Wacker.**

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

<u>CONSIDER THE QUALIFICATIONS, APPOINTMENT AND REMOVAL OF MEMBERS TO BOARDS AND COMMISSIONS: PLANNING AND ZONING COMMISSION CHAIRMAN</u>

PLANNING & ZONING CHAIRMAN

ACTION TAKEN.

> **Motion by Deputy Mayor Adami to reappoint Jason Sofey as Chairman to the Planning and Zoning Commission for a term from August 1, 2007 to August 1, 2008. Second by Council Member Willie Steele.**

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

<u>MEDIA QUESTIONS</u> — **MEDIA QUESTIONS**

There were no media questions.

<u>COUNCIL COMMENTS</u>

<u>NEW CITY MANAGER</u> — **NEW CITY MANAGER**

Council Member Willie Steele said he was excited about Mr. Olson being named as the new City Manager. He felt the City would do exciting things with Mr. Olson in the leadership.

<u>COLLIN COUNTY COURTHOUSE</u> — **COLLIN COUNTY COURTHOUSE**

Mayor Magers referenced a recent article in the Dallas Morning News that discussed the fact that the Collin County Courthouse is moving northwest of downtown McKinney to join their newly built jail. Since Grayson County is discussing building a new jail, he asked residents to "keep that in mind."

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

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

SECTION 551.071 -- **CONSULTATION WITH THE CITY ATTORNEY CONCERNING LEGAL MATTERS**

CONSULTATION WITH THE CITY ATTORNEY REGARDING PENDING LITIGATION: PROCK v. WOODMONT SHERMAN GP, LLC., CIVIL ACTION NO.; 2:06CV484

SECTION 551.074 -- **PERSONNEL MATTERS: CONSIDER THE QUALIFICATIONS, APPOINTMENT OR REMOVAL OF MEMBERS TO BOARDS AND COMMISSIONS:**

APPOINTMENT OF A CHAIRMAN FOR THE PLANNING AND ZONING COMMISSION

CONSIDER AN EMPLOYMENT AGREEMENT FOR THE CITY MANAGER

On Motion duly made and carried, the Open Meeting recessed and reconvened in Executive Session at 5:58 p.m.

On Motion duly made and carried, the Executive Session recessed at 6:12 p.m. and reconvened in Open Meeting.

OPEN MEETING **OPEN MEETING**

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

ADJOURNMENT **ADJOURNMENT**

On Motion duly made and carried, the meeting adjourned at 6:13 p.m.

____
MAYOR

____
CITY CLERK

Aug. 6, 2007
Agenda Item
B-1

2 August 2007

To Members of the City Council of Sherman:

RE: Draft ordinance on duplexes from Planning & Zoning Commission

One item of concern about the rapid growth of duplexes in College Park is the street flooding that increases because of all the paved and hard surfaced areas that have replaced grass and dirt that used to absorb runoff water.

In College Park, we have no storm sewers and the runoff results in major street flooding. Harrison Street has been flooded several times this summer, and the new duplexes in the 700 block definitely made it worse on the afternoon of July 31, when we had a sudden downpour. The amount of rain was less than an inch, yet a police cruiser had to divert traffic from Harrison St. and also Pacific St. The flooding on Cleveland St. also produced hazardous driving conditions.

In an effort to meet the requirements for off-street parking, the builders leave hardly any unpaved surfaces around the duplexes. I support the recommendation by P&Z Commission that duplexes be restricted to a maximum of four bedrooms per building, unless an exemption is sought and neighbors are allowed to comment.

Sincerely,

Ellen Miles

Ellen Miles
910 N. Harrison St.
Sherman, TX 75090

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In the
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OFFICE

Harold Rogers Harold B Rogers III 3112 Redbud Trail, Sherman, TX 75092
B.A. MITCHELL [signature] 210 ARAPAHO EAST - SHERMAN TX 75090
SUSAN J. BROWN [signature] 431 WESTWOOD DR. SHERMAN TX 7509?
Shirley Clark Shirley Clark 1121 W. Brockett, Sherman Tx 75092
13. ELTON C CLARK Elton C Clark 1121 W. Brockett Sherman Tx 75092

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OFFICE

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AUG 2007
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CITY CLERK OFFICE

TO: City Council, Sherman, Texas

We, the undersigned citizens of Sherman, wish to express our support for the draft ordinance on duplexes endorsed by the Planning and Zoning Commission of Sherman at their meeting on July 17, 2007.

This ordinance amends the requirements for duplexes by limiting them to a maximum of four bedrooms (which can be arranged as two bedrooms per unit, three in one and one in the other). What this prevents is building mega-duplexes with as many as six or eight bedrooms, as is currently allowed. Recently there have been numerous mega-duplexes built in the College Park Overlay district, often in pairs, adding twelve or sixteen bedrooms at one time, resulting in severe parking problems, street flooding and other safety issues. This provides a test case of the problems resulting from mega-duplexes.

Therefore, we ask the City Council of Sherman to consider the draft ordinance at its meeting on August 6 and pass it as submitted by the Planning and Zoning Commission, without amendment or change.

PRINTED NAME	SIGNATURE	ADDRESS
Amanda Newton	Amanda Newton	216 N Grand Ave, Sherman
Matt Krov	[illegible]	2526 Shoreline Dr
Baylee Locker	Baylee Locker	700 Hwy 1417 #1211, Sherman
KEITH KISSELLE	Keith W. Kisselle	1302 CLEVELAND AVE, SHERMAN
PATRICIA SLADE	Patricia Slade	509 N. ANDREWS
TINA BROWN	Tina Brown	1605 E. MAGNOLIA
Kelly Reed	Kelly Reed	1611 Mildred St., Sherman
8. Amy Graham	Amy Graham	900 Hwy 1417 #1604, Sherman

Michelle Perkins	Michelle Perkins	5303 W. Meadowridge Rd. Sherma
ELIZABETH RANGEL	Elizabeth Rangel	220 N. Lee Sherman
Ellen Miles	Ellen Miles	910 N. Harrison Sherman
Shauna Harkless	Shauna Harkless	1205 W. Bledsoe, Sherman
Phyllis A Rieser	Phyllis Rieser	1015 N. Grand Ave
Sandra L Miller	Sandra L Miller	1716 Ridgeway Sherman
Karen H Nelson	KAREN H NELSON	225 N TRAVIS #103 ST Sherman
Ilene Kendrick	Ilene Kendrick	1434 S. Travis St. Sherman, Tx
Pat Means	Pat Means	1805 Ridgway Sherman, T.
Shannon Fox	Shannon Fox	1624 East Richards Sherman
Carolyn Vickrey	Carolyn Vickrey	308 Forest Creek Dr, Sherma
LadyJane Hickey	Lady Jane Hickey	1612 N Ricketts St, Sherman
John R. West	JR West	315 W. McGee Sherman
Jill Roberts	Jill Roberts	1301 Western Hills Sherman
Paula Jonse	Paula Jonse	1419 N. Woods, Sher.
David Dillman	David Dillman	820 N. Sam Rayburn Fwy., Sherman
25 Frank Williams	Frank Williams	1116 E. Epstein, Sherman, Tx
Jon Gesell	Jon Gesell	1300 Mulberry, Sherman TX
Sandi Russell	Sandi Russell	216 Kessler Sherman
28 LARRY CAYLOR	Larry D. Caylor	4908 Park Ave Sherman

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PRINTED NAME	SIGNATURE	ADDRESS
Jerry B. Vincecum	Jerry B. Vincecum	608 N. Cleveland
Peggy Redshaw	Peggy Redshaw	608 N Cleveland
George Rowland	George Rowland	614 N McKown
Kenneth W. Street	Kenneth W. Street	116 W. Scott
5 Arvid N. Carlson	Arvid N. Carlson	2525 Nantucket
Dan Nuckols	Dan Nuckols	1224 N. Cleveland
Alisa Peters	Alisa Peters	1109 E Dorchester
8 Kenneth L. Jones		609 N. Cleveland

	TRAVIS BROMLEY	[illegible]	602 N. Cleveland Ave.
10	Terry W. Jenkins	Terry W. Jenkins	621 N. Cleveland
	Bruce E. Arnold	Bruce E. Arnold	3301 N FM 1417 Apt 1913
	Marianne Daniels	Marianne Daniels	510 W. McGee, Sher, Tx, 75092
	Sherry Little	Sherry Little	PO BOX 2898 Sherman TX 75092
	Don Eldredge	Don Eldredge Jr.	218 Chisholm Trail, Sherman, TX 75092
15	Gayle Bowers	Gayle Bowers	160 Key Rd, Sherman, TX 75090
	CAROL DAELEY	Carolyn Daeley	1815 W. SCOTT ST SHERMAN TX 75092
	PETER ANDERSON	Peter Anderson	308 N. BURDETTE AVE SHERMAN TX 75091
	JOHN WILLIAMS	[illegible]	1107 N. Grand Sherman, TX 75090
	Linnea Williams	Linnea Williams	1107 N. Grand Ave Sherman TX 75090
20	Tom Lowry	Tom Lowry	1008 N. Harrison 75090
	Robert W Cape	Robert W. CAPE, Jr.	523 N. Cleveland 75090 Sherman
	Jimmy Conner	[illegible]	520 N. Cleveland 75090
	Jon Dean	[illegible]	602 N. CLEVELAND
	John G Randall	J. G. Randall	622 N. Cleveland
25	Linda Randall	Linda Randall	622 N. Cleveland

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2007

Aug. 6, 2007
Agenda Item: B.1

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TO: City Council, Sherman, Texas

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Therefore, we ask the City Council of Sherman to consider the draft ordinance at its meeting on August 6 and pass it as submitted by the Planning and Zoning Commission, without amendment or change.

PRINTED NAME	SIGNATURE	ADDRESS
Linda Howard	Linda Howard	1213 E. Wells Sherman
Teresa Roberts	Teresa Roberts	85 Canopy Dr. Sherman
Connie Owen	Connie Owen	2106 Travis, Sherman
Bill Carter	Bill Carter	1314 N. Hunt
Becky Bass	Becky Bass	302 N. Harrison Sherman TX
Kathy Redrick	Kathy Redrick	920 N Throckmorton
Shelby Gann	Shelby Gann	524 N Andrews
S. Donna Bonine	Donna Bonine	520 N. Andrews

martin Bonine Martin Bonine 520 N Andrews

James R Perry JAMES R. PERRY 1901 LA SALLE DR

Martha P Nuckols Martha P Nuckols 1224 N. Cleveland

Nan & Don Davis 1001 N. Grand avenue Sherman Tx 75090

Laurie Mealy Laurie Mealy 1109 N. Leslie Ave. Sherman Tx 75092

14 Sara Bernice Moseley Sara Bernice Moseley 1101 N. Grand Sherman Tx 75090

MARION JOHNSON Marion Johnson 1001 N. Cleveland, Sherman, TX 75090

James Johnson James Johnson 1001 N. Cleveland Sherman TX 75090

Dianna Butler Dianna Butler 1002 N. Cleveland Sherman, TX 75090

Linn Cates Linn Cates 1102 N Cleveland Sherman TX

Cathy Garlitt Bucher Cathy Garlitt Bucher 1123 N. Cleveland, Sherman

20 LisaCates Lisa C Cates 917 N. Harrison Ave

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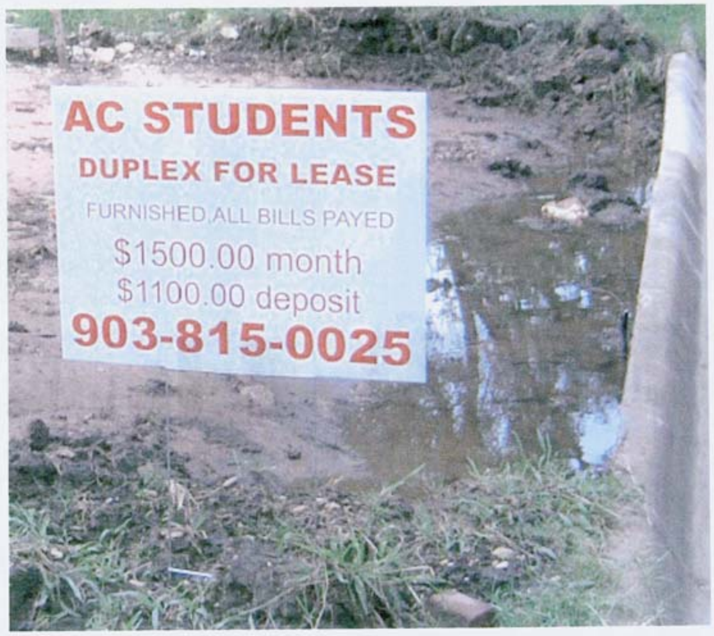
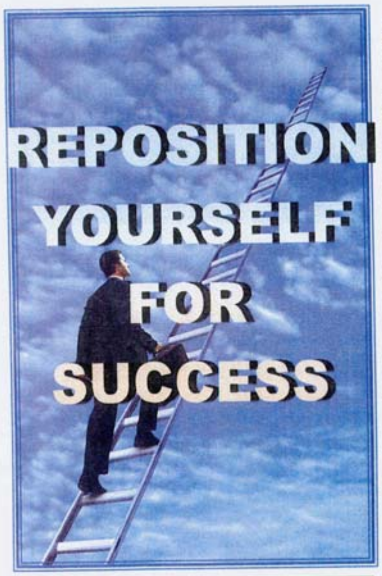

AC STUDENTS
DUPLEX FOR LEASE
FURNISHED ALL BILLS PAYED
$1500.00 month
$1100.00 deposit
903-815-0025



Mission Statement

FOUR RIVERS OUTREACH will provide a caring environment for the restoration and wholeness of individuals and families through a community-wide network.

LIFE SKILL CLASSES

Financial Management —Monday's 6:30—7:30 PM

Relationships — Tuesday's 6:00—7:00 PM

Job Skills — Wednesday's 6:00 — 7:00 PM

Life Management Skills — Thursdays 6:00—7:00 PM

12 Step Program for Ladies Friday's 6:00—7:00 PM

Interactive Group — Saturday's 10:00 AM

12 Step Program for Men Saturday's 1:30—2:30 PM

Journey to Freedom Saturday's 5:00 PM

Sunday's 3:00—4:30 PM –New Beginnings for Ladies

FOUR RIVERS OUTREACH, INC.
333 WEST JONES
SHERMAN, TEXAS 75090
903-870-4000 or 903-436-8816
ahhorn@aol.com

FOUR RIVERS OUTREACH, INC.

Support, Accountability, Future, Protection and Instruction

4 RIVERS

VOCATIONAL TRAINING

IN PARTNERSHIP WITH GRAYSON COUNTY COLLEGE

FROM GED
VOCATIONAL
CONTINUING EDUCATION
TO DEGREE PROGRAMS

CWL
Center for Workplace Learning

integrity matters

Mentoring
Coaching
By Appointment

COME BY AND HANG OUT—COFFEE AND SOFTDRINKS

A NEW DAY
TRANSITION HOUSE

JOURNEY

DESIRE TO BE FREE
PROCESS
NEW LIFESTYLE
HITTING THE WALL
FREEDOM
CELEBRATION
REALITY CHECK
PROVISIONS
MEETING GOD
LIFE PREPARATION
LEARNING TO OVERCOME
KINGDOM LIVING

TO FREEDOM

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 8-20-2007

Subject: Agenda Item No. A.5

PROCLAMATION
"Women's Equality Day" – August 26, 2007

Issue
To present a proclamation designating August 26, 2007 as "Women's Equality Day" in the City of Sherman

Background
The Sherman Business and Professional Women's Organization has requested this proclamation to celebrate the signing of the 19th Amendment to the Constitution, giving women the right to vote.

Origination
August 26th is the anniversary of the passage of the 19th Amendment in 1920, which gave women the right to vote, and the day in 1970 on which a nationwide demonstration for women's rights took place.

Financial Consideration
There is no financial consideration to the City.

Staff Recommendation
It is the recommendation of the staff to present a proclamation proclaiming "Women's Equality Day" on August 26, 2007.

Alternatives
The Council could choose not to present the proclamation.

Attachments
A proclamation proclaiming "Women's Equality Day" is attached.

Prepared by:
Linda Ashby, City Clerk

Approved by:
George Olson, City Manager

SHERMAN

Proclamation

WHEREAS, the women of the United States have not been entitled the full rights and privileges, public or private, legal or institutional, which are available to male citizens of the United States, and

WHEREAS, the women of the United States have united to assure that these rights and privileges are available to all citizens equally regardless of sex, and

WHEREAS, the women of the United States have designated August 26th, the anniversary date of the passage of the Nineteenth Amendment, as a symbol of the continued fight for equal rights, and

WHEREAS, the women of the United States are to be commended and supported in their organizations and activities, and

WHEREAS, the City of Sherman reaffirms a commitment to respect the rights of women and address their needs during 2007 Women's Equality Day and throughout the year.

NOW THEREFORE, I, Bill Magers, Mayor of the City of Sherman, Texas, by the authority vested in me, do hereby proclaim August 26, 2007

WOMEN'S EQUALITY DAY

in the City of Sherman and urge all citizens to recognize that August 26th is designated as "Women's Equality Day" in commemoration of that day in 1920, on which the women of America were first given the right to vote, and that day in 1970, on which a nationwide demonstration for women's rights took place.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of the City of Sherman to be affixed this the 20th day of August, 2007.

Mayor

ATTEST:

Linda Ashby

City Clerk

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 8-20-2007

Subject: Agenda Item No. B.1

PUBLIC HEARING
Conduct the First Public Hearing on the Proposed Ad Valorem Tax Rate for the City of Sherman, Texas, for the Tax Year 2007

Issue
To conduct the first public hearing on the ad valorem tax rate proposed for the upcoming fiscal year, as mandated by revisions in the State of Texas' Truth-In-Taxation laws

Background
For 2007, any city that sets a tax rate that exceeds the effective tax rate must: (1) hold a meeting to discuss the tax rate and set two public hearings; (2) hold two separate public hearings that are 3 to 14 days apart; and (3) pass an ordinance setting the tax rate at a meeting held 3 to 14 days after the second public hearing. The effective tax rate is the rate that yields the same amount of revenue as the prior year on property that is taxed in both years. This year's effective tax rate is $0.391446 with a rollback rate of $0.442118. At the Budget Workshop, the City Council directed that the actual tax rate remain at $.40 per $100 valuation. This is the first public hearing. The second public hearing is set for September 4th. Final action on the tax rate is to be at the September 17th meeting.

Origination
Finance Department

Financial Consideration
The proposed tax rate will generate approximately $7,400,000 in property tax revenues. Failure to follow the law allows a taxpayer to sue in district court to stop the City of Sherman from adopting a tax rate until it complies with the law.

Staff Recommendation
Based on the Budget Workshop and the discussion of the draft budget, the staff recommends the adoption of a $.40/$100 tax rate.

Alternatives
The City Council could change the direction that they gave at the Budget Workshop by requesting a tax rate other than $.40 per $100 valuation. Setting a rate over $.40 per $100 valuation would mean that the public hearing and publication process would have to begin again.

Attachments
"2007 Property Tax Rates in City of Sherman"

Prepared by:
Robby Hefton, Assistant City Manager/CFO

Approved by:
George Olson, City Manager

2007 Property Tax Rates in CITY OF SHERMAN

This notice concerns 2007 property tax rates for CITY OF SHERMAN. It presents information about three tax rates. Last year's tax rate is the actual rate the taxing unit used to determine property taxes last year. This year's effective tax rate would impose the same total taxes as last year if you compare properties taxed in both years. This year's rollback tax rate is the highest tax rate the taxing unit can set before taxpayers can start tax rollback procedures. In each case these rates are found by dividing the total amount of taxes by the tax base (the total value of taxable property) with adjustments as required by state law. The rates are given per $100 of property value.

Last year's tax rate:

Last year's operating taxes	$6,915,297
Last year's debt taxes	$0
Last year's total taxes	$6,915,297
Last year's tax base	$1,728,824,250
Last year's total tax rate	0.400000/$100

This year's effective tax rate:

Last year's adjusted taxes (after subtracting taxes on lost property)	$6,542,708
÷ This year's adjusted tax base (after subtracting value of new property)	$1,671,417,662
= This year's effective tax rate	0.391446/$100

(Maximum rate unless unit publishes notices and holds hearings.)

This year's rollback tax rate:

Last year's adjusted operating taxes (after subtracting taxes on lost property and adjusting for any transferred function, tax increment financing, and/or enhanced indigent health care expenditures)	$9,479,800
÷ This year's adjusted tax base	$1,671,417,662
= This year's effective operating rate	0.567171/$100
x 1.08=this year's maximum operating rate	0.612544/$100
+ This year's debt rate	0.000000/$100
= This year's total rollback rate	0.612544/$100
- Sales tax adjustment rate	0.170426/$100
= Rollback tax rate	0.442118/$100

Statement of Increase/Decrease

If CITY OF SHERMAN adopts a 2007 tax rate equal to the effective tax rate of $0.391446 per $100 of value, taxes would decrease compared to 2006 taxes by $169,153.

Schedule A - Unencumbered Fund Balances

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

Type of Property Tax Fund	Balance
MAINTENANCE & OPERATIONS	$600,000
INTEREST & SINKING	$0

Schedule B - 2007 Debt Service

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

Description of Debt	Principal or Contract Payment to be Paid from Property Taxes	Interest to be Paid from Property Taxes	Other Amounts to be Paid	Total Payment
Enter Text Here	$0	$0	$0	$0
Total Required for 2006 Debt Service				$0
- Amount (if any) paid from funds listed in Schedule A				$0
- Amount (if any) paid from other resources				$0
- Excess collections last year				$0
= Total to be paid from taxes in 2007				$0
+ Amount added in anticipation that the unit will collect only 100.00% of its taxes in 2007				$0
= Total Debt Levy				$0

Schedule C - Expected Revenue from Additional Sales Tax

In calculating its effective and rollback tax rates, the unit estimated that it will receive $2,937,092 in additional sales and use tax revenues.

This notice contains a summary of actual effective and rollback tax rates' calculations. You can inspect a copy of the full calculations at 100 W. HOUSTON, SHERMAN, TX 75090.

Name of person preparing this notice: JOHN RAMSEY
Title: TAX ASSESSOR-COLLECTOR GRAYSON COUNTY
Date Prepared: August 1, 2007

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 8-20-2007

Subject: Agenda Item No. B.2

INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 5475
Providing for the Appropriation of Funds for Operating and Capital Expenditures for the Fiscal Year Beginning October 1, 2007, and Ending September 30, 2008

Issue
To open a public hearing for and consider introduction of the proposed budget ordinance for the 2007-2008 fiscal year

Background
This proposed budget reflects the direction given by the Council at the recent budget workshop held during July 12 and 13, 2007, as well as the input given by the Council at the draft budget presentation on August 10, 2007. The budget contains $65.1 million in appropriations, which represents an approximate 16.9% 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 maintains the property tax rate at $.40/$100; and no increases in water/sewer rates and solid waste rates are included. More detailed information is available on the attachments. This budget ordinance is scheduled to be adopted by the Council at the September 4, 2007 Council meeting.

Origination
City Manager and Finance Department

Financial Consideration
The proposed budget contains appropriations of $65.1 million for the 2007-2008 fiscal year.

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

Alternatives
The Council could make changes to the proposed budget, subject to the existing available financial resources and time constraints related to adopting the ad valorem tax rate.

Attachments
Ordinance No. 5475
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. 5475

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, 2007, AND ENDING SEPTEMBER 30, 2008; 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, 2007, and ending September 30, 2008.

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, 2007, and ending September 30, 2008.

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 _________________, 2007.

ADOPTED on this the ________________ day of _________________, 2007.

EFFECTIVE DATE on this the _________ day of _________________, 2007.

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 2007-2008
August 20, 2007

SUMMARY:

The attached proposed budget for 2007-2008 is based on the direction provided by the City Council at the budget workshop that was held on July 12 and 13, 2007.

The proposed budget reflects a renewed focus on long-term planning designed to provide a roadmap for the City's expected future growth. Capstones of these initiatives include an update of the Comprehensive Master Plan, East-West Thoroughfare development, water/sewer infrastructure development along Hwy 75 North and Hwy 82 west, development of a strategic marketing plan, and Central Business District Enhancements. Additionally, the Council has given priority to public safety by funding a significant increase in public safety compensation. Further, the Council is considering alternative financing sources, including:

- Certificates of obligation to fund street and park development initiatives
- 1/8 cent sales tax election to reduce property taxes
- 1/8 cent ales tax to provide funding for street repair and maintenance
- Sherman Economic Development Corporation (SEDCO) funding to help develop infrastructure to spur development north along Highway 75

Appropriations for 2007-2008 total about $65.1 million. This is approximately 16.9% more than the $55.7 million in the original 2006-2007 budget. Increased spending on capital projects represents the largest component of the increased appropriations.

Total budgeted full-time positions in the proposed budget are 413, up from 412 in fiscal year 2006-2007. The increase results from making a part-time position in utility billing a full-time position.

The General Fund is balanced on an on-going basis, with slightly increased revenues off-setting the increased personnel costs related to public safety and a 2% across-the-board raise. The property tax rate remains at $.40 per $100 valuation, but increased valuations will enable us to budget approximately $350,000, or 5.0%, more revenue than the prior year's budgeted amount. The Council is looking in 2007-08 at implementing alternatives to lower the tax rate; however, the effect of this would likely not occur until the 2008-2009 fiscal year. Sales tax revenue is projected to continue increasing due to the healthy outlook of our local economy and the continued retail business being developed in the Hwy 75 North area of Sherman. The sales tax revenue is budgeted to increase about $800,000 or 7.8%, over the prior year's budgeted revenues. The General Fund will transfer about $480,000 to begin debt service payments on a proposed bond issue of about $10 million. Additionally, healthy reserve balances in the General Fund allow $1.7 million to be transferred to the General Improvement Fund for capital projects.

The Utility Fund is balanced on an on-going basis, although expenses will exceed revenues due to non-recurring capital purchases and transfers of excess fund balances to fund future utility infrastructure improvements. No rate increase is proposed for this budget year. Recent heavy rainfalls are expected to cause a decrease in water and sewer revenues for fiscal year 2006-2007 compared to originally budget amounts. However, total budgeted revenues for 2007-2008 are expected to be relatively flat, since no increase in rates is being proposed. A net loss for 2007-2008 is budgeted at about $970,000 since funding for capital expenses and transfers is being taken from excess fund balances. Remaining fund balances are projected to be a healthy $3.2 million, or about 60 days of ongoing operating expenses.

The Solid Waste Fund is balanced on an on-going basis, although expenses will exceed revenues due to funding of non-recurring capital expenses and transfers-out of excess fund balances. No rate increase is recommended for this fund. Estimated operating results for fiscal year 2006-2007 reflect slightly negative net revenues of about $30,000, or 0.5% of budgeted expenses, when factoring in the budgeted transfer out of $600,000 of excess fund balances. Healthy fund balances in this fund will allow for an additional one-time transfer of $700,000 to the General Improvement Fund. Fund balances are expected to remain more than $900,000, or over 60 days of ongoing expenses.

The proposed budget contains significant projects in each of the Capital Projects Funds. Some of these projects are proposed to be funded through debt financing through issuance of Certificates of Obligation or indirectly through Greater Texoma Utility Authority (GTUA), while others are expected to be funded through reserves. Of the approximate $3.5 million available from General Improvement Fund reserves, the proposed budget appropriates approximately $1.5 million, leaving a reserve of $2.0 million; of this amount, $120,000 is designated for transportation. About $7.8 million would remain at the end of the year from bond proceeds, after having funded about $2.6 million in projects related to street and park improvements. The largest projects in this fund are Brockett Street improvements, United Pacific Right of Way purchase (UP ROW), Pecan Grove Park Phase I and the Comprehensive Master Plan update.

In the Utility Improvement Fund, the City of Sherman will issue revenue bonds of $2,560,000 through GTUA. The largest projects to be funded through this source are the Waste Water Treatment Plant (WWTP) Digester Rehabilitation and Phase I of Relief Sewer K-4. 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 $6.1 million in available fund balance in the Utility Improvement Fund. These include Water Treatment Plant Phase II improvements, and Screw Lift Pump replacement at the WWTP.

Additionally, the Council has worked with SEDCO to leverage SEDCO’s financial strength to fund a major water/sewer infrastructure development project on Highway 75 north to Hwy 691. This initiative is expected to have a substantial effect on timing of development along this important commercial and retail corridor.

DETAILED INFORMATION:

Additional information on <u>major components</u> of the 2007-2008 proposed budget follows.

Certificates of Obligation: The proposed budget includes the effects of issuing about $10.3 million in Certificates of Obligation (CO), funding of which could be used for projects such as

East-West Thoroughfares, Brockett Street, Pecan Grove Park development, and Center Street Complex. Debt service for this bond issue would be through ad-valorem taxes and a general revenue pledge.

Sales Tax Election: This initiative includes two components: 1) a reduction of property tax equal to 1/8 cent sales tax, and 2) street sales tax equal to 1/8 cent sales tax for a four-year period to fund significant street improvement projects. A preliminary plan for use of the street sales tax proceeds would be provided prior to the election. Further, the Council is considering a reduction of property taxes above the equivalent 1/8 cent sales tax that would otherwise be provided through this election. A 1/8 cent sales tax would reduce property taxes by about $0.0575/$100 valuation.

Property Tax Relief: In addition to the initiatives described in the Sales Tax Election above, this measure would provide for additional property tax relief by reducing the property tax rate from $.40/$100 to $.32/$100 valuation. Since this initiative would be contingent upon the successful passing of the Sales Tax Election, which would be held during the 2007-2008 fiscal year, the likely effective date of this measure would be October 1, 2008.

Comprehensive Master Plan Update: This project will update the City's Comprehensive Master Plan, which is about 10 years old. It will provide direction to City staff and the Council about the nature, timing, and extent of future development for the City, including infrastructure and thoroughfares, parks and recreation, land use, etc.

Public Safety Compensation: This plan provides additional base pay and incentive and certification pay to police and fire department personnel. The intent of this objective is to allow the City to recruit and retain qualified, highly trained officers to ensure the continued public safety of the residents and other City stakeholders. This initiative would also eliminate the residency requirements for these personnel. The annual cost of this program is about $560,000.

Brockett Street: The proposed budget includes roughly $1.6 million for improvements to this thoroughfare to link Austin College with the City's downtown area. These improvements are also expected to tie in to the proposed trail system using the UP ROW, and will significantly enhance the College Park Overlay District. This proposed funding for this project will be CO debt.

East-West Thoroughfares: The scope of these projects is expected to dove-tail with the direction received from the Comprehensive Master Plan update. It includes improvement and expansion of existing thoroughfares to the City limits west of Heritage Parkway. The two projects identified at this point are Washington St. and Lamberth Road, with expected costs of $3.6 million and $.8 million, respectively. These projects are proposed to be funded through debt.

Center Street Complex: The 2007-2008 proposed budget includes $5,000 for a park plan update for the proposed Center Street Complex. Development of this area is proposed to be funded in 2008-2009 through bond funds. The envisioned use of this property would be for activities such as lighted sport fields, a trail system, and restroom and concession areas. The expected cost of development is about $1 million.

Trail Development: The proposed budget for the General Improvement Fund includes $575,000 for this initiative, which includes possible development of the Anderson Meat Property near Fairview Park, and possible acquisition of the UP ROW for future trail development. These measures are aimed at developing a comprehensive recreational trail network throughout the City.

Water Treatment Plant Upgrade – Phase II: The proposed budget for the Utility Improvement Fund includes $1,425,000 for this project, a continuation of a project that began in 2006-2007. Another phase is expected in a future year. This project will enable the Treatment Plant to upgrade the membranes that filter the water.

Highway 82 Water Main: The second and third phases of a three phase plan to extend City water to the planned Highway 82/Highway 289 intersection is estimated at $700,000. Since it is included in the GTUA bond issue, this project will be carried on GTUA's books, rather than the City's.

Wage Increase – 2% Across-the-Board: The proposed budget contains a 2% increase in base salaries. The annual cost of this increase for all funds is projected to be about $390,000. Additionally, the proposed budget contains an additional ½% increase available to fund a management initiative to recognize outstanding performance among city employees. This is expected to cost up to $98,000 overall.

Grant Writing Program: This program provides funding for a part-time employee to seeking alternative financing sources through federal, state, and local granting agencies. The success of this program will be monitored during the year to ascertain whether or not this program is viable long-term. The expected cost of this program is about $35,000.

SUMMARY SCHEDULES, DETAILED FUND STATEMENTS, AND OTHER INFORMATION

The following pages include a schedule that summarizes the proposed 2007-2008 budget, eliminating double counting for internal service funds and inter-fund transfers. Also included are statements of revenues and expenditures/expenses for each fund, a debt schedule, and a general fund summary of expenditures by function/department.

NOTE: THIS BUDGET WILL RAISE MORE TOTAL PROPERTY TAXES THAN LAST YEAR'S BUDGET BY $650,000 AND 8.9%, AND OF THAT AMOUNT $390,000 IS TAX REVENUE TO BE RAISED FROM NEW PROPERTY ADDED TO THE ROLL THIS YEAR.

Summary of Receipts and Expenditures/Expenses
Fiscal Year 2007-2008

	General Fund	Enterprise Funds	Internal Service Funds	Special Revenue Funds	Capital Projects Funds	Trust Fund	Debt Service Funds	Elim. Interfund Transfers	Totals
Beginning Fund Balance	$ 6,256,085	$ 6,837,155	$ 2,006,735	$ 1,292,482	$ 5,757,010	$ 1,272,399	$ 541,709	$ (2,006,735)	$ 21,956,840
Receipts:									
Taxes	22,029,709	-	-	1,033,000	-	-	381,000	-	23,443,709
Water Sales	-	10,994,000	-	-	-	-	-	-	10,994,000
Sewer Sales	-	7,028,000	-	-	-	-	-	-	7,028,000
Solid Waste Sales	-	5,030,000	-	-	-	-	-	-	5,030,000
Other Fees for Services	4,006,435	499,000	6,671,993	865,050	-	-	-	(5,812,393)	6,230,085
Interest	431,500	448,400	93,700	58,050	215,000	2,000	27,900		1,276,550
Other	535,002	424,200	18,500	116,300	3,700,000	6,000	-		4,800,002
Bond Proceeds	-	-	-	-	10,300,000	-	-		10,300,000
Transfers In	2,095,938	-	-	62,000	3,645,162	-	595,187	(6,398,287)	-
Total Receipts	29,098,584	24,423,599	6,784,193	2,134,400	17,860,162	8,000	1,004,087	(12,210,680)	69,102,345
Expenditures/Expenses:									
Personnel	19,633,685	5,945,743	1,006,416	78,310	-	-	-		26,664,154
Supplies	1,145,038	1,171,244	1,036,129	498,788	-	-	-		3,851,199
Maintenance	1,156,424	1,704,246	560,643	514,625	-	-	-		3,935,938
Utilities	1,510,115	3,327,575	62,500	53,900	-	-	-		4,954,090
Contract Wages	335,910	90,300	10,100	-	-	-	-		436,310
Computer Services	387,900	99,300	18,500	-	-	-	-	(505,700)	-
Debt Service	211,885	5,374,077	95,232	-	-	-	-		5,681,194
Contractual Services	1,787,912	2,820,939	4,007,094	758,898	-	-	842,843	(2,853,093)	7,364,593
Vehicle Usage	1,207,900	1,268,700	-	1,900	-	-	-	(2,453,600)	24,900
Equipment & Buildings	687,093	717,825	25,100	194,500	10,340,040	-	-		11,964,558
Other	-	218,998	-	-	-	-	-		218,998
Transfers Out	2,181,750	3,941,100	-	175,437	100,000		-	(6,398,287)	-
Total Expenditures/Expenses	30,245,612	26,680,047	6,821,714	2,276,358	10,440,040	-	842,843	(12,210,680)	65,095,934
Ending Fund Balance	$ 5,109,057	$ 4,580,708	$ 1,969,214	$ 1,150,524	$ 13,177,132	$ 1,280,399	$ 702,953	$ (2,006,735)	$ 25,963,252

General Fund
Summary of Receipts & Expenditures

	Actual 2005-2006	Original Budget 2006-2007	Estimated 2006-2007	Requested 2007-2008
Beginning Fund Balance	5,229,891	$5,061,404	$5,915,878	$ 6,100,660
Receipts				
Property Taxes	6,894,312	7,001,723	7,021,965	7,500,000
Sales Taxes	10,355,403	10,281,161	10,816,301	11,086,709
Franchise Taxes	3,401,743	3,350,000	3,293,233	3,330,000
Other Taxes	116,394	115,000	113,000	113,000
Fines & Forfeitures	710,089	1,000,000	704,000	754,500
Recreation	69,949	169,250	269,500	278,500
Permits & Licenses	455,348	484,000	484,000	439,000
Rentals	4,084	5,000	5,000	5,650
Cemetery Sales and Services	128,725	130,000	130,000	164,000
Sales & Services	398,500	510,000	517,205	514,785
Ambulance Services	1,626,354	1,648,000	1,850,000	1,850,000
Interest	251,467	200,000	425,000	425,000
Grants and Miscellaneous	964,203	794,900	848,836	520,002
Total Revenues	25,376,571	25,689,034	26,478,040	26,981,146
Transfers In	1,719,559	1,999,564	1,999,564	2,095,938
Total Receipts	27,096,130	27,688,598	28,477,604	29,077,084
Total Funds Available	32,326,021	32,750,002	34,393,482	35,177,744
Expenditures				
Personnel	17,713,301	18,650,287	18,817,342	19,633,685
Supplies	694,899	823,450	872,138	1,145,038
Maintenance	803,112	1,442,944	1,529,730	1,156,424
Utilities	1,323,583	1,427,063	1,394,174	1,510,115
Contract Wages	230,471	304,200	324,188	335,910
Computer Services	314,135	380,079	409,300	387,900
Debt Service	172,774	286,200	286,200	211,885
Contractual and Sundry Services	1,344,759	1,541,475	1,500,877	1,734,662
Vehicle Usage	1,112,762	1,226,297	1,100,050	1,207,900
Equipment and Buildings	1,396,347	1,163,429	1,262,823	687,093
Transfer Out to Debt Service	-	-	-	481,750
Transfers Out- CIP Fund	1,304,000	796,000	796,000	1,700,000
Total Expenditures	26,410,143	28,041,424	28,292,822	30,192,362
Excess Receipts over Expenditures	**685,987**	**(352,826)**	**184,782**	**(1,115,278)**
Ending Fund Balance	5,915,878	4,708,578	$ 6,100,660	$ 4,985,382
Target Fund Balance	4,402,571	4,674,505	4,716,413	4,749,677
Additional Fund Balance	1,513,307	34,073	1,384,246	235,705

Utility Fund
Summary of Receipts & Expenses

	Actual 2005-2006	Original Budget 2006-2007	Estimated 2006-2007	Requested 2007-2008
Beginning Reserve	$ 5,778,005	$ 6,970,845	$ 8,276,844	$ 4,216,041
Receipts				
Water Revenues	10,859,674	11,182,700	10,600,000	10,994,000
Sewer Revenues	6,610,903	6,548,887	6,650,000	7,028,000
Laboratory Charges	128,565	136,300	84,000	84,000
Service & Penalties	417,135	532,000	415,000	415,000
Earned Interest	323,847	350,000	345,000	345,000
Miscellaneous	301,025	270,000	306,000	306,000
Total Current Revenues	18,641,149	19,019,887	18,400,000	19,172,000
Total Funds Available	24,419,154	25,990,732	26,676,843	23,388,041
Expenses				
Personnel	3,896,147	4,280,809	4,188,859	4,398,178
Supplies	713,306	819,174	823,443	950,891
Maintenance & Repair	1,103,683	1,501,116	1,871,101	1,676,626
Utilities	2,649,014	3,292,907	3,113,395	3,317,075
Computer Services	68,683	102,202	93,500	88,600
Debt Service	4,577,430	4,910,190	4,953,332	4,992,322
Contract Wages	89,025	78,000	78,000	84,000
Contractual & Special Services	874,338	1,304,851	1,469,818	1,378,590
Vehicle Usage	228,019	310,574	229,690	259,000
Other	247,125	175,998	175,998	218,998
Capital Expenses	206,917	277,769	308,040	480,825
Total Expenses	14,653,687	17,053,590	17,305,176	17,845,105
Transfers Out				
General Fund	1,323,553	1,497,826	1,497,826	1,500,000
Others	165,070	3,657,800	3,657,800	800,000
Total Transfers Out	1,488,623	5,155,626	5,155,626	2,300,000
Total Expenses	16,142,310	22,209,216	22,460,802	20,145,105
Excess Receipts over Expenditures	2,498,839	(3,189,329)	(4,060,802)	(973,105)
Ending Reserve	$ 8,276,844	$ 3,781,516	$ 4,216,041	$ 3,242,936
Target Fund Balance	2,690,923	3,702,276	3,744,216	3,224,829
Additional Fund Balance	5,585,921	79,240	471,826	18,107

Solid Waste Fund
Summary of Receipts & Expenses

	Actual 2005-2006	Original Budget 2006-2007	Estimated 2006-2007	Requested 2007-2008
Beginning Fund Balance	$ 1,347,262	$ 1,619,004	$ 2,458,927	$ 1,828,410
Solid Waste Fees	5,086,276	5,100,000	4,850,000	4,947,000
Service Penalties	-	55,000	83,000	83,000
Interest	55,578	-	95,000	95,000
Loan Proceeds	385,954	-	-	-
Miscellaneous	140,759	100,000	118,200	118,200
Total Receipts	5,668,567	5,255,000	5,146,200	5,243,200
Total Funds Available	7,015,829	6,874,004	7,605,127	7,071,609
Expenses				
Personnel	1,255,190	1,436,594	1,414,730	1,547,565
Supplies	157,141	204,705	252,879	220,353
Maintenance & Repair	6,991	13,920	13,920	27,620
Utilities	7,419	9,309	9,077	10,500
Contract Wages	2,374	5,600	5,600	6,300
Computer Services	7,928	19,957	16,462	10,700
Solid Waste Debt Service	453,291	492,112	480,280	381,755
Contractual & Sundry Services	1,303,035	1,470,657	1,450,126	1,432,349
Vehicle Usage	712,524	840,071	840,750	1,009,700
Capital Expenses	300,003	27,445	196,955	237,000
Transfers Out	351,006	1,095,938	1,095,938	1,195,938
Total Expenses	4,556,902	5,616,308	5,776,717	6,079,780
Excess Receipts over Expenditures	1,111,665	(361,308)	(630,517)	(836,580)
Ending Fund Balance	$ 2,458,927	$ 1,257,696	$ 1,828,410	$ 991,829
Target Balance	759,636	936,239	962,979	913,479
Additional Fund Balance	1,699,292	321,457	865,431	78,350

General Improvement Fund
Summary of Receipts & Expenditures

	Actual 2005-2006	Original Budget 2006-2007	Estimated 2006-2007	From Reserves 2007-2008	Bond Funded 2007-2008	Requested 2007-2008
Beginning Fund Balance	$ 3,956,401	$ 1,959,550	$ 4,173,153	$ 1,044,097		$ 1,044,097
Revenues:						
Transfers In	1,304,000	1,507,508	1,507,508	2,400,000		2,400,000
Bond Proceeds					10,300,000	10,300,000
Investment Interest	187,569	35,000	145,000	25,000		25,000
Total Receipts	1,491,569	1,542,508	1,652,508	2,425,000	10,300,000	12,725,000
Total Funds Available	5,447,970	3,502,058	5,825,661	3,469,097	10,300,000	13,769,097
Expenditures:						
Binkley Park Improvements	13,778	-				
Taylor/Lamberth Right of Way	150	-	5,500			
Texoma Median Beautification	(11,264)	-				
Street Oversizing		100,000	20,929			
Binkley Park Walking Trail	174,276					
Binkley Park Parking Lot	52,039					
Soccer Fields - High School & Center St.	230,233					
Fairview Pool Construction	255,912	1,929,000	2,073,870			
Old Settlers Park Shade Structures			93,036			
Old Settlers Park Road and Courts	1,588		250,237			
Restroom at Baker Park	94,837		-			
Rebuilding Loy Lake - Taylor to Lamberth	436,020		1,465,000			
Curb and Gutter Replacement	27,248		-			
Solid Waste Parking Lot Improvements - Phase III		75,000	75,000			
Culvert at King Street and First Street		60,000	60,000			
FM 1417/Highway 56 Intersection ROW Acquisition		30,000	28,350			
Fairview Soccer Field Irrigation/Renovation		135,000	125,000			
MLK Park Lighted Hike/Bike Trail		192,500	192,500			
Fairview Park Lighted Hike/Bike Trail Expansion		313,500	313,500			
Fairview Park Picnic Pavilions		45,000	44,999			
Municipal Grounds Irrigation Project		65,000	33,643			
Texoma Pkwy - Loy Lake Box Culvert				150,000		150,000
Harrison Storm Water Improvement		-		80,000		80,000
Aerial and Topographic Map Updates		-		170,000		170,000
Comprehensive Plan Study		-		200,000		200,000
Center Street Complex Planning		-		5,000		5,000
Hawn Park Upgrade		-		130,000		130,000
Pecan Grove Park Development - Phase I					400,000	400,000
Library Parking and Sidewalk				78,540		78,540
Old Settlers Park Restroom/Concession				200,000		200,000
Emergency Siren Replacement				195,000		195,000
Central Business District Rehabilitation Study				20,000		20,000
Park Mapping Project				50,000		50,000
Travis Street ROW- Taylor to Lamberth				50,000		50,000
Travis Street Overlay - Hwy 75 to Washington				111,500		111,500
Street Right-of-Way & Oversizing				50,000		50,000
UP R-O-W Purchase					575,000	575,000
Brockett St. - Grand to Travis					1,575,000	1,575,000
Total Expenditures	1,274,817	2,945,000	4,781,564	1,490,040	2,550,000	4,040,040
Ending Fund Balance	$ 4,173,153	$ 557,058	$ 1,044,097	$ 1,979,057	$ 7,750,000	$ 9,729,057
Designated for Transportation	-	120,000	-	120,000		120,000
Designated for Bond Projects					7,750,000	7,750,000
Not Designated	4,173,153	437,058	1,044,097	1,859,057		1,859,057

Utility Improvement Fund
Summary of Receipts & Expenses

	Actual 2005-2006	Original Budget 2006-2007	Estimated 2006-2007	Reserves 2007-2008	SEDCO 2007-2008	Requested 2007-2008
Beginning Fund Balance	$ 2,951,197	$ 2,308,162	$ 3,083,122	$ 4,712,913		$ 4,712,913
Revenues						
Interest Income/Other Income	268,384	40,000	155,000	190,000	3,700,000	3,890,000
Debt from Corps of Engineers	3,727,060		-	-		-
Transfer-in from Utility Fund	-		3,500,000	800,000		800,000
Transfer-in from Utility Bond Funds	3,500,000	3,500,000		445,162		445,162
Total Revenues	3,995,444	3,540,000	3,655,000	1,435,162	3,700,000	5,135,162
Total Funds Available	6,946,641	5,848,162	6,738,122	6,148,075	3,700,000	9,848,075
Expenses						
Lake Texoma Storage	3,727,060					
WWTP Clarifier #2	69,977					
Wells St. Water Line Replacement	12,866					
Walnut St. Water Line Replacement	21,465					
Rusk & Mulberry Water Line Replacement	16,576					
Cottonwood Water Line Replacement	11,345					
Highway 91 Sewer Line Replacement	2,430					
Lamberth/Devonshire Sewer Replacement	1,800		2,120			
Hub Street Water Line Replacement			57,756			
NW Sherman Water Line Replacement			86,004			
Ricketts/Kessler Water Line Replacement			54,728			
WTP - Upgrade Phase I		1,350,000	1,000,000			
WWTP - Influent Metering System Upgrade		150,000	28,000			
Texoma Parkway Water Line Replacement - Phase II			29,509			
Hwy 56 Water Line Connection - West to Friendship		45,000	80,000			
Dexter Street Water Line Replacement		76,000	153,000			
West Washington Water Replacement		100,000	125,000			
Texoma Parkway Sewer Replacement		90,000	112,500			
Belden Street Water Line Replacement		60,000	75,000			
Oakhill Water Line Replacement		50,000	62,500			
Utility Oversizing			159,092			
* WWTP - Digester Rehabilitation						-
WWTP Screw Lift Pump Replacement				690,000		690,000
WTP - Upgrade Phase II				1,425,000		1,425,000
* Texoma Parkway Water Replacement - Phase III						-
* Relief Sewer K-4 Phase 1						-
Utility Oversizing		100,000		100,000		100,000
Highland Street Water Replacement				135,000		135,000
Travis Street Water Line Replacement - 75 to Washington				250,000		250,000
* Hwy 82 West Water Line - Phase II & Phase III						-
Hwy 75 Water/Sewer to 691					3,700,000	3,700,000
Total Expenses	3,863,519	2,021,000	2,025,209	2,600,000	3,700,000	6,300,000
Ending Fund Balance	$ 3,083,122	$ 3,827,162	$ 4,712,913	$ 3,548,075	$ -	$ 3,548,075

*** 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 2005-2006	Estimated 2006-2007	Requested 2007-2008
Beginning Fund Balance	$ 101,671	$ 98,338	$ 103,566
Receipts			
Interest	4,734	4,400	4,500
F.E.M.A. Grant	2,616	3,000	3,000
Glennie O. Ham Donations	2,800	2,000	2,500
Altrusa (W.A.F.A.)	250	250	
Sherman Beautification	500		
Library Donations	6,250	2,200	2,000
Animal Shelter Donations	5,522	7,000	5,000
Fishing Festival	225		
Fire Dept Donations		2,600	2,000
Medical Transportation	1,000		
Total Receipts	23,897	21,450	19,000
Total Funds Available	125,568	119,788	122,566
Expenditures			
F.E.M.A. Grant	3,422	1,000	3,000
Library Donations		1,422	4,000
Glennie O. Ham Center	1,602	2,500	3,500
Day Care Lapsed Grant Funds		8,750	
Altrusa (W.A.F.A.)	183	150	250
Senior Citizen's Dance Club	53		500
Sherman Beautification	1,675		1,500
Animal Shelter Donations			5,000
Fire Dept Donations		2,400	500
Remodeling Contingency	20,295		25,000
Total Expenditures	27,230	16,222	43,250
Ending Fund Balance	$ 98,338	$ 103,566	$ 79,316

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 2005-2006	Estimated 2006-2007	Requested 2007-2008
Beginning Fund Balance	$ 51,797	$ 54,359	$ 51,859
Receipts			
Other revenue	654	500	500
Interest Earned	4,608	2,000	2,000
Total Receipts	5,262	2,500	2,500
Total Funds Available	57,059	56,859	54,359
Expenditures			
Miscellaneous	2,700	5,000	10,000
Ending Fund Balance	$ 54,359	$ 51,859	$ 44,359

Street Revolving Fund
Summary of Receipts & Expenditures

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

	Actual 2005-2006	Estimated 2006-2007	Requested 2007-2008
Beginning Fund Balance	$ 326,620	$ 356,843	$ 387,043
Receipts			
Interest Income	24,908	30,000	28,000
Street Assessment	5,315	200	-
Total Receipts	30,223	30,200	28,000
Total Funds Available	356,843	387,043	415,043
Expenditures			
No Expenditures	-	-	-
Total Expenditures	-	-	-
Ending Fund Balance	$ 356,843	$ 387,043	$ 415,043

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 pay-as-you-go basis.

	Actual 2005-2006	Estimated 2006-2007	Requested 2007-2008
Beginning Fund Balance	$ -	$ -	$ 34,093
Receipts			
Property Tax	-	33,520	35,000
Interest	-	573	1,000
Total Receipts	-	34,093	36,000
Total Funds Available	-	34,093	70,093
Expenditures			
Improvements	-	-	50,000
Agent Fees	-	-	-
Total Expenditures	-	-	50,000
Ending Fund Balance	$ -	$ 34,093	$ 20,093

Auditorium & Ballroom Fund
Summary of Receipts & Expenditures

	Actual 2005-2006	Estimated 2006-2007	Requested 2007-2008
Beginning Fund Balance	$ 68,783	$ 61,525	$ 62,155
Receipts			
Transfer-In from Hotel/Motel	46,581	63,355	62,000
Interest	3,374	2,700	2,000
Auditorium/Ballroom Rental	33,380	27,000	27,000
Total Receipts	83,335	93,055	91,000
Total Funds Available	152,118	154,580	153,155
Expenditures			
Ballroom:			
Personnel	22,323	12,900	12,700
Supplies		50	10,675
Maintenance	6,434	12,025	12,025
Utilities	35,153	27,200	27,200
Equipment	332	10,650	
Auditorium:			
Personnel	3,828	3,800	4,000
Supplies	40		25
Maintenance	10,844	16,800	35,400
Utilities	11,639	8,500	8,500
Contract Services		500	500
Total Expenditures	90,593	92,425	111,025
Ending Fund Balance	$ 61,525	$ 62,155	$ 42,130

Police Programs Fund
Summary of Receipts & Expenditures

	Actual 2005-2006	Estimated 2006-2007	Requested 2007-2008
Beginning Fund Balance	$ 97,123	$ 144,419	$ 189,119
Receipts			
E 9-1-1 Service Fees	206,341	205,000	203,000
Security and Technology Fees	46,032	42,000	40,000
Grants		12,000	
Interest	11,083	8,000	7,000
Total Receipts	263,456	267,000	250,000
Total Funds Available	360,579	411,419	439,119
Expenditures			
Personnel	63,299	61,000	61,610
Supplies		300	16,700
Maintenance/Repairs		1,000	5,700
Contractual Payments	110,309	120,000	158,002
Equipment	42,552	40,000	118,000
Total Expenditures	216,160	222,300	360,012
Ending Fund Balance	$ 144,419	$ 189,119	$ 79,107

Hotel/Motel Tax Fund
Summary of Receipts & Expenses

	Actual 2005-2006	Budget 2006-2007	Estimated 2006-2007	Requested 2007-2008
Beginning Fund Balance	$ 125,672	$ 106,708	$ 153,215	$ 190,422
Receipts				
Hotel/Motel Tax 5%	368,754	330,750	375,000	375,000
Hotel/Motel Tax 2%	147,363	131,250	150,000	150,000
Proceeds from Sale of Museum Building	97,697	-	-	-
Interest	4,788	5,000	8,300	3,000
Total Receipts	618,602	467,000	533,300	528,000
Total Funds Available	744,274	573,708	686,515	718,422
Expenditures				
Museum Support	80,000	80,000	80,000	82,500
Museum - Payment for Past Services	100,000	-	-	-
Downtown Preservation	20,000	30,620	20,000	20,000
Convention and Visitors (Tourism)	166,315	202,025	202,025	229,725
Downtown Building Incentive	5,000	25,000	25,000	25,000
Arts Council	25,800	32,000	32,000	33,171
Transfer to Auditorium/Ballroom	46,581	63,355	63,355	62,000
Transfer 2% to Auditorium Debt Service	147,363	73,713	73,713	113,437
Total Expenditures	591,059	506,713	496,093	565,833
Excess Receipts over Expenditures	27,543	(39,713) -	37,207	(37,833)
Ending Fund Balance	$ 153,215	$ 66,995	$ 190,422	$ 152,589

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 2005-2006	Estimated 2006-2007	Requested 2007-2008
Beginning Fund Balance	$ 35,574	$ 17,843	$ 51,943
Receipts			
Police Confiscated Funds	26,879	52,000	45,000
Interest Income	390	1,100	800
Total Receipts	27,269	53,100	45,800
Total Funds Available	62,843	70,943	97,743
Expenditures			
Supplies		6,000	17,988
Maintenance and Repair			3,500
Travel & Tuition		3,000	14,500
Machinery & Equipment		10,000	26,500
Transfer Out	45,000		
Total Expenditures	45,000	19,000	62,488
Ending Fund Balance	$ 17,843	$ 51,943	$ 35,255

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 2005-2006	Estimated 2006-2007	Requested 2007-2008
Beginning Fund Balance	$ 183,050	$ 294,614	$ 322,065
Receipts			
Interest Income	17,260	13,000	15,000
Airport Rentals	48,228	50,000	50,000
Oil & Gas Royalty	89,395	65,000	70,000
Fuel Sales	295,879	325,000	475,050
Grant Revenue	2,548		50,000
Miscellaneous Revenue	101		
Total Receipts	453,411	453,000	660,050
Total Funds Available	636,461	747,614	982,115
Expenditures			
Fuel Purchases	266,888	300,000	445,050
Other Supplies	1,302	2,350	3,950
Maintenance	3,047	7,700	8,000
Contractual Services	53,734	97,119	162,500
Utilities	15,175	16,920	18,200
Vehicle Usage	1,701	1,460	1,900
Total Expenditures	341,847	425,549	639,600
Ending Fund Balance	$ 294,614	$ 322,065	$ 342,515

Street Sales Tax
Summary of Receipts & Expenditures

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

	Actual 2005-2006	Estimated 2006-2007	Requested 2007-2008
Beginning Fund Balance	$ -	$ -	$ -
Receipts			
Street Sales Tax Revenues	-	-	473,000
Interest Revenues	-	-	-
Total Receipts	-	-	473,000
Total Funds Available	-	-	473,000
Expenditures			
Street Improvements	-	-	450,000
Total Expenditures	-	-	450,000
Ending Fund Balance	$ -	$ -	$ 23,000

Parks Pride Fund
Summary of Receipts & Expenditures

	Actual 2005-2006	Estimated 2006-2007	Requested 2007-2008
Beginning Fund Balance	$ 21,888	$ 33,218	$ 29,818
Receipts			
PRIDE Donations	11,294	10,500	10,500
Interest Income	10,244	1,100	750
Miscellaneous Income	7		
Total Receipts	21,545	11,600	11,250
Total Funds Available	43,433	44,818	41,068
Expenditures			
Park Improvements	10,215	15,000	15,000
Total Expenditures	10,215	15,000	15,000
Ending Fund Balance	$ 33,218	$ 29,818	$ 26,068

Police Pride Fund
Summary of Receipts & Expenditures

	Actual 2005-2006	Estimated 2006-2007	Requested 2007-2008
Beginning Fund Balance	$ 15,437	$ 19,634	$ 25,384
Receipts			
PRIDE Donations	11,257	10,500	10,500
Interest Income	324	750	500
Total Receipts	11,581	11,250	11,000
Total Funds Available	27,018	30,884	36,384
Expenditures			
Supplies	114	2,000	4,000
Travel/Tuition	2,521	1,000	3,500
Contractual Services	4,749	1,000	5,000
Equipment		1,500	
Canine Replacement Dog	9,000	-	9,500
Total Expenditures	7,384	5,500	22,000
Ending Fund Balance	$ 19,634	$ 25,384	$ 14,384

Donations Fund
Summary of Receipts & Expenditures

This fund includes donations for Holiday Decorating & Library

	Actual 2005-2006	Estimated 2006-2007	Requested 2007-2008
Beginning Fund Balance	$ 5	$ 133	$ 440
Receipts			
Donations	380	300	300
Interest Income	-	7	-
Total Receipts	380	307	300
Total Funds Available	385	440	740
Expenditures			
Supplies	-	-	400
Travel/Tuition	-	-	-
Contractual Services	252	-	-
Equipment	-	-	-
Total Expenditures	252	-	400
Ending Fund Balance	$ 133	$ 440	$ 340

Auditorium Debt Service Fund
Summary of Receipts & Expenditures

	Actual 2005-2006	Estimated 2006-2007	Requested 2007-2008
Beginning Fund Balance	$ 56,589	$ 94,938	$ 58,146
Receipts			
Transfers-in from Hotel/Motel Tax	147,363	73,713	113,437
Transfers-in from Auditorium Impr	-	-	-
Interest	1,189	650	700
Total Receipts	148,552	74,363	114,137
Total Funds Available	205,141	169,301	172,283
Expenditures			
Debt Service	109,703	110,655	113,437
Agent Fees	500	500	500
Total Expenditures	110,203	111,155	113,937
Ending Fund Balance	$ 94,938	$ 58,146	$ 58,346

TIF Debt Service Fund
Summary of Receipts & Expenditures

	Actual 2005-2006	Estimated 2006-2007	Requested 2007-2008
Beginning Fund Balance	$ 219,062	$ 332,465	$ 483,563
Receipts			
Property Tax	251,794	326,184	326,000
Interest	12,705	25,400	27,000
Total Receipts	264,499	351,584	353,000
Total Funds Available	483,561	684,049	836,563
Expenditures			
Debt Service	151,096	199,986	246,656
Agent Fees	-	500	500
Total Expenditures	151,096	200,486	247,156
Ending Fund Balance	$ 332,465	$ 483,563	$ 589,407

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

	Actual 2005-2006	Estimated 2006-2007	Requested 2007-2008
Beginning Fund Balance	$ -	$ -	$ -
Receipts			
Property Tax	-	-	55,000
Interest	-	-	200
Total Receipts	-	-	55,200
Total Funds Available	-	-	55,200
Expenditures			
Debt Service	-	-	-
Agent Fees	-	-	-
Total Expenditures	-	-	-
Ending Fund Balance	$ -	$ -	$ 55,200

CO Debt Service Fund
Summary of Receipts & Expenditures

	Actual 2005-2006	Estimated 2006-2007	Requested 2007-2008
Beginning Fund Balance	$ -	$ -	$ -
Receipts			
Transfer from General Fund	-	-	481,750
Interest	-	-	-
Total Receipts	-	-	481,750
Total Funds Available	-	-	481,750
Expenditures			
Debt Service	-	-	481,250
Agent Fees	-	-	500
Total Expenditures	-	-	481,750
Ending Fund Balance	$ -	$ -	$ -

Insurance Fund
Summary of Receipts & Expenses

	Actual 2005-2006	Estimated 2006-2007	Requested 2007-2008
Beginning Fund Balance	$ 1,187,385	$ 1,626,122	$ 1,783,521
Receipts			
Employer Contributions	2,859,445	2,900,000	2,853,093
Employee Contributions	644,425	700,000	700,000
Retiree Contributions	123,090	152,000	160,000
COBRA Contributions	239	-	-
Interest Income	79,507	85,000	86,000
Miscellaneous	19,245	18,583	18,500
Total Receipts	3,725,951	3,855,583	3,817,593
Total Funds Available	4,913,336	5,481,705	5,601,114
Expenses			
Health & Dental Claims	2,585,703	3,050,000	3,200,000
Insurance Premiums & Cost	635,294	550,000	600,000
Life Insurance	58,816	65,000	68,000
AD & D	7,401	8,185	8,500
Miscellaneous		24,999	-
Transfer out	-	-	100,000
Total Expenses	3,287,214	3,698,184	3,976,500
Ending Fund Reserve	$ 1,626,122	$ 1,783,521	$ 1,624,614
Reserved for Future Claims	-	-	-
Unreserved	1,626,122	1,783,521	1,624,614

Computer Service Fund
Summary of Receipts & Expenses

	Actual 2005-2006	Estimated 2006-2007	Requested 2007-2008
Beginning Fund Balance	$ 363,732	$ 380,027	$ 187,114
Revenues			
Debt Proceeds		400,000	
Interest Income	11,836	12,000	7,700
Computer Usage:			
General Fund	304,175	457,758	387,500
Equipment Services Fund	14,855	21,833	18,500
Utility Fund	68,683	102,135	88,600
Solid Waste Fund	7,928	13,322	10,700
Total Current Revenues	407,477	1,007,048	513,000
Total Funds Available	771,209	1,387,075	700,114
Expenses			
Personnel	193,821	262,738	258,776
Supplies	6,517	9,460	50,210
Maintenance & Repairs	70,008	76,300	124,643
Utilities	29,409	25,093	27,000
Contract Wages	(3,369)	210,000	10,100
Debt Service		47,616	95,232
Contractual Services & Other	55,795	124,750	28,139
Equipment, Capital Outlay	39,001	444,004	19,700
Total Expenses	391,182	1,199,961	613,800
Ending Fund Balance	$ 380,027	$ 187,114	86,314

Equipment Service Fund
Summary of Receipts & Expenses

	Actual 2005-2006	Estimated 2006-2007	Requested 2007-2008
Beginning Fund Balance	$ (88,949)	$ (49,400)	$ 36,100
Revenues			
Equipment Service Revenue:			
General Fund	1,087,818	1,329,243	1,187,400
Airport Fund	1,662	2,031	0
Utility Fund	139,818	170,848	259,000
Solid Waste Fund	715,977	874,878	1,007,200
	1,945,275	2,377,000	2,453,600
Total Funds Available	1,856,326	2,327,600	2,489,700
Expenses			
Personnel	674,915	725,000	747,640
Supplies	702,531	1,000,000	985,919
Maintenance & Repair	387,082	410,000	436,000
Utilities	28,137	31,000	35,500
Computer Services	14,855	20,000	18,500
Contractual Services	97,811	98,000	102,455
Equipment	395	7,500	5,400
Total Expenses	1,905,726	2,291,500	2,331,414
Ending Fund Balance	$ (49,400)	$ 36,100	$ 158,286

Water Customer Deposits
Summary of Receipts & Expenses

	Actual 2006-2007	Estimated 2006-2007	Requested 2007-2008
Beginning Fund Balance	$ 186,429	$ 186,429	$ 186,429
Receipts			
Interest Income			
Total Funds Available	186,429	186,429	186,429
Expenses			
Miscellaneous	-	-	-
Ending Fund Balance	$ 186,429	$ 186,429	$ 186,429

Water & Sewer Pro Rata Fund
Summary of Receipts & Expenses

	Actual 2006-2007	Estimated 2006-2007	Requested 2007-2008
Beginning Fund Balance	$ 140,058	$ 153,013	$ 161,113
Receipts			
Interest Income	8,468	8,100	8,400
Pro Rata Fees	4,487	-	-
Total Receipts	12,955	8,100	8,400
Total Funds Available	153,013	161,113	169,513
Expenses			
Miscellaneous	-	-	10,000
Ending Fund Balance	$ 153,013	$ 161,113	$ 159,513

Revenue Debt Service Fund
Summary of Receipts & Expenses

This debt service fund is to insure the payment of principal and interest on the City of Sherman's Revenue bonds. The amount required to make these payments is transferred to this fund from the Utility Fund on a monthly basis.

NOTE: BOTH OF THESE FUNDS WILL BE CLOSED OUT IN FY2008 SINCE THE BONDS ARE PAID IN FULL

	Actual 2005-06	Estimated 2006-2007	Requested 2007-2008
Beginning Fund Balance	$ 256,498	$ 276,109	$ 283,609
Receipts			
Transfer In (Utility Fund)	178,693	157,800	-
Interest on Investments	8,024	8,200	-
Total Current Receipts	186,717	166,000	-
Total Funds Available	443,215	442,109	283,609
Expenses			
Bond Maturities	150,000	150,000	
Interest	16,470	7,800	
Paying Agent	636	700	
Transfer-out	-	-	283,609
Total Budgeted Expenses	167,106	158,500	283,609
Ending Fund Reserves	$ 276,109	$ 283,609	$ -

Revenue Debt Service ReserveFund
Summary of Receipts & Expenses

This fund is used to maintain reserve bond funds in accordance with the City's outstanding revenue water and sewer bonds. The requirements of this fund are to maintain a reserve equal to the average annual debt service of the remaining principal and interest payments on the bonds.

	Actual 2005-06	Estimated 2006-2007	Approved 2007-2008
Beginning Fund Reserves	$ 165,817	$ 161,553	$ 161,553
Receipts - Interest	9,359	-	
Total Funds Available	175,176	161,553	161,553
Transfers Out	13,623	-	161,553
Ending Cash Reserves	$ 161,553	$ 161,553	$ -

TRANSFERS SCHEDULE

FUND	DEPT	ACCOUNT	DETAILS	BUDGETED FY07/08 Expense TRANSFER FROM Debit	BUDGETED FY07/08 Revenue TRANSFER TO Credit
11	191	6950	From fund 60		$ 100,000.00
	191	6950	From fund 70 5% franchise, admin cost		$ 1,500,000.00
	191	6950	From fund 79, dept 243 and 244		$ 495,938.00
11	191	8950	To Debt Service Fund	$ 481,750.00	
	191	8950	To fund 22	$ 1,700,000.00	
22	900	6950	From fund 79, dept 291		$ 700,000.00
	900	6950	From fund 11, dept 191		$ 1,700,000.00
31	900	6950	From fund 46		$ 113,437.00
DEBT SERVICE FUND			From fund 11		$ 481,750.00
42	900	6950	From fund 46		$ 62,000.00
46	691	8950	To fund 31 and 42	$ 175,437.00	
60	900	8950	To fund 11	$ 100,000.00	
70	791	8950	To fund 77	$ 800,000.00	
	791	8430	To fund 11 4% franchise, admin cost	$ 1,500,000.00	
73	900	8950	To Fund 70	$ 283,609.00	
74	900	8950	To Fund 70	$ 161,553.00	
77	900	7950	From fund 70		$ 800,000.00
77	900	7950	From funds 73, 74		$ 445,162.00
79	243	8950	To fund 11 4% franchise, admin cost	$ 144,280.00	
79	244	8950	To fund 11 4% franchise, admin cost	$ 304,641.00	
79	245	8950	To fund 11 4% franchise, admin cost	$ 47,017.00	
79	291	8950	To fund 22, General CIP	$ 700,000.00	
			TOTALS	**$ 6,398,287.00**	**$ 6,398,287.00**

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 (est)	$ 1,782,497	$ 7,130	$ 7,022

City of Sherman, Texas

Bonded Debt as of 7/31/2007

	(1)				(2)				(3)			
	$1,700,000 Combination Tax & Hotel Occupancy Tax Revenue 2000 Series, Certificates of Obligation				***$2,840,000 Combination Tax & Tax Increment Revenue 2004 Series TIF Zone#1, Certificates of Obligation***				***$1,605,000 General Obligation Refunding, Series 2006***			
Fiscal Yr	**Coupon**	**Principal**	**Interest**	**TOTAL**	**Coupon**	**Principal**	**Interest**	**TOTAL**	**Coupon**	**Principal**	**Interest**	**TOTAL**
2008	5.75%	35,000.00	4,873.75	39,873.75	4.44%	125,000.00	121,656.00	246,656.00	3.50%	10,000.00	63,562.50	73,562.50
2009	5.75%	35,000.00	2,861.25	37,861.25	4.44%	125,000.00	116,106.00	241,106.00	3.50%	15,000.00	63,125.00	78,125.00
2010	5.30%	35,000.00	927.50	35,927.50	4.44%	130,000.00	110,556.00	240,556.00	3.50%	15,000.00	62,600.00	77,600.00
2011				-	4.44%	135,000.00	104,784.00	239,784.00	3.50%	55,000.00	61,375.00	116,375.00
2012				-	4.44%	140,000.00	98,790.00	238,790.00	3.50%	55,000.00	59,450.00	114,450.00
2013				-	4.44%	150,000.00	92,574.00	242,574.00	3.50%	60,000.00	57,437.50	117,437.50
2014				-	4.44%	155,000.00	85,914.00	240,914.00	3.50%	55,000.00	55,425.00	110,425.00
2015				-	4.44%	160,000.00	79,032.00	239,032.00	3.75%	60,000.00	53,337.50	113,337.50
2016				-	4.44%	170,000.00	71,928.00	241,928.00	3.75%	60,000.00	51,087.50	111,087.50
2017				-	4.44%	180,000.00	64,380.00	244,380.00	3.75%	65,000.00	48,743.75	113,743.75
2018				-	4.44%	185,000.00	56,388.00	241,388.00	3.75%	70,000.00	46,212.50	116,212.50
2019				-	4.44%	195,000.00	48,174.00	243,174.00	4.00%	70,000.00	43,500.00	113,500.00
2020				-	4.44%	205,000.00	39,516.00	244,516.00	4.00%	75,000.00	40,600.00	115,600.00
2021				-	4.44%	215,000.00	30,414.00	245,414.00	4.00%	80,000.00	37,500.00	117,500.00
2022				-	4.44%	230,000.00	20,868.00	250,868.00	4.00%	80,000.00	34,300.00	114,300.00
2023				-	4.44%	240,000.00	10,656.00	250,656.00	4.00%	85,000.00	31,000.00	116,000.00
2024				-				-	4.00%	85,000.00	27,600.00	112,600.00
2025				-				-	4.25%	85,000.00	24,093.75	109,093.75
2026				-				-	4.25%	95,000.00	20,268.75	115,268.75
2027				-				-	4.25%	100,000.00	16,125.00	116,125.00
2028				-				-	4.375%	100,000.00	11,812.50	111,812.50
2029				-				-	4.375%	105,000.00	7,328.13	112,328.13
2030				-				-	4.375%	115,000.00	2,515.63	117,515.63
		105,000.00	8,662.50	113,662.50		2,740,000.00	1,151,736.00	3,891,736.00		1,595,000.00	919,000.01	2,514,000.01

(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.

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 8-20-2007

Subject: Agenda Item No. B.3

TABLED AT THE JULY 16, 2007 MEETING:
PUBLIC HEARING OF ORDINANCE NO. 5470
Providing for Permanent "No Parking" Signs Restricting Parking Along Both Sides of the 1100 Block of West McGee Street within the City Limits of the City of Sherman

Issue
This agenda item was tabled during public hearing at the July 16th Council meeting. A motion and order are required to remove the item from the table for the Council's consideration.

The original proposal was for the adoption of an ordinance providing for "No Parking" along both sides of the 1100 block of West McGee Street.

Background
After this item was tabled at the July 16th Council meeting, the Police and Public Works Departments met with McGee Street residents affected by the proposed parking change. Issues were discussed and a modified approach to resolving the unsafe traffic conditions in the 1000, 1100, and 1200 blocks of McGee Street was reached. Since the July 16th meeting, two letters supporting the "No Parking" have been received and are attached.

Origination
Police Department and Public Works Department

Financial Consideration
Approximately $1,000 has been spent to date to install "No Parking" signs. Minor additional costs and staff time will be incurred if the alternative plan is approved by the City Council.

Staff Recommendation
The alternative plan will be presented by City staff and generally involves:
- A reduced speed limit through the curves
- Increased traffic enforcement
- Limited parking on one side of the street
- Additional signage and street markings

Alternatives
Those as may be recommended by the City Council

Attachments
Ordinance No. 5470
Letters in Support
Location Map

Prepared by:
Jeff Miller, Director of Public Works

Approved by:
George Olson, City Manager

ORDINANCE NO. 5470

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, PROVIDING FOR PERMANENT "NO PARKING" SIGNS RESTRICTING PARKING ALONG BOTH SIDES OF THE 1100 BLOCK OF WEST MCGEE STREET WITHIN THE CITY LIMITS OF THE CITY OF SHERMAN; PROVIDING FOR A PENALTY PROVISION; PROVIDING FOR A REPEALER; 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.

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

SECTION 1. That, from and after the passage of this ordinance, permanent "NO PARKING" signs shall be in place at the following location within the corporate limits of the City of Sherman:

Along both sides of the 1100 block of West McGee Street;

as shown by Exhibit "A", attached hereto and incorporated herein for all purposes.

SECTION 2. That the Director of Public Works is directed to designate this action by the appropriate markings and signs.

SECTION 3. That, from and after the erection of the "NO PARKING" signs herein authorized, it shall be unlawful for any motorist to park a vehicle in such area designated as a "NO PARKING" zone. Violators of this ordinance shall be subject to fine as provided in Section 1.01.009 of the Code of Ordinances of the City of Sherman, Texas.

SECTION 4. That all ordinances or parts of ordinances in conflict with the provisions of this ordinance are hereby repealed.

SECTION 5. That the provisions of this ordinance are severable and the invalidity of any word, phrase or part of this ordinance shall not affect the validity or effectiveness of the remainder of the ordinance.

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

INTRODUCED on this the ______________ day of __________________, 2007.

ADOPTED on this the _________________ day of __________________, 2007.

EFFECTIVE DATE on this the _________ day of __________________, 2007.

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

MR. SHANKLES, 8-10-07

The "NO PARKING SIGNS" in the 1100 and 1200 blocks of West McGee need to remain. Public safty should always remain a priority.

George S. King Jr.
GEORGE S. KING, JR
1206 W. McGee

phone #
903 892-1952

SHERMAN, TEXAS
8/10/07

MR. JEFFREY R. MILLER
DIRECTOR OF PUBLIC WORKS
P.O. BOX 1106
SHERMAN, TEXAS 75091-1106

DEAR MR. MILLER:

THANKS TO SHERMAN FOR INSTALLING THE "NO PARKING" SIGNS IN THIS PART OF MC GEE STREET.

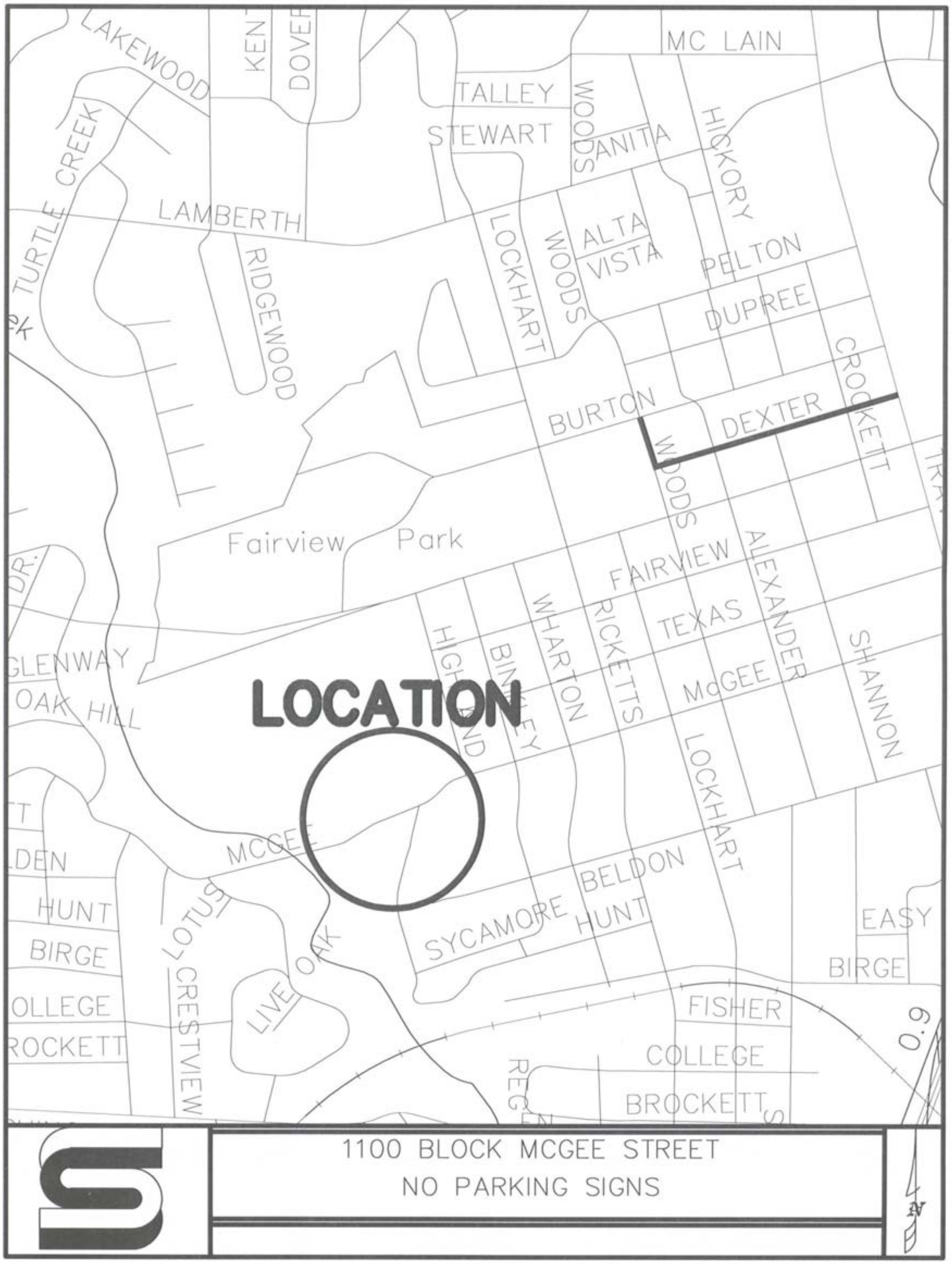
BECAUSE OF THE SIGNS, THIS AREA WILL BE MUCH SAFER.

SINCERELY,

ARTHUR L. DECKER
1209 W. MC GEE ST.
SHERMAN, TX 75092

RECEIVED
8-14-07
je

Exhibit “A”


LAKEWOOD
KENT
DOVER
MC LAIN
TALLEY
STEWART
WOODS
ANITA
HICKORY
TURTLE CREEK
LAMBERTH
LOCKHART
WOODS
ALTA VISTA
PELTON
RIDGEWOOD
DUPREE
CROCKETT
BURTON
DEXTER
WOODS
Fairview Park
FAIRVIEW
ALEXANDER
TEXAS
WHARTON
RICKETTS
HIGHLAND
BINKLEY
GLENWAY
McGEE
SHANNON
OAK HILL
LOCATION
LOCKHART
MCGEE
DEN
BELDON
HUNT
HUNT
SYCAMORE
LOTUS
BIRGE
EASY
BIRGE
LIVE OAK
CRESTVIEW
OLLEGE
ROCKETT
FISHER
COLLEGE
BROCKETT
0.9
1100 BLOCK MCGEE STREET
NO PARKING SIGNS
N

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 8-20-2007

Subject: Agenda Item No. B.4

ADOPTION OF ORDINANCES
Consider Adoption of Ordinance Number: 5470

B.3 PUBLIC HEARING OF ORDINANCE NO. 5470
Providing for Permanent "No Parking" Signs Restricting Parking Along Both Sides of the 1100 Block of West McGee Street within the City Limits of the City of Sherman

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager Date: 8-20-2007

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.1 **** RESOLUTION NO. 5065***
Adopting an Investment Policy for the City of Sherman

C.2 **** RESOLUTION NO. 5066***
Amending the Authorized Representatives to Invest City of Sherman Funds with the Texas Local Government Investment Pool (TexPool)

C.3 **** RESOLUTION NO. 5067***
Amending the Authorized Representatives to Invest City of Sherman Funds with Wells Fargo Brokerage Services, LLC

C.5 **** RESOLUTION NO. 5069***
Awarding a Bid to and Authorizing Execution of a Contract with Howard Construction, Inc. for the West Washington Street Water Main Replacement

C.6 **** RESOLUTION NO. 5070***
Awarding a Bid to and Authorizing Execution of a Contract with Vessels Construction for Construction of the Solid Waste Parking Lot Phase III Project

C.7 **** RESOLUTION NO. 5071***
Authorizing the 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 708 East Sycamore Street

D.1 **** REQUEST TO ADVERTISE***
2007 Biosolids Project for the Sherman Wastewater Treatment Plant

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 8-20-2007

Subject: Agenda Item No. C.1

**** RESOLUTION NO. 5065***
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 October 2006. The changes to the policy are administrative in nature, and relate primarily to title changes. The one substantive change is to add the Controller as an investment officer of the City. 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. 5065 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. 5065

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 ________________, 2007.

CITY OF SHERMAN, TEXAS

ATTEST:

BY: ________________________________ **BY:** ________________________________

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

APPROVED AS TO FORM AND CONTENT:

____

DOREEN E. MCGOOKEY, CITY ATTORNEY

memorandum

DATE: Tuesday, August 14, 2007

TO: The Investment Committee
The Honorable Terrence R. Steele, Councilmember
The Honorable Willie Steele, Councilmember
George Olson, City Manager

FROM: Robby Hefton, Assistant City Manager/CFO R

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 the Controller, Mary Lawrence, as an investment officer. 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 August 20, 2007, 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
August 20, 2007

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 August 20, 2007 the daily operation and management of the City of Sherman's investments are the responsibility of the following persons:

a) **Investment Officers:** The City Manager shall name two investment officers from among the employees with the following job titles: City Manager, Assistant City Manager/Chief Financial Officer (CFO), and Controller. The investment officers are authorized to deposit, withdraw, invest, transfer, or manage in any other manner funds of the City of Sherman.

b) **Investment Committee:** The Investment Committee shall consist of the City Manager and two members of the City Council as appointed by the Council. The committee shall provide guidance on investment matters. Also, the committee shall approve the list of approved brokers and dealers annually.

c) **Other Investment Authorizations:** The Accounting Assistant, Accountant, Senior 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 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 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. 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 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:** 8-20-2007

Subject: Agenda Item No. C.2

**** RESOLUTION NO. 5066***
Amending the Authorized Representatives to Invest City of Sherman Funds with the Texas Local Government Investment Pool (TexPool)

Issue
This resolution updates the City officials who are authorized to do business on the City of Sherman's behalf with TexPool.

Background
TexPool is a pooled investment fund used by cities, counties, and school districts throughout Texas. The update is necessary to reflect the changes in the Finance Department and in City Management.

Origination
Assistant City Manager/CFO

Financial Consideration
There is no financial consideration to updating the TexPool authorized representatives.

Staff Recommendation
The staff recommends approval.

Alternatives
The City Council could deny this request, but that would hinder the Finance Department in the execution of their duties.

Attachments
Resolution No. 5066

Prepared by:
Robby Hefton, Assistant City Manager/CFO

Approved by:
George Olson, City Manager

RESOLUTION NO. 5066

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING THE AUTHORIZED REPRESENTATIVES TO INVEST CITY OF SHERMAN FUNDS WITH THE TEXAS LOCAL GOVERNMENT INVESTMENT POOL (TEXPOOL); FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS RESOLUTION IS PASSED IS OPEN TO THE PUBLIC AS REQUIRED BY LAW.

WHEREAS, the City of Sherman ("Participant") is a local government of the State of Texas and is empowered to delegate to a public funds investment pool the authority to invest funds and to act as custodian of investments purchased with local investment funds; and

WHEREAS, it is in the best interest of the Participant to invest local funds in investments that provide for the preservation and safety of principal, liquidity, and yield consistent with the Public Funds Investment Act; and

WHEREAS, the Texas Local Government Investment Pool ("TexPool"), a public funds investment pool, was created on behalf of entities whose investment objective in order of priority are preservation and safety of principal, liquidity, and yield consistent with the Public Funds Investment Act;

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

<u>SECTION 1.</u> That the individuals, whose signatures appear in this resolution, are Authorized Representatives of the Participant and are each hereby authorized to transmit funds for investment in TexPool and are each further authorized to withdraw funds from time to time, to issue letters of instruction, and to take all other actions deemed necessary or appropriate for the investment of local funds.

<u>SECTION 2.</u> That an Authorized Representative of the Participant may be deleted by a written instrument signed by all remaining Authorized Representatives provided that the deleted Authorized Representative (1) is assigned job duties that no longer require access to the Participant's TexPool account or (2) is no longer employed by the Participant.

<u>SECTION 3.</u> That the Participant may, by Amending Resolution signed by the Participant, add an Authorized Representative provided the additional Authorized Representative is an officer, employee, or agent of the Participant.

SECTION 4. That the following named individuals are the Authorized Representatives of the Participant, and each will be issued P.I.N. numbers:

1. Name: George Olson — Title: City Manager

   Signature: ____________________ Direct Phone No.: (903) 892-7201

2. Name: Robby Hefton — Title: Assistant City Manager/CFO

   Signature: ____________________ Direct Phone No.: (903) 892-7203

3. Name: Mary Lawrence — Title: Controller

   Signature: ____________________ Direct Phone No.: (903) 892-7214

SECTION 5. That the following named individual will have authority for inquiring about account activity and balances and receiving confirmations and monthly statements under the Participation Agreement:

Name: None

SECTION 6. That this resolution and its authorization shall continue in full force and effect until amended or revoked by the Participant, and until TexPool receives a copy of any such amendment or revocation.

SECTION 7. That it is hereby officially found and determined that the meeting at which this resolution is passed is open to the public and that public notice of the time, place, and purpose of said meeting was given as required by law.

PASSED AND APPROVED on this the _____ day of ________________, 2007.

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

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 8-20-2007

Subject: Agenda Item No. C.3

**** RESOLUTION NO. 5067***
Amending the Authorized Representatives to Invest City of Sherman Funds with Wells Fargo Brokerage Services, LLC

Issue
This resolution updates the City officials who are authorized to do business on the City of Sherman's behalf with Wells Fargo Brokerage Services, LLC.

Background
The City entered into a custodial agreement with Wells Fargo Brokerage Services, LLC in August 2003 for the safekeeping of the investment securities owned by the City. The update is necessary to reflect the changes in the Finance Department and in City Management.

Origination
Assistant City Manager/CFO

Financial Consideration
There is no financial consideration to updating the Wells Fargo Brokerage Services, LLC authorized representatives.

Staff Recommendation
The staff recommends approval.

Alternatives
The City Council could deny this request, but that would hinder the Finance Departments in the execution of their duties.

Attachments
Resolution No. 5067

Prepared by:
Robby Hefton, Assistant City Manager/CFO

Approved by:
George Olson, City Manager

RESOLUTION NO. 5067

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING THE AUTHORIZED REPRESENTATIVES TO INVEST CITY OF SHERMAN FUNDS WITH WELLS FARGO BROKERAGE SERVICES, LLC; 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 individuals, whose signatures appear in this resolution, are Authorized Representatives of the City and are each hereby authorized to make transactions with Wells Fargo Brokerage Securities, LLC, to designate other authorized representatives and to take all other action required or permitted by the City deemed necessary or appropriate for the investment of local funds.

SECTION 2. That the following named individuals are the Authorized Representatives of the City, each authorized to give notices and instructions to Wells Fargo Brokerage Securities, LLC:

1. Name: George Olson   Title: City Manager

   Signature: ____________________ Direct Phone No.: (903) 892-7201

2. Name: Robby Hefton   Title: Assistant City Manager/CFO

   Signature: ____________________ Direct Phone No.: (903) 892-7218

3. Name: Mary Lawrence   Title: Controller

   Signature: ____________________ Direct Phone No.: (903) 892-7214

SECTION 3. That this resolution and its authorization shall continue in full force and effect until amended or revoked by the City and written notice of the amendment or revocation is delivered to Wells Fargo Brokerage Securities.

SECTION 4. That it is hereby officially found and determined that the meeting at which this resolution is passed is open to the public and that public notice of the time, place, and purpose of said meeting was given as required by law.

PASSED AND APPROVED on this the _____ day of ________________, 2007.

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

SHERMAN CITY COUNCIL

Agenda Communication Form

From: The Office of the City Manager **Date:** 8-20-2007

Subject: Agenda Item No. C.4

RESOLUTION NO. 5068

Authorizing Execution of a Deed Without Warranty to Austin College for the Conveyance of Property being Williams Street, from Porter Street to Willow Street; that all Surveying Costs Incurred will be Paid by Austin College

Issue

To authorize the City Manager to convey Williams Street, from Porter Street to Willow Street, to Austin College at their appraised value and reserving the same street as utility easements

Background

Austin College has submitted a request to purchase a portion of Williams Street, from Porter Street to Willow Street, as a part of the campus expansion. Under this current conveyance, an easement shall be retained to provide for existing utilities. Future campus construction may result in relocation of the existing utilities, the cost of which would be borne by Austin College.

Origination

Department of Public Works

Financial Consideration

The appraised value of this portion of Williams Street is $8,300; and the total sale price is $8,300. Austin College will bear any costs for surveying the property.

Staff Recommendation

Staff recommends that the parcel be sold to Austin College at the appraised value and that an easement be reserved for the existing utilities.

Alternatives

As may be directed by the City Council

Attachments

Resolution No. 5068
Deed Without Warranty
Request Letter from Austin College
Field Notes
Location Map

Prepared by:
Jeff Miller, Director of Public Works

Approved by:
George Olson, City Manager

RESOLUTION NO. 5068

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF A DEED WITHOUT WARRANTY TO AUSTIN COLLEGE FOR THE CONVEYANCE OF PROPERTY BEING WILLIAMS STREET, FROM PORTER STREET TO WILLOW STREET; THAT ALL SURVEYING COSTS INCURRED WILL BE PAID BY AUSTIN COLLEGE; 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 Council finds that conveyance of this property will promote a public purpose related to higher education, that being future development of Austin College's campus, and that Austin College will effectuate and maintain the conveyed property for that purpose.

SECTION 2. That the City Manager be and is hereby authorized and directed, subject to all documents being properly completed and approved as to form and content by the City Attorney, to execute a Deed Without Warranty to Austin College for the conveyance of Williams Street from Porter Street to Willow Street within the City of Sherman, Grayson County, Texas.

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 ________________, 2007.

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

DEED WITHOUT WARRANTY

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

That the **City of Sherman,** a municipal corporation of the State of Texas, hereinafter called "Grantor", acting by and through its duly authorized Mayor, for and in consideration of the sum of Eight Thousand Three Hundred Dollars and No Cents ($8,300.00) by Austin College, hereinafter called "Grantee", the receipt of which is hereby acknowledged, hereunto duly authorized by City Council Resolution, hereby grants, sells, releases, and forever conveys unto Austin College all of Grantor's right, title and interest in and to the following described real property, to wit:

WILLIAMS STREET
FROM PORTER STREET TO WILLOW STREET

SITUATED in the County of Grayson, State of Texas, being that portion of Williams Street lying South of, and adjacent to the South line of Block Eight (8), and North of and adjacent to the North line of Block Nine (9) of Binkley's First Addition to the City of Sherman, Texas as shown by plat of record in Volume 105, Page 2, Deed Records, Grayson County, Texas, and lying between Willow Street and Porter Street, and being more particularly described by metes and bounds as follows to wit:

BEGINNING at the Southwest corner of both said Block Eight, at the intersection of the North line of said Williams Street with the East line of Willow Street;

THENCE South 74 deg. 00 min. 00 sec. East, with the North line of said Williams Street, the South line of said Block Eight a distance of 260.00 feet to the Southeast corner of said Block Eight, at the intersection of the North line of said Williams Street with the West line of said Porter Street;

THENCE South 16 deg. 00 min. 00 sec. East, a distance of 60.00 feet to the Northeast corner of said Block Nine, at the intersection of the South line of said Williams Street with the West line of said Porter Street;

THENCE South 74 deg. 00 min. 00 sec. West, with the South line of said Williams Street, the North line of said Block Nine, a distance of 260.00 feet to the Northwest corner of said Block Nine, at the intersection of the South line of said Williams Street with the East line of said Willow Street;

THENCE North 16 deg. 00 min. 00 sec. West, a distance of 60.00 feet to the PLACE OF BEGINNING, and containing 0.36 ACRES OF LAND.

TO HAVE AND TO HOLD all of Grantor's right, title and interest in and to the above described property and premises unto the said Grantees, their heirs, successors and assigns forever, without express or implied warranty, so that neither Grantor nor Grantor's successors, legal representatives or assigns shall have claim or demand any right or title to the aforesaid property, premises or appurtenances or any part thereof, **SAVE AND EXCEPT** that these properties are to be reserved as easements for any and all existing utilities as may be now located in said above described property, with the right of ingress and egress to same for the purpose of operation, construction, repair, reconstruction, improvement, maintenance, or removal of such utilities until such shall be abandoned or relocated. All warranties that might arise by common law as well as the warranties in Section 5.023 of the Texas Property Code (or its successor) are excluded.

This conveyance is made and accepted subject to and all conditions and restrictions, if any, relating to the here above described property, shown of record in the office of the County Clerk of Grayson County, Texas.

Release. In accepting the conveyance of this property, Grantees expressly accept the property in its "as is" condition, with all of its faults and encumbrances, if any. GRANTEES RELEASE AND FOREVER DISCHARGE THE GRANTOR, ITS OFFICERS, AGENTS AND EMPLOYEES FROM ALL RIGHTS, CLAIMS, DEMANDS, OR CAUSES OF ACTION, AT LAW OR IN EQUITY, GRANTEES PRESENTLY HAVE, OR EVEN CAN, SHALL, OR MAY HAVE IN THE FUTURE IN CONNECTION WITH THIS TRANSACTION, INCLUDING HAZARDOUS MATERIALS OR ENVIRONMENTAL ISSUES IN, ON OR UPON THE PROPERTY, IF ANY. GRANTEES STATE THAT THEY ARE NOT RELYING UPON ANY REPRESENTATIONS OR DISCLOSURES BY THE GRANTOR AND NONE HAVE BEEN MADE IN CONNECTION WITH THE ACQUISITION OF THIS PROPERTY. THIS RELEASE SHALL BE BINDING UPON GRANTEES' HEIRS, ASSIGNS AND SUCCESSORS IN INTEREST.

TO HAVE AND TO HOLD all of its right, title and interest in and to the above described property and premises subject to the aforesaid, unto the said Grantees, their heirs, successors and assigns forever, so that the Grantor, its legal representatives, successors and assigns shall not have, claim or demand any right, title or interest to the aforesaid property, premises or appurtenances of any part thereof.

Grantor acknowledges and confesses that this conveyance is made pursuant to the authority of Resolution No. 5068 of the City of Sherman, Texas passed and approved on the 20th day of August, 2007.

IN WITNESS WHEREOF, the City of Sherman, Texas, a municipal corporation of Grayson County, Texas, has caused this instrument to be executed by its Mayor, on the this _____ day of __________________, 2007.

CITY OF SHERMAN	**AUSTIN COLLEGE**
BY:__________________________	**BY:**__________________________
BILL MAGERS, **MAYOR**	**OSCAR PAGE,** **AUSTIN COLLEGE PRESIDENT**

ACKNOWLEDGMENT

STATE OF TEXAS §

COUNTY OF GRAYSON §

BEFORE ME, the undersigned authority, in and for the State of Texas, on this day personally appeared Bill Magers, Mayor, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the said City of Sherman, a municipal corporation of the State of Texas, and that he executed the same as the act of such corporation for the purpose and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this ____________ day of ______________________, 2007, by Bill Magers, Mayor of the City of Sherman.

____

Notary Public, State of Texas
Commission Expires:

____

ACKNOWLEDGMENT

STATE OF TEXAS §

COUNTY OF GRAYSON §

BEFORE ME, the undersigned authority, in and for the State of Texas, on this day personally appeared Oscar Page, President, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the said Austin College, a Non-Profit Educational Organization, and that he executed the same as the act of such entity for the purpose and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this ____________ day of ______________________, 2007, by Oscar Page, President of Austin College.

____

Notary Public, State of Texas
Commission Expires:

____

Austin College
1849

July 11, 2007

Mr. Jeff Miller
Director of Public Works
City of Sherman
PO Box 1106
Sherman, TX 75091-1106

Dear Mr. Miller:

Austin College wishes to purchase one block of a city street in preparation for the construction of intramural athletic fields. The college owns all adjacent property to this street.

After meeting preliminarily with the city staff, we were asked to have the areas surveyed and appraised. Surveys have now been completed by Sartin & Associates. The survey is included in the appraisals prepared by Walcott Black & Associates. Austin College is willing to pay the appraised values. The area includes:

- One block of Williams Street from the Porter Street intersection west to Willow Street

For utilities, we understand it will be necessary to relocate them or to leave them in place and grant an easement to the city. When construction planning is complete, it is possible that some or all utilities will need to be relocated.

Please contact me if you or the Council needs any further information. Thank you for the consideration.

Sincerely,

Heidi B. Ellis

Heidi B. Ellis
Vice President for Business Affairs

CC: President Page
Mr. Campbell Gillespie, III

SARTIN & ASSOCIATES, INC.
Registered Professional Land Surveyors
P.O. Box 1843 - 109 S. Travis - Sherman, Texas 75091-1843
phone (903)892-8003 fax (903)868-2970

SITUATED in the County of Grayson, State of Texas, being that portion of WILLIAMS STREET lying South of and adjacent to the South line of Block Eight (8), and North of and adjacent to the North line of Block Nine (9) of BINKLEY'S FIRST ADDITION to the City of Sherman, Texas as shown by plat of Record in Volume 105, Page 2, Deed Records, Grayson County, Texas, and lying between Willow Street, and Porter Street, and being more particularly described by metes and bounds as follows to-wit:

BEGINNING at the Southwest corner of said Block Eight, at the intersection of the North line of said Williams Street with the East line of Willow Street;

THENCE North 74 deg. 00 min. 00 sec. East, with the North line of said Williams Street, the South line of said Block Eight, a distance of 260.00 feet to the Southeast corner of said Block Eight, at the intersection of the North line of said Williams Street with the West line of Porter Street;

THENCE South 16 deg. 00 min. 00 sec. East, a distance of 60.00 feet to the Northeast corner of said Block Nine, at the intersection of the South line of said Williams Street with the West line of said Porter Street;

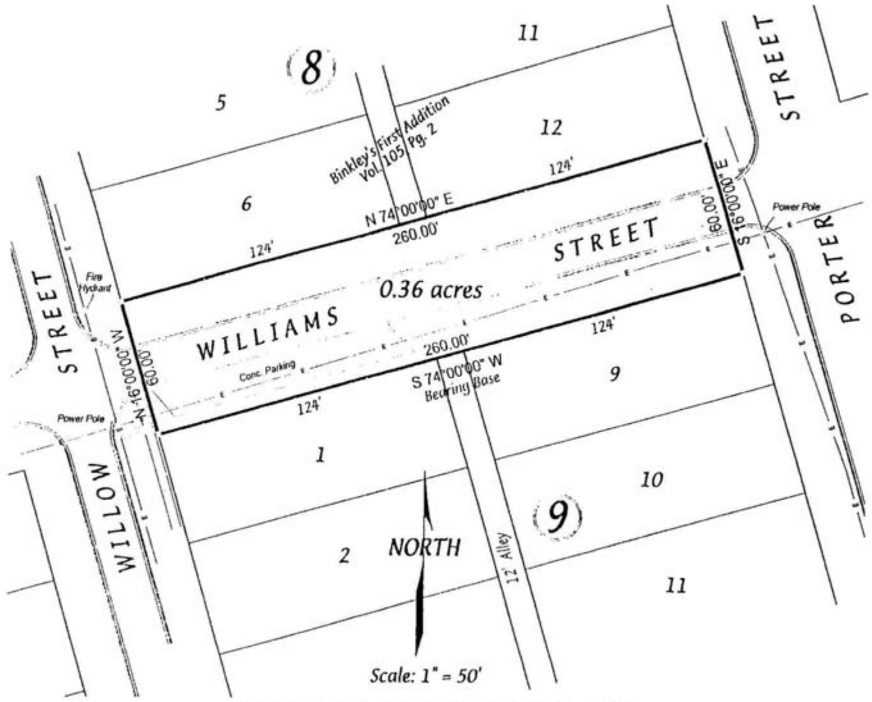
THENCE South 74 deg. 00 min. 00 sec. West, with the South line of said Williams Street, the North line of said Block Nine, a distance of 260.00 feet to the Northwest corner of said Block Nine, at the intersection of the South line of said Williams Street with the East line of Willow Street;

THENCE North 16 deg. 00 min. 00 sec. West, a distance of 60.00 feet to the PLACE OF BEGINNING, and containing **0.36 ACRES OF LAND** more or less..

I, Marshall Sartin, Registered Professional Land Surveyor, hereby certify that a survey of the property legally described hereon was made on the ground on the 25 th day of June, 2007 and that this survey substantially complies with the current Minimum Standards for Professional Land Surveyors as adopted by the Texas Board of Professional Land Surveying, and is subject to all easements of record that may affect said property.

Marshall Sartin, R.P.L.S. #3694

STATE OF TEXAS
REGISTERED
MARSHALL SARTIN
3694
PROFESSIONAL
LAND SURVEYOR



SARTIN & ASSOCIATES, INC.
Registered Professional Land Surveyors
P.O. Box 1843 - 109 S. Travis - Sherman, Texas 75091-1843
phone (903)892-8003 - fax (903)868-2970

SURVEY FOR: AUSTIN COLLEGE

I, Marshall Sartin, Registered Professional Land Surveyor, hereby certify that a survey of the property shown hereon was made on the ground on the 25 th day of June, 2007 of the following described property.

(LEGAL DESCRIPTION ATTACHED)

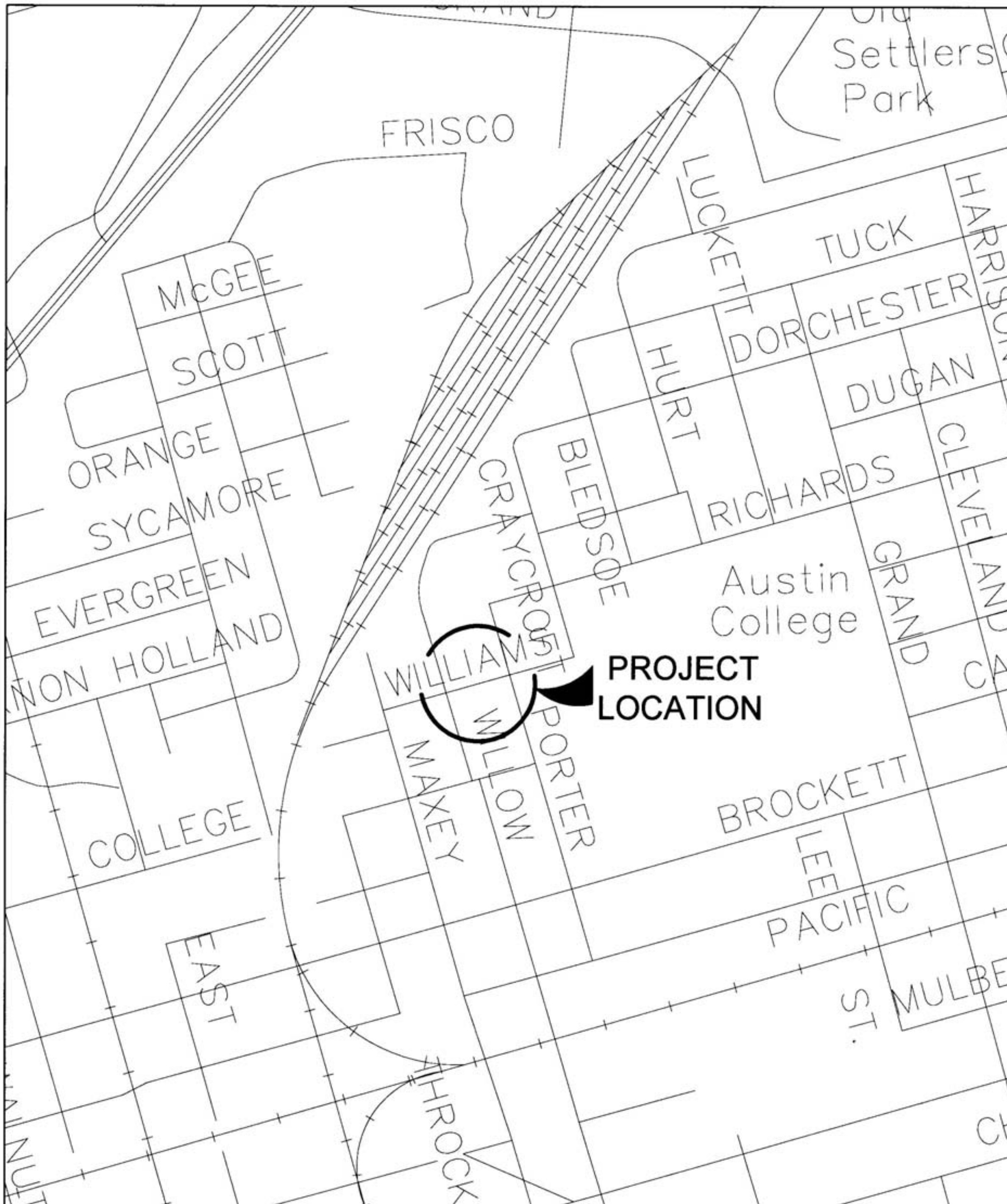
That this survey substantially complies with the current Minimum Standards for Professional Land Surveyors as adopted by the Texas Board of Professional Land Surveying, and is subject to all easements of record or as shown on recorded plat that may affect said property.

THIS SURVEY PLAT WAS PREPARED FROM A SURVEY PERFORMED ON THE DATE SHOWN HEREON FOR THE CLIENT NAMED HEREINABOVE AND FOR THE TRANSACTION **TAKING PLACE AT THE TIME OF THIS** SURVEY. THIS SURVEY PLAT IS NOT TO BE USED IN CONNECTION WITH ANY FUTURE TRANSACTIONS WITHOUT THE EXPRESSED WRITTEN CONSENT OF THE UNDERSIGNED SURVEYOR AND THE UNDERSIGNED SURVEYOR ACCEPTS NO LIABILITY FOR ANY FUTURE UNAUTHORIZED USE OF THIS SURVEY PLAT.

Marshall Sartin
R.P.L.S. # 3694

STATE OF TEXAS
REGISTERED
MARSHALL SARTIN
3694
PROFESSIONAL
LAND SURVEYOR

900WILLI.pcs



City of Sherman, Texas

CONVEYANCE TO AUSTIN COLLEGE
WILLIAMS STREET from PORTER ST to WILLOW

PROJECT LOCATION MAP

N

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 8-20-2007

Subject: Agenda Item No. C.5

**** RESOLUTION NO. 5069***

Awarding a Bid to and Authorizing Execution of a Contract with Howard Construction, Inc. for the West Washington Street Water Main Replacement

Issue

Awarding a bid to and authorizing execution of a contract with Howard Construction, Inc. for the replacement of the West Washington Street Water Main

Background

The current Capital Improvement Program contains a project to replace the water main on West Washington Street, between Western Hills Drive and Grant Drive. Two (2) bidders responded to the request for bids. A bid tabulation is attached.

Origination

Department of Utilities Administration

Financial Consideration

This year's Capital Improvement Program (CIP) includes $100,000.00 budgeted for this project. Excess funds from other CIP projects will be utilized with the programmed funds to finance the project in the amount of $160,601.00.

Staff Recommendation

It is recommended that the contract for the replacement of the West Washington Street Water Main be awarded to the low bidder, Howard Construction Inc., in the amount of $160,601.00, 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.5069
Contract
Bid Tabulation
Location Map

Prepared by:
Mark Gibson, Director of Utilities and Engineering

Approved by:
George Olson, City Manager

RESOLUTION NO. 5069

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AWARDING A BID TO AND AUTHORIZING EXECUTION OF A CONTRACT WITH HOWARD CONSTRUCTION, INC. FOR THE WEST WASHINGTON STREET WATER MAIN REPLACEMENT; 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 Howard Construction, Inc. is hereby awarded the bid in the total amount of $160,601.00, without change orders, for the West Washington Street water main replacement and that the City Manager be and is hereby authorized and directed, subject to all contract documents being property completed and approved by the City Attorney, to execute a contract with Howard Construction, Inc. for the West Washington Street water main replacement, in accordance with all contract documents attached hereto and made a part hereof for all purposes.

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

PASSED AND APPROVED on this the _____ day of ________________, 2007.

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

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 **HOWARD CONSTRUCTION, INC.** ("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:

6" Waterline on West Washington Street for the City of Sherman

This Project will be completed with 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 for 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 within ten (10) calendar days of the specified in the written "Notice to Proceed" of the CITY and to fully complete the contract within Sixty (60) calendar days following the specified date unless the period for completion is otherwise extended by this Contract.

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 *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 3.01 above, plus any extensions thereof allowed pursuant the Contract. 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 $50.00 for each calendar day that expires after the time in this Contract for completion of the work, unless extended by the parties. The parties agree that the amount of $50.00 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:

One Hundred Sixty Thousand Six Hundred One Dollars (**$160,601.00**)
(use words) (figure)

B. If the payment for the Project is based on Unit Pricing, the Contract Price shall be as set forth in the Unit Pricing portion of the Proposal.

C. 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 Section 19 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. Advertisement for Bids
3. Information for Bidders
4. Bid
5. Bid Bond
6. General Conditions
7. Payment Bond

8. Performance Bond
9. Notice of Award
10. Notice to Proceed
11. Contractor's Certification and Guarantee
12. Consent of Surety Company to Final Payment
13. Special Conditions
14. Specifications: Section E and Section WP
15. Any Change Orders
16. Specifications prepared by the City of Sherman dated June 5, 2007.
17. Drawings prepared by City of Sherman dated June 5, 2007.

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 9.09 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: Mark Gibson, P.E.	Designee: Michael Howard
Address: 220 W. Mulberry Sherman, Texas 75091 903-892-7210	Address: P.O. Box 1685 Ardmore, OK 73402 580-226-4700

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 a person or business entity 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 this 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.

D. Dispute Resolution Procedures.

The CONTRACTOR and the CITY desire an expeditious means to resolve any disputes that may arise between them regarding this Contract. If either party disputes any matter relating to this Contract, the parties agree to try in good faith, before bringing any legal action, to settle the dispute by submitting the matter to mediation before a third party who will be selected by agreement of the parties. The parties will each pay one-half of the mediator's fees

9.07 *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 – Sherman Division. 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 in the Sherman Division.

9.08 *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.

9.09 *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.

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**

____

By: _______________________________
City Manager

Attest _______________________________
City Clerk

CONTRACTOR: **HOWARD CONSTRUCTION, INC.**

____

By: _______________________________

Attest _______________________________
Notary Public #01008594

Commission Expires: 6-10-09

Agent for service of process: _______________

____

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

Approved as to form and content:

____

Doreen E. McGookey
City Attorney

HOWARD CONSTRUCTION, INC.
P.O. Box 1685, Ardmore, OK 73402
3202 Key Drive, Ardmore, OK 73401

(580) 226-4700 Fax (580) 226-4712

CORPORATE RESOLUTION

I, being the duly constituted Secretary of HOWARD CONSTRUCTION, INC., organized and existing under and by virtue of the laws of the State of Oklahoma, do hereby certify that the following Resolution is a true and complete copy of a Resolution adopted at a meeting of the Board of Directors of said corporation duly called and held on the 15th day of June, 2003, at which time a quorum was present and voting, that said resolution is not in conflict with the Charter and By-Laws of said corporation, that said Resolution is reflected in the minutes of the Board of Directors, and that all agreements signed pursuant to said Resolution shall be, continuously thereafter from the date they are executed, official records of the corporation:

BE IT RESOLVED, that the President, any Vice President, and each of them, are hereby authorized to make, execute and deliver any document on behalf of the corporation. The Secretary and the Treasurer, and each of them, are hereby authorized to direct the disposition or withdrawal of funds and execute other documents as required in the operation of said corporation. The President may at any time amend these authorizations:

Michael Howard, President
Ferral Howard, Vice President
Wanda Howard, Secretary
Dewayna Meek, Secretary

Dewayna Meek, Secretary
Dewayna Meek

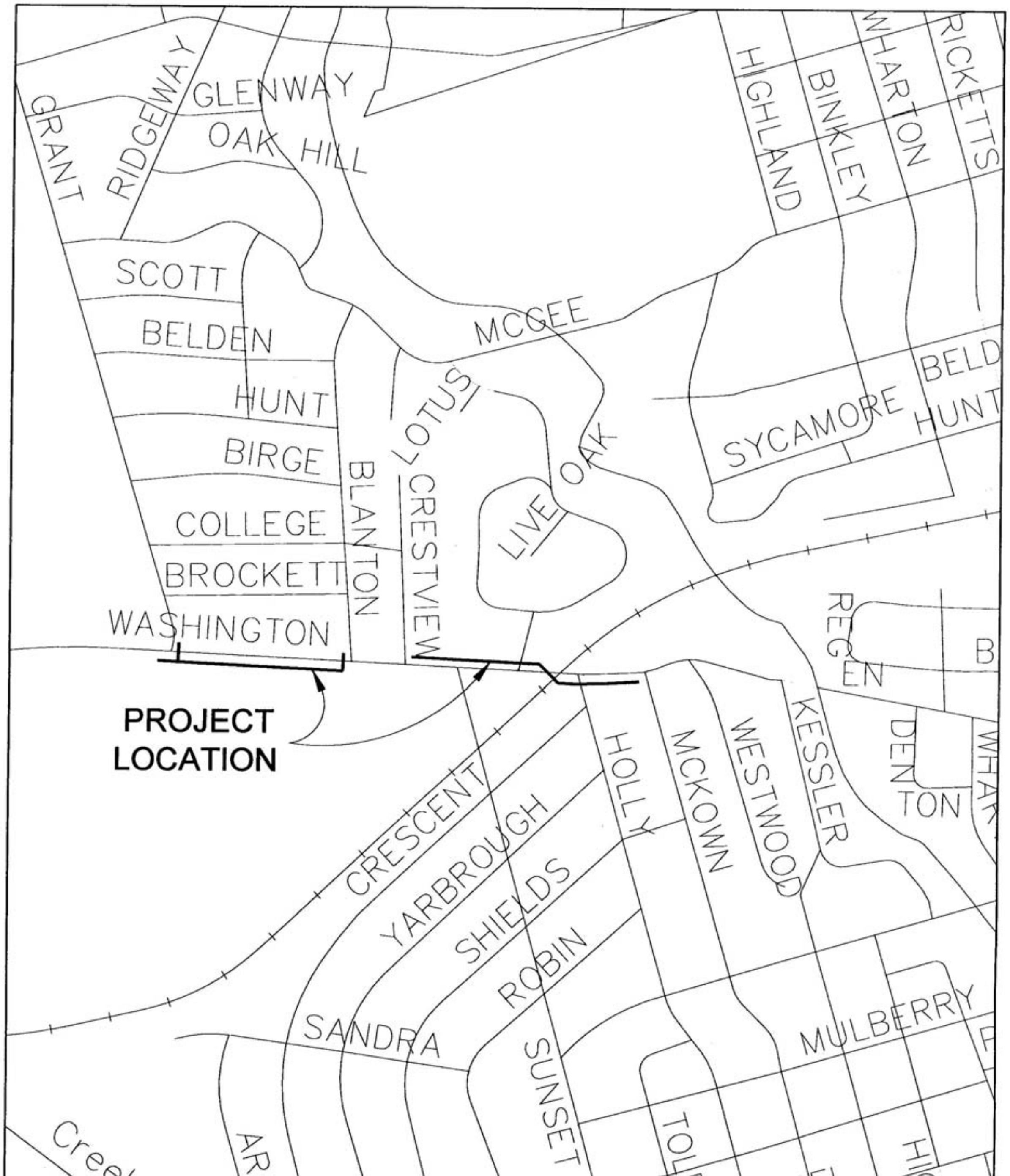
Howard Construction, Inc.

Oklahoma State of Incorporation

June 15th, 2003

CITY OF SHERMAN
WEST WASHINGTON STREET WATER LINE REPLACEMENT
BID OPENING: 11:00 A.M. THURSDAY, JULY 12, 2007
BID TABULATION

CONTRACTOR	BID AMOUNT
J. P. Higgins, Ltd P.O. Box 1865 Sherman, Texas 75091-1865 903-893-0672 P	$180,470.17
Howard Construction P.O. Box 1685 Ardmore, OK 73402 580-226-4700 P	$160,601.00
Vessels Construction 2105 W. Houston Sherman, TX 75092 903-870-0428 P	No Bid



City of Sherman, Texas

WEST WASHINGTON WATER LINE REPLACEMENT

PROJECT LOCATION MAP

SHERMAN CITY COUNCIL

Agenda Communication Form

From: The Office of the City Manager **Date:** 8-20-2007

Subject: Agenda Item No. C.6

**** RESOLUTION NO. 5070***

Awarding a Bid to and Authorizing Execution of a Contract with Vessels Construction for Construction of the Solid Waste Parking Lot Phase III Project

Issue

To consider the award of a contract for the construction of the Phase III Solid Waste Parking Lot

Background

The City Council approved $70,000.00 in the fiscal year 2006-2007 Solid Waste Fund for the construction of the third phase of a concrete parking lot at the Solid Waste Services facility on South East Street. The project was appropriately advertised; and bids were opened on August 14, 2007.

Origination

Department of Public Works

Financial Consideration

Four bids were received; and Vessels Construction submitted the low bid of $67,365.00. The bid is within the budgeted amount of $70,000.00.

Staff Recommendation

The staff recommends that the City Council award the contract to Vessels Construction in the amount $67,365.00 and authorize the City Manager to execute the required contract documents.

Alternatives

As may be directed by the City Council

Attachments

Resolution No. 5070
Contract
Letter of Recommendation
Bid Tabulation
Location Map

Prepared by:
Jeff Miller, Director of Public Works

Approved by:
George Olson, City Manager

RESOLUTION NO. 5070

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AWARDING A BID TO AND AUTHORIZING EXECUTION OF A CONTRACT WITH VESSELS CONSTRUCTION FOR CONSTRUCTION OF THE SOLID WASTE PARKING LOT PHASE III PROJECT; FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS RESOLUTION IS PASSED WAS NOTICED AND IS OPEN TO THE PUBLIC AS REQUIRED BY LAW.

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

SECTION 1. That Vessels Construction is hereby awarded the bid in the total amount of $67,365.00, without change orders, for the construction of the Solid Waste Parking Lot Phase III Project 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 and content by the City Attorney, to execute a contract with Vessels Construction for the construction of the Solid Waste Parking Lot Phase III Project, in accordance with all contract documents attached hereto and made a part hereof for all purposes.

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

PASSED AND APPROVED on this the _____ day of ________________, 2007.

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

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 **VESSELS CONSTRUCTION** (" CONTRACTOR").

The **CITY** and **CONTRACTOR**, for the consideration set forth in Article 4 of the 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:

For the construction of the Solid Waste Parking Lot, Phase III located in Sherman, Texas.

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 *Time of the Essence*

A. 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 Completion and Final Payment*

A. The Work will be completed and ready for final payment within sixty (60) calendar days of the Notice to Proceed issued by the City.

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:

Sixty-Seven Thousand Three Hundred and Sixty-Five Dollars and no cents ($67,365.00)
(use words) (figure)

B. If the payment for the Project is based on Unit Pricing, the Contract Price shall be as set forth in the Unit Pricing portion of the Proposal.

C. 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 Section 19 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 Agreement 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 given CITY written notice of all conflicts, errors, ambiguities, or discrepancies that CONTRACTOR has discovered in the Contract Documents, and the written resolution thereof by CITY is acceptable to CONTRACTOR.

I. 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. Bid Specifications for the construction of the Solid Waste Parking Lot, Phase II (entire packet);
3. Exhibits to this Agreement (enumerated as follows):
    a. Notice to Proceed;
    b. CONTRACTOR'S Bid and Bidder Information on the Bid Form;
    c. Documentation submitted by CONTRACTOR prior to Notice of Award;

B. The Contract Documents may only be amended, modified, or supplemented as provided in paragraph 9.08 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:

Designee: James M. Shankles, Jr., P.E.
Address:
P. O. Box 1106

Sherman, TX 75091

If intended for CONTRACTOR, to:

Designee: Bill Vessels
Address:
P.O. Box 28

Sherman, TX 75091-0028

ARTICLE 9 - MISCELLANEOUS

9.01 *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.

9.02 *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.

9.03 *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.

9.04 *Captions*

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

9.05 *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 for personal injury (including death), property damage or other harm, including attorneys fees, 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 or strictly liable act or omission of CONTRACTOR, its officers, agents, employees or subcontractors, in the performance of this Agreement; 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, and in the event of joint and concurring negligence of the CONTRACTOR and the CITY, responsibility and liability, if any, shall be apportioned comparatively in accordance with the laws of the State of Texas, subject to and without waiving 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.

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 after proper authorization from 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 this 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.

9.06 *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.

9.07 *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.

9.08 *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 both the parties to be attached to and made a part of this Agreement.

IN WITNESS WHEREOF, CITY and CONTRACTOR have signed this Agreement 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 Agreement will be effective on ______________, _____ (which is the Effective Date of the Agreement).

CITY: **CITY OF SHERMAN, TEXAS**

____

By: ________________________________
City Manager

Attest ________________________________
City Clerk

CONTRACTOR: **VESSELS CONSTRUCTION**

____

By: BILL G. VESSELS, PRES.

Attest ________________________________
Notary Public

License No. ________________________
(Where applicable)

Agent for service of process: ______________

____

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

Approved as to form and content:

____
Doreen E. McGookey
City Attorney

SHERMAN

14 August 2007

Mr. Jeff Miller
Director of Public Works and Engineering
City of Sherman
220 W. Mulberry
Sherman, TX 75090

Re: Solid Waste Parking Lot Phase III

Dear Mr. Miller:

Bids were received for the above referenced project on Tuesday, August 14, 2007. A total of four bids were received. A complete bid tabulation is attached for your review.

The project consists of the construction of a concrete parking lot at the City of Sherman South Plant in Sherman, Texas. The low bid was submitted by Vessels Construction of Sherman, Texas in the amount of $67,365.00. A bid bond was submitted for 5% of the amount bid as required by the bidding documents.

We recommend award of the project to Vessels Construction in the amount of $67,365.00. The contract documents require that this project be completed in 60 consecutive calendar days after the issuance of the Notice to Proceed.

The Contractor shall commence work after execution of all contract and bond forms, receipt of insurance certificates and the issuance of a Notice to Proceed. A preconstruction conference shall be conducted with the contractor and city personnel.

If you have any questions, please contact me at (903) 892-7622.

Sincerely,

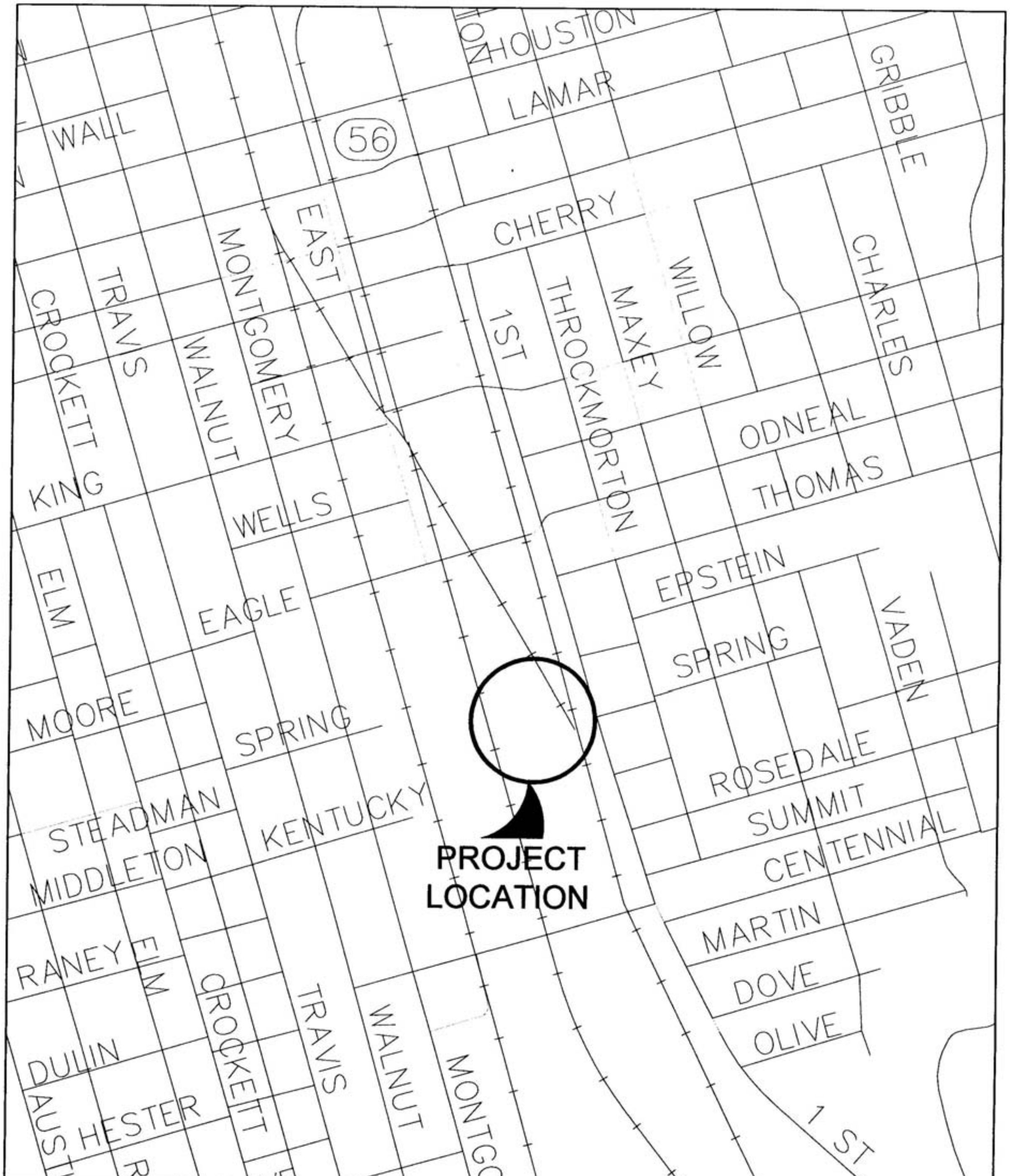
James M. Shankles, P.E.

James M. Shankles, Jr., P.E.
City Engineer

Attachments: Bid Tabulation

BID TABULATIONS				*Low Bidder*		*Second*					
Client:	City of Sherman			**Vessels Construction** P.O. Box 28 Sherman, TX 75090 Ph # (903) 870-0428 Fax#(903) 892-2653		**JRJ Paving, L.P.** P.O. Box 2136 Denton, TX 76202 Ph # (940) 320-6340 Fax#(940) 320-6346		**Piazza Construction, LTD** 4431 W. Crawford Denison, TX 75020 Ph # (903) 463-2384 Fax#(903) 463-1870		**Rushing Paving Company** P.O. Box 365 Denison, TX 75021-0365 Ph # (903) 465-3872 Fax#(903) 465-5390	
Project:	Solid Waste Parking Lot Phase III										
Job No.:											
Engineer:	City of Sherman										
ITEM #	***DESCRIPTION***	***UNIT***	***Proposal QUANTITY***	***UNIT COST***	***Proposal Quantity TOTAL COST***	***UNIT COST***	***Proposal Quantity TOTAL COST***	***UNIT COST***	***Proposal Quantity TOTAL COST***	***UNIT COST***	***Proposal Quantity TOTAL COST***
P.1	Remove & Dispose of Exist HMAC	SY	1239	$ 10.00	$ 12,390.00	$ 10.70	$ 13,257.30	$ 7.69	$ 9,527.91	$ 8.33	$ 10,320.87
P.2	7" 3500 PSI Concrete Paving	SY	1215	$ 33.00	$ 40,095.00	$ 39.23	$ 47,664.45	$ 42.89	$ 52,111.35	$ 61.58	$ 74,819.70
P.3	6" Lime Stabilization	SY	1275	$ 8.00	$ 10,200.00	$ 6.45	$ 8,223.75	$ 7.26	$ 9,256.50	$ 3.55	$ 4,526.25
P.4	Lime	TON	24	$ 120.00	$ 2,880.00	$ 120.00	$ 2,880.00	$ 157.20	$ 3,772.80	$ 130.00	$ 3,120.00
P.5	7" Type"C" HMAC	SY	24	$ 75.00	$ 1,800.00	$ 60.00	$ 1,440.00	$ 136.04	$ 3,264.96	$ 91.66	$ 2,199.84
TOTAL BASE BID AMOUNT					**$ 67,365.00**		**$ 73,465.50**		**$ 77,933.52**		**$ 94,986.66**
					$ -		$ -		$ -		

TOTAL ALTERNATE BID ITEM					$ -		$ -		$ -		



City of Sherman, Texas

SOLID WASTE PARKING LOT PHASE III

PROJECT LOCATION MAP

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 8-20-2007

Subject: Agenda Item No. C.7

**** RESOLUTION NO. 5071***

Authorizing the 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 708 East Sycamore Street

Issue
This item is to consider property tax abatement for the construction of a new single-family residence at 708 East Sycamore Street.

Background
Several years ago, the City Council began a residential tax abatement program to encourage the redevelopment of older sections of town. This application is for the construction of a new single-family residence at this location. This lot is in the designated zone for residential tax abatements.

Origination
Barton Capital, Ltd., Applicant

Financial Consideration
A $75.00 application fee has been received for this residential lot. If granted, the initial abatement for this lot will be approximately $236.00 annually.

Staff Recommendation
The staff recommends approval of this abatement since it meets the requirements of the process.

Alternatives
The City Council could decide against granting this abatement.

Attachments
Resolution No. 5071
Residential Tax Abatement Agreement
Application
Building Permit Application
Survey
Location Map

Prepared by:
Robby Hefton, Assistant City Manager/CFO

Approved by:
George Olson, City Manager

RESOLUTION NO. 5071

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING THE 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 708 EAST SYCAMORE STREET; 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 receipt of a fully-executed agreement from Barton Capital, Ltd., and subject to all contract documents being properly completed and approved as to form and content by the City Attorney, to execute an agreement with Barton Capital, Ltd. for the abatement of ad valorem property taxes for a period of ten (10) years, for the construction of one (1) new single-family residence at 708 East Sycamore Street, lying within the City of Sherman's Residential Tax Reinvestment Zone, in accordance with the City's policies and procedures established for this purpose.

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 ________________, 2007.

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

THE STATE OF TEXAS §
§
COUNTY OF GRAYSON §

AGREEMENT

THIS AGREEMENT, entered into by and between the **CITY OF SHERMAN, TEXAS**, a home rule city and municipal corporation of the State of Texas, duly acting herein by and through its City Manager, hereinafter referred to as CITY and **BARTON CAPITAL, LTD.**, a corporation of the State of Texas, hereinafter referred to as OWNER.

WITNESSETH:

WHEREAS, on the 16th day of June, 2003, the City Council of Sherman, Texas, passed Ordinance No. 5136 establishing a reinvestment zone for residential tax abatement, as authorized by Chapter 312 of the Texas Tax Code, as amended, hereinafter referred to as CODE; and

WHEREAS, the CITY has adopted a resolution (Resolution No. 4685) stating that it elects to be eligible to participate in a residential tax abatement program; and

WHEREAS, the CITY desires to create the proper economic and social environment to induce the investment of private resources in real estate construction located in incorporated areas of the CITY; and

WHEREAS, the CITY hereby finds that it may effectively encourage and assist the creation of such an environment by participating in tax abatement pursuant to the CITY; and

WHEREAS, the CITY has created a reinvestment zone within its jurisdiction to induce the investment of private resources in real estate construction located in incorporated areas of the CITY, and OWNER has agreed to construct certain real property improvements; and

WHEREAS, OWNER is prepared to comply with the provisions of the CITY'S guidelines and criteria enacted the 16th day of June, 2003;

NOW, THEREFORE, WITNESS THIS TAX ABATEMENT AGREEMENT which provides as follows:

I.

1.01 To the extent authorized by the Texas Constitution and by the Tax Code, CITY hereby agrees to exempt from City of Sherman taxation a portion of the increase in value of taxable real property of OWNER in the CITY over the same real property and its value as calculated by the Grayson Appraisal District for ad valorem property tax purposes in accordance with the following schedule. Such tax exemption shall be in effect for tax years beginning January 1, 2007, and continuing for tax years 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015 and 2016 with same constituting ten (10) tax years. However, nothing contained herein shall be construed to grant an abatement of taxes to be assessed based on the change of use of the property from an agricultural use to another use, sometimes referred to as rollback taxes, penalties or interest. In the event rollback taxes are applicable for the real property utilized by OWNER, then such increase in value of taxable property resulting from such rollback shall be used as the tax value for such property for the tax year 2007, sometimes referred to herein as the Base Tax Year.

SCHEDULE OF TAXES ASSESSED

TAX YEAR	ABATEMENT
2007	100%
2008	100%
2009	100%
2010	100%
2011	100%
2012	100%
2013	80%
2014	60%
2015	40%
2016	20%

II.

2.01 OWNER warrants and represents that the real property upon which OWNER has constructed or will construct improvements is qualified property within the meaning of that Act, and that such has been and will remain eligible for tax abatement under the provisions of the Property Redevelopment and Tax Abatement Act, Sections 312.001, et seq., Texas Tax Code.

2.02 To continue to qualify for tax abatement under the terms of this Agreement, OWNER hereby warrants and represents that the improvements made by OWNER on the real property described herein are for residential use.

2.03 The tax abatement granted under the terms of the Agreement shall only be implemented if appraised value of all real property and improvements located thereon owned by OWNER and lying within designated zone exceeds the base year value. The OWNER agrees that Grayson Appraisal District shall, at reasonable times upon reasonable notice, have access to the property made the subject of this Agreement, and that the above set forth inspectors shall be able to inspect the property to insure that the improvements are being made in accordance with the terms and conditions hereof and utilized in accordance with this Agreement.

III.

3.01 The term of this Agreement shall be for tax years 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015 and 2016, as indicated above in paragraph 1.01.

IV.

4.01 The kind, number and location of all proposed property improvements are set forth as follows:

Construction of one (1) new single-family residence at the following location:

Being Lot 3, Block 1 of the Cupids Corner Addition in the City of Sherman, Grayson County, Texas, and being more commonly known as 708 East Sycamore Street.

V.

5.01 OWNER agrees that, should he fail to make improvements substantially as described or fail to perform any other term or covenant hereof, CITY shall have the right, after giving notice and opportunity to cure as hereinafter set out, to recapture all tax revenue on said property in the zone lost as a result of this Agreement for the entire term of the Agreement. Such recapture shall mean that all of such property shall be taxed at the full improved value as assessed by the Grayson Appraisal District for all years this Agreement has been in effect. The payment of such recaptured taxes minus any taxes paid by OWNER during the years this Agreement has been in force shall be due January 1 of the next following year and shall be delinquent if not paid on or prior to January 31st. Penalties and interest shall be calculated thereafter as if all taxes had become due in the same year. The CITY agrees prior to enforcement of the terms of this paragraph to give 120 days written notice to the address shown below of OWNER'S default in completing the improvements called for in this Agreement, and OWNER shall have the right to cure such default within the 120-day period.

VI.

6.01 This Agreement shall inure to the benefit of CITY and OWNER, and shall be binding upon them, their heirs, successors and assigns. It is specifically provided and agreed that the right to tax abatement shall inure to the benefit of subsequent owners so long as the term and conditions of this Agreement are in effect.

VII.

7.01 CITY agrees that this Agreement may be assigned and the improvements leased or sub-leased, without any further necessity for consent, by the OWNER to any person, firm or corporation.

VIII.

8.01 At any time before the expiration of the term hereof, this Agreement may be modified by the mutual action of the parties hereto to include other provisions that could have been included in the original agreement or to delete provisions that were not necessary to the original agreement. Such modification must be in writing and signed by all the parties hereto and made by the same procedure by which the original Agreement was approved and executed. In no event may the original Agreement be modified so as to extend the term beyond the original term of this Agreement.

IX.

9.01 This Agreement shall be construed subject to the laws of the State of Texas, and particularly to the Property Redevelopment and Tax Abatement Act, Chapter 312 of the Texas Tax Code.

9.02 All appraisal values for real property shall be made by the Grayson Appraisal District or such other entity as may succeed or replace such District.

9.03 OWNER is hereby notified that the Grayson Appraisal District may impose additional requirements which must be met in order for OWNER to realize the benefit of tax abatement and this Agreement. Contact should be made by OWNER with the District in person at 205 North Travis Street, Sherman, Texas, or by telephone at (903) 893-9673.

X.

10.01 This Agreement is subject to all provisions of all outstanding bond issues of CITY. To the extent that this Tax Abatement Agreement conflicts with any of the provisions of such bond issues, such bond issues and attendant documents thereto shall control.

XI.

11.01 This Tax Abatement Agreement is specifically subject to present laws of the State of Texas and any future laws enacted subsequent to the execution of this Agreement which may provide retroactively for a modification of Agreements of this type as a matter of law. Upon the effective date of any such law, then this Agreement shall automatically be so modified.

XII.

12.01 Notices required by this Agreement shall be mailed to the following addresses as same may be in the future changed by either party upon written notice to the other:

City of Sherman PO Box 1106 Sherman, Texas 75091-1106 (903) 892-7200	Barton Capital, LTD. 715 Hwy 75 South Sherman, Texas 75090 (903) 868 - 4201

Copy to: Grayson Appraisal District
205 North Travis Street
Sherman, Texas 75090
(903) 893-9673

This Agreement is performable in Grayson County, Texas. Witness our hands on this the

_____ day of ________________________, 2007.

CITY:
CITY OF SHERMAN, TEXAS

BY: ______________________

GEORGE OLSON
ACTING CITY MANAGER

ATTEST:

BY: ______________________

LINDA ASHBY
CITY CLERK

APPROVED AS TO FORM
AND CONTENT:

____
DOREEN E. MCGOOKEY
CITY ATTORNEY

OWNER:
BARTON CAPITAL, LTD.

BY: Ron Barton
NAME: Ron Barton
TITLE: Pres

(CORPORATE SEAL)

Notary Public: Pamela Cloer
Commission Exp. 04/01/2010
License No (where applicable): ______________

PAMELA CLOER
Notary Public
STATE OF TEXAS
My Comm. Exp. 04-01-2010

CITY OF SHERMAN
APPLICATION FOR RESIDENTIAL TAX ABATEMENT

Property Owner:

Name: BARTON CAPITAL

Mailing Address: 715 S. HWY 75 SHERMAN, TX 75090

Telephone Number: 903 - 868 - 4201

Contact (if different than owner):

Name: Ron Barton

Mailing Address: SAME

Telephone Number: SAME

Property:

Physical Address: 708 E. SYCAMORE

Summary Legal Description: Lot: 3 Block: 1 Addition: Cupids Corner

Full Legal Description: Include as an attachment a full legal description with metes and bounds.

Improvements:

Type of Improvements (please check one). New Construction: ✓ Remodeling: ______

Estimated Value of Improvements: $59,000

Estimated Date of Start of Construction: 7-24-07

Estimated Date of Completion of Project: 9-24-07

Description of Project: NEW SINGLE FAMILY DWELLING

Applicant(s): [signature] Date: ______________

SHERMAN

P.O. BOX 1106, SHERMAN, TEXAS 75091-1106

BUILDING PERMIT APPLICATION

PERMIT NUMBER 447
OCCUPANCY NUMBER

PLEASE NOTE - COMPLETE ALL ITEMS - MARK BOXES WHERE APPLICABLE

I LOCATION OF BUILDING

STREET NUMBER AND NAME	SUBDIVISION OR SURVEY	LOT	BLOCK	CENSUS TRACT
708 E. SYCAMORE	Cupid's corner	3	1	

FLOOD ZONE ______ E. ZONING ______ TIME TO COMPLETE 180 DAYS

BASE FLOOD ELE. ______ FIRE ZONE ______

1ST FLOOR ELE. ______ PLANS ______

II TYPE AND COST OF BUILDING

A. TYPE OF IMPROVEMENT
1. ☒ NEW BUILDING
2. ☐ ALTERATION
3. ☐ REPAIR, Replacement
4. ☐ MOVING (relocation)
5. ☐ FOUNDATION ONLY

B. OWNERSHIP
1. ☒ PRIVATE (Individual, corporation, non profit institution, etc.)
2. ☐ PUBLIC (Federal, state, or local government)

C. COST $ 54,000
D. FEE $25.00
Sq. Ft. Main Bldg. 1149 / Accs. Bldg.

DESCRIPTION OF REPAIRS:
NEW HOME CONSTRUCTION
BESTE ELECTRIC - 903-564-6853
RED RIVER PLUMBING - 903-821-5715
MARKYL + SONS - 903-893-3060
#25 Stormwater

III BUILDING SPECS.

New Buldg. and Additions - Fill Out Parts F. - M.
Wrecking - Fill Out Part K Only
All Others Skip to IV

F. PRINCIPAL TYPE OF FRAME
- ☐ MASONRY (wall bearing)
- ☒ WOOD FRAME
- ☐ STRUCTURAL STEEL
- ☐ REINFORCED CONCRETE
- ☐ OTHER - SPECIFY ______

G. Principal Type of Heating Fuel
- ☐ GAS ☐ OIL
- ☒ ELECTRICITY ☐ COAL
- ☐ OTHER ______

H. TYPE OF SEWAGE DISPOSAL
- ☒ PUBLIC OR PRIVATE CO.
- ☐ INDIVIDUAL (Septic tank, etc.)

I. TYPE OF WATER SUPPLY
- ☒ PUBLIC OR PRIVATE CO.
- ☐ INDIVIDUAL (well, cistern)

J. ADDITIONAL INFO
- RESIDENTIAL TAX ABATEMENT ☒ YES ☐ NO
- WILL THERE BE AN ELEVATOR? ☐ YES ☒ NO

K. DIMENSIONS
- Number of Stories 1
- TOTAL SQUARE FEET OF FLOOR AREA, ALL FLOORS BASED ON EXTERIOR DIMENSIONS 1149
- TOTAL LAND AREA SQ. FT. 11000

L. No. OFF-STREET PARKING SPACES
- ENCLOSED 0
- OUTDOORS 3

M. RESIDENTIAL BLDG. ONLY
- No. of Bedrooms 3
- No. of Bathrooms: Full 2, Partial —

IV IDENTIFICATION

	NAME	MAILING ADDRESS	PHONE
1. OWNER	Cupid Investments	715 S. HWY 75 SHERMAN, TX	868-4201
2. CONT.			818-6100
3. Architect			

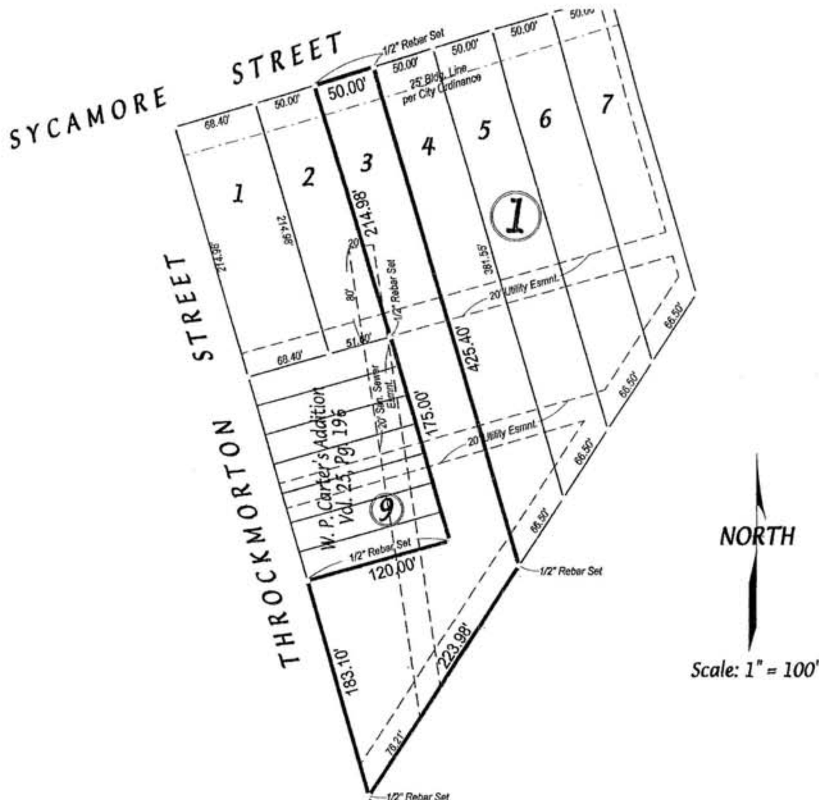
The Owner Of This Building And the Undersigned Agree To Conform To All Applicable Laws Of The City Of Sherman

[signature] SIGNATURE OF APPLICANT — SAME ADDRESS — 8/1/07 DATE

DO NOT WRITE IN THIS SPACE - FOR OFFICE USE ONLY

APPROVED ______ 20 ____ DENIED ______ 20 ____ ______ BUILDING OFFICIAL SIGNATURE

127-015-88 White - File Canary - Owners Application Pink - Tax Office Gold - File



S A R T I N & A S S O C I A T E S, I N C.
Registered Professional Land Surveyors
P.O. Box 1843 - 109 S. Travis - Sherman, Texas 75091-1843
phone (903)892-8003 - fax (903)868-2970

SURVEY FOR: CUPID HOMES INVESTMENT

I, Marshall Sartin, Registered Professional Land Surveyor, hereby certify that a survey of the property shown hereon was made on the ground on the 15 th day of March, 2007 of the following described property:

Lot THREE (3) in Block ONE (1) of CUPIDS CORNER ADDITION to the City of Sherman, Texas as shown by plat of record in Volume 19, Pages 28 & 29, Plat Records, Grayson County, Texas.

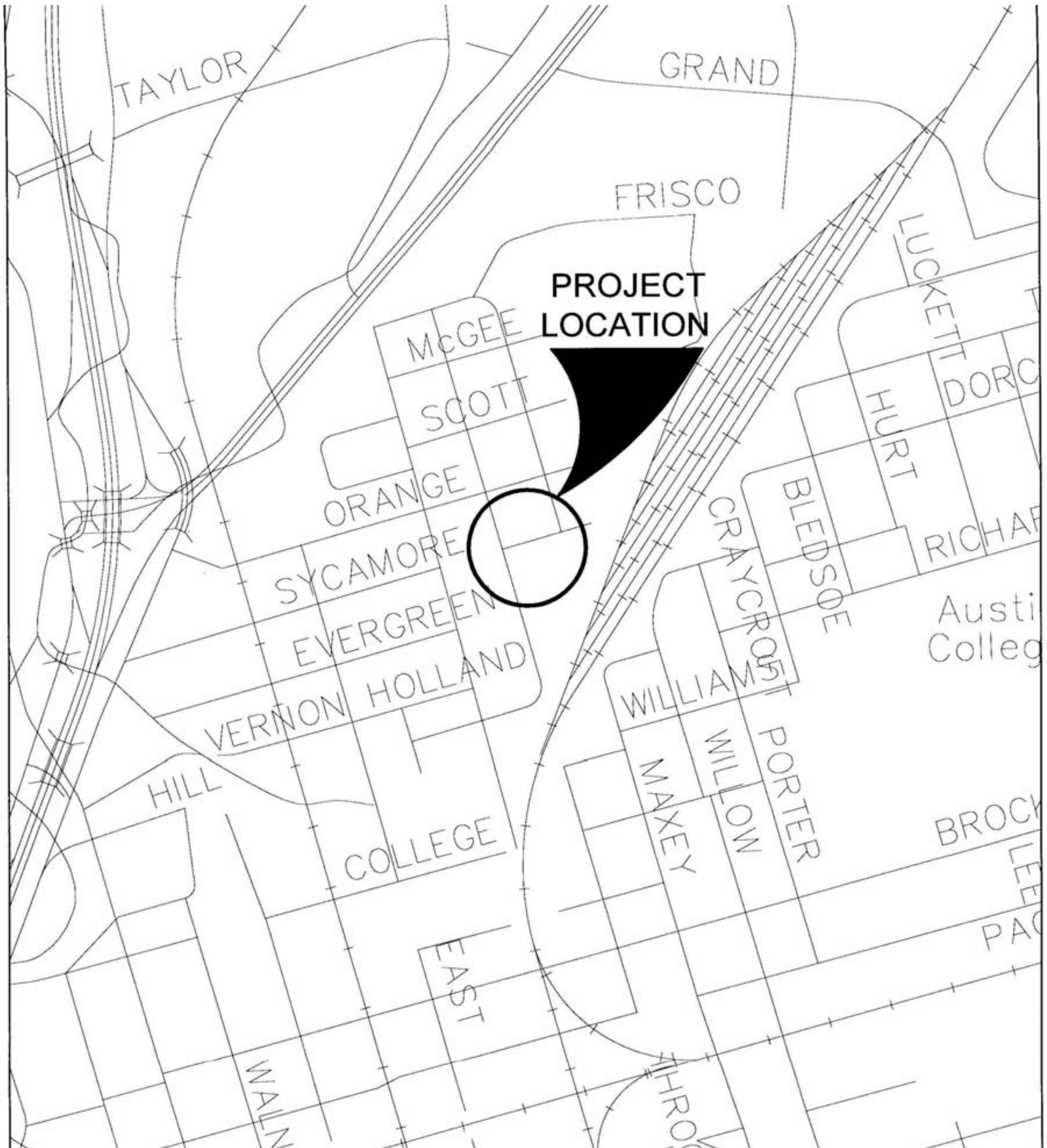
That the improvements located on said property are known as **708 E. SCYAMORE STREET, SHERMAN, TEXAS** and that this survey substantially complies with the current Minimum Standards for Professional Land Surveyors as adopted by the Texas Board of Professional Land Surveying, and is subject to all easements of record or as shown on recorded plat that may affect said property.

THIS SURVEY PLAT WAS PREPARED FROM A SURVEY PERFORMED ON THE DATE SHOWN HEREON FOR THE CLIENT NAMED HEREINABOVE AND FOR THE TRANSACTION TAKING PLACE AT THE TIME OF THIS SURVEY. THIS SURVEY PLAT IS NOT TO BE USED IN CONNECTION WITH ANY FUTURE TRANSACTIONS WITHOUT THE EXPRESSED WRITTEN CONSENT OF THE UNDERSIGNED SURVEYOR AND THE UNDERSIGNED SURVEYOR ACCEPTS NO LIABILITY FOR ANY FUTURE UNAUTHORIZED USE OF THIS SURVEY PLAT.

Marshall Sartin
R.P.L.S. # 3694

STATE OF TEXAS REGISTERED MARSHALL SARTIN PROFESSIONAL LAND SURVEYOR

CPDLOT-3.pcs



City of Sherman, Texas

700 BLOCK EAST SYCAMORE

PROJECT LOCATION MAP

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 8-20-2007

Subject: Agenda Item No. C.8

RESOLUTION NO. 5072
Nominating a Candidate to Fill a Vacancy on the Grayson Central Appraisal District Board of Directors

Issue
To consider nominating a candidate to fill a vacancy on the Grayson Central Appraisal District (GCAD) Board of Directors

Background
With the resignation of one of the GCAD Board Members, Dr. Wayne King, the City, as one of the member taxing entities, has the opportunity to nominate a candidate to fill the vacancy. Nominations must be received by the GCAD by Sunday, September 16th; and the Board of Directors will vote on all nominations received by the deadline. The newly appointed Board Member will serve through December 31, 2007.

Origination
Grayson Central Appraisal District

Financial Consideration
There is no direct impact on the City's finances.

Staff Recommendation
The staff recommends that the City Council nominate an individual to fill the vacancy on this Board.

Alternatives
The City Council could choose not to nominate an individual to fill the vacancy on this Board.

Attachments
Resolution No. 5072
Memo from Teresa Parsons dated August 2, 2007

Prepared and Approved by:
George Olson, City Manager

RESOLUTION NO. 5072

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, NOMINATING A CANDIDATE TO FILL A VACANCY ON THE GRAYSON CENTRAL APPRAISAL DISTRICT BOARD OF DIRECTORS; 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, pursuant to the authority of V.T.C.A., Tax Code §6.01, an appraisal district is established in each county in the State of Texas; and

WHEREAS, pursuant to such authority, the Grayson Central Appraisal District has been created in Grayson County; and

WHEREAS, a vacancy has occurred on the Grayson Central Appraisal District Board of Directors; and

WHEREAS, pursuant to the authority of V.T.C.A., Tax Code §6.03, the governing bodies of the taxing authorities participating in said appraisal district may nominate, by resolution, a candidate to fill the vacancy; and

WHEREAS, the Grayson Central Appraisal District Board of Directors shall elect, by majority vote of its members, one of the nominees to fill the vacancy;

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

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

SECTION 2. That the following named individual is hereby nominated as a candidate to fill a vacancy on the Board of Directors of the Grayson Central Appraisal District:

____

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 ________________, 2007.

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

MEMO

DATE: August 2, 2007

TO: Taxing Entities
Grayson County

FROM: Teresa Parsons
Grayson Central Appraisal District

Phone (903) 893-9673 xt 126
Fax (903) 892-3835

SUBJECT: Board of Directors –Vacancy

Honorable Taxing Entity Leaders,

I have been directed by the Appraisal District's Board of Directors to acquaint the member taxing entities of circumstances that have led to a vacancy on the Board of Directors.

Most of you know and respect Dr. Wayne King, by virtue of him having been born and raised in Grayson County, and having served many years as a local school superintendent. After retiring from Howe ISD, Dr. King was persuaded to serve on the Appraisal District Board because of his good judgment and thorough understanding of the Appraisal District's mission, particularly as it relates to school funding and administration. For many of the same reasons Dr. King was recently tapped to serve as interim superintendent for S & S Consolidated ISD while the School Board conducts a search for permanent leadership. Unfortunately, there is an unintended consequence of this employment, namely, that employment by a member taxing entity makes an individual ineligible to serve on the Appraisal District Board (See Attached excerpt from the Property Tax Code, Section 6.03(a)). Dr. King resigned his position on the Board of Directors at our regular meeting on July 31, 2007.

Due to this untimely event, the Board of Directors has asked me to notify each entity entitled to vote of the vacancy that exist and initiate the process for filling the vacancy as prescribed in Section 6.03(1) of the Property Tax Code (also attached). Upon receipt of this notification, each entity entitled to vote may nominate by a resolution adopted by its governing body a candidate to fill the vacancy. The entity may notify me of the nomination simply by forwarding the resolution indicating such to Grayson Central Appraisal District at 205 N. Travis, Sherman, Texas 75090. I will need to be in receipt of the resolution within 45 days of this notification. After the 45 day deadline has passed, I will forward the nominations to the Board of Directors. The Board of Directors will then vote and the nominee with the majority votes will fill the vacant position for the remainder of this year.

This process is slightly different than the normal Board of Directors voting primarily due to the fact that the need is to fill a vacancy. Dr. King's term expired at the end of this year.

Your participation in this process is important. Please contact me if you have any questions.

Respectfully,

Teresa Parsons

Sec. 6.03. Board of Directors.

(a) The appraisal district is governed by a board of directors. Five directors are appointed by the taxing units that participate in the district as provided by this section. If the county assessor-collector is not appointed to the board, the county assessor-collector serves as a nonvoting director. The county assessor-collector is ineligible to serve if the board enters into a contract under Section 6.05(b) or if the commissioners court of the county enters into a contract under Section 6.24(b). To be eligible to serve on the board of directors, an individual other than a county assessor-collector serving as a nonvoting director must be a resident of the district and must have resided in the district for at least two years immediately preceding the date the individual takes office. An individual who is otherwise eligible to serve on the board is not ineligible because of membership on the governing body of a taxing unit. An employee of a taxing unit that participates in the district is not eligible to serve on the board unless the individual is also a member of the governing body or an elected official of a taxing unit that participates in the district.

(l) If a vacancy occurs on the board of directors other than a vacancy in the position held by a county assessor-collector serving as a nonvoting director, each taxing unit that is entitled to vote by this section may nominate by resolution adopted by its governing body a candidate to fill the vacancy. The unit shall submit the name of its nominee to the chief appraiser within 45 days after notification from the board of directors of the existence of the vacancy, and the chief appraiser shall prepare and deliver to the board of directors within the next five days a list of the nominees. The board of directors shall elect by majority vote of its members one of the nominees to fill the vacancy.

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 8-20-2007

Subject: Agenda Item No. D.1

**** REQUEST TO ADVERTISE***
2007 Biosolids Project for the Sherman Wastewater Treatment Plant

Issue
Advertise for bids on the 2007 Biosolids Project for the Sherman Wastewater Treatment Plant

Background
After treatment in the digester complex, biosolids are temporarily stored in four large storage and dewatering basins. The biosolids are loaded, processed, transported, and spread on agricultural land. The 2007 Biosolids Project will recycle biosolids from the biosolids basins onto agricultural land.

Origination
Department of Utilities Administration

Financial Consideration
Budgeted funds for this project are available in the Wastewater Treatment Budget. Cost of advertising for these services is available in the current budget.

Staff Recommendation
It is recommended that the City Council approve this request to advertise for bids on the 2007 Biosolids Project.

Alternatives
As may be directed by the City Council

Attachments
None

Prepared by:
Mark Gibson, Director of Utilities and Engineering

Approved by:
George Olson, City Manager

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 8-20-2007

Subject: Agenda Item No. D.2

OTHER BUSINESS
Receive Update from TxDOT Sherman Area Engineer Kevin Harris on TxDOT Projects

Issue
To receive an update from the Texas Department of Transportation's (TxDOT) Area Engineer on the status of current and planned Sherman area TxDOT projects

Background
TxDOT Sherman Area Engineer, Kevin Harris, will provide a brief update on their recent accomplishments, as well as the status of several current transportation projects, including:

- U.S. Highway 75 main lane repair program
- Highway 131 mill and overlay from U.S. Highway 75 to Taylor Street
- Bridge repair projects
- 2012 rebuild of U.S. Highway 75

Mr. Harris will also discuss transportation projects that are proposed for TxDOT's Sherman area fiscal year (FY) 2007 through FY 2009 State Transportation Improvement Program (STIP) budget.

Origination
Department of Public Works

Council Action Requested
The Council need take no action on this presentation.

Attachments
None

Prepared by:
Jeffrey R. Miller, Director of Public Works

Approved by:
George Olson, City Manager

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 8-20-2007

Subject: Agenda Item No. D.3

OTHER BUSINESS
Receive Employee Group Benefits Presentation from P. Todd Dorton of Fidelity Benefits & Insurance Services

Issue
Employee Group Benefits for fiscal year 2007-2008

Background
Mr. P. Todd Dorton, CEO/President, Principal, and Management Board of Fidelity Benefits & Insurance Services in Waco, Texas, will provide an overview of the responses received to the City of Sherman's Request for Proposals (RFP) for Employee Group Benefits for the upcoming fiscal year and of the RFP process. Mr. Dorton will also discuss the proposed pharmacy plan that is unique in nature and has features that should help reduce these costs to the City and its employees and retirees.

Origination
Finance and Human Resource Departments

Financial Consideration
There is no cost associated with this presentation.

Council Action Requested
There is no action required of the City Council.

Attachments
Summary Information

Prepared by:
Robby Hefton, Assistant City Manager/CFO

Approved by:
George Olson, City Manager

Employee Group Benefits Presentation

The Council approved a contract with Fidelity Benefits & Insurance Services (Fidelity) to provide consulting services relating to the City's employee group health benefit plan. As part of their assessment and recommendation, Fidelity prepared and evaluated multiple responses from Request for Proposals (RFP) sent to many vendors. The City is prepared to award the contracts for these services the vendors selected through this process. Mr. Todd Dorton from Fidelity will make a presentation to the Council about the process and basis for recommendation of service providers for these services.

In summary, the City received about twenty RFP responses, and subsequently narrowed the list of top candidates to four providers. The staff and Fidelity held meetings with each of the four finalists: CIGNA; Blue Cross Blue Shield; Group and Pension Administrators (GPA), the incumbent; and Aetna to receive presentations on their proposed solutions. After careful consideration, the staff concluded that the GPA alternative best met the City's needs. Since the City already has a contract with GPA, no additional Council approval is needed for this service. However, several health benefit providers for other services, such as pharmacy, dental and life insurance, are being proposed as a result of this process.

The following changes to the City of Sherman's Employee Group Benefits, to be effective on October 1, 2007, are recommended:

- **Pharmacy Benefit Manager (PBM)**
  The PBM is responsible for the management of the City's Prescription Drug Benefit Program. The City will switch PBM from Pharmacare to Patients Choice (PTRX).
- **Excess Risk Insurance (Stop-Loss)**
  Stop-Loss insurance protects the City's Medical Benefit Plan from exposure to risk above a specified amount for both individual and aggregate claims. The City will contract with ReliaStar Life Insurance Company (ING) to provide individual and aggregate excess risk insurance.
- **Voluntary Dental Insurance**
  The City will contract with Safeguard Health Plans, Inc. to provide both Managed Care and Preferred Provider Dental Insurance plans for City employees.
- **Term Life and AD&D Insurance**
  The City will contract with ReliaStar Life Insurance Company (ING) to provide Basic Term Life and Basic AD&D Insurance for City of Sherman employees. This company will also offer Voluntary Term Life, AD&D, and Dependent Term Life for our employees.
- **Flex Benefit Administration**
  The City will contract with Hammerman & Gainer, Inc for the administration of the City's Section 125 Cafeteria Plan including Flex Medical Benefit Spending Accounts and Dependent Care Spending Accounts.
- **Miscellaneous Supplemental Products**
  The City will make available agents with Colonial Life and Accident Insurance Company to provide various supplemental insurance products such as Short/Long Term Disability, Cancer Life, Hospitalization, and Accident Insurance for employees and their eligible dependents. These products are voluntary.

Although the rate of "medical inflation" is nearly ten percent (10%), the City was able to secure group health services without raising the employees' or retirees' contribution rates, and funding the self-funded plans at current funding levels, i.e., no increase in funding costs to the City for next year. The City was able to do this because of the competitive quotes received and because of healthy fund balances available in the Insurance Fund. The FY 2007-2008 proposed budget includes appropriations for these expenditures.

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 8-20-2007

Subject: Agenda Item No. D.4

OTHER BUSINESS
Review Draft Capital Improvement Program (CIP) 2007-2012

Issue
To review the final draft of the City's Capital Improvement Program (CIP) 2007-2012

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 will publish a summary of the program and give notice of a public hearing in a newspaper of general circulation in the city. Prior to public notice, the City Council is given an opportunity to review the final draft of the Capital Improvement Program.

Origination
Development Services Department

Financial Consideration

General Fund	$27,994,040
Utility Fund	$26,460,000
Total Funding for 2007-2012	**$54,454,040**

Staff Recommendation
It is recommended that the City Council review the final draft of the Capital Improvement Program 2007-2012.

Attachments
Summary of the Capital Improvement Program 2007-2012

Prepared by:
Scott Shadden, Development Services Director

Approved by:
George Olson, City Manager

GENERAL SERVICES

2007-2008

	Drainage	Streets	Facilities	Parks	Water	Sewer	Totals
Texoma Parkway - Loy Lake Road Box Culvert and Intersection Improvements	$150,000						$150,000
Harrison Storm Water Improvement	$80,000						$80,000
Aerial and Topographic Map Updates			$170,000				$170,000
Comprehensive Plan Study		$200,000					$200,000
Center Street Complex Planning				$5,000			$5,000
Hawn Park Upgrade				$130,000			$130,000
Pecan Grove Park Development - Phase I				$400,000			$400,000
Library Parking and Sidewalk Renovation			$78,540				$78,540
Old Settlers Park Restroom/Concession				$200,000			$200,000
Emergency Siren Replacement			$195,000				$195,000
Central Business District Rehabiliation Study		$20,000					$20,000
Park Mapping Project				$50,000			$50,000
Travis Street ROW - Phase 1 Taylor to Lamberth		$50,000					$50,000
Travis Street Overlay - Hwy 75 to Washington		$111,500					$111,500
Street Right-of-Way & Oversizing		$50,000					$50,000
UP R-O-W Purchase				$575,000			$575,000
Brockett St. - Grand to Travis		$1,575,000					$1,575,000
Total 2007-2008	$230,000	$2,006,500	$443,540	$1,360,000	$0	$0	$4,040,040

2008-2009

	Drainage	Streets	Facilities	Parks	Water	Sewer	Totals
Solid Waste Transfer Station Repairs			$200,000				$200,000
Library Renovation			$350,000				$350,000
Drainage Improvement Projects	$220,000						$220,000
Center Street Renovation				$1,000,000			$1,000,000
Bleacher Renovation - Old Settler and Fairview				$125,000			$125,000
Fairview Park - Commercial Field Sofball Lighting				$130,000			$130,000
Binkley Park Restroom				$100,000			$100,000
Martin Luther King Park Restroom				$100,000			$100,000
Pecan Grove Park- Phase II				$2,400,000			$2,400,000
Washington Street Rebuild/Resurface Heritage Parkway to end of maintenance		$3,600,000					$3,600,000
Lamberth Road west expansion to end of maintenance		$822,000					$822,000
Travis Street Improvements - Phase 2 - Lamberth to Canyon Grove		$50,000					$50,000
Street Right-of-Way		$50,000					$50,000
Street Oversizing Fund		$100,000					$100,000
Northside Fire Station Update			$300,000				$300,000
Travis Street - Washington St. to Houston St. Mill, overlay curb repair and striping		$170,000					$170,000
Total 2008-2009	$220,000	$4,792,000	$850,000	$3,855,000	$0	$0	$9,717,000

2009-2010

	Drainage	Streets	Facilities	Parks	Water	Sewer	Totals
Baker Park Group Pavilion and Fishing Pier				$80,000			$80,000
Bleacher Replacement - Old Settlers and Fairview				$125,000			$125,000
Fielder Park Court Renovation				$60,000			$60,000
Fielder Park Playground				$90,000			$90,000
Hawn Skateboard Renovation				$55,000			$55,000
Recreation Center Study				$40,000			$40,000
Rosedale Park Restroom				$100,000			$100,000
Street Right-of-Way		$50,000					$50,000
Street Oversizing Fund		$100,000					$100,000
Travis Street Improvements - Phase 3 - Canyon Grove to North Creek		$50,000					$50,000
Rex Cruse Reconstruction - Preliminary Engineering and ROW		$70,000					$70,000
Drainage Improvement Projects	$230,000						$230,000
Sign and Signal Shop Improvements			$60,000				$60,000
Green Mount Addition Storm Sewer Improvements - Phase I - Binkley to Pecan Street	$300,000						$300,000
Setting Sun Addition Drainage Improvements	$400,000						$400,000
Park Avenue West Extension - Preliminary Engineering and ROW		$300,000					$300,000
Total 2009-2010	$930,000	$570,000	$60,000	$550,000	$0	$0	$2,110,000

2010-2011

	Drainage	Streets	Facilities	Parks	Water	Sewer	Totals
Fairview Park Pavilions				$50,000			$50,000
Cherry Park Playground				$150,000			$150,000
Bleacher Replacement - Old Settlers & Fairview				$125,000			$125,000
Rosedale Park Playground				$60,000			$60,000
Fallon Drive Construction - Preliminary Engineering and ROW		$100,000					$100,000
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
GIS Mapping of all inlets and outfalls	$200,000						$200,000
Rex Cruse Reconstruction		$1,000,000					$1,000,000
Park Avenue West Construction		$1,750,000					$1,750,000
Canyon Creek Drive Extension		$500,000					$500,000
Total 2010-2011	$200,000	$3,600,000	$0	$385,000	$0	$0	$4,185,000

2011-2012

	Drainage	Streets	Facilities	Parks	Water	Sewer	Totals
Binkley Park Playground				$100,000			$100,000
Rosedale Park Field Renovation				$250,000			$250,000
Old Settlers Park - Phase III Field Renovation				$4,000,000			$4,000,000
Street Oversizing Fund		$100,000					$100,000
Street Right-of-Way		$50,000					$50,000
Fallon Drive West Construction to US Hwy 75		$1,500,000					$1,500,000
Cypress Grove Rd. Rebuild - Rex Cruse to Redbud Trail		$442,000					$442,000
Park Avenue East Extension		$1,500,000					$1,500,000
Total 2011-2012	$0	$3,592,000	$0	$4,350,000	$0	$0	$7,942,000
GENERAL GRAND TOTAL	$1,580,000	$14,560,500	$1,353,540	$10,500,000	$0	$0	$27,994,040

UTILITY SERVICES

2007-2008

	Drainage	Streets	Facilities	Parks	Water	Sewer		Totals
WWTP - Digester Rehabilitation						$1,020,000	*	$1,020,000
WWTP Screw Lift Pump Replacement						$690,000		$690,000
WTP - Upgrade Phase II					$1,425,000			$1,425,000
Texoma Parkway Water Replacement - Phase III					$300,000		*	$300,000
Relief Sewer K-4 Phase 1						$900,000	*	$900,000
Utility Oversizing					$50,000	$50,000		$100,000
Highland Street Water Replacement					$135,000			$135,000
Travis St. Water Line Hwy 75 (Kam Korners) to Washington					$250,000			$250,000
U. S. Hwy. 82 West Water Main Extension Phase II and III					$700,000		*	$700,000
Hwy 75 Water/Sewer to 691					$1,369,000	$2,331,000		$3,700,000
TOTAL 2007-2008	$0	$0	$0	$0	$4,229,000	$4,991,000		$9,220,000

* Bonded

2008-2009

	Drainage	Streets	Facilities	Parks	Water	Sewer		Totals
WWTP - Primary Clarifier #2 Rehabilitation						$250,000	*	$250,000
WTP - Upgrade Phase III					$1,500,000			$1,500,000
WWTP - Fine Screen Installation						$450,000	*	$450,000
Texoma Parkway Water Replacement - Phase IV					$300,000		*	$300,000
Relief Sewer K-4 Phase 2						$900,000	*	$900,000
Relief Sewer C-1 Replacement						$800,000		$800,000
WWTP - Storm Water Storage Contingency						$600,000	*	$600,000
WWTP - Security Upgrade						$75,000		$75,000
Willow Street Water Replacement					$80,000			$80,000
Oak Creek Dr Water Replacement					$130,000			$130,000
Friendship Road Water Line					$220,000			$220,000
TOTAL 2008-2009	$0	$0	$0	$0	$2,230,000	$3,075,000		$5,305,000

* Bonded

2009-2010

	Drainage	Streets	Facilities	Parks	Water	Sewer		Totals
Brents Street Sewer Replacement						$150,000		$150,000
WWTP - Nutrient Removal Preliminary Engineering						$300,000	*	$300,000
WWTP - Automated Dissolved Oxygen Control						$800,000	*	$800,000
Upgrade McAfee Well Water Treatment					$130,000			$130,000
Total 2009-2010	$0	$0	$0	$0	$130,000	$1,250,000		$1,380,000

* Bonded

2010-2011

	Drainage	Streets	Facilities	Parks	Water	Sewer		Totals
WWTP -Nutrient Removal Process						$6,000,000	*	$6,000,000
Texas Street Water Replacement					$170,000			$170,000
Brockett Street Water Replacement					$100,000			$100,000
College Street Water Replacement					$110,000			$110,000
Dripping Springs Road Water Main Loop					$170,000			$170,000
Total 2010-2011	$0	$0	$0	$0	$550,000	$6,000,000		$6,550,000

* Bonded

2011-2012

	Drainage	Streets	Facilities	Parks	Water	Sewer		Totals
WWTP - Cover Biological Clarifiers						$700,000	*	$700,000
WWTP Headworks Variable Frequency Drive Update						$195,000		$195,000
WWTP - Biosolids Processing Upgrade						$900,000	*	$900,000
Ricketts Street Water Line Replacement Phase I					$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					$80,000			$80,000
Shannon Street Water Line Replacement					$130,000			$130,000
Water Treatment Plat Second Feed					$1,200,000			$1,200,000
TOTAL 2011-2012	$0	$0	$0	$0	$2,210,000	$1,795,000		$4,005,000

* Bonded

	Drainage	Streets	Facilities	Parks	Water	Sewer	Totals
UTILITY GRAND TOTAL	$0	$0	$0	$0	$9,349,000	$17,111,000	$26,460,000
TOTAL CIP	$1,580,000	$14,560,500	$1,353,540	$10,500,000	$9,349,000	$17,111,000	$54,454,040

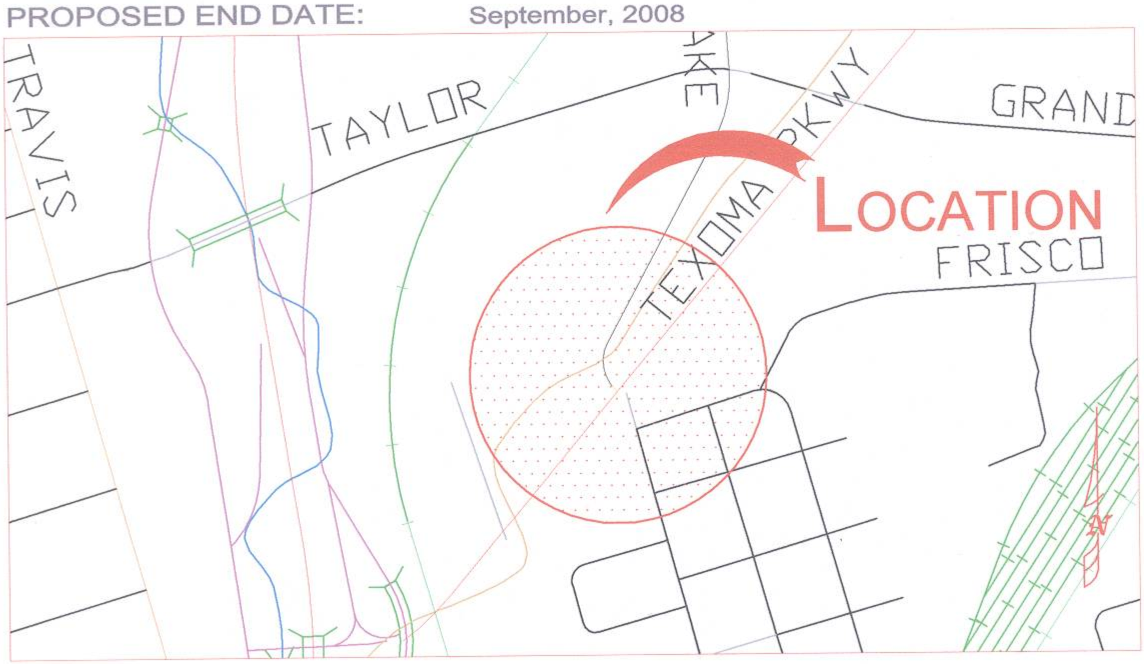
CAPITAL IMPROVEMENT PROGRAM
GENERAL SERVICES
2007-2008

Project		Cost
Texoma Parkway - Loy Lake Road Box Culvert and Intersection Improvements		$150,000
Harrison Storm Water Improvement		$80,000
Aerial and Topographic Map Updates		$170,000
Comprehensive Plan Study		$200,000
Center Street Complex Planning		$5,000
Hawn Park Upgrade		$130,000
Pecan Grove Park Development - Phase I	*	$400,000
Library Parking and Sidewalk Renovation		$78,540
Old Settlers Park Restroom/Concession		$200,000
Emergency Siren Replacement		$195,000
Central Business District Rehabiliation Study		$20,000
Park Mapping Project		$50,000
Travis Street ROW - Phase 1 Taylor to Lamberth		$50,000
Travis Street Overlay - Hwy 75 to Washington		$111,500
Street Right-of-Way & Oversizing		$50,000
UP R-O-W Purchase	*	$575,000
Brockett St. - Grand to Travis	*	$1,575,000
Total 2007-2008		$4,040,040

* Bonded

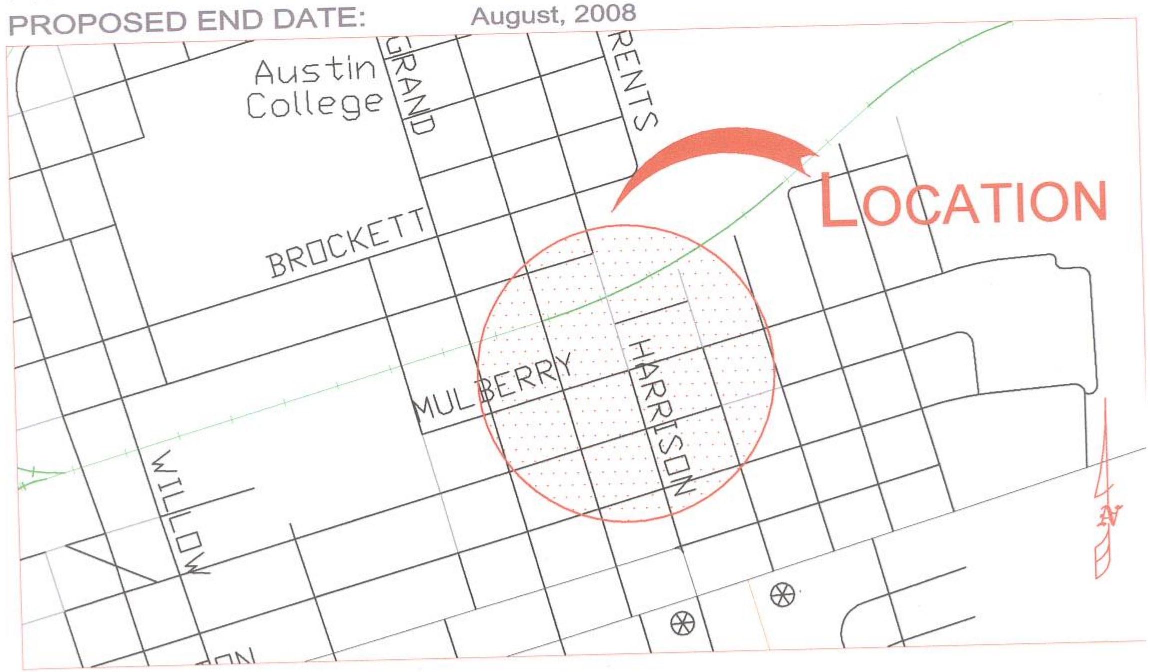
PROJECT YEAR: 2007-2008

PROJECT NAME:	Texoma Parkway - Loy Lake Road Box Culvert Replacement
DESCRIPTION:	Intersection and RCP culvert reconstruction at Loy Lake and Texoma Parkway
ESTIMATED COST:	$150,000
ESTIMATED O&M COST:	NA
PROPOSED FINANCING:	General Improvement Fund
PROJECT NECESSITY:	Culvert is failing and turning radius off of Texoma Parkway is insufficient.
DEPARTMENT/DIRECTOR:	Public Works & Engineering, Jeff Miller
PROPOSED START DATE:	October, 2007
PROPOSED END DATE:	September, 2008



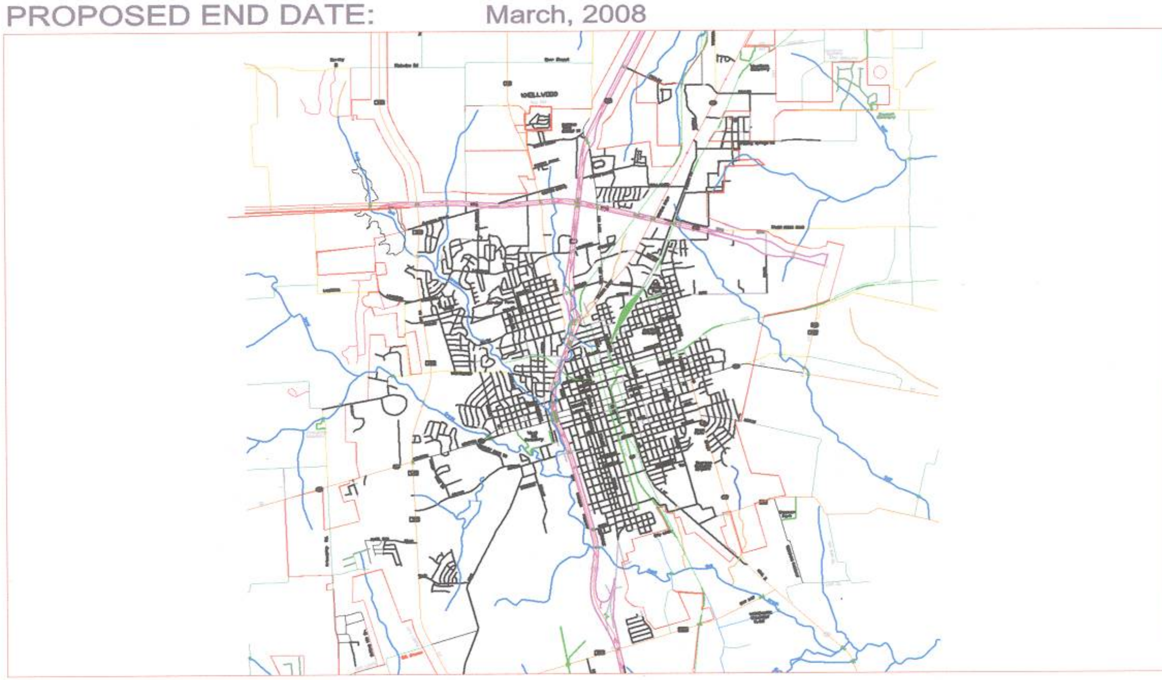
PROJECT YEAR: 2007-2008

PROJECT NAME:	Harrison Street Storm Sewer Pipe
DESCRIPTION:	Replace storm sewer pipe from Mulberry St to railroad overpass on Harrison
ESTIMATED COST:	$80,000
ESTIMATED O&M COST:	NA
PROPOSED FINANCING:	General Improvement Fund
PROJECT NECESSITY:	Failing CMP storm sewer needs to be replaced
DEPARTMENT/DIRECTOR:	Public Works & Engineering, Jeff Miller
PROPOSED START DATE:	June, 2008
PROPOSED END DATE:	August, 2008



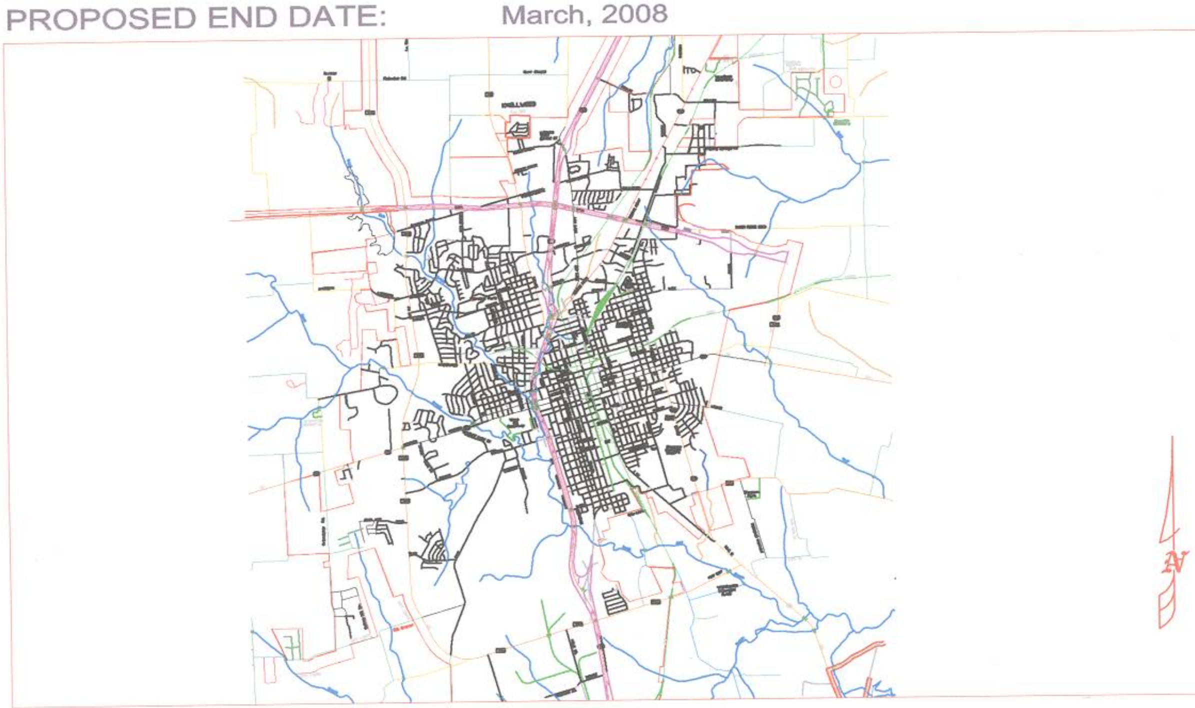
PROJECT YEAR: 2007-2008

PROJECT NAME:	Aerial and Topographic Map Update
DESCRIPTION:	Updating the aerial photography and topographic maps for engineering, planning, and public use.
ESTIMATED COST:	$170,000
ESTIMATED O&M COST:	NA
PROPOSED FINANCING:	General Improvement Fund
PROJECT NECESSITY:	The aerials and topographics maps used are several years old and do not reflect development in the high growth areas. Having updates for the city staff and the public has become necessary.
DEPARTMENT/DIRECTOR:	Engineering and Public Works, Jeff Miller
PROPOSED START DATE:	October, 2007
PROPOSED END DATE:	March, 2008



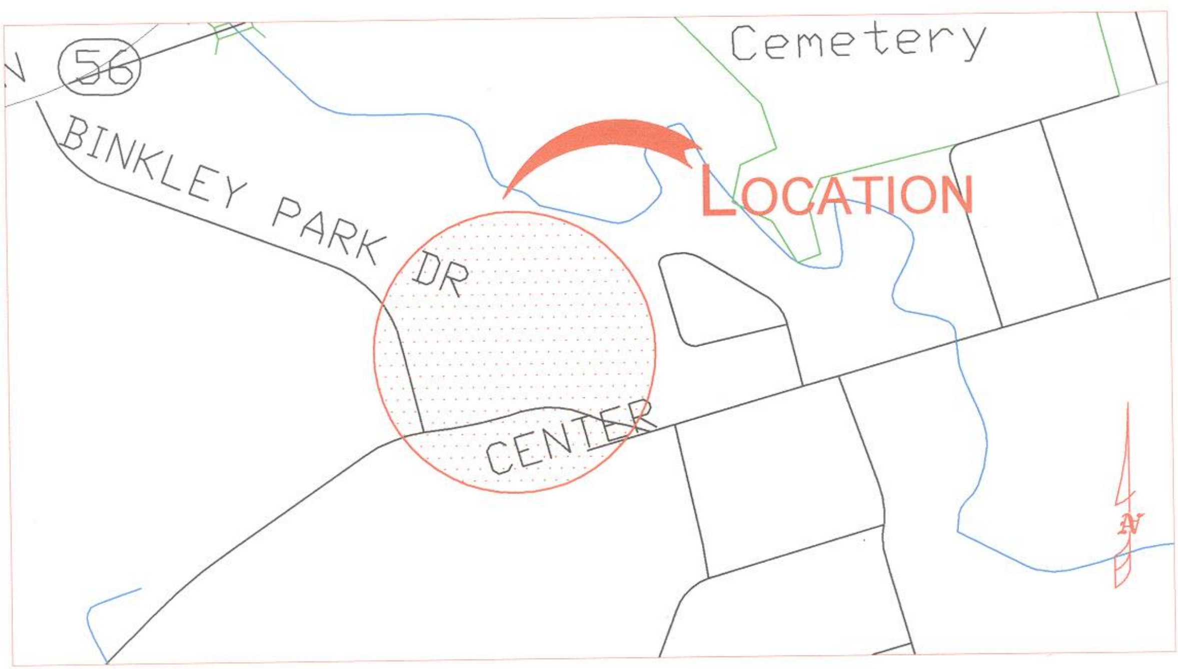
PROJECT YEAR: 2007-2008

PROJECT NAME:	Comprehensive Plan Study Update
DESCRIPTION:	Obtain consultants to prepare the Comprehensive Plan update for the City.
ESTIMATED COST:	$200,000
ESTIMATED O&M COST:	NA
PROPOSED FINANCING:	General Improvement Fund
PROJECT NECESSITY:	Approximately every ten years, the Comprehensive Plan is updated. The last revision was in 1998.
DEPARTMENT/DIRECTOR:	Developmental Services, Scott Shadden
PROPOSED START DATE:	October, 2007
PROPOSED END DATE:	March, 2008



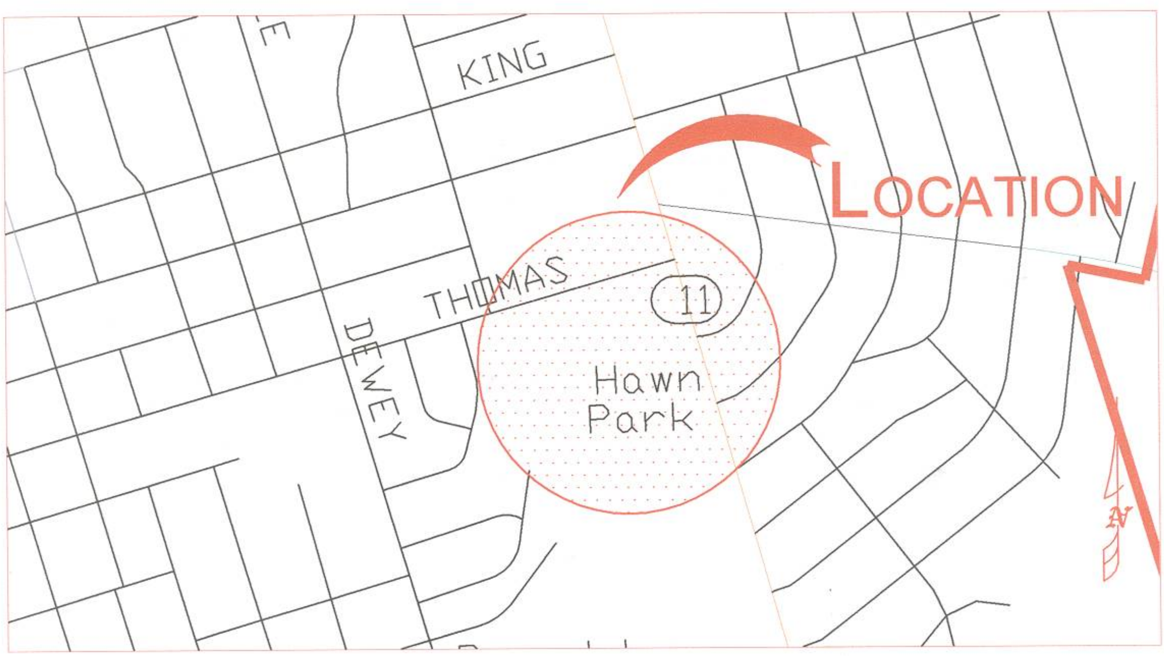
PROJECT YEAR: 2007-2008

PROJECT NAME:	Center Street Complex Planning
DESCRIPTION:	Prepare site plan for new complex.
ESTIMATED COST:	$5,000
ESTIMATED O&M COST:	NA
PROPOSED FINANCING:	General Improvement Fund
PROJECT NECESSITY:	The land and terrain offer challenges for the best overall use of the land. A study will allow careful consideration of these factors.
DEPARTMENT/DIRECTOR:	171 - George Olson, Acting City Manager
PROPOSED START DATE:	October, 2007
PROPOSED END DATE:	September, 2008



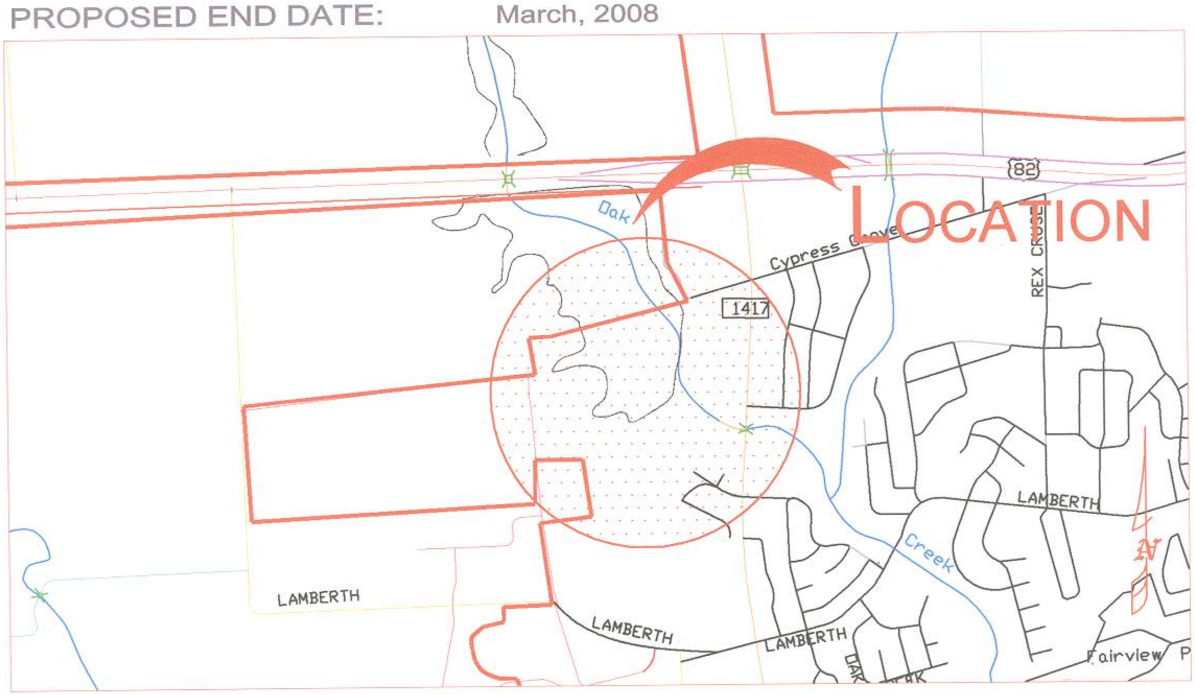
PROJECT YEAR: 2007-2008

PROJECT NAME:	Hawn Park Upgrade
DESCRIPTION:	Modular playground and fencing
ESTIMATED COST:	$130,000
ESTIMATED O&M COST:	$3,000
PROPOSED FINANCING:	General Improvement Fund
PROJECT NECESSITY:	Park enhancements are recommended in the Master Park Plan.
DEPARTMENT/DIRECTOR:	171- George Olson, Acting City Manager



PROJECT YEAR: 2007-2008

PROJECT NAME:	Pecan Grove Park Development
DESCRIPTION:	Phase 1 - Fencing, surveying and parking
ESTIMATED COST:	$400,000
ESTIMATED O&M COST:	$3,500
PROPOSED FINANCING:	General Improvement Fund
PROJECT NECESSITY:	Recommended in the Parks Master Plan
DEPARTMENT/DIRECTOR:	171- George Olson, Acting City Manager
PROPOSED START DATE:	October, 2007
PROPOSED END DATE:	March, 2008



PROJECT YEAR: 2007-2008

PROJECT NAME: Library Parking Lot and Sidewalk

DESCRIPTION: Rebuild a section of parking lot and rebuild sidewalk.

ESTIMATED COST: $78,540

ESTIMATED O&M COST: NA

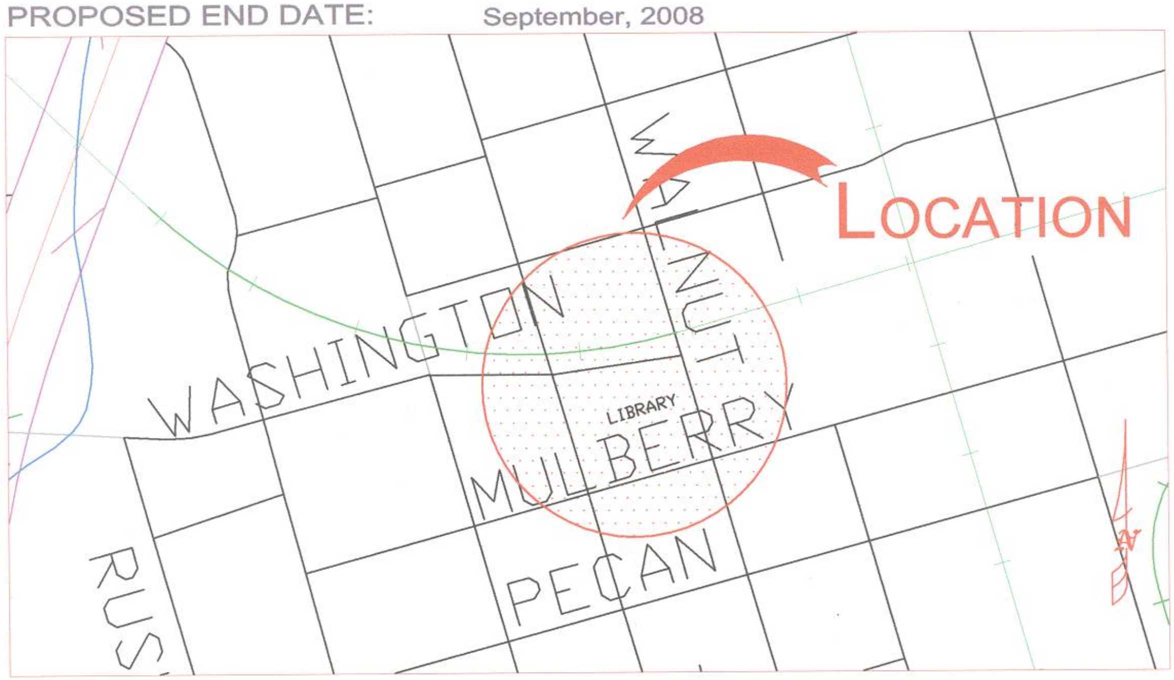
PROPOSED FINANCING: General Improvement Fund

PROJECT NECESSITY: An unstable base has caused a sinking and uneven settling of the sidewalk and parking lot adjacent to the library.

DEPARTMENT/DIRECTOR: City Manager, George Olson

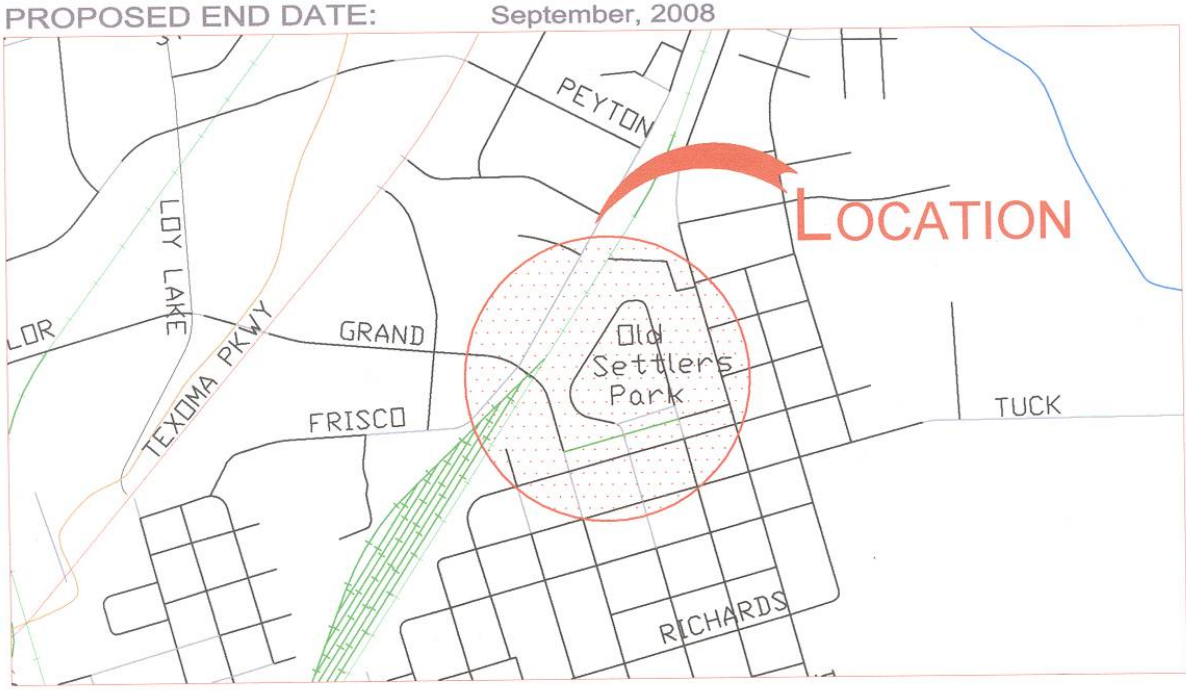
PROPOSED START DATE: June, 2008

PROPOSED END DATE: September, 2008



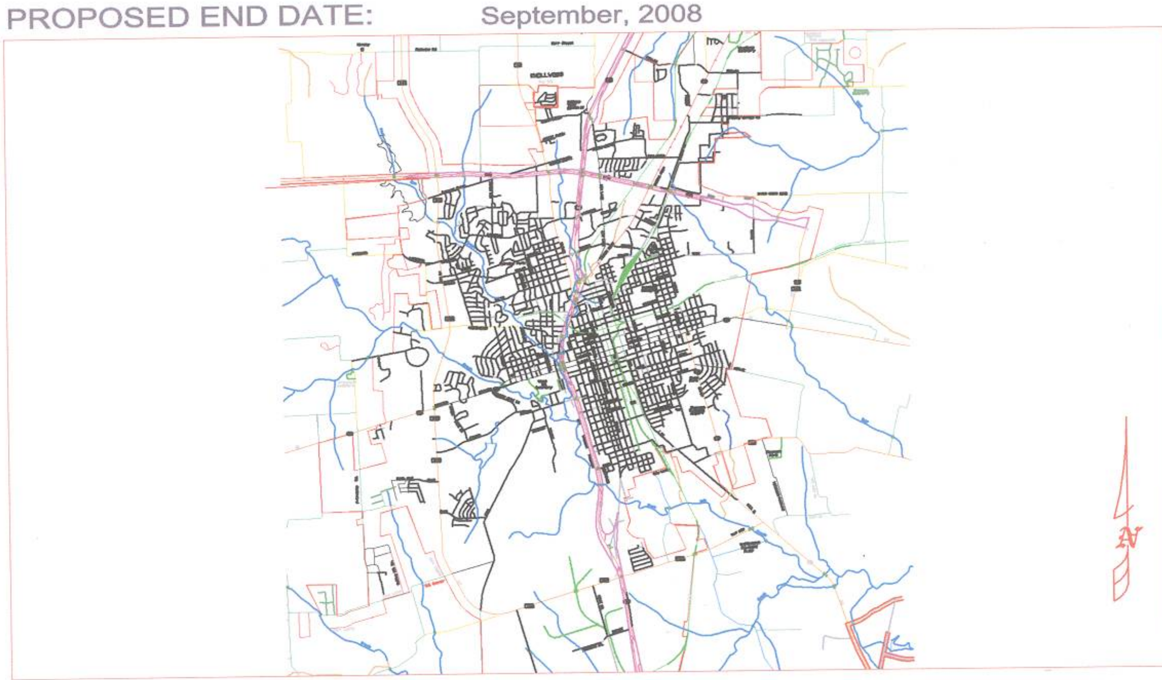
PROJECT YEAR: 2007-2008

PROJECT NAME:	Old Settlers Park - Restroom/Concession
DESCRIPTION:	Replace existing restroom and concession with a pre-fabricated restroom on east side of park.
ESTIMATED COST:	$200,000
ESTIMATED O&M COST:	NA
PROPOSED FINANCING:	General Improvement Fund
PROJECT NECESSITY:	Existing restroom and concession is non-ADA compliant.
DEPARTMENT/DIRECTOR:	171 - George Olson, Acting City Manager
PROPOSED START DATE:	April, 2008
PROPOSED END DATE:	September, 2008



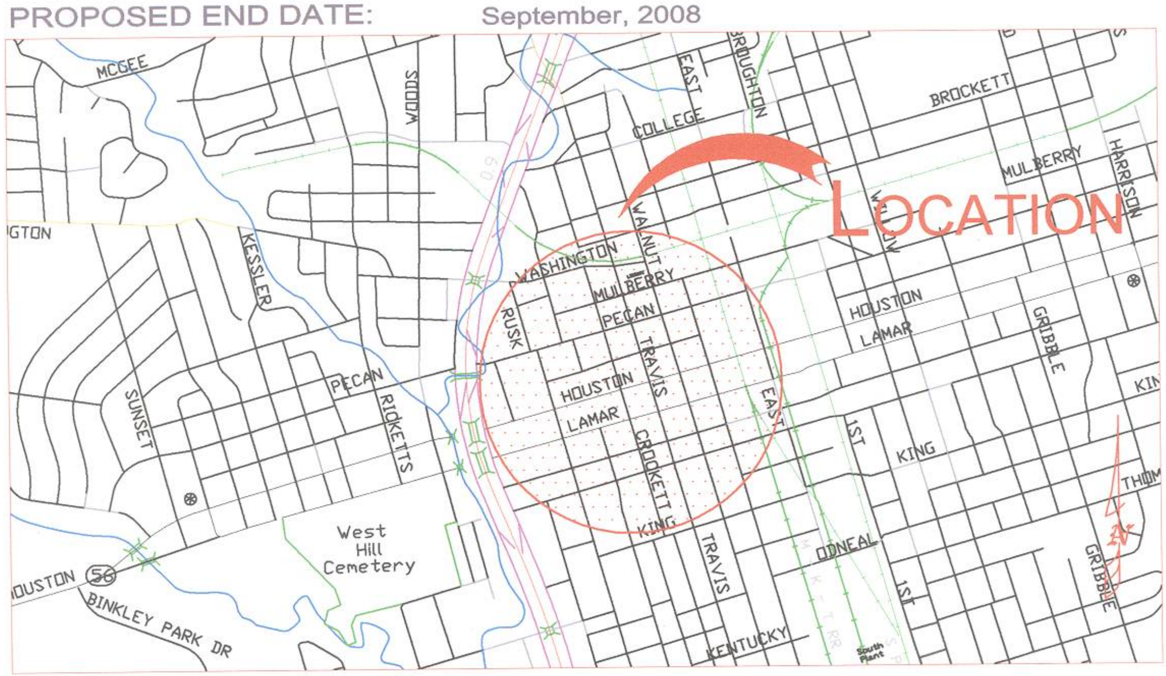
PROJECT YEAR: 2007-2008

PROJECT NAME:	Emergency Siren Replacement
DESCRIPTION:	Replace dated emergency sirens.
ESTIMATED COST:	$195,000
ESTIMATED O&M COST:	NA
PROPOSED FINANCING:	General Improvement Fund
PROJECT NECESSITY:	Sirens have become outdated and need replacement.
DEPARTMENT/DIRECTOR:	Fire Services, J. J. Jones
PROPOSED START DATE:	October, 2007
PROPOSED END DATE:	September, 2008



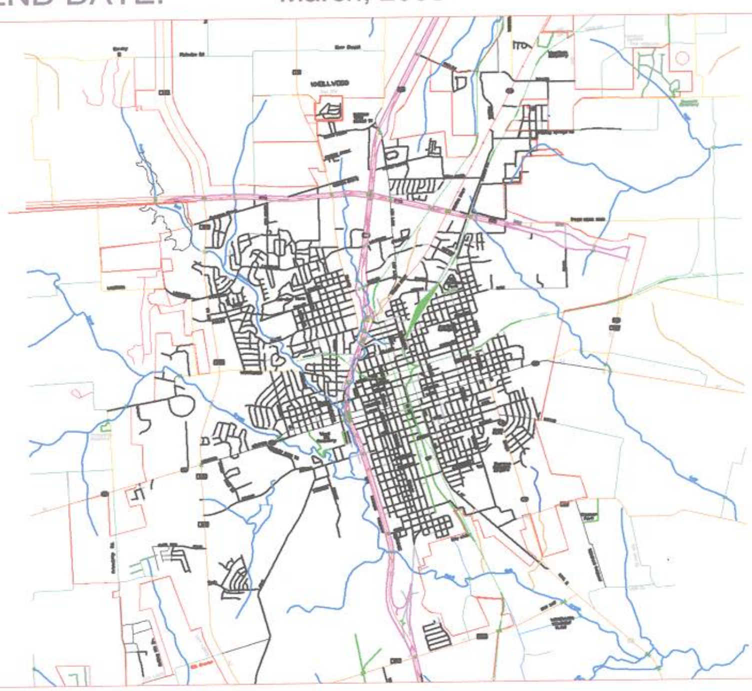
PROJECT YEAR: 2007-2008

PROJECT NAME:	Central Business District Rehabilitation Study
DESCRIPTION:	An engineering study of the existing conditions below street grade in the CBD including utilities, rail tracks, and other obstacles prior to construction of improvements.
ESTIMATED COST:	$20,000
ESTIMATED O&M COST:	NA
PROPOSED FINANCING:	General Improvement Fund
PROJECT NECESSITY:	Streets/utilities in poor condition. Based on unknown factors, designs and cost for improvements can be unrealistic until an accurate inventory of existing conditions is made.
DEPARTMENT/DIRECTOR:	George Olson, Acting City Manager
PROPOSED START DATE:	June, 2008
PROPOSED END DATE:	September, 2008



PROJECT YEAR: 2007-2008

PROJECT NAME:	Park Mapping Project
DESCRIPTION:	Survey and site layout of selected parks.
ESTIMATED COST:	$50,000
ESTIMATED O&M COST:	NA
PROPOSED FINANCING:	General Improvement Fund
PROJECT NECESSITY:	Provide updated site layouts of parks.
DEPARTMENT/DIRECTOR:	171 - George Olson, Acting City Manager
PROPOSED START DATE:	October, 2007
PROPOSED END DATE:	March, 2008



PROJECT YEAR: 2007-2008

PROJECT NAME: Travis Street Corridor Improvements

DESCRIPTION: 1st year funds to acquire right-of-way and relocate utilities on Travis Street from Taylor to Lamberth Road as a part of general corridor improvements.

ESTIMATED COST: $50,000

ESTIMATED O&M COST: NA

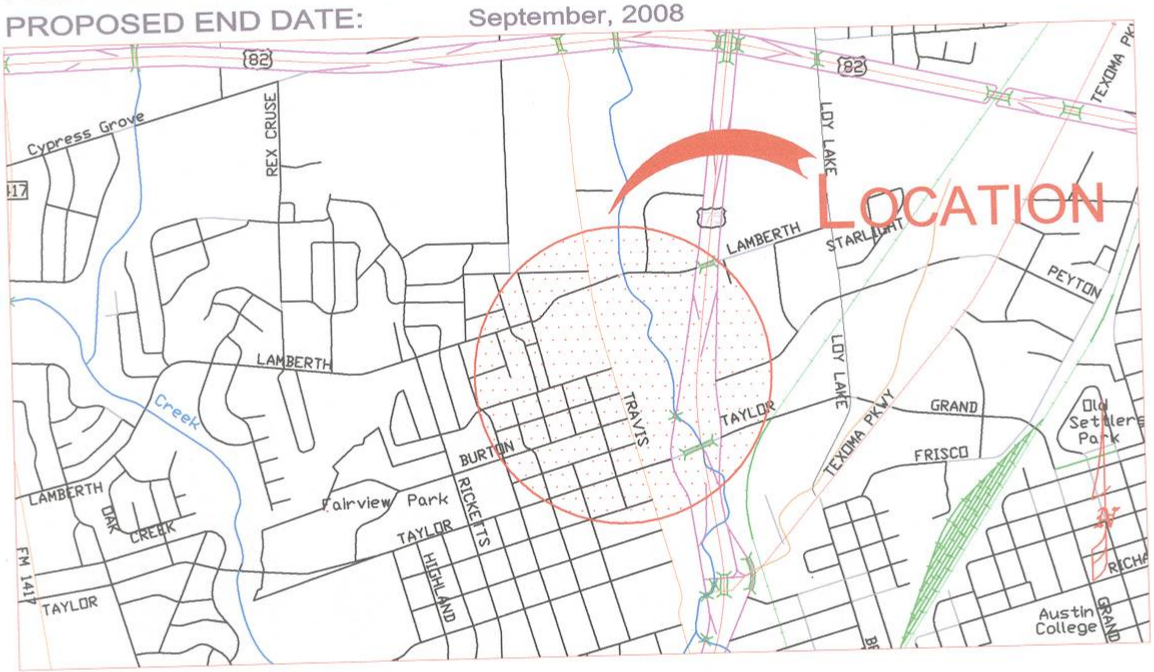
PROPOSED FINANCING: General Improvement Fund

PROJECT NECESSITY: The traffic volume on the older thorughfare has increased significantly and planning for improvements is required before more growth transpires.

DEPARTMENT/DIRECTOR: Public Works & Engineering, Jeff Miller

PROPOSED START DATE: January, 2008

PROPOSED END DATE: September, 2008



PROJECT YEAR: 2007-2008

PROJECT NAME: Travis Street Overlay
US Hwy 75 to Washington Street

DESCRIPTION: Mill and overlay of Travis Street from Hwy 75 (Kam Korners) to Washington Street.

ESTIMATED COST: $111,500

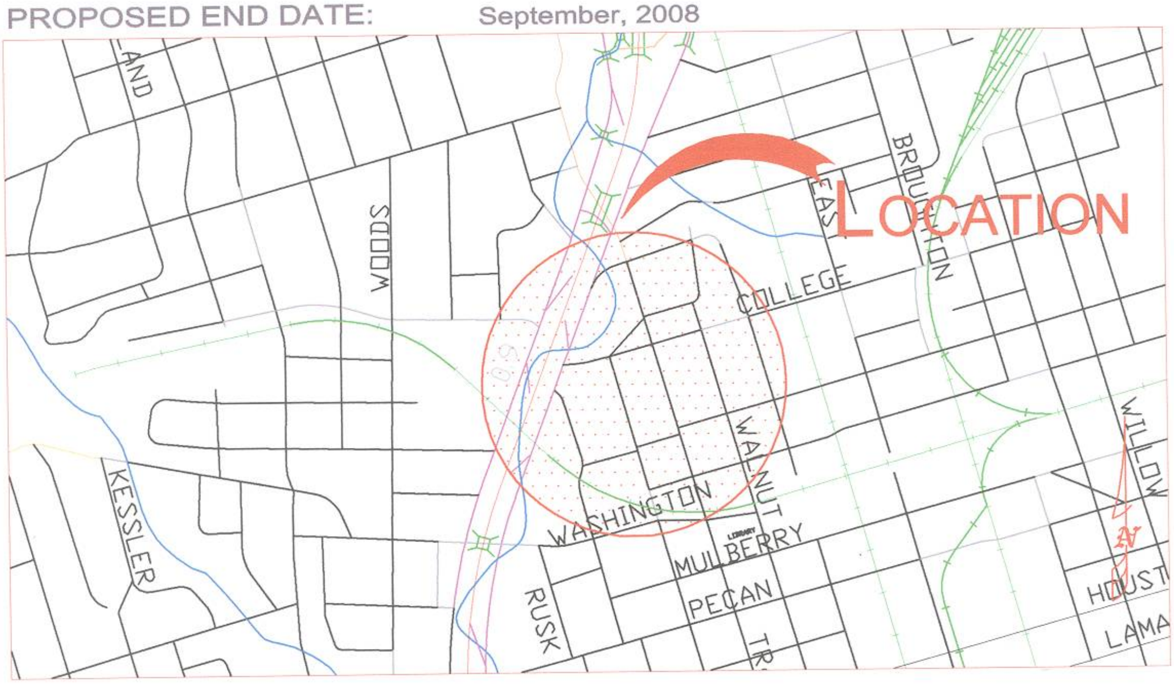
ESTIMATED O&M COST: NA

PROPOSED FINANCING: General Improvement Fund

PROJECT NECESSITY: Street conditions warrant mill and overlay of this section.

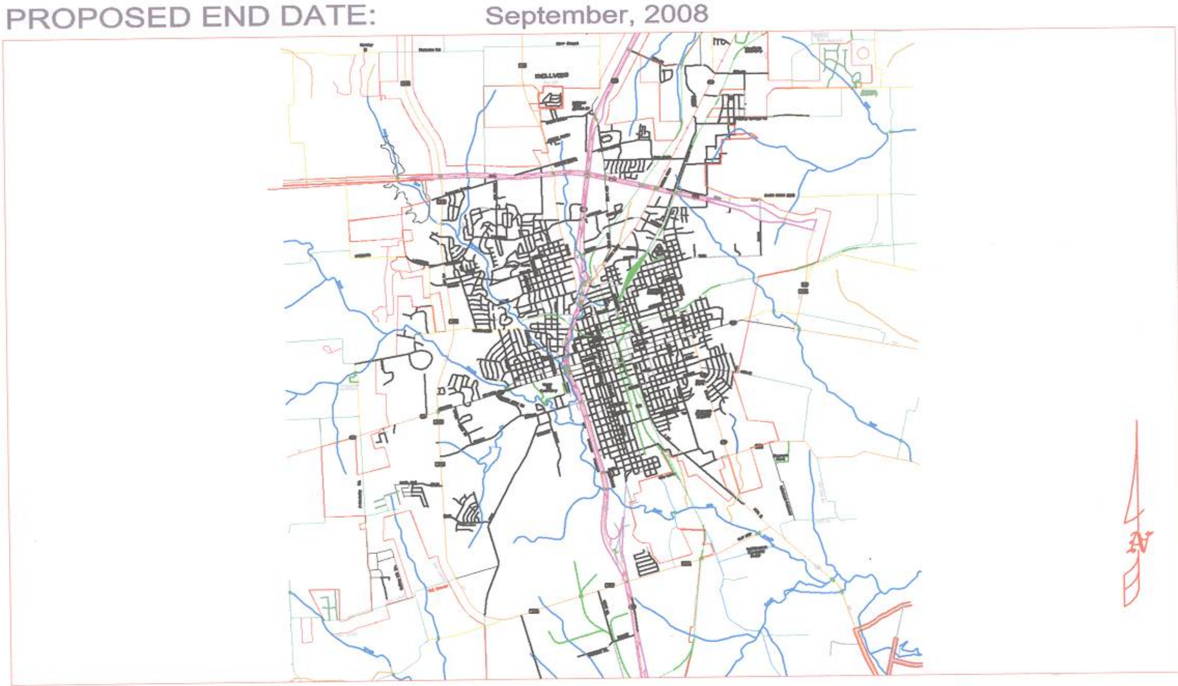
DEPARTMENT/DIRECTOR: Public Works and Engineering, Jeff Miller

PROPOSED START DATE: June, 2008
PROPOSED END DATE: September, 2008



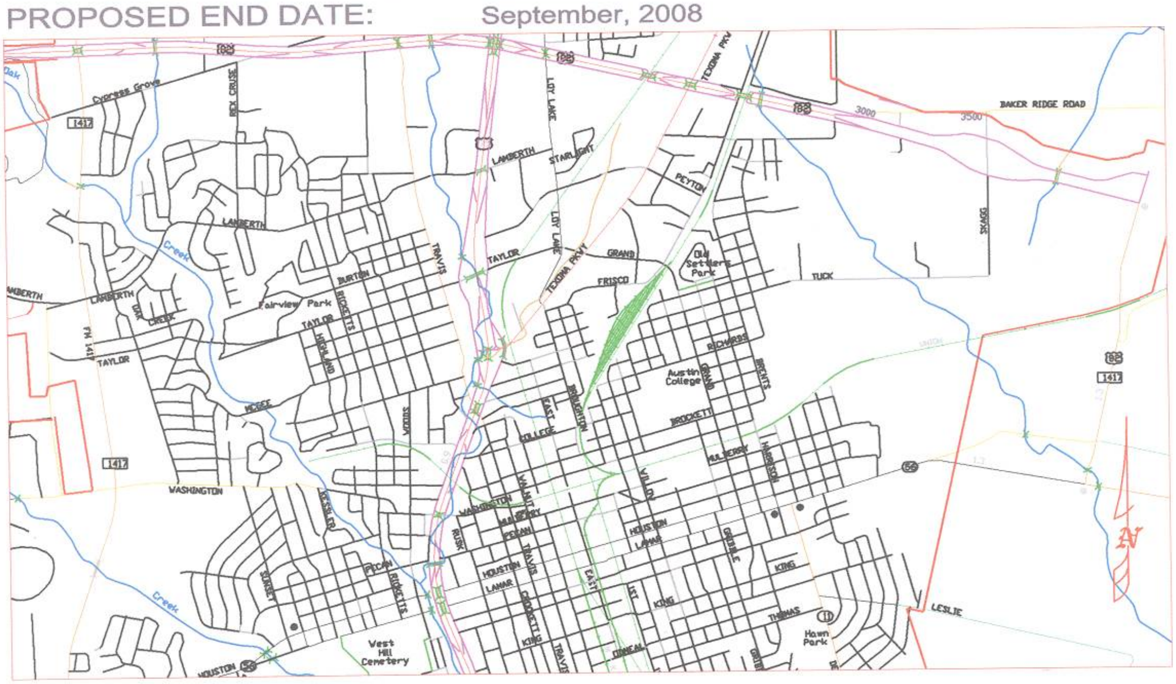
PROJECT YEAR: 2007-2008

PROJECT NAME:	General Street Right-of-Way and Oversizing
DESCRIPTION:	General street right-of-way and oversizing funds for unidentified projects throughout the year.
ESTIMATED COST:	$50,000
ESTIMATED O&M COST:	NA
PROPOSED FINANCING:	General Improvement Fund
PROJECT NECESSITY:	Provides funding for City participation in future right of way and oversizing for new streets.
DEPARTMENT/DIRECTOR:	Public Works & Engineering, Jeff Miller
PROPOSED START DATE:	October, 2007
PROPOSED END DATE:	September, 2008



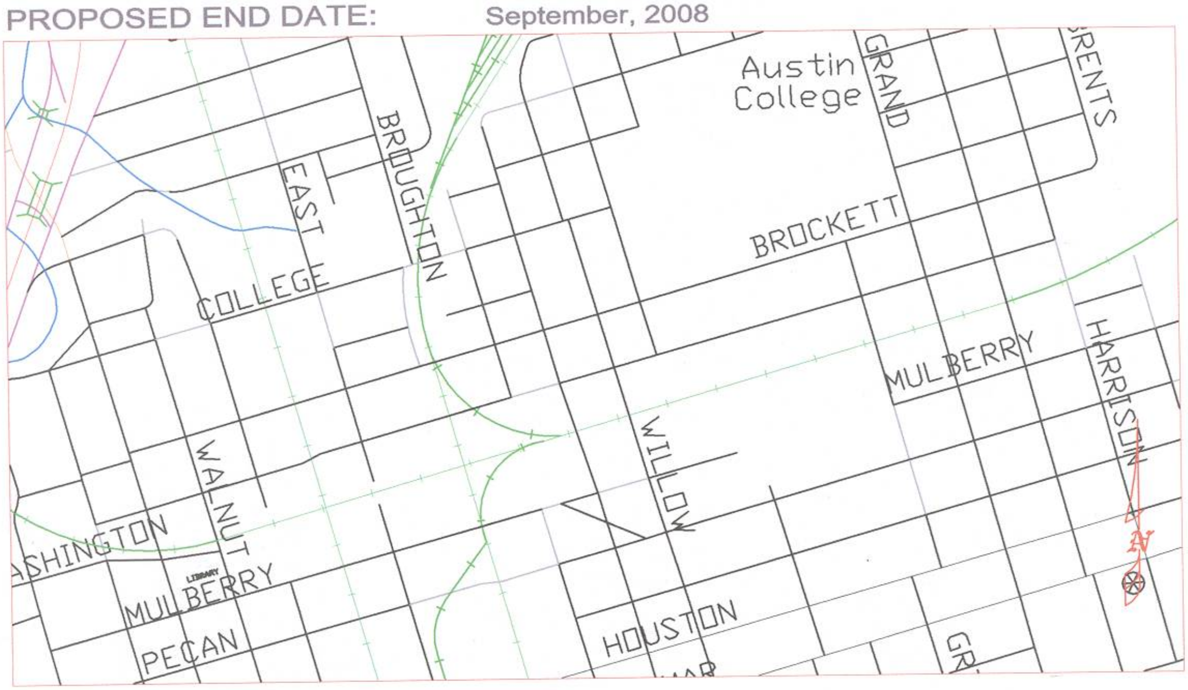
PROJECT YEAR: 2007-2008

PROJECT NAME:	Union Pacific Right of Way Purchase
DESCRIPTION:	Purchase Union Pacific ROW for future trail development.
ESTIMATED COST:	$575,000
ESTIMATED O&M COST:	NA
PROPOSED FINANCING:	General Improvement Fund
PROJECT NECESSITY:	This right of way would provide a route for trails from Gallagher Drive to Pacific Street.
DEPARTMENT/DIRECTOR:	George Olson, Acting City Manager
PROPOSED START DATE:	October, 2007
PROPOSED END DATE:	September, 2008



PROJECT YEAR: 2007-2008

PROJECT NAME:	Brockett Street - Grand to Travis
DESCRIPTION:	Redesign and rebuild Brockett Street from Austin College to the Central Business District.
ESTIMATED COST:	$1,575,000
ESTIMATED O&M COST:	NA
PROPOSED FINANCING:	General Improvement Fund
PROJECT NECESSITY:	Provides an attractive gateway between downtown Sherman and Austin College via an existing east-west thoroughfare.
DEPARTMENT/DIRECTOR:	Public Works & Engineering, Jeff Miller
PROPOSED START DATE:	October, 2007
PROPOSED END DATE:	September, 2008



CAPITAL IMPROVEMENT PROGRAM
GENERAL SERVICES
2008-2009

Project		Cost
Solid Waste Transfer Station Repairs		$200,000
Library Renovation		$350,000
Drainage Improvement Projects		$220,000
Center Street Renovation	*	$1,000,000
Bleacher Renovation - Old Settler and Fairview		$125,000
Fairview Park - Commercial Field Sofball Lighting		$130,000
Binkley Park Restroom		$100,000
Martin Luther King Park Restroom		$100,000
Pecan Grove Park- Phase II	*	$2,400,000
Washington Street Rebuild/Resurface Heritage Parkway to end of maintenance	*	$3,600,000
Lamberth Road west expansion to end of maintenance	*	$822,000
Travis Street Improvements - Phase 2 - Lamberth to Canyon Grove		$50,000
Street Right-of-Way		$50,000
Street Oversizing Fund		$100,000
Northside Fire Station Update		$300,000
Travis Street - Washington St. to Houston St. Mill, overlay curb repair and striping		$170,000
Total 2008-2009		$9,717,000

* Bonded

CAPITAL IMPROVEMENT PROGRAM
GENERAL SERVICES
2009-2010

Project	Cost
Baker Park Group Pavilion and Fishing Pier	$80,000
Bleacher Replacement - Old Settlers and Fairview	$125,000
Fielder Park Court Renovation	$60,000
Fielder Park Playground	$90,000
Hawn Skateboard Renovation	$55,000
Recreation Center Study	$40,000
Rosedale Park Restroom	$100,000
Street Right-of-Way	$50,000
Street Oversizing Fund	$100,000
Travis Street Improvements - Phase 3 - Canyon Grove to North Creek	$50,000
Rex Cruse Reconstruction - Preliminary Engineering and ROW	$70,000
Drainage Improvement Projects	$230,000
Sign and Signal Shop Improvements	$60,000
Green Mount Addition Storm Sewer Improvements - Phase I - Binkley to Pecan Street	$300,000
Setting Sun Addition Drainage Improvements	$400,000
Park Avenue West Extension - Preliminary Engineering and ROW	$300,000
Total 2009-2010	$2,110,000

CAPITAL IMPROVEMENT PROGRAM
GENERAL IMPROVEMENT
2010-2011

Project	Cost
Fairview Park Pavilions	$50,000
Cherry Park Playground	$150,000
Bleacher Replacement - Old Settlers & Fairview	$125,000
Rosedale Park Playground	$60,000
Fallon Drive Construction - Preliminary Engineering and ROW	$100,000
Park Avenue East Extension - Preliminary Engineering and ROW	$100,000
Street Oversizing Fund	$100,000
Street Right-of-Way	$50,000
GIS Mapping of all inlets and outfalls	$200,000
Rex Cruse Reconstruction	$1,000,000
Park Avenue West Construction	$1,750,000
Canyon Creek Drive Extension	$500,000
Total 2010-2011	$4,185,000

CAPITAL IMPROVEMENT PROGRAM
GENERAL IMPROVEMENT
2011-2012

Project	Cost
Binkley Park Playground	$100,000
Rosedale Park Field Renovation	$250,000
Old Settlers Park - Phase III Field Renovation	$4,000,000
Street Oversizing Fund	$100,000
Street Right-of-Way	$50,000
Fallon Drive West Construction to US Hwy 75	$1,500,000
Cypress Grove Rd. Rebuild - Rex Cruse to Redbud Trail	$442,000
Park Avenue East Extension	$1,500,000
Total 2011-2012	$7,942,000

CAPITAL IMPROVEMENT PROGRAM
UTILITY IMPROVEMENTS
2007-2008

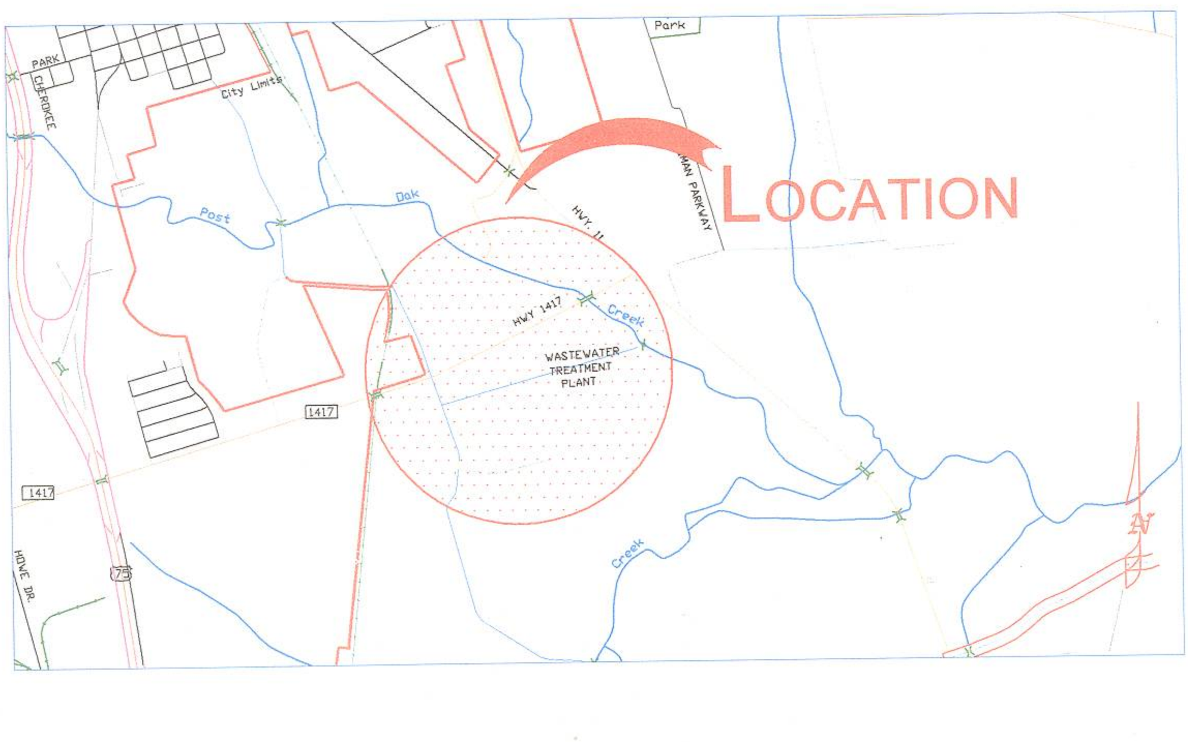
Project		Cost
WWTP - Digester Rehabilitation	*	$1,020,000
WWTP Screw Lift Pump Replacement		$690,000
WTP - Upgrade Phase II		$1,425,000
Texoma Parkway Water Replacement - Phase III	*	$300,000
Relief Sewer K-4 Phase 1	*	$900,000
Utility Oversizing		$100,000
Highland Street Water Replacement		$135,000
Travis St. Water Line Hwy 75 (Kam Korners) to Washington		$250,000
U. S. Hwy. 82 West Water Main Extension	*	$700,000
Hwy 75 Water/Sewer to 691	**	$3,700,000
TOTAL 2007-2008		$9,220,000

* Bonded

** SEDCO funded

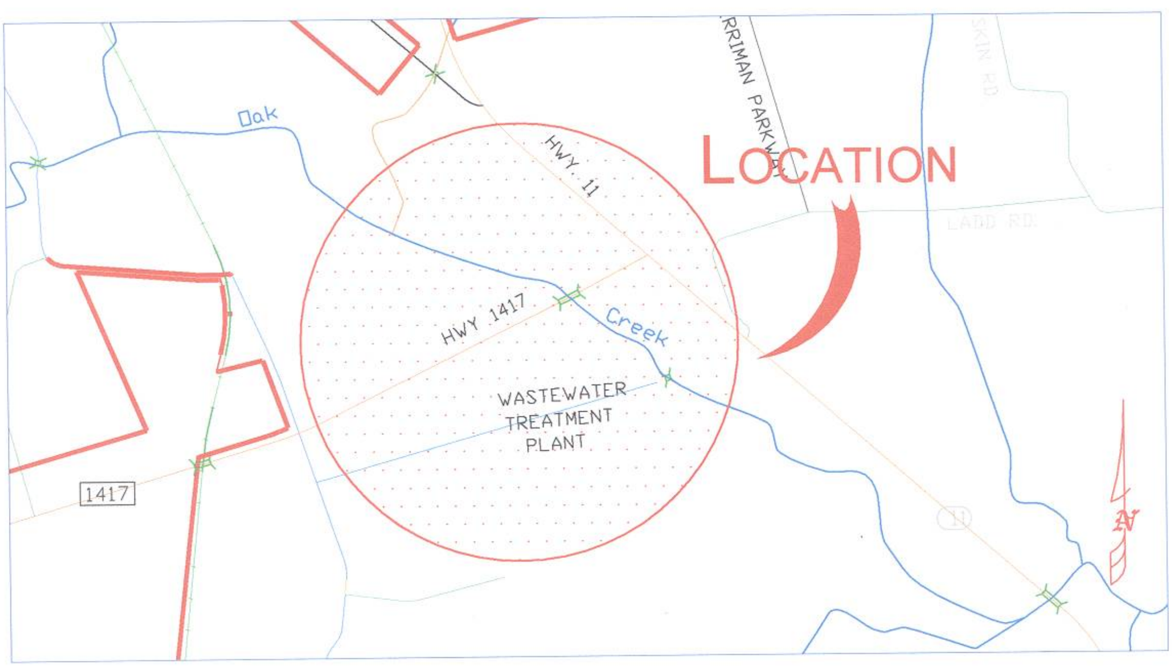
PROJECT YEAR: 2007-2008

PROJECT NAME:	Wastewater Treatment Plant Digester Rehabilitation
DESCRIPTION:	Replacement of compressors, piping, burners and ancillary equipment in sludge digesters at wastewater treatment plant.
ESTIMATED COST:	$1,020,000
ESTIMATED O&M COST:	Not Applicable
PROPOSED FINANCING:	Utility Improvement Fund
PROJECT NECESSITY:	Existing components have deteriorated and exceeded useful life.
DEPARTMENT/DIRECTOR:	Utility Services, Mark Gibson
PROPOSED START DATE:	June, 2008
PROPOSED END DATE:	September, 2008



PROJECT YEAR: 2007-2008

PROJECT NAME:	Wastewater Treatment Plant Screw Lift Pump Repairs
DESCRIPTION:	Replace original screw lift pumps due to corrosion, age, and wear.
ESTIMATED COST:	$690,000
ESTIMATED O&M COST:	NA
PROPOSED FINANCING:	Utility Improvement Fund
PROJECT NECESSITY:	Original screw lift pumps have aged and need replacement.
DEPARTMENT/DIRECTOR:	Utility Services, Mark Gibson
PROPOSED START DATE:	October, 2008
PROPOSED END DATE:	September, 2008



PROJECT YEAR: 2007-2008

PROJECT NAME: Water Treatment Plant Upgrade Phase II

DESCRIPTION: Replacement of EDR Membranes.

ESTIMATED COST: $1,425,000

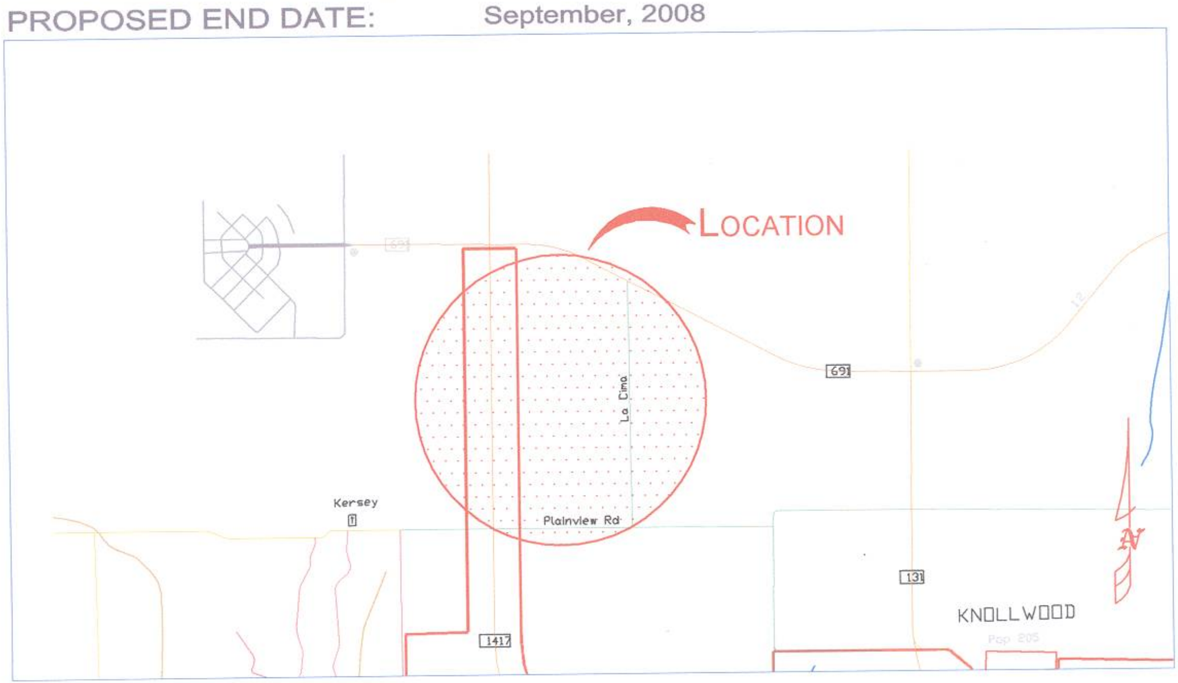
ESTIMATED O&M COST: A decrease

PROPOSED FINANCING: Utility Improvement Fund

PROJECT NECESSITY: The demineralization membranes are at the end of their useful life.

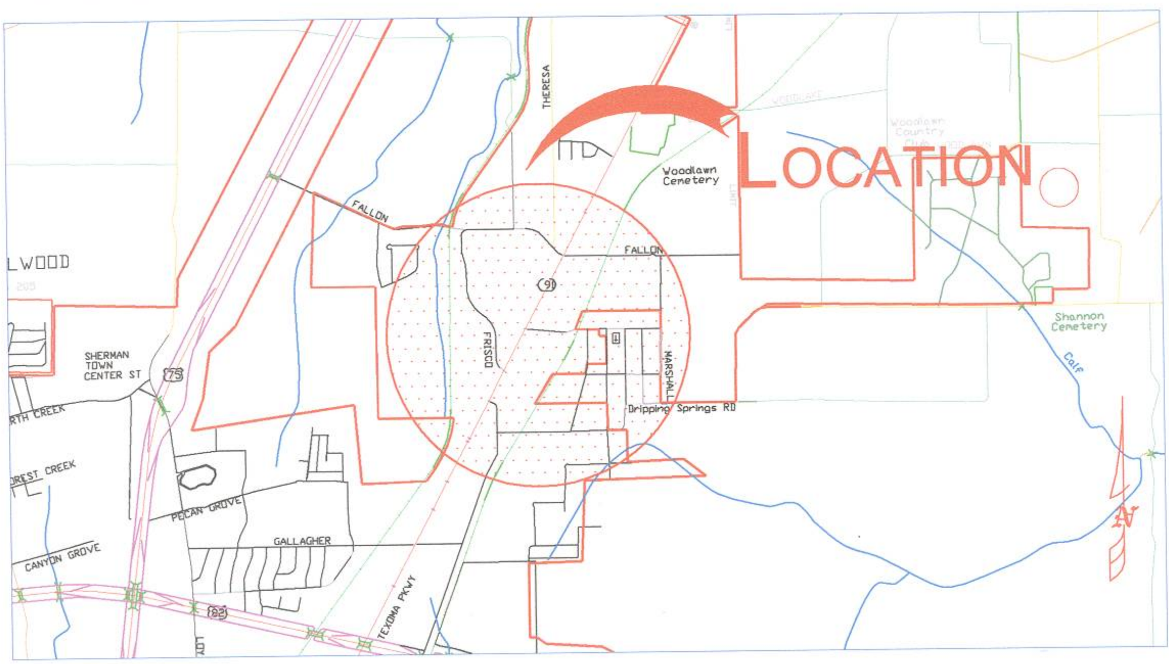
DEPARTMENT/DIRECTOR: Utility Services, Mark Gibson

PROPOSED START DATE: October, 2007
PROPOSED END DATE: September, 2008



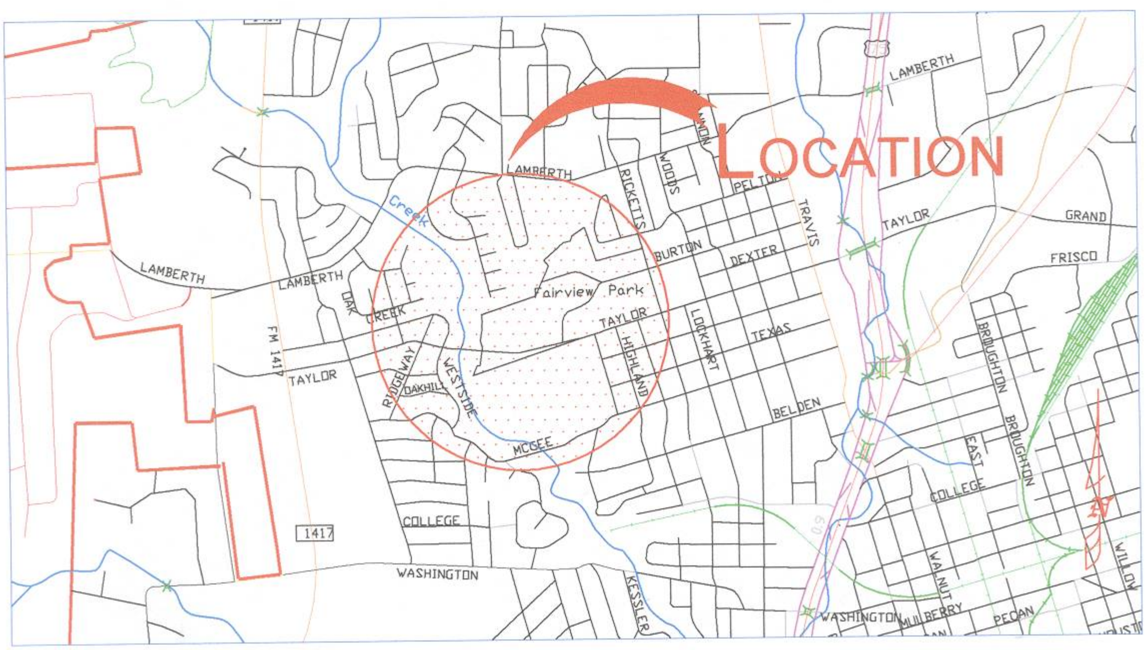
PROJECT YEAR: 2007-2008

PROJECT NAME:	Texoma Parkway Water Replacement - Phase III
DESCRIPTION:	Replace 3000 feet of existing 12" water main on west side of Texoma Parkway between Frisco Road crossing north to Fallon Drive.
ESTIMATED COST:	$300,000
ESTIMATED O&M COST:	Not Applicable
PROPOSED FINANCING:	Utility Bond Issue
PROJECT NECESSITY:	Existing water main has deteriorated resulting in numerous breaks and service interruptions.
DEPARTMENT/DIRECTOR:	Utility Services, Mark Gibson
PROPOSED START DATE:	June, 2008
PROPOSED END DATE:	September, 2008



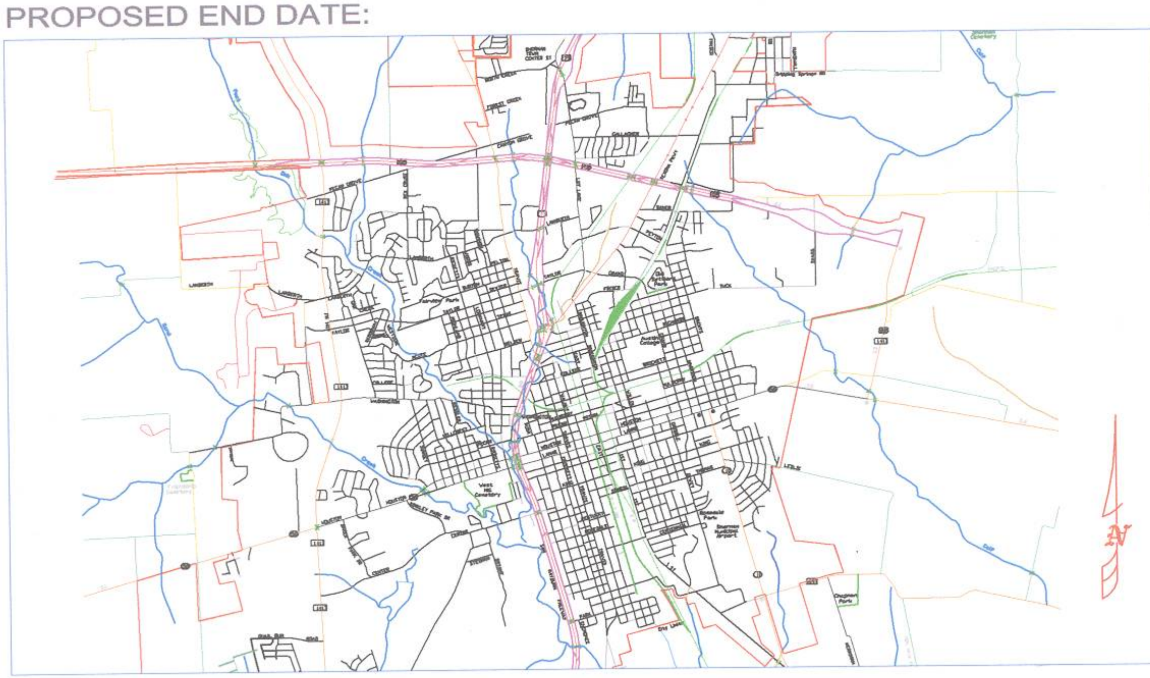
PROJECT YEAR: 2007-2008

PROJECT NAME:	Relief Sewer K-4 Phase I
DESCRIPTION:	Construct a relief sewer between McGee Street and Lamberth Road.
ESTIMATED COST:	$900,000
ESTIMATED O&M COST:	Not Applicable
PROPOSED FINANCING:	Utility Improvement Fund
PROJECT NECESSITY:	Existing sewer is becoming overloaded. Additional capacity is required for new development to the north.
DEPARTMENT/DIRECTOR:	Utility Services, Mark Gibson
PROPOSED START DATE:	June, 2008
PROPOSED END DATE:	September, 2008



PROJECT YEAR: 2007-2008

PROJECT NAME:	City Participation - Utility Oversizing Costs
DESCRIPTION:	Provides funding for oversizing of water and sewer mains as development occurs.
ESTIMATED COST:	$100,000
ESTIMATED O&M COST:	Not Applicable
PROPOSED FINANCING:	Utility Improvement Fund
PROJECT NECESSITY:	Provides funding source for City participation to oversize water and sewer mains to meet City requirements as development occurs.
DEPARTMENT/DIRECTOR:	Utility Services, Mark Gibson
PROPOSED START DATE:	As development occurs
PROPOSED END DATE:	



PROJECT YEAR: 2007-2008

PROJECT NAME:	Highland Street Water Replacement
DESCRIPTION:	Replace 1,350' of 2" and 6" water main along Highland from McGee Street north to Taylor Street.
ESTIMATED COST:	$135,000
ESTIMATED O&M COST:	Not Applicable
PROPOSED FINANCING:	Utility Improvement Fund
PROJECT NECESSITY:	Existing water main is badly deteriorated and requires frequent service calls.
DEPARTMENT/DIRECTOR:	Utility Services, Mark Gibson
PROPOSED START DATE:	June, 2008
PROPOSED END DATE:	September, 2008

PROJECT YEAR: 2007-2008

PROJECT NAME: Travis Street Water Line Replacement
US Hwy. 75 (Kam Korners) to Washington Street

DESCRIPTION: Replace existing line with an 8" water main.

ESTIMATED COST: $250,000

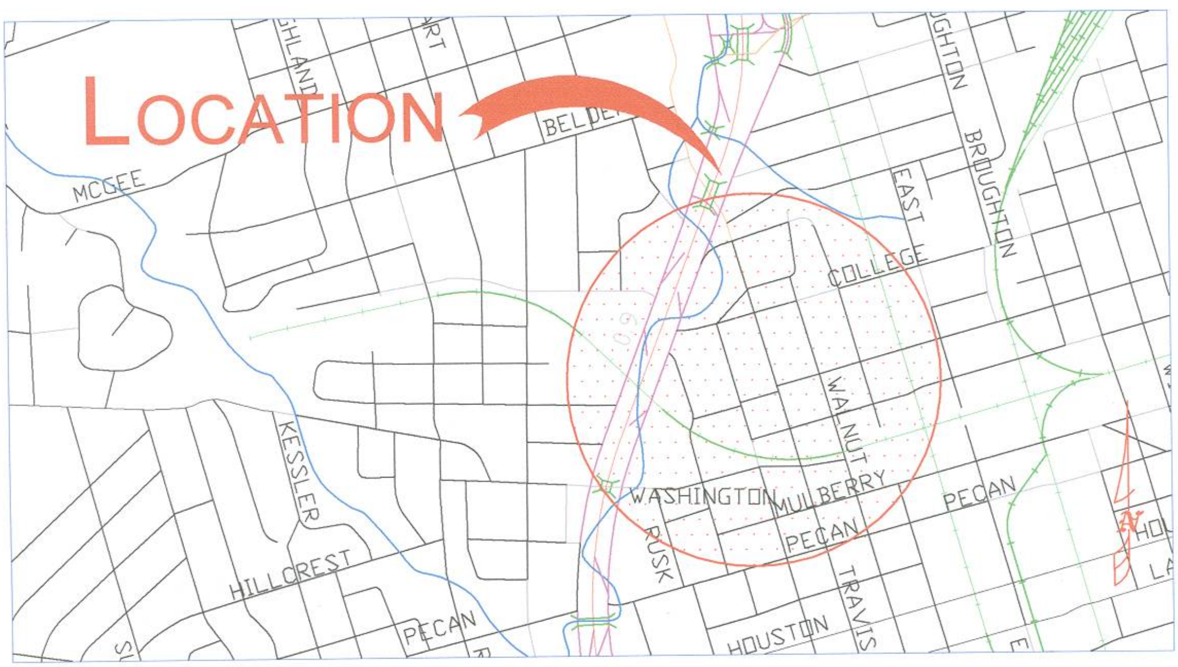
ESTIMATED O&M COST: Not Applicable

PROPOSED FINANCING: Utility Improvement Fund

PROJECT NECESSITY: Water main replacement is needed due to frequent breaks and to improve fire protection.

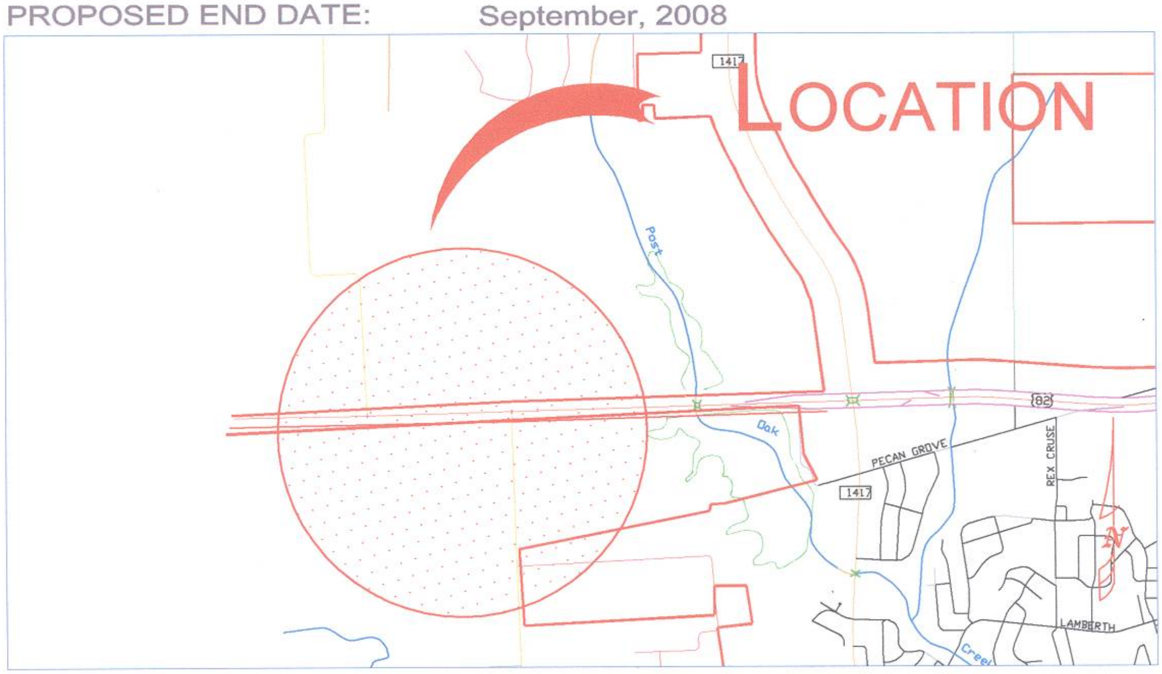
DEPARTMENT/DIRECTOR: Utility Services, Mark Gibson

PROPOSED START DATE: October, 2007
PROPOSED END DATE: December. 2007



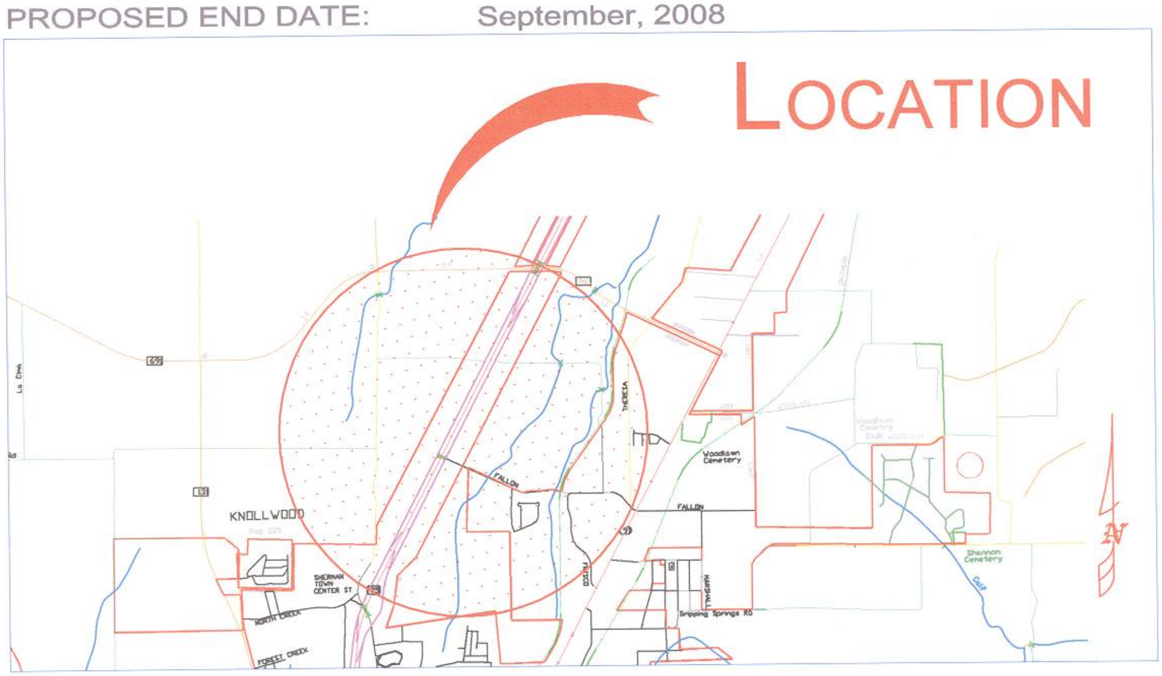
PROJECT YEAR: 2007-2008

PROJECT NAME:	U. S. Hwy. 82 West Main Extension
DESCRIPTION:	Construct water main along U. S. Hwy. 82 west of F. M. 1417
ESTIMATED COST:	$700,000
ESTIMATED O&M COST:	Not Applicable
PROPOSED FINANCING:	Utility Improvement Fund
PROJECT NECESSITY:	Provide water service to western portion of City to facilitate development.
DEPARTMENT/DIRECTOR:	Utility Services, Mark Gibson
PROPOSED START DATE:	October, 2007
PROPOSED END DATE:	September, 2008



PROJECT YEAR: 2007-2008

PROJECT NAME:	U. S. Hwy. 75 North to FM 691 Water and Sewer Extensions
DESCRIPTION:	Construct water and sewer mains along U. S. Hwy. 75 corridor to FM 691.
ESTIMATED COST:	$3,700,000
ESTIMATED O&M COST:	Not Applicable
PROPOSED FINANCING:	Utility Improvement Fund
PROJECT NECESSITY:	Provide water and sewer to northern portion of City to facilitate development.
DEPARTMENT/DIRECTOR:	Utility Services, Mark Gibson
PROPOSED START DATE:	October, 2007
PROPOSED END DATE:	September, 2008



CAPITAL IMPROVEMENT PROGRAM
UTILITY IMPROVEMENTS
2008-2009

Project		Cost
WWTP - Primary Clarifier #2 Rehabilitation	*	$250,000
WTP - Upgrade Phase III		$1,500,000
WWTP - Fine Screen Installation	*	$450,000
Texoma Parkway Water Replacement - Phase IV	*	$300,000
Relief Sewer K-4 Phase 2	*	$900,000
Relief Sewer C-1 Replacement	*	$800,000
WWTP - Storm Water Storage Contingency	*	$600,000
WWTP - Security Upgrade		$75,000
Willow Street Water Replacement		$80,000
Oak Creek Dr Water Replacement		$130,000
Friendship Road Water Line	*	$220,000
TOTAL 2008-2009		$5,305,000

* Bonded

CAPITAL IMPROVEMENT PROGRAM

UTILITY IMPROVEMENTS

2009-2010

Project	Cost
Brents Street Sewer Replacement	$150,000
WWTP - Nutrient Removal Preliminary Engineering	$300,000
WWTP - Automated Dissolved Oxygen Control	$800,000
Upgrade McAfee Well Water Treatment	$130,000
Total 2009-2010	$1,380,000

CAPITAL IMPROVEMENT PROGRAM
UTILITY IMPROVEMENTS
2010-2011

Project	Cost
WWTP -Nutrient Removal Process	* $6,000,000
Texas Street Water Replacement	$170,000
Brockett Street Water Replacement	$100,000
College Street Water Replacement	$110,000
Dripping Springs Road Water Main Loop	$170,000
Total 2010-2011	$6,550,000

CAPITAL IMPROVEMENT PROGRAM
UTILITY IMPROVEMENTS
2011-2012

Project		Cost
WWTP - Cover Biological Clarifiers	*	$700,000
WWTP Headworks Variable Frequency Drive Update		$195,000
WWTP - Biosolids Processing Upgrade	*	$900,000
Ricketts Street Water Line Replacement Phase I		$450,000
Pelton Street Water Line Replacement		$250,000
Woods Street Water Line Replacement		$100,000
Lamberth Road Water Line Replacement		$80,000
Shannon Street Water Line Replacement		$130,000
Water Treatment Plat Second Feed		$1,200,000
TOTAL 2011-2012		$4,005,000

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 8-20-2007

Subject: Agenda Item No. D.5

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 Friday, September 14, 2007, to Review SEDCO's Annual Budget and Work Plan

Issue
To consider scheduling a joint meeting of the City Council and the Sherman Economic Development Corporation (SEDCO) Board of Directors for 12:00 noon on Friday, September 14, 2007, to review SEDCO's annual budget and work plan

Background
The SEDCO Bylaws require an annual meeting of their Board of Directors with the City Council. Topics for consideration are (1) SEDCO's annual budget and (2) SEDCO's work plan.

Origination
SEDCO President

Financial Consideration
Annual budget for SEDCO after review and consideration by the City Council

Staff Recommendation
It is recommended that the City Council schedule a joint meeting with the SEDCO Board of Directors for 12:00 noon on Friday, September 14, 2007, in the City Council Chambers.

Alternatives
An alternate meeting date, that is acceptable to the SEDCO Board, is 12:00 noon on Friday, September 21st.

Attachments
SEDCO President's request for joint meeting

Prepared and Approved by:
George Olson, City Manager

Sherman Texas
Economic Development Corporation

August 14, 2007

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

Dear George,

The Sherman Economic Development Corporation Board of Directors would like to request a joint meeting with the Sherman City Council to consider SEDCO's budget, work program and goals for the upcoming 2007-2008 fiscal year.

I have checked with our board members and they are available Friday, September 14th for a noon meeting. Please check with the City Council members to see if that day works with their schedules as well.

I will follow up with you next week.

Sincerely,

John Boswell

John Boswell
President

307 W. Washington Suite 102 • Sherman, TX 75090 • 903-868-2566 • 800-981-2566 • fax 903-813-0403
www.sedco.org

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 8-20-2007

Subject: Agenda Item No. D.6

CITIZEN REQUESTS

The Honorable Bill Magers, Mayor

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 8-20-2007

Subject: Agenda Item No. D.7

MEDIA QUESTIONS

The Honorable Bill Magers, Mayor

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 8-20-2007

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:** 8-20-2007

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) **Receive Update on Fire Chief Internal Investigation**
(b) **Discuss Proposed Substandard Structure Ordinance**

Section 551.074 **Personnel Matters:**

(a) **Receive Update on Fire Chief Internal Investigation**

The Honorable Bill Magers, Mayor

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 8-20-2007

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:** 8-20-2007

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:** 8-20-2007

Subject: Agenda Item No. N/A

COUNCIL CALENDAR

2007
CITY COUNCIL MEETINGS

JANUARY

Sun	Mon	Tue	Wed	Thu	Fri	Sat
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

FEBRUARY

Sun	Mon	Tue	Wed	Thu	Fri	Sat
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28			

MARCH

Sun	Mon	Tue	Wed	Thu	Fri	Sat
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

APRIL

Sun	Mon	Tue	Wed	Thu	Fri	Sat
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

MAY

Sun	Mon	Tue	Wed	Thu	Fri	Sat
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

JUNE

Sun	Mon	Tue	Wed	Thu	Fri	Sat
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

JULY

Sun	Mon	Tue	Wed	Thu	Fri	Sat
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

AUGUST

Sun	Mon	Tue	Wed	Thu	Fri	Sat
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

SEPTEMBER

Sun	Mon	Tue	Wed	Thu	Fri	Sat
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

OCTOBER

Sun	Mon	Tue	Wed	Thu	Fri	Sat
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

NOVEMBER

Sun	Mon	Tue	Wed	Thu	Fri	Sat
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

DECEMBER

Sun	Mon	Tue	Wed	Thu	Fri	Sat
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

01/01/07 - New Year's Day Holiday - Council Meeting Not Called for 01/02/07
01/15/07 - M.L.K., Jr. Birthday - Called Council Meeting on 01/16/07
01/30/07 - 12:00 Noon Called Meeting for City Charter Briefing
02/19/07 - 12:30 PM Called Meeting re: City Manager's Employment
02/19/07 - Washington's Birthday - Called Council Meeting on 02/20/07
02/28/07 - 12:00 Noon Called Meeting to Appoint Acting City Manager
03/28/07 - 12:00 Noon Called Meeting re: Acting/Permanent City Manager Issues
05/12/07 - City Council Election
05/22/07 - 12:00 Noon Called Meeting to Canvass Election Results

06/01/07 - Budget Planning Meeting in Council Chambers
06/11/07 - Called Meeting to Attend Commissioner's Court Meeting
06/13/07 - Called Meeting re: Police & Fire Comp. Study
07/02/07 - Cancelled Pre-4th of July Council Meeting
07/09/07 - Called Meeting for Social Event at Lake Texoma
07/12-14/07 - Budget Workshop in Council Chambers
09/03/07 - Labor Day - Called Council Meeting on 09/04/07
09/14/07 - Proposed Joint Meeting with SEDCO Board