

**CITY OF SHERMAN
CITY COUNCIL REGULAR MEETING AGENDA
COUNCIL CHAMBERS OF THE CITY HALL
220 WEST MULBERRY STREET
SHERMAN, TEXAS
MONDAY, AUGUST 7, 2017
5:00 P.M.**

- A. 1. CALL TO ORDER, QUORUM DETERMINED, MEETING DECLARED OPEN**
- A. 2. PLEDGE OF ALLEGIANCE LED BY COUNCIL MEMBER TERRENCE R. STEELE**
- A. 3. INVOCATION BY COUNCIL MEMBER TERRENCE R. STEELE**
- A. 4. APPROVE MINUTES OF THE CALLED CITY COUNCIL (BUDGET WORKSHOP) MEETING OF JUNE 15, 2017, THE REGULAR CITY COUNCIL MEETING OF JULY 17, 2017, AND THE CALLED CITY COUNCIL MEETING OF JULY 31, 2017**

Public Hearing

- B. 1. INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 6044**
Revising the Designation of Tax Increment Reinvestment Zone #5 in the City of Sherman
- B. 2. INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 6045**
Accepting and Approving the Project Plan and the Financing Plan for the Sherman Tax Increment Reinvestment Zone Number Five; Providing for Findings of Fact
- B. 3. INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 6046**
Amending Chapter 12 of the Code of Ordinances, entitled "Traffic and Vehicles", at Article 12.02, entitled "Operation of Vehicles Generally", to Provide for a New Section 12.02.011 to be entitled "Violation of Bicycle Equipment Requirements"
- B. 4. INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 6047**
Amending Chapter 12 of the Code of Ordinances, entitled "Traffic and Vehicles", at Article 12.02, entitled "Operation of Vehicles Generally", to Provide for a New Section 12.02.012 to be entitled "Safe Passing Requirements"

Close Public Hearing and Consider Adoption of Ordinances

- B. 5. ADOPTION OF ORDINANCES**
Consider Adoption of Ordinance Numbers: 6044, 6045, 6046 and 6047
- B. 6. 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. 6243**
Authorizing Execution of an Amended Interlocal Agreement between the City of Sherman and Grayson County to Participate in the Sherman Tax Increment Reinvestment Zone #5
- C. 2. **RESOLUTION NO. 6244**
Authorizing Execution of an Amended Interlocal Agreement between the City of Sherman and Grayson County to Participate in the Sherman Tax Increment Reinvestment Zone #6
- C. 3. **RESOLUTION NO. 6245**
Authorizing Execution of a Development Agreement with Sherman Crossroads, LTD. for the Construction of Public Facilities in Sherman Tax Increment Reinvestment Zone #5 in the City of Sherman
- C. 4. **RESOLUTION NO. 6246**
Authorizing Execution of a Development Agreement with Heritage Development Partners, LLC for the Construction of Public Facilities in Sherman Tax Increment Reinvestment Zone #5 in the City of Sherman
- C. 5. **RESOLUTION NO. 6247**
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
- C. 6. *** RESOLUTION NO. 6248**
Appointing and Authorizing the Execution of an Agreement with Adami, Lindsey & Company, L.L.P. to Perform the Fiscal Year 2017 Audit
- C. 7. *** RESOLUTION NO. 6249**
Authorizing the Execution of Deeds for the Resale of Properties within the Sherman City Limits Seized for Delinquent Taxes

Requests to Advertise

- D. 1. **REQUEST TO ADVERTISE**
Construction of Sherman Streetscape Phase II Project

Other Business

- E. 1. **OTHER BUSINESS**
Review 2017-2018 Draft Budget
- E. 2. **OTHER BUSINESS**
Discussion of the Proposed Tax Rate for Fiscal Year 2017-2018 and Scheduling Public Hearings for the Budget and Proposed Tax Rate
- E. 3. **OTHER BUSINESS**
Review Draft Capital Improvement Program (CIP) 2017-2022 and Set Public Hearing for Monday, August 21, 2017

E. 4. OTHER BUSINESS

Consider Charter Amendments proposed by the Charter Review Commission for the November 7, 2017 Special Election

E. 5. * OTHER BUSINESS

Consider Calling a Special Meeting of the City Council for Tuesday, September 5, 2017, due to Conflict with a Federal Holiday

E. 6. * 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 Monday, September 25, 2017, to Review and Approve SEDCO's Annual Budget and Work Plan

E. 7. * OTHER BUSINESS

Replat Approval of Lot 16R, Block 11, W. Elliott's Addition, being a Replat of Lots 16-24, Block 11 of W. Elliott's Addition, being 0.725 acres in the G.B. Pilant Survey, Abstract No. 963, also being Lots 16 thru 24, Block 11, W. Elliott's Addition; Mendi Salejeski, Owner; BWG Architecture, Architect; and Underwood Drafting & Surveying, Surveyor (712 South Willow Street)

E. 8. * OTHER BUSINESS

Replat Approval of Lots 6 & 7 and a Portion of Lot 3, Block 5, G.W. Bond's Supplement No. 2 Addition, being 0.674 acres in the J.B. McAnair Survey, Abstract No. 763, also being All of Lots 6 and 7 and Part of Lot 3, Block 5, G.W. Bond's Supplement No. 2 Addition; Mack Broiles, Owner; J.C. Sild Holdings, Developer; and Helvey-Wagner Surveying, Surveyor (603 and 613 North Walnut Street)

F. CITIZEN REQUESTS

G. MEDIA QUESTIONS

H. COUNCIL COMMENTS

Executive Session

I. 1. EXECUTIVE SESSION

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

Section 551.071	Consultation with City Attorney concerning Pending or Contemplated Litigation
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Section 551.074	Personnel Matters:
(a)	Deliberate the Evaluation of a Public Officer or Employee:
(1)	Annual Performance Evaluation of the City Manager

Section 551.087	Deliberation Regarding Economic Development Negotiations:
(a)	Deliberate Regarding Commercial or Financial Information that the City has Received from a Business Prospect and Deliberate any Offers or Incentives to the Business Prospect

The Council reconvenes into General Session

J. 1. OPEN MEETING

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

K. ADJOURNMENT

COUNCIL CALENDAR

CERTIFICATION

I, the undersigned authority, do hereby certify that the above Notice of Regular Meeting of the City Council of the City of Sherman is a true and correct copy of said Notice and that I posted a true and correct copy of said Notice on the bulletin board at City Hall of said City of Sherman, Texas, a place convenient to the public, and said notice was posted on August 4, 2017 at 2:00 p.m., and said time of posting was 72 hours before said meeting was convened or called to order.

Dated this 4th day of August, 2017
City of Sherman, Texas

City Clerk

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

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

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

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

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

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

Mayor

David Plyler

Deputy Mayor

Jason Sofey

Council Members

Kevin Couch, Council-At-Large, PL #1

Jason Sofey, Council-At-Large, PL #2

Shawn C. Teamann, Council – District #1

Terrence R. Steele, Council – District #2

Pamela L. Howeth, Council – District #3

Charles H. Brown, Sr., Council – District #4



SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

A.4.

Meeting Date: 08/07/2017

Prepared By: Linda Ashby, City Clerk

Approved By: Robby Hefton, City Manager

Caption:

APPROVE MINUTES OF THE CALLED CITY COUNCIL (BUDGET WORKSHOP) MEETING OF JUNE 15, 2017, THE REGULAR CITY COUNCIL MEETING OF JULY 17, 2017, AND THE CALLED CITY COUNCIL MEETING OF JULY 31, 2017

Attachments

June 15, 2017 - Budget Work Session

July 17, 2017 Council Meeting

Mark Deans Letter

Stephen Hearrell Letter

July 31, 2017 Called Council Meeting

STATE OF TEXAS § **June 15, 2017**
COUNTY OF GRAYSON §

BE IT REMEMBERED THAT A Called Meeting of the City Council of the City of Sherman, Grayson County, Texas was begun and held in the City Council Chambers, City Hall, 220 West Mulberry, Sherman, Texas, on June 15, 2017.

MEMBERS PRESENT: Mayor David Plyler.
Council Members Brown, Couch, Howeth, Steele, Teamann.

MEMBERS ABSENT: Deputy Mayor Jason Sofey.

STAFF PRESENT: Robby Hefton, City Manager; Steve Ayers, Assistant City Manager; Mark Gibson, Director of Utilities; Scott Shadden, Director of Development Services; Danny Jones, Fire Chief; Cathy Perkins, Human Resources Manager; Zach Flores, Police Chief; Bob Fair, Assistant Police Chief; Jason Jeffcoat, Assistant Police Chief; Bruce Dawsey, Police Lieutenant; Wes Trisler, Police Lieutenant; Nic Emmons, Police Lieutenant; John Kennemer, Police Lieutenant; Mary Lawrence, Director of Finance; Kevin Winkler, Public Works Manager; Clint Philpott, Director of Engineering; Tammy Davis, Controller; Theresa Hutchinson, Parks and Recreation Manager; Jim Cross, Water Systems Manager; John Kirksey, Assistant Public Works Manager; Nate Strauch, Community and Support Services Manager; Shawn Hackworth, IT Manager; Melissa Eason, Library Services Manager; Mike Grant, Facilities Superintendent; Sarah McRae, Tourism/Main Street Manager; Karen Wolff, Administrative Secretary; Junior Jaimes, Computer Support Technician; Pam Cloer, Assistant to the City Manager; and Linda Ashby, City Clerk.

PURPOSE: **CALL TO ORDER, QUORUM DETERMINED, MEETING DECLARED OPEN**

INVOCATION BY DEPUTY MAYOR JASON SOFEY

2017-2018 BUDGET REVIEW

ADJOURNMENT

CALL TO ORDER, QUORUM DETERMINED, MEETING DECLARED OPEN

Mayor Plyler called the meeting to order at 8:07 a.m., declared a quorum present, and opened the meeting.

INVOCATION BY COUNCIL MEMBER TERRENCE STEELE

OPENING COMMENTS

Introduction – Managing Our Growth

Robby Hefton, City Manager, said instead of describing the budget process, he wanted to explain how the staff is managing the activities of the City. He said the City has been following a plan and it has worked pretty well. At the end of the day, Mr. Hefton said the presentation will wrap up and ask for direction from the Council on the initiatives.

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The staff's focus is geared toward "growth," which is being seen in almost every area of the City. It's not just population growth, which has a direct impact on water usage or street materials. The growth is in Animal Control and picking up trash at Preston Club Estates. As the footprint of the City grows, the key is managing that growth and revamping the City.

From a planning standpoint, fundamentals that help manage the City on a day-to-day basis, are that governments, at all levels, keep people safe, keep people healthy, and help them get from one place to another, as well as an administrative piece. These should be our priorities or goals.

As for effectiveness, what should government be doing and are they doing the right thing. Today's focus will be on doing the right things, which is effectiveness, and doing the right things right, which is efficiency. However, Mr. Hefton said another question is, is the City doing things that they shouldn't be doing.

In the past, the City operated a daycare center. Closing that daycare center was a staff initiative, and it was a hard decision to make, because it was the best run daycare center that he had ever seen. However the private sector was providing that service to the community and governments were not really in the daycare business. Sherman was the only community in Texas that was providing daycare services. Closing the facility was the right thing to do.

Mr. Hefton said "the flip side of that" is, are there things that the City is not doing that they should be doing. Stormwater is a great example of that. He said these are fundamental questions. The question at that point is how those things can be done better and delivered more efficiently.

Mr. Hefton asked what does a government do . . . health and safety, transportation, utilities and sanitation, quality of life, and administration. These areas not only pertain to local government, but to every level of government. He outlined ways that the City is being efficient in these areas and using technology and innovation to their benefit. Another way to be efficient is to use local dollars to leverage State and Federal dollars, as well as private dollars for projects, such as with the Texas Department of Transportation and the Federal Emergency Management Agency.

He explained that the expansion of infrastructure, facilities, and programs is financed through rates, Certificates of Obligation issued for general improvements and paid through property taxes, both new value added and rates; the use of one-time dollars to fund capital, such as the sale of Fire Station #4 and the O.B. Groner land; and Revenue Bonds issued through the Greater Texoma Utility Authority for utility improvements, and paid through new customers and rates.

The costs of existing service increases, such as employee costs, fuel, electric costs, and materials, are funded by growth in existing values and sales tax revenue increases.

As the City adds additional police officers, firemen, roads, thoroughfares, and fire stations, those items are generally financed through debt, which is paid by property taxes. The City can also use one-time money to fund these projects, and will discuss the sale of Fire Station #4 and some land off of FM 1417.

Mr. Hefton addressed some of the challenges of growth management, such as staffing at the "right level," with an example about a new fire station. You don't build a new fire station and immediately staff it with 15 to 18 employees, which would be nearly impossible to fund in one year. By hiring a couple of employees each year, the City would "build up" the employee levels to what would be needed when the new station is open.

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By law, the City can only build a budget for one year, however they need a long-term perspective to “properly time the infrastructure” for the long-term. It’s also important to properly time the infrastructure development, especially during a growth mode.

Mr. Hefton said the City continues to do a good job leveraging dollars from other sources and stretching dollars by using internal utility crews, the smart use of space, and selling unused property. He also referenced revenue generated from outside sources such as the sale of water if Sherman becomes a retail purveyor of water. This income could pay for a substantial part of the cost of the Water Treatment Plant. He said planning was an essential part of the budget and includes roads, staffing, and right-of-way acquisition.

There is also a possibility of using effluent water, especially for industrial cooling or irrigation purposes. Effluent is water coming out of the Wastewater Treatment Plant that has been treated for some uses. The City believes there is a value to that water and that its use by industry will become a reality in the next few years, especially if the proposed data center is constructed in Sherman.

With that in mind, the City is going to begin the planning and engineering on that project now, to take effluent to the industrial park. The actual line may not be constructed for several years, or until actually needed. If the effluent line is needed by the data center, they would move very quickly, and there would not be time to complete the engineering and the construction on the project.

Other principles for growth management are to use partnerships when available with both public and private entities to help reduce the burden on taxpayers and to use debt appropriately. To issue debt when it is needed and not before, to reduce the cost by working with other entities, and to manage the bond rating to reduce the cost of borrowing.

Mr. Hefton said public safety is the first thing to be considered with the budget. Police and fire positions, their pay structure, streets, and fleet and equipment are the main things to provide for citizens. Then the City must seek the “right amount of nice” to balance both function and needs.

Mr. Hefton said it was important to diversify the things that support sustainability and referenced the “Panda Effect.” When built, Panda was a \$400 million project. A portion of that was abated upfront. Any change in their value has a noticeable impact on the City’s revenue. Between the first and second year of their operation, their values went down 20%, even though they are still the City’s largest taxpayer. He said that does make an impact on the City’s ability to balance the General Fund.

As for funding, a growth in the tax rate base would be used to fund increases in ongoing costs, such as raises, benefits, ongoing capital and fleet, as well as some construction projects and the expansion of some services. Tax rates fund ongoing sustainable programs and service expansions, such as police and fire positions, building maintenance, and infrastructure growth, such as roads, parks, and facilities.

The staff will also propose a tax rate increase, but it only relates to debt and not those ongoing operating costs. He also emphasized using private sector principles, when applicable, and said doing a lot of the work internally saved money. The purchase of right-of-way to lock in the price and suitability of the road alignment also helps as Sherman plans for the future.

Mr. Hefton said it was important for employees to be the experts in their field, and to create an environment of trust with other employees, the Council, other governments, and other partners. It

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is also important to take care of the City's most important assets, the people, and to create and promote a desirable community.

Mr. Hefton presented a video "Look Back at 2017" and gave the status of Council initiatives for FY 2016-2017. He described the projects during the video. A list of the status of these projects is included in the General File "Budget Work Session FY 2017-2018" in the City Clerk's Office.

He also presented financial highlights for the 2017 Budget. The General Fund's reserves are down by \$1 million, as planned. Revenues are down by about \$260,000 versus the budget, due to sales tax and property tax being down versus what was projected. Expenditures are down about \$340,000 versus budget.

Revenues are also down in the Utility Fund about \$1 million versus the budget, both in water and sewer revenue, which is industrial usage for Panda Energy. There were some "write-offs" that had to be made, which Mr. Hefton said would be discussed for the 2018 Budget. Expenditures are also below budget, by about \$600,000, making a net effect of about \$400,000.

In the Solid Waste Fund, reserves are down about \$400,000, which is about where projected, due to the purchase of some equipment. There was also some one-time expenses for some facility work being done at the department.

Debt has been issued in the General Improvement Fund, so the reserves are in the bank, and being drawn down as projects are completed.

Mr. Hefton said fund balances for 2017 in the General Fund are at 68 days, in the Utility Fund are at 60 days, and in the Solid Waste Fund are at 67 days. The target for fund balances is 60 to 90 days, and the "sweet spot" is in the 70, 75, 80 day range. Since all funds are below this target, in 2018 there will be some moving around of money and using some of the proceeds from the sale of the fire station land and the O.B. Groner land to bring those fund balances up to a level that the staff is comfortable with.

He said there was also an upward trend in the existing property tax values as well as the new property tax values.

Mr. Hefton presented a chart of the City's spending for the group health plan over the last seven or eight years, which was in the \$4 million range. Last year the situation was that if changes weren't made and costs continued along the same path, the City would have to start cutting services, people, or street programs to make the numbers work. He said with the changes, projected costs are down to the \$6 million level. Mr. Hefton added that the staff believes it will continue to go down, once all the changes are in place.

The changes that were made to the health plan were on both the employee side and on the plan management side. He said the City previously had some bad contracts with providers and those have mostly been changed. In 2018, the City will have had a full year of coverage from better providers, which will continue to drive costs down.

The City moved from a PPO plan to a high deductible HSA plan, where employees are paying the first portion of costs before the City takes everything else at 100%. The City did give each employee \$500 on their HSA. Changes are still being finalized but will be completed before the end of the year.

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Mr. Hefton added that, if the staff feels those savings can be sustained, he would like to make adjustments to the plan. The adjustments might be a reduction in the \$3,500 deductible to \$3,000 or \$2,500 and/or again adding money to employee's HSA accounts.

However, even at \$6 million, that is still above where the City needs to be in plan costs, which is at \$5 million to \$5.5 million. He said the effects of the change look promising, but the staff needs more time to evaluate the plan. A plan will be presented to the City Council at a later date, however he hoped it would be done in 2018. Council Member Steele encouraged the City to do anything they can to help lower the out-of-pocket costs for employees.

Mr. Hefton addressed focus areas for the FY 2018 Budget. The first is effectiveness and includes police and fire compensation. Consideration should be made for an across-the-board pay increase for all employees. Mr. Hefton said as salaries are evaluated, the staff is proposing some additional compensation for some police and fire positions to keep them in the market. The staff is also proposing some renovations for police and fire facilities, including Fire Station #4, and the implementation of body cameras for police officers. With the use of body cameras, a tremendous amount of data storage will be needed to keep the video, so there will also be an additional investment in technology.

As for transportation, there will be an increased need for Street Department resources, people, materials, and equipment, to add an in-house crew; continued thoroughfare planning and right-of-way acquisition; and implementation of the stormwater program. The City will also continue infrastructure additions as new roads are added, and the replacement of some trash trucks. There are also some quality of life issues with various park construction projects and the library renovation.

Mr. Hefton outlined some critical issues for operations, adding that the staff is doing this in a phased way and when needed. There is some large equipment needed in the General Fund, including a replacement plan for the Fire Department's Tactical Rescue Truck, and various large fleet and equipment requests, especially in the Fire and Street Departments. The TRT will cost about \$600,000 and the routine replacement of a fire truck will cost about \$600,000. There are also some "large fleet" requests in the Street Department. The staff will be proposing an increase in utility rates to fund the continued development of the infrastructure.

Council Member Steele referenced the phase-in plan for hiring additional firemen to staff the new fire station and asked if there was also a phased approach to the purchase of fleet and equipment for the new station. Mr. Hefton said they have discussed a phased approach for both staffing and equipment, and to build up fund balance in the Fleet Replacement Fund so there will be a cushion. He said it would probably cost about \$1 million in equipment to open the new fire station.

This year the requests were "scaled back" because of the level of requests and the projected revenues. Mr. Hefton said he did not want to fund this type of items with a tax increase, but through growth in the base funding. If performance is better than expected, they may add some items back into the budget.

He said the staff will continue to focus on the quality of life projects and was excited to have the Parks Master Plan update, which is being used, especially in regards to ball fields. Bike trails and boulevards will also be discussed.

Consideration for staffing and facilities includes employee compensation and benefits, such as the health care; and staffing levels for public safety, public works, and the stormwater program,

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that are related to growth in the City. There are also some facility needs throughout the City offices, such as in Public Works, Fleet Maintenance, the Police Department, and the Fire Department.

Mr. Hefton said Council Members have also identified topics for discussion in talks with him earlier in the year. These items include focusing on cleaning-up substandard structures, with a possible expansion into commercial properties and the overlay standards along Texoma Parkway. Some of the issues are budget related and some are only operational.

Council Member Couch asked about how many commercial structures the staff might be considering during the upcoming budget cycle. Mr. Hefton said it was hard to say because the City Council has not discussed how they would like to approach the issue. He said his suggestion would be that if the City includes commercial property, that they put a lien on the property and assess the property owner for the costs.

For residential abatement of substandard structures, the City is able to use internal crews and do it cheaper at about \$4,000 per structure. They are also putting value back on the tax rolls. For commercial property, the cost could be “tens of thousands of dollars” or maybe even “hundreds of thousands of dollars.” He said a discussion would probably be held in the Fall to discuss how the program would be done.

Some other quality of life issues have come from the Parks Master Plan Update. As for capital funding, the City will continue to issue Certificates of Obligation debt, that is funded through property tax rates and through growth. He said another debt issuance will be needed in 2018, but he did not see one in 2019, 2020 or 2021. The initial debt issue should be a good start in preparing for growth. The timing of the next debt issue will be driven by growth.

Other funding issues include the evaluation of utility rates and the funding of the stormwater program.

Other budget highlights include adjustments for employee pay with a special focus on police and fire; various equipment and capital purchases; expansion of the street program, especially material, equipment, and people; implementation of the Stormwater Program, which will include a modest fee; continued focus on facility and infrastructure development; and sale of some land.

Financial highlights of the FY 2018 Budget include that General Fund revenues are projected to be up for property and sales taxes, and expenditures are projected to be slightly lower than in FY 2017. Utility revenues are up, through the rate increase. All major operating funds are balanced on an ongoing basis. Reserve levels will be back to a 70+ day level. The City's total budget is \$96 million, of which about \$20 million to \$25 million is “capital.”

City Council Members took a break from 9:30 a.m. to 9:50 a.m.

2017-2018 BUDGET REVIEW

Facility Utilization

Steve Ayers, Assistant City Manager, emphasized the importance of planning for growth, with efficiency and effectiveness. In the past, the City has been frugal and purchased older buildings to convert into City facilities, instead of building new buildings. Recently completed remodels include City Hall, the Ballroom Kitchen and Auditorium, the Police Server Room, the Courtroom and Court Clerk's Office, Emergency Operations Center, Human Resources, Dispatch, Equipment Services, and Records Storage. He outlined the various projects.

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One project that was planned, but had to be started earlier than expected, was the Public Library Renovations. Due to a fire, the project had to be started earlier and a temporary facility set up. The renovation will cost about \$2 million and “touch every aspect of the library.”

Renovation of the Animal Shelter is currently in process. The City originally built the facility in 1990, but it was in need of renovation. The project is being completed in-house and the ribbon cutting is tentatively set for August 4, 2017.

Another project currently underway is the Building Maintenance Office and Shop, which was originally built in 1960. This project is reusing some of the items removed during other City remodeling jobs, including the lighting that was removed from the Municipal Building.

Proposed projects for next year include improvements to the Senior Citizens Center, which was built in 1927 and acquired by the City in 1983; major renovations for the Police Department and Central Fire Station, both built in the 1960's; and Fire Station #5, built in 1974.

Mr. Ayers explained that the renovations help extend the life of the building and are a lot less expensive than building a new facility. Also, when the projects are completed in-house, the cost is even lower. The Building Maintenance Department consists of eight employees who average 150 maintenance requests per month and still find time to tackle these renovation projects.

He presented a list of several proposed projects for next year that will cost approximately \$2.1 million and help extend the life of the buildings. He compared the cost of the renovations with the cost of new facilities.

Mr. Hefton said the source of funding for these projects is the sale of land that was previously discussed. The staff is proposing to use the proceeds from the sale of land that the City is not using to fund the projects.

Council Member Teamann said there has been work done to remodel the interior at Central Fire Station over the last couple of years. A lot of that work was completed by the firefighters themselves.

Police Department

Zach Flores, Police Chief, outlined several areas of focus in the Police Department. These include server space needs, public safety assistants for efficiency, creating more space in the facility with an evidence move, and increase functionality with a building remodel.

He explained that, as the City grows to the west, when the officers are in someone's home, they need to be able to talk to the dispatcher and to each other. He said this is a safety factor, and as with any technology, there is a lifespan.

The items discussed are a part of the Police Department's Master Plan. He said they do not currently have a strategic plan to manage for growth of the community.

Lieutenant Bruce Dawsey, explained that a repeater is used when an officer is out of the car and on their hand-held mic. The repeater catches the signal and sends it to the Police Department and to other officers. When they are in the car, they have a larger antenna and better coverage. The hand-held antennas are shorter and have less coverage. The current repeaters that the department has are near the end of their life and are not able to be repaired if they break.

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He said they need to purchase new repeater technology and they plan to expand by adding a new repeater site to cover the newly annexed areas. This will allow coverage farther out US Hwy 82. Currently there is a problem with coverage in Sherman Town Center, especially behind the Belk store. If an officer needed help, it is “hit or miss” as to whether the signal would get out and anyone would hear them. With the expansion, a new repeater would be placed on the Gallagher Street water tower, which would cover Town Center and growth toward the north. Chief Flores added that the repeater was the department’s number one priority.

Council Member Teamann asked if additional repeaters would need to be added or if the technology was advancing to reach farther. Chief Flores said they could be located on taller towers to increase the reach. There is a better technology that could be used, but they are still limited. He said the City is pretty well covered and they know where we will grow, however there are some “minor tweaks” that are needed to make sure it is optimized.

Council Member Steele asked about the Faro Laser Scanner. Chief Flores said they would present a demonstration of the equipment later in the meeting, however it is used for crime scene documentation. They are also requesting one motorcycle, to help increase efficiency and better serve the citizens. Council Member Steele agreed that a motorcycle would be able to maneuver through areas better than police cars. Chief Flores said they must look at their response time to different situations.

Chief Flores addressed the server space needs, saying they would do what they needed to do to record both dash cam video and body cam video, but the question is how to store the data. There is already a problem with evidence storage. They have over 100,000 items in evidence.

Beginning July 1, 2017, the local District Attorney’s Office has asked that all misdemeanor and felony cases that are filed, be filed electronically, including photos and videos. This was suggested by the Sherman Police Department and they are one of the first in Grayson County to do this. This is not only more efficient for the DA’s Office, but for the evidence technician, and for any officer that needs to review the case. He recognized Shawn Hackworth, IT Manager, and his team for their help with the project.

Council Member Steele asked if, legally, the Police Department was able to purchase “cloud space” for storage. Chief Flores said there are many parameters to using cloud space, and they have reviewed the possibility. They look at cost efficiency, catastrophic loss, and redundancy in server space. Which seems to be the best way to go. Mr. Hackworth added that there are also some requirements as to what information they are allowed to put in the cloud. There are questions about encryption and making sure the data remains under the City’s control.

Council Member Couch asked if the server space would be located at the Police Department. Mr. Hackworth said redundancy is important. Chief Flores said they are just now getting body cams to everyone. They are still working on the procedure to make sure that it remains secure and maintains its integrity. Council Member Teamann encouraged them to keep the servers local and not rely on Internet access to the information.

Chief Flores proposed to repurpose a position that the Police Department already had. They want to turn the Admin Technician into a Public Safety Assistant position. They reviewed job descriptions to determine whether it takes a certified police officer to do a specific job or whether it could be completed by a civilian. If a certified police officer is not needed for the job, he said they would rather pay a civilian to do it, so they can get more done with the officers they have.

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Most of “the grind” on officers is not the calls they make, but the other jobs they are required to do. There are already two positions that should be filled by a civilian rather than a certified officer, and Chief Flores proposed reviewing tasks, and building the public safety assistant department as needed.

Chief Flores said the Police Department currently has five separate rooms totaling about 7,000 square feet, to house evidence. Current biological evidence does not have the proper ventilation and sexual assault evidence is at risk in a room with water pipes running along the ceiling.

He said off-site evidence would allow them to free up space that could be made functional. He said there is a building on East Mulberry Street that they have talked to the owner about purchasing to use for storage. It has 2,000 square feet of office space and 7,000 square feet of warehouse space. There would even be an area to store highly sensitive evidence and a large lot for vehicle impounds. He said the building would need some renovation.

Council Member Teamann asked if the facility would be staffed 24 hours, especially since someone recently set fire to the Library. Chief Flores said there would be surveillance, however most police departments store evidence off-site. The facility would be frequented by officers and would have surveillance and remote security.

Chief Flores talked about a phased approach to the proposals and to making the Police Department functional. He also proposed a remodel of the exterior of the building, emphasizing the “right amount of nice” and making it a “sister building” to Central Fire Station. Council Member Couch said as a government, the City encourages and incentivizes the private sector to make significant investments into their facilities, and it was important for the City to also do the same for their downtown facilities.

Mr. Ayers said the rendering is also consistent with other City buildings in design. The rendering shows the current drive-through area closed off, however there are several options both with it closed and with it open. Mr. Ayers said, security wise, having the drive-through is not an optimum situation. It would allow someone to drive a truck under the administrative offices. Council Member Couch felt that there were safety concerns that needed to be addressed. He said it would save about \$200,000 to leave the opening in front. With the drive closed off, it would add about 2,000 square feet of usable space, and cost about \$500,000. He said they would offer several options for the remodel. Council Member Couch felt it was a safety concern and the drive-through should be closed off.

Chief Flores also asked to add a motorcycle unit to decrease the response time to major accidents on the highway and to increase traffic presence for safety, especially in residential areas. One motorcycle unit will be added and no additional positions will be created.

Chief Flores introduced a discussion on the Faro Laser Scanner that the department is requesting. He showed a drawing that was completed of a mock crime scene. Drawings such as this are used both for crime scene investigations and for accident investigations. The one shown took an officer approximately nine to twelve hours to create. If the accident being investigated is on the highway, the highway can be closed down and many officers are involved in the investigation. The last highway investigation caused the highway to be closed for five hours and utilized five police officers.

He introduced Clay Lawson, Account Manager, FARO Technologies, to give a demonstration on the equipment. The laser presents the scene in 3D technology and presents a digital diagram which is viewable as if you were in the room. Evidence photos can be attached into the diagram

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in the proper location. He said the equipment is mainly used for vehicle accidents and reduced the time that a highway has to be closed for investigation. It also reduced the “man-hours” required for documenting the scene, and is widely used and accepted in court.

He urged the City to consider the cost of man-hours for the investigation versus the cost of the equipment that would drastically reduce the man-hours.

The equipment will also allow measurements to be taken. Mr. Lawson gave an example, saying at one accident, officers were able to take measurements around 200 points. The FARO Laser Scanner took 246,322,468 points of measurement in 11 scans, and he can measure between any two of those points. He said everything in the diagram is all points. The accuracy is 0.055 inches.

He can also turn-off points and have a “top-down” view of the scene. Measurements can be taken in Court, during a trial, and the accuracy for the case is enhanced. It will automatically document everything at a scene, whether or not it appears pertinent at the time. Many times, as an investigation continues, something may become more important than originally thought. Chief Flores said an officer generally gets one chance to investigate a crime scene. The scanner takes the human element out of the situation.

Mr. Lawson explained how the scanner actually works. It will scan 340 degrees and the only place it will not capture is directly underneath itself. Thus, several scans from different areas should be taken of the scene. The camera rotates 180 degrees, while the mirror is spinning and captures points out of both sides. It will then turn another 180 degrees, capturing photographs. Those photographs are then overlaid on top of the points. It can also be used in the dark with no lighting. It will even show tire marks on asphalt in the dark, with no light.

He outlined other uses for the laser scanner, such as arson investigations and fire scenes, as well as pre-planning. The laser could be used to scan “soft targets” such as schools or City facilities in case an emergency happens and officers need to see the layout of a building. This can be very helpful if there is an active shooter or a hostage situation.

Nate Strauch, Community and Support Services Manager, verified that the data could be exported to a web browser. He asked if it could be used for non-public safety uses, such as a 3D tour of the Auditorium. Mr. Lawson said it could and there are a couple of different ways the data can be extracted.

It can also be used for surveying and was primarily designed for architecture. He said some people use it for historical preservation. A walk-through tour can also be scanned for locations such as a building or a park. You can also animate on top of the data. He said an intersection could be scanned to determine traffic patterns, and animation could be added on top to show how traffic would move through. A vehicle accident could be animated to show how the vehicles impacted each other.

Council Member Brown asked about the cost of the laser scanner and Council Member Teamann asked about image quality. Mr. Lawson said the videos can “go up to a 1080 p” and combines 84 color photos. He said the images are “very HD” and can be done in different frames per second. He said there are a lot of options. The price range of the system does not affect the quality. Chief Flores said the price range is between \$75,000 and \$100,000.

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Chief Flores added that the scanner can also analyze blood spatters and triangulate a gunshot. Currently they “pull a string” to triangulate a gunshot, which only gives an approximation. He said there is an expectation in an investigation, of this type of technology.

Mr. Ayers asked if there might be an application for the laser in the Engineering Department. Clint Philpott, Director of Engineering, felt it would be useful, especially with integration with the GIS System. Mr. Ayers felt there would be several other applications that would be useful throughout the City. Council Member Howeth confirmed that there is a high conviction rate with the use of this investigative technology. Mr. Lawson added that it helps to “visualize” the situation. Chief Flores said it removes the element of human error and doubt.

Chief Flores verified that, if purchased, there would be an element of training that would be needed to operate the equipment. Mr. Lawson said training is factored into the cost already and quarterly training is free. It is also offered in North Texas.

Chief Flores said, currently the department depends on every detective to investigate crime scenes, however they are moving toward having officers dedicated to crime scene investigation. A couple of people would be trained to use the laser scanner.

Council Member Teamann verified some of the peer cities that have the equipment in area communities, such as Prosper and Wylie. Mr. Hefton verified that the useful life of the equipment, if taken care of, is easily about seven to eight years, if not more. Mr. Lawson said they are well-built pieces of equipment and are “water resistant.” He said it does not have to be on a tripod or even level to work and could be set-up in five minutes and taking measurements.

Council Member Teamann asked how many opportunities each month might there be to use the laser scanner. Chief Flores felt the department would probably use the scanner a “handful of times a month” for law enforcement purposes. They average around six fatalities a month, homicides fluctuate, but there are suicides and deaths.

Council Member Teamann asked about the distance the scanner would read. Mr. Lawson said that's where the price difference comes in. One model goes from 70 meters out, maximum range to 350 meters out, maximum range. With the smaller range version, you would have to move the equipment more times to scan the same area, versus the time it would take for the longer range version. He said they have quoted the 150 meter version for the City of Sherman, and depending on which accessories they choose, the cost would be between \$75,000 and \$100,000. Currently there is a six week lead time after the equipment has been ordered.

Kevin Winkler, Public Works Manager, asked how movement affected scanning with the laser. Mr. Lawson said if there were people walking around, he could actually “turn that part off” on the laser. For evidence purposes, he can isolate vehicles, people, and other distractions, and turn them off so they do not show in the scan. He can also remove the victim in a crime scene the same way. They can then be turned back on if needed. The raw data remains intact and is not actually deleted. Mayor Plyler confirmed that the scanner does not yet have the ability to detect heat sensitive areas. However, Mr. Lawson said that capability is currently being reviewed.

Council Member Teamann asked what kind of storage requirements would be needed for the data. Mr. Lawson said it depends on the size of the scan. The scans could be transferred to an external hard drive and kept as evidence.

City Council Members took a lunch break from 11:48 a.m. to 12:07 p.m.

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Parks

Theresa Hutchinson, Parks and Recreation Manager, presented an overview of Sherman's parks. With the addition of the Pecan Grove West Athletic Complex, the City has added 26 acres to the parks system. Currently Sherman has one park employee per 27 acres and the National average is one employee per 11 acres.

She outlined the number of softball and baseball games that are played on City parks through other organizations. Approximately 1,300 formally organized softball, baseball, and soccer games are played on Sherman fields. Pickleball, volleyball, indoor soccer, and a youth baseball camp are held at the Taylor Street Facility.

She said attendance at The Splash depends on the weather. The City also maintains 120 acres at West Hill Cemetery, including 29,000 burial plots and 6,000 open burial plots. Annex D has now been opened and includes 3,146 plots, which would hopefully increase the lifespan of the Cemetery for another 20 years.

The Senior Citizen Center offers programs and activities for senior citizens including Meals on Wheels, computer usage, exercise class, board games, and birthday celebrations. They recently held a celebration for Patsy Howard, Senior Citizen Activity Coordinator, who celebrated her 30 year anniversary. Many activities revolve around the Meals on Wheels program.

Ms. Hutchinson said the Parks and Recreation Department tries to hold at least one special event per month. These include things such as Monday Madness, Movie in the Park, Halloween Carnival, Father/Daughter Dance, Candy Cane Hunt, Egg Hunt, Fishing Derby, and Lights on the Lake.

A Disc Golf Course will open at Pecan Grove West Park on July 1, 2017. Currently 60 kids, through Great Days of Service, are helping clean up the course and installing the baskets. The course is 18 holes and over 7,800 total feet. They have a tournament scheduled as well as a skills clinic. Sponsorships were sold on the signs to help recoup the cost of the signage.

She presented Sherman Independent School District enrollment numbers by grade to highlight the number of children in lower grades that participate in the Parks and Recreation programs. These are the kids that take swim lessons and participate in the youth leagues. This shows the increase in facilities that will be needed to accommodate their recreational needs.

Ms. Hutchinson introduced Dennis Sims, Principal, Dunkin Sims Stoffels, Inc., to discuss the Parks Master Plan Study Update, bike trails, and the Pecan Grove West Athletic Complex. The Parks Master Plan has been adopted by the City Council to review the parks and present a capital improvement plan for improvements to each park. The Plan also recommended the number of future neighborhood parks that would be needed to serve the citizens as Sherman grows. A priority list was determined and once adopted by the Texas Parks and Wildlife Department, the City would be eligible for grant money for the projects.

Mr. Sims said they are currently working on a proposal for a hike and bike trail plan, including streets, creeks, park land, and trails, and how they can be incorporated. Types of possible trails include a decomposed granite trail, a natural surface trail, and a concrete surface trail. He discussed the advantages and disadvantages of each type of trail.

Mr. Hefton asked about the passage of House Bill 931. Mr. Sims explained HB 931 talked about using Oncor overhead power lines for trails. This area is generally cleared and sometimes the City will offer some maintenance of the area. Currently there is a power line on the west side of

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Sherman where they are recommending a trail. He asked if the City would be required to buy the property or be allowed to use the property at no cost. Mr. Sims said he hadn't read the bill, but it would only be a use, because it is an easement. Council Member Howeth confirmed that the trail would be a multi-use trail and could be used for bikes, jogging, and rollerblades.

Mr. Hefton said the debt issuance has earmarked some money that is "broadly identified" as being for the Parks Master Plan, however it is not specifically identified for a particular park or project. With HB 931, Mr. Hefton thought some of the money could be used for this type of project. There is a specific amount of money proposed to fund park projects.

Mr. Sims said he was also asked to incorporate some bike lanes into existing streets. The City was looking at three, north-south streets for possible bike routes. He displayed a map with bike routes on Harrison Street and Woods Street. The lanes would be marked with the bike emblem painted on the street at a minimal cost. He said this was a concept and more study would probably be needed. He added that Grand Avenue was heavily traveled and there was a lot of parking, so it would probably be better to avoid adding bike lanes on that street.

Mr. Hefton asked about a three foot passing ordinance. He explained that the concept is that there is an ordinance in place, requiring that automobiles give enough room, whether it's three foot or six foot, to bikers. He felt this would also give more attention to the bike lanes because it would be something more than just painting the logo on the roadway. Mr. Sims felt there would also need to be more advertisement given to the project to make citizens aware of the bike lanes when they are developed.

Mr. Sims said there will not be a dedicated lane and the vehicles share the lane with the bikers. He felt there would need to be an education plan for the entire City. Council Member Steele said he would not be opposed to removing parking and making it a bike lane. Mr. Sims said there are pros and cons about a dedicated bike lane and Council Members might want to discuss it.

Mr. Sims presented a concept plan for the Sherman Athletic Complex. The proposal is for a multi-use complex with some neighborhood park features. The complex features three, 200 foot fields and one 225 foot field. The 200 foot fields would be for boys baseball and girls softball, which would assure a wide range of use. There would be about 350 parking spaces at the facility.

He said Phase 2 of the project includes a "splash pad," picnic pavilion, and playground. The park elements could also be used during the day. Mr. Hefton confirmed that the project could be completed in phases, with the first phase being the largest, since it includes infrastructure. He said the baseball and softball fields were more expensive to build. The soccer fields are actually moveable in a "soccer area." Mr. Winkler said they currently rotate the fields to help with their condition.

Mr. Hefton said there is currently money in the Capital Improvement Program Budget for Phase 1 for some of the infrastructure. He said it is included in the plan of work for 2018-2019.

Streets

Mr. Winkler said he moved from Parks and Recreation to the Public Works Department in January 2017.

Mr. Hefton presented a brief history of the Street Sales Tax, which was originally adopted in 2008. It is a designated funding source that helps with various street projects. It must be renewed by voters every four years and is currently in the third phase of its renewal. Each time it has been approved, it has been approved "overwhelmingly" by voters.

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Mr. Hefton said it currently generates about \$1.2 million annually, which can be used for any street that existed when the Election to adopt was held. It can also be used for projects in the right-of-way, such as replacing curb and gutter, sidewalks, or storm drainage. It cannot be used for a Federal highway or for a match for the FM 1417 projects.

It is typically used for a major thoroughfare and Mr. Hefton said a lot has already been accomplished with the money. It is mainly used for maintenance and upgrades to existing thoroughfares or major collector streets. He said it has been a great tool for the City.

He added that, in the upcoming budget, the money will be used for an “expanded use” by using it to purchase equipment and materials to enhance the Street Department.

Mr. Winkler said, in the past, storm water has been taken care of by the Street Department, and now that Sherman is growing, there needs to be more of a dedicated effort. Storm water will be placed under the existing Street Department and supervised by the department superintendent and crew leaders.

The City currently has over 240 miles of streets and grows with every annexation. They try to chip seal about 10 miles of streets every year. There are approximately 930 drainage structures and inlets. During a major rain event, it takes the department about 12 working days to clear all those areas.

There are 15 signals and 25 zone beacons throughout the City that are owned by the City of Sherman. Signals in the Texas Department of Transportation right-of-way belong to them. However, once a community reaches a population of 50,000, they are taxed with taking over the responsibility for all the signals inside the City limits that are in the State right-of-way. Once Sherman reaches a population of 50,000, that will add approximately 112 additional signals for maintenance. There are also 5,300 traffic signs throughout the City.

Mr. Winkler said there are approximately 15 or 16 miles of alleys that the Street Department must also maintain.

Statistics for 2016 showed that the Street Department repaired 130 utility cuts, the street sweeper completed 3,740 miles, they completed 12 miles of chip seal, provided 1,253 hours of tree trimming, and laid 7,136 tons of asphalt. He said they hoped to complete 16 miles of chip seal this year. The chip seal process itself, requires a lot of people to complete, however Mr. Winkler said the City is able to do the job at about one-third of the cost of an outside contractor.

Historically, Mr. Winkler said the Street Department had 28 employees in 1996 and in 2017 they have 23 employees. From the 1990's to 2003 the City also had five employees on a crew for alley and right-of-way maintenance. Over the next five years the budget for this department was reduced and was completely cut out in 2007.

He discussed equipment in the Street Department, however felt that more emphasis probably needed to be put on actual maintenance equipment that would help get the streets back to the original grades and elevations. The current equipment is limited in its ability to do this type of work and is designed for small repair and patching jobs.

Several years ago, the staff decided to crush and reuse concrete that was removed from jobs or that has been brought to the City. It costs \$7 per ton to crush the concrete for reuse and \$14 per ton to purchase concrete to use. Currently the City has 8,000 tons, or 12,000 yards, of crushed

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concrete that can be used. Council Member Teamann verified that the City does not have a crusher and hires a contractor to come in and crush the concrete.

Mr. Winkler listed the equipment he is proposing to purchase for FY 2018, totaling \$1.9 million. In some of the older areas of Sherman, the streets have been resurfaced so many times, there is only 1.5 to 2 inches of curb left. These streets need to be milled down before they are resurfaced again. This requires a cold planer, at a cost of \$400,000. This will also give more capacity in the streets to carry water and cause less flooding. Several pieces of equipment would be used by the Street Department as well as for the Storm Water Program.

In an effort to expand the program, Mr. Winkler also requested two additional employees. With the purchase of two, 16-ton dump trucks, the current 8-ton models would be moved to the Storm Water Program.

Mr. Hefton said funding for the Street Department is coming from different sources. A portion is coming from the base operating budget, and that is being “enhanced” this year. Another source is the Street Sales Tax, which in the past has been allocated for specific projects. A portion of that funding will be used to purchase equipment to complete street projects in-house, rather than paying a contract to complete the project.

Mr. Hefton said the City has had great success in the Utility Department by using employees to complete projects rather than hiring a contractor. They have saved about 50% on the cost of these projects. He said there are “up-front” costs, but the City can achieve “significant savings” by completing these projects in-house. The equipment that will be purchased is “long-term” equipment, and will be financed.

All in all, the staff is proposing to increase the Street Department materials budget, at a cost of \$50,000; add additional personnel, at a cost of \$100,000; and use the Street Sales Tax financing for additional material and for equipment. Council Member Steele wanted to include training and certification for these personnel to help retain the employees. Mr. Winkler said there are currently six levels of abilities that an employee can obtain in the Street Department. There are requirements that must be accomplished to advance to the next level.

Mr. Winkler showed a video of a cold planer that he is requesting to purchase. It will increase efficiency and decrease the number of people that will be needed for the job. He is also requesting to purchase a curb machine or concrete paver, which will make curbs and pave anything up to 10 feet wide. A mold can be purchased for each style of curb needed and the equipment is very flexible for the different types of work. He also showed a video for this equipment. He said the equipment will allow City employees to do some projects that they have not been able to do before and that they had to hire a contractor to complete. Council Member Brown verified that training is included in the price of the equipment.

Mr. Ayers added that the City is getting the job done, but it’s not being effective. He said it’s important to have the correct equipment for the job they are trying to accomplish. Mr. Winkler said the equipment will allow them to mill down and remove layers from the street and get back down to a good base layer for a better quality street. Mr. Hefton added that they can also reuse the material that is being removed from the street.

Council Member Teamann said he was pleased that the equipment would be used for several different departments, such as for streets, stormwater, and paved bicycle paths. Mr. Winkler said the Police Department has also asked them for pads at the shooting range. Council Member Couch verified that as other cities grow larger, they also start doing more of their own projects.

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Mr. Winkler said, based on prices he has seen for some recent jobs, the City can do the job for about a fourth of the cost of a contractor. On a big job, it's at least a third of the cost.

Council Member Howeth said the City is also putting people to work instead of the money going out to a contractor that doesn't live in Sherman. Mr. Winkler said it also gives the City the ability to pick and choose which project they want to work on and what the timeline will be, basically control over the project. He said the equipment would also "quickly pay for itself" by completing the projects in-house.

Mr. Hefton said one of the Council initiatives was to keep a focus on cleaning up the City. He said there are five different departments involved in this process, including Code Enforcement, Community Services, Environmental Code, Police Department, and the Legal/Courts Department. Sometimes the process seems cumbersome but it is because of the division of labor.

He said additional resources have been added for the FY 2017 and FY 2018 budgets to make this a higher priority. This year, one additional staff person has been added to the Environmental Code Department and efficiencies in operations have been added to the Police Department to make sure that the appropriate level of personnel is used for these jobs.

Mr. Hefton said the City is taking a phased approach and allocating more resources toward these areas. It's been a long-time coming and it won't be solved overnight, but this approach will allow the staff to do more to clean up the City.

City Council Members took a break from 1:55 p.m. to 2:07 p.m.

Stormwater

Mr. Philpott said stormwater has always been an issue and the City has always had to deal with it. In 2007 the City had a major flood and US Hwy 75 was shut down for eight hours, there was almost eight inches of rain in a seven hour period, there were a lot of single family homes that flooded, an apartment complex flooded and required rescue by boat, and there were two fatalities. That flood was estimated to be a 50 or 60 year event. Most of the things designed for now are for 100 year events.

After that event, Mr. Philpott said there was a lot of discussion about how things could be improved, how the roads could be made safer for emergency personnel, and how the City can help control what is being built in the floodplain. In 2013, the Post Oak Creek Flood Protection Plan was finalized. The plan included an analysis of most of Sherman, where the Post Oak Creek runs.

The study covered existing and proposed flood conditions and identified numerous projects, including existing regional detention ponds, along with several proposed new ponds. He said if land is cheap enough, the regional detention is the most effective way of reducing floodplain damage in the City.

Mr. Philpott said a total of 42 projects were identified at an estimated cost of \$56.2 million. Since that time, even with limited funds, the City has worked toward some of the projects, however they must compete with other departments for funding. Another option many cities use to help fund the projects is to enact a stormwater utility fee.

The City hired Freese & Nichols to perform an analysis of how the fee would work. The fee would provide additional funding to help handle these floodplain problems more effectively. He addressed additional needs that the City is already doing, however it is taking time and personnel

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away from other departments and projects to complete. They have discussed adding a dedicated crew and additional equipment to the City to help tackle the projects.

Mr. Hefton said some of the projects the City is already doing because it doesn't involve a lot of additional time or resources. However, other projects are major operational pieces of the program that would be paid for with a dedicated funding source.

Trey Shanks, Freese & Nichols, spoke about a dedicated funding mechanism for stormwater projects. Most cities in North Texas use the stormwater utility fee to fund their program. The fee is authorized by the State and is based on drainage use. There are also specific criteria as to what it can be used for.

The steps of the process are to identify the stormwater needs, evaluate the stormwater utility and determine what it will be based upon, and develop alternatives, including a fee structure and rate. For commercial property, the bases for the fee would be the impervious area, including the rooftop, driveway, and patio, which causes runoff. In Sherman, the average amount of impervious area for a residential property is 3,400 square feet. Sidewalk and right-of-way are not included because that is required by the City.

Mr. Shanks said for residential properties in Texas, about half of the cities charge a flat rate for their stormwater fee, regardless of the impervious area. The main benefit of this system is a lower administrative cost. Therefore, all residential homes are billed at the same rate, regardless of impervious area. The alternative is to use a tier option for residences depending on their impervious area.

He presented a proposed three tiered option for the City's fee structure, consisting of \$3 per ERU, \$4 per ERU, and \$5 per ERU for both residential and non residential. The non tiered rate for residential would be either \$3, \$4, or \$5.

Mr. Hefton verified that determining whether a residence or business is a tier 1, tier 2, or tier 3 has already been completed and would not need to be done by the City staff. The data already exists and is waiting for direction for the next step.

Mr. Shanks presented the potential annual revenue from the stormwater utility fee at each tier level. Annual labor costs, equipment costs, operation and maintenance, and operating reserve contribution amounts would remain the same each year. Additional money received would be used for the yearly Capital Improvement Program budget, and would determine the number of projects that could be accomplished.

All 42 projects cost an estimated \$56.2 million to fund. At a stormwater utility fee of \$3, the annual CIP budget for projects would be \$790,000; at a fee of \$4, the annual CIP budget would be \$1,250,000; and at a fee of \$5, the annual CIP budget would be \$1,710,000. By law, stormwater utility revenue can be used for debt service, so at \$3, the City could have a bond program around \$11.2 million; at \$4, the bond program could be \$17.8 million; and at \$5, the bond program could be \$24.3 million.

Mr. Shanks presented some types of property that is required to be exempt from the stormwater fee, and some that have no legal basis to be exempt. There are also some types of property that are allowed to be exempt, but the City would need to decide whether or not they want to exempt them. To exempt all the "allowed" types of property, the rate would need to be increased by \$0.08 to compensate for the exemptions. He also showed charts offering a comparison with the proposed fees for Sherman versus other Texas cities. Over 100 cities in Texas have a stormwater utility fee.

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He outlined the process if the City Council determined that they would like to initiate a stormwater utility fee. Mr. Hefton asked if Council Members were generally in favor of implementing a stormwater utility fee. He said the staff recommendation is to implement it in a phased approach. He also asked if they wanted to exempt any entities.

Council Member Teamann asked about phasing in the fee. Mr. Shanks said a lot of cities phase in the fee, increasing it a little each year until they reach their desired fee. Mr. Hefton said the fee is per equivalent unit. Smaller houses, which would typically be people on a fixed income, would pay the lowest amount. This relates to about 20% of the population. The middle 60% of the population pays the middle amount and the top 20%, with bigger homes, lots, and garages, would pay the most. The other option is a flat fee, which is easier to administer. The question is how much runoff a home or business is putting into the system that must be dealt with.

Mr. Hefton said the questions are, do you want to implement the stormwater utility fee; if so, do you want a flat fee or a tiered approach; and what, if any exemptions do you want to allow.

Council Member Steele asked about anticipated annual revenue with the tiered option. He asked about the labor cost, equipment cost, and operations and maintenance costs. Mr. Hefton said annual labor and equipment costs were at \$440,000, plus an O&M of \$100,000. For 2018, the City's actual operating costs would be \$314,000. Capital and equipment costs are \$450,000, and project related costs are \$544,000. He said in the future the project related costs would be more because there are specific projects for 2018 for which the City would reimburse themselves. The debt service part would service between \$13 million and \$15 million. The long term money would be used for long term projects.

Council Member Steele confirmed that the plan was to add a crew of four employees. Mr. Philpott said the stormwater fund would pay for those employees and would also pay a portion of work that is completed by the Engineering Department in regards to the stormwater program.

Mr. Hefton said the staff's recommendation is to do it in phases, which will allow the City to do some immediate projects. He asked if the council was in favor of implementing the plan. Mayor Plyler said the Council would be looking at a tax rate increase and a utility rate increase. He said maybe some entities are not exempted, but maybe they could reduce the tier one rate, while not exempting some other property.

Mr. Shanks said currently tier one is 20% of the population. That could be adjusted to where it only accounted for 10% of the population. Mayor Plyler asked if there was a way to collect a fee when a builder applies for a permit. Mr. Shanks said there are developer fee approaches, a one-time fee, and a drainage impact fee. A drainage impact fee can't be used to address existing issues. It can only be used to address the capacity that they create. Mr. Hefton said the fee is intended to address issues that the City has today, not future issues. There is also a fee in lieu of detention.

Mr. Hefton confirmed that Mayor Plyler's concern was the impact on the lowest tier. He said the solution was to reduce the percentage of citizens that was in the lowest tier. Mr. Shanks said they could provide a map of the City showing where these tiered properties were located.

Council Member Couch wanted to consider exemptions for citizens on low and fixed incomes, veterans, senior citizens. Mr. Hefton reiterated that, by law, those categories could not be exempted. There is no legal basis for exempted federal property, businesses, properties with no

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water/sewer/trash service, disabled, veterans, senior citizens, low/fixed income, or other property types not specified in Local Government Code 525C.

Council Member Couch asked if the City could adjust the tier pricing for each group. Mr. Shanks said the Council could do that, but then the City starts to stretch their equitability and raise the risk of a legal challenge. Mr. Hefton said if the Council wants to scale everything down and collect less money for projects. The fee could be reviewed every year to determine if changes need to be made. He added that the fee needed to be memorable enough to make a difference. The City is looking for the ability to do some long needed projects. Council Members discussed different scenarios.

Mayor Plyler said his thought on the tier 1 was to not exempt certain people that they could exempt to make up the difference and raise the same amount of money. He ask the staff to determine several different options to present to the City Council. Mr. Hefton said the fee did not have to go into effect October 1, 2017, but if the Council wanted it too, there should be some direction tonight. He felt the staff probably needed to present some additional options for consideration.

Council Member Couch said he wanted the cheapest and fairest option for the citizens of Sherman. Council Members knew the flooding problem in Sherman was real and something needs to be done about it.

Mr. Hefton said the staff feels the program is needed, however it can be funded through the tax rate. He did feel the stormwater utility fee was a better way to fund it because it places the burden on those that create the problem.

City Council Members took a break from 3:04 p.m. to 3:08 p.m.

Financials and Capital

Mary Lawrence, Director of Finance, briefed the City Council on budget highlights for FY 2018. She said the proposed property tax increase is 3.3% and the entire increase goes to pay the debt service on the Certificates of Obligation that have already been issued. The staff has programmed an increase in the property tax base, but will not have the official numbers until late July 2017. She said they do expect a loss from Panda Energy and their abatement increased this year. She said that effect may "wipe out" the new value that's coming on the rolls. Panda is still the biggest taxpayer.

Most non-recurring purchases have been moved from the General Fund to the General Improvement Fund, so the proceeds from the sale of land can be used to fund those items. The land being sold is the property at US Hwy 75 and FM 1417, the old Texas Department of Transportation building and Fire Station #4, and the land on West Travis by FM 1417. The property should be sold by the end of 2018.

Two additional Street Department employees are included in the General Fund. There are also two additional mechanics in the Equipment Services Fund. Some of the fleet maintenance work will be moved to the South Plant in order to free up room for maintenance on other vehicles at the Service Center.

In the Utility Fund, water usage is down, including from Panda, and the staff is proposing a 5% water and sewer rate increase. If they aren't producing electricity, they aren't making money, and their value decreases. They also use less water. Ms. Lawrence said if you take Panda out of the calculation for water and sewer, the City would be up about 3.5% over last year. So underlying

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consumption is about the same. The 5% rate increase will help balance the budget in the Utility Fund and to get the fund balance back to where it needs to be. No new personnel or equipment will be requested for the Utility Fund.

The Solid Waste Fund has an on-going budget for equipment, this year at \$950,000. They are watching the fund balance, which is at the bottom of the comfortable limit. Commercial solid waste has been down a little this year but seems to be recovering. She said it is a very volatile source of revenue and will be re-evaluated next year.

There is an additional \$16 million in debt funding in the General Improvement Fund to be used for parks and streets, such as Friendship Road, Travis Street West, and Preston Club Road from SH 289. The land sale proceeds of \$3.3 million are accounted for in the General Improvement Fund.

The budget also includes pay adjustments of 2% across the board for City employees, plus additional increases in public safety to help Sherman stay competitive with their peer cities.

Other highlights include the Stormwater Fund and the Tax Increment Reinvestment Zones. No tax money will go into the TIRZ until 2019. The debt proceeds are included in the funds and ready to use for infrastructure.

Ms. Lawrence said the fund balance of the General Fund is \$6.8 million or 71 days reserves, the Utility Fund is \$4.5 million or 73 days reserves, and the Solid Waste Fund is \$1.2 million or 70 days reserves. She also outlined the ongoing fund balancing.

In the General Fund, the property tax rate increase goes to the debt service. The increase in value goes to the General Fund. She also showed the items requested by the departments that were not funded in the FY 2018 Budget. These items amount to \$1.6 million. Mr. Hefton said this list would be reconsidered if things were going very well and there was additional revenue. They are things that are needed, but the staff had to prioritize. They could be added back into the budget.

Ms. Lawrence discussed the property and sales tax revenue and where Sherman falls in regards to our peer cities. She also displayed tax-supported and revenue debt charts.

The Utility Fund shows a 5% rate increase and unfunded priorities totaling \$1.3 million. Sherman is slightly below the median in comparison with the water and sewer rates of peer cities.

Mr. Hefton said Sherman doesn't really compare to other cities in the Metroplex because they don't produce their own water. They are also subject to the rates that someone else charges them, in this case North Texas Municipal Water District. Like the City of Sherman, NTMWD is undergoing a series of major infrastructure expansions. NTMWD has a 10-year plan, where their rates are basically doubling over that timeframe. The rates of the other Metroplex peer cities will also be doubling. Sherman's rates are increasing, but not nearly that much.

Ms. Lawrence said in the Solid Waste Fund, \$160,000 of the increase in revenue is from the Utility Fund paying the Solid Waste Fund for hauling the biosolids to the landfill. The expense is budgeted in the Utility Fund so it is an internal transfer.

She addressed the General Improvement Fund expenditures showing projects that will be paid for by the bonds.

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The total budget is about \$96.7 million and last year it was \$82 million. The year before that it was at \$68 million. Most of the budget is capital expenses. The City has really “ramped up” in the last few years.

2018 Council Initiatives

Mr. Hefton presented the 2018 Council Initiatives and asked for Council direction on these items presented.

Compensation and Staffing

- Add full time employees as presented – (street and fleet maintenance)
- Adjust Public Safety and other pay
- Provide a cost of living pay increase of 2% for all City employees

Storm Water Program

- Implement Storm Water Program – (tweak and present alternatives – not necessarily by October 1, 2017)
- Issue debt to begin capital program
- Initiate phase I of stormwater fee

Fleet

- Purchase necessary fleet/equipment

Utility CIP's and Utility Rate Adjustments

- Implement Utility CIP projects
- Adjust Utility rates to support – (5%)

Enhanced Street Program

- Additional personnel – (2 people)
- Additional funding for street materials and equipment

Parks and Recreation

- Design and begin Phase I of Pecan Grove West ballfields – (bring back proposal)

General CIP's and Property Tax Increase

- Implement CIP projects – (\$16 million bond issue)
- Adjust property tax rate to support – (all funds – bonds)
- Phased approach to issue bonds to support CIP General projects

Additional resources for a Cleaner City

- Enhanced efforts by PD, Environmental Code, substandard structures program, and stormwater program – (possibly expand substandard structure to include commercial structures)

Other

- Evaluate funding throughout year for possible revisions to work plan, especially staffing and employee group health plan – (perhaps changes to group health plan, either in structure with co-pays and/or deductibles, or additional money back into the plan for employees)

Council Member Couch verified that the façade grant program was included in the General Fund and funded at \$25,000. He asked if there was a way to move those funds and allocate additional funding. He said several previous business owners want to apply for additional grants. Mr.

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Hefton said if the Council wanted to allocate additional money, there is a cushion in the ongoing balancing. Mayor Plyler said the Sherman Economic Development Corporation also has a small business program. Council Member Couch wanted to restore funding to \$50,000 for this program.

Council Member Teamann asked about the possibility of a wellness initiative for employees. Mr. Hefton said the staff is preparing a presentation for the Council Meeting on August 21, 2017 concerning the insurance and where it's going. It will also discuss the budget impact.

Council Member Steele asked if the staff had considered security cameras for all City buildings. Mr. Hefton said they had considered security cameras for the Library and for Records and Evidence, but not for other City buildings, at this time. He felt there might be additional money that could be earmarked as needed.

Mr. Hefton said the staff will bring back the "tweaks" and prepare a draft budget for Council consideration.

ADJOURNMENT

There being no further business to come before the City Council today, motion was duly made and approved to adjourn the Called meeting at 3:47 p.m. Documentation for the Budget Work Session is held in the General File "Budget Work Session FY 2017-2018" in the City Clerk's Office.

ATTEST

MAYOR

CITY CLERK

STATE OF TEXAS §
 July 17, 2017
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 July 17, 2017.

MEMBERS PRESENT: MAYOR DAVID PLYLER; DEPUTY MAYOR JASON SOFEY.
 COUNCIL MEMBERS BROWN, COUCH, HOWETH, STEELE,
 TEAMANN.

MEMBERS ABSENT: NONE.

CALL TO ORDER

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

CALL TO ORDER

APPROVE MINUTES

The Council reviewed the Minutes of the Regular City Council Meeting of June 19, 2017. Council Member Couch moved to approve the Minutes as presented; Second by Council Member Howeth. All present voted AYE.
MOTION CARRIED.

APPROVE MINUTES

PUBLIC HEARING

CONDUCT THE FIRST PUBLIC HEARING CONCERNING THE ANNEXATION OF A 19.379 ACRE TRACT OF LAND IN KINGS RIDGE ADDITION ON NORWOOD STREET, ADJACENT TO THE SHERMAN CITY LIMITS AND IN THE CITY OF SHERMAN'S EXTRA TERRITORIAL JURISDICTION

Mayor Plyler called for a public hearing on the annexation of a 19.379 acre tract of land in Kings Ridge Addition on Norwood Street.

ANNEXATION
KINGS RIDGE
ADDITION

Robby Hefton, City Manager, said this is the first public hearing for Kings Ridge Addition, on the east side of Norwood Street in Carriage Estates. The second public hearing will be held at a Called Meeting on July 31, 2017. The annexation ordinance will be considered for adoption on August 21, 2017.

Mark Deans, 2004 Norwood Street

Mr. Deans distributed a handout about his concerns for the proposed annexation. He thanked the City for the work that has been done since the annexation of Carriage Estates. They now have great water and water pressure, fire hydrants, a reduced cost for trash service, and a police presence.

There are 10 homeowners that are across the street from the proposed annexation, that they believe will be effected by the annexation as it is platted. The zoning for the annexed area will be R-A, which is residential, agricultural, which states

that the lot size will be a two-acre minimum. The requirements also say they will have a 200 foot lot width, which is not in the current plat.

He asked if the Planning and Zoning Commission would require the development to be replatted to meet these existing standards.

Mr. Deans said the property line for the area is not the center of the road, or even the edge of the road. The current property owner on the west side of the street, actually owns up to the edge of the road easement. Therefore the property owners on the west side “take care of” the land on the other side of the road.

The R-A designation states there will be a 30 foot setback, but Mr. Deans asked where that 30 feet would stop. He felt it should be from the front of the property line.

He said currently the property owners on the west side of the road have maintained this easement on the east side of the road for many years.

With 20 lots proposed for that part of the new development, Mr. Deans said there will be 20 driveways and 20 mailboxes that would cut across the land owned by these homeowners across the street. Since the lots on the west side are larger, some residents might have up to three driveways across the street from their property.

He also expressed concern that someone entering the new property, driving or walking across “his property,” might stumble or drive off the driveway into the drainage ditch. He asked who would be responsible for any injury or damage.

He said he and his neighbors would like additional communication about what’s going on with the plat for the Kings Ridge Addition. He felt that eventually, someone should meet with the property owners and let them know what’s going on. They would like to know that the City’s plan meets the R-A requirements.

Deputy Mayor Sofey asked about the preliminary plat. Mr. Hefton said the property is owned by Bob Tate and was platted years ago, into really narrow lots, that he felt were one acre lots, so they could have septic tanks. The City does not plan to run sewer to the addition and he said it would be costly for the property owners. He said, out of necessity, the lots would be larger than a City lot.

Mr. Hefton said there will also be discussion about how the lots are laid out, because currently it is not a “great layout.” Step one is to get the property annexed. Step two will be working with the developer to make sure the sizing, the lots, development, and the infrastructure are “worked out.”

Mr. Hefton said the lots are platted, however he did not think this was the ultimate plat of what's being contemplated. Generally, the developer would work with the City after the annexation to determine what it needs to look like. Mr. Hefton agreed that there was nothing normal about the development now.

Stephen Hearrell, 2008 Norwood Street

Mr. Hearrell distributed a handout concerning his opposition to the proposed annexation. He said in its present form, the annexation would create a "substandard community" in what will "soon be the middle of Sherman."

He felt that a new Sherman subdivision should at least have curb and gutter, sidewalks, street lights, and City services, including sewer.

He felt that a developer had every right to develop his property and enjoy the profits he receives. However the City should ensure that Mr. Tate does that correctly, and that means putting in City water and all the services that are necessary. If it's not done then, another City Council will have to spend money later to rectify the situation.

Mr. Hearrell said there is not a good reason to put in septic systems in the middle of town. The City has a Wastewater Treatment facility, paid for with taxpayer money, for the specific purpose of dealing with sewage.

He said there is a history with Carriage Estates. When built, Mr. Tate installed a "super sewer" system and everyone had to pay approximately \$5,000 each to tie onto it. When the last lots were sold, Mr. Tate decided he didn't want to run the water system anymore.

The homeowner's association was notified and the Grayson County Health Department advised that it was not a legal sewer system and would have to be shut down. The City couldn't run sewer to the subdivision so they didn't want to annex it.

The residents paid between \$5,000 and \$7,000 each to install an aerobic sewer system. The water system Mr. Tate had installed was also substandard and there was low water pressure. The City decided they wanted to annex the addition, and gave them "great water." He asked the City not to create another problem that will have to be dealt with in the future with this subdivision.

Mr. Hearrell said the property owners on the west side of Norwood Street have maintained the easement on the east side for many years. He did not think it was fair for new property owners to take their property, because they can.

There will be driveways, mailboxes, and trash cans on the new easement. He felt the property owners "had been

wronged by Mr. Tate,” and by the City when they didn’t install sewer when the original problem occurred.

The same thing happened to Preston Club, miles past the Kings Ridge Addition, and the City decided they could run sewer to that development. He asked the Council not to put a substandard development in which will eventually be the center of the City.

No other citizens appeared before the City Council to discuss the annexation of a 19.379 acre tract of land in Kings Ridge Addition on Norwood Street.

FINAL STATEMENT/ACTION PLAN FOR PROGRAM YEAR 2017 COMMUNITY DEVELOPMENT BLOCK GRANT

CDBG ACTION PLAN

Mayor Plyler called for a public hearing on the Final Statement / Action Plan for Program Year 2017 of the Community Development Block Grant.

Mary Lawrence, Director of Finance, said this was the annual public hearing for the Block Grant. Last year the City received about \$316,000, which was divided between rehabilitation, demolition, and various agencies.

This year the grant will be for about \$335,000 and the additional allocation will go towards the City’s substandard demolition program.

No citizens appeared before the City Council to discuss the Final Statement / Action Plan for Program Year 2017 Community Development Block Grant.

INTRODUCTION AND PUBLIC HEARING OF ORDINANCES

**ORD 6033
CHARTER REVIEW
COMMISSION**

Mayor Plyler introduced Ordinance No. 6033 and called for a public hearing:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, CREATING A CHARTER REVIEW COMMISSION IN THE CITY; PROVIDING FOR SEVERABILITY; PROVIDING FOR A REPEALER.

Brandon Shelby, City Attorney, said State law and the City Charter, allows the City to review the Charter every two years and it has been two years since the last review. The Charter allows for a “review commission” to make recommendations for any revisions or updates.

Once recommendations are made to the Council, they can submit the changes to the voters during the Election. The staff has reviewed the Charter and will present their suggestions to the Charter Review Commission.

The final wording for the ordinance calling the Election, will be submitted to the City Council at the last meeting in August 2017. Another item later in this agenda, will consider the appointment of members to the Charter Review Commission, if the ordinance is approved.

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No citizens appeared before the City Council to discuss Ordinance No. 6033.

Mayor Plyler introduced Ordinance No. 6034 and called for a public hearing:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING CHAPTER 9 OF THE CODE OF ORDINANCES, ENTITLED "PERSONNEL," ARTICLE 9.05, ENTITLED "CIVIL SERVICE FOR FIREFIGHTERS AND POLICE OFFICERS," AT SECTION 9.05.026, ENTITLED "AUTHORIZED NUMBER OF POSITIONS," TO REVISE THE NUMBER OF AUTHORIZED POSITIONS IN THE POLICE DEPARTMENT; PROVIDING FOR INCLUSION IN THE CODE OF ORDINANCES; PROVIDING FOR SEVERABILITY; PROVIDING FOR A REPEALER.

**ORD 6034
POLICE DEPT.
POSITIONS**

Zach Flores, Police Chief, said when he took over the Police Department in December 2016, the major deficiency was morale, which manifested itself in high turnover. He said the patrol division is the backbone of the department and the day-to-day contact with the citizens.

When he became chief there were 45 officers in the patrol division and they were 10 officers short, or a quarter of the patrol division. Chief Flores said that was a "critical deficiency."

After testing this year, they have successfully filled all 10 positions. When those officers complete training, they will be close to fully staffed. There are still three vacancies, however they have an active list they are working from. He said turnover has also been dramatically reduced, which is a direct result of positive developments in the department.

Chief Flores said his request tonight is for a third Assistant Police Chief, who would be appointed over the patrol division, to help ensure that the City doesn't lose patrol positions. He said if the ordinance is approved, he would appoint Lieutenant Bruce Dawsey to the new Assistant Police Chief position.

Chief Flores said he would also like to add one lieutenant and two patrol positions. He felt these changes would help retain officers and support the initiatives of the department.

No citizens appeared before the City Council to discuss Ordinance No. 6034.

Mayor Plyler introduced Ordinance No. 6035 and called for a public hearing:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, PROVIDING FOR A PERMANENT "SPEED LIMIT 30 MPH" SIGN ON FRIENDSHIP ROAD SOUTH OF STATE HIGHWAY 56 WITHIN THE CITY LIMITS OF THE CITY

**ORD 6035
SPEED LIMIT ON
FRIENDSHIP RD**

OF SHERMAN; PROVIDING FOR A PENALTY PROVISION; PROVIDING FOR SEVERABILITY; PROVIDING FOR A REPEALER.

Clint Philpott, Director of Engineering, said both Ordinance 6035 and Ordinance 6036 relate to streets and are both signs. One is a speed limit sign and one is a stop sign. Both signs have been up over 90 days and no comments have been received from citizens. The request is to make the signs permanent.

No citizens appeared before the City Council to discuss Ordinance No. 6035.

Mayor Plyler introduced Ordinance No. 6036 and called for a public hearing:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, PROVIDING FOR A PERMANENT “STOP” SIGN ON ROSEDALE STREET AT THROCKMORTON STREET WITHIN THE CITY LIMITS OF THE CITY OF SHERMAN; PROVIDING FOR A PENALTY PROVISION; PROVIDING FOR SEVERABILITY; PROVIDING FOR A REPEALER.

ORD 6036
STOP SIGN

No citizens appeared before the City Council to discuss Ordinance No. 6036.

Mayor Plyler introduced Ordinance No. 6037 and called for a public hearing:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING CHAPTER 13 OF THE CODE OF ORDINANCES, ENTITLED “UTILITIES,” ARTICLE 13.08, ENTITLED “UTILITY BILLING,” AT SECTIONS 13.08.003 AND 13.08.004 TO PROVIDE A DEPOSIT FOR PAYMENT DELINQUENCY AND FOR THE EARLY REFUND OF DEPOSITS; PROVIDING FOR INCLUSION IN THE CODE OF ORDINANCES; PROVIDING FOR SEVERABILITY; PROVIDING FOR A REPEALER CLAUSE.

ORD 6037
UTILITY BILLING
DEPOSITS

Ms. Lawrence said there is a trend with cities to refund utility deposits. Currently the City only requires deposits on commercial accounts, not on residential accounts. There is about \$570,000 in deposits being held. The deposits would be refunded as a credit on the bill.

No citizens appeared before the City Council to discuss Ordinance No. 6037.

Mayor Plyler introduced Ordinance No. 6038 and called for a public hearing:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 8, SUBSECTION (5)(A), ORDINANCE NO. 2280, SO AS TO GRANT A SPECIFIC USE PERMIT TO ALLOW A LIQUOR STORE IN A C-2 (GENERAL COMMERCIAL) DISTRICT/O-1.1 (FM 1417) OVERLAY DISTRICT AT 1730 SOUTH F.M. 1417 (HERITAGE PARKWAY), BEING 2.590 ACRES IN THE ELIZABETH JONES

ORD 6038
SUP FOR
LIQUOR STORE
(1730 S. FM 1417)

SURVEY, ABSTRACT NO. 625 (KASHMIR SINGH AND SANDEEP KAUR, OWNERS; AND TATCHIO & ASSOCIATES, ARCHITECT); PROVIDING FOR A REPEALER; PROVIDING THAT THIS SPECIFIC USE PERMIT SHALL BE GRANTED SUBJECT TO CERTAIN CONDITIONS; PROVIDING A PENALTY NOT TO EXCEED \$2,000.00.

Scott Shadden, Director of Development Services, said the Planning and Zoning Commission recommended approval of the Specific Use Permit, subject to the staff review letter.

Rod Tatchio, Tatchio & Associates, appeared to answer any questions the City Council might have.

No other citizens appeared before the City Council to discuss Ordinance No. 6038.

Mayor Plyler introduced Ordinance No. 6039 and called for a public hearing:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 8, SUBSECTION (5)(A), ORDINANCE NO. 2280, SO AS TO GRANT A SPECIFIC USE PERMIT TO ALLOW A SOCIAL ENTERTAINMENT LOUNGE IN A C-1 (RETAIL BUSINESS) DISTRICT/CENTRAL BUSINESS DISTRICT AT 221 SOUTH TRAVIS STREET, BEING THE NORTH 20' OF LOT 5, BLOCK 8, ORIGINAL TOWN PLAT, LESS AND EXCEPT THE EAST TWELVE FEET OWNED BY THE CITY OF SHERMAN FOR AN ALLEY (WILSON CHILDREN'S TRUST, OWNERS; PATRICK A. CRAVENS, TENANT; AND SARTIN & ASSOCIATES, INC., SURVEYOR); PROVIDING FOR A REPEALER; PROVIDING THAT THIS SPECIFIC USE PERMIT SHALL BE GRANTED SUBJECT TO CERTAIN CONDITIONS; PROVIDING A PENALTY NOT TO EXCEED \$2,000.00

ORD 6039
SUP FOR SOCIAL
ENTERTAINMENT
LOUNGE
(221 S. TRAVIS)

Mr. Shadden said the Planning and Zoning Commission recommended approval of the Specific Use Permit, subject to the staff review letter, which includes a number of conditions.

Patrick Cravens, 210 Kansas

LaQuita Gathron, 210 Kansas

Mr. Cravens said they decided to add a piano stage and remove the karaoke.

No other citizens appeared before the City Council to discuss Ordinance No. 6039.

Mayor Plyler introduced Ordinance No. 6040 and called for a public hearing:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 8, SUBSECTION (5)(A), ORDINANCE NO. 2280, SO AS TO GRANT A SPECIFIC USE PERMIT TO ALLOW D-BAT TEXOMA A BASEBALL AND SOFTBALL TRAINING CENTER WITH BATTING CAGES (COMMERCIAL AMUSEMENT CENTER IN A C-2 (GENERAL COMMERCIAL) DISTRICT AT 4113 NORTH FRISCO ROAD,

ORD 6040
SUP FOR BASEBALL
& SOFTBALL TRAINING
CENTER
(4113 N. FRISCO RD)

BEING 4.643 ACRES IN THE W.F. PATTERSON SURVEY, ABSTRACT NO. 969 AND THE J. HENDRIX SURVEY, ABSTRACT NO. 503 (BUFFALO GAP STREET PROPERTIES, LLC, OWNERS; D-BAT TEXOMA, TENANT; JOE FLORES, REPRESENTATIVE; AND HELVEY-WAGNER SURVEYING, INC., SURVEYOR); PROVIDING FOR A REPEALER; PROVIDING THAT THIS SPECIFIC USE PERMIT SHALL BE GRANTED SUBJECT TO CERTAIN CONDITIONS; PROVIDING A PENALTY NOT TO EXCEED \$2,000.00.

Mr. Shadden said the Planning and Zoning Commission recommended approval of the Specific Use Permit, subject to the staff review letter, which included some exceptions.

No citizens appeared before the City Council to discuss Ordinance No. 6040.

Mayor Plyler introduced Ordinance No. 6041 and called for a public hearing:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 8, SUBSECTION (5)(A) ORDINANCE NO. 2280, SO AS TO GRANT A SPECIFIC USE PERMIT TO ALLOW THE ADDITION OF A SELF-STORAGE FACILITY IN A C-1 (RETAIL BUSINESS) DISTRICT/O-1.1 (FM 1417) OVERLAY DISTRICT AT 2105 SOUTH F.M. 1417 (HERITAGE PARKWAY), BEING LOT 3B, BLOCK 1, REPLAT OF LOT 3 OF COMMUNITY USA ADDITION (SHERMAN STORAGE 1, LLC, OWNERS; AND ROD TATCHIO, TATCHIO & ASSOCIATES, ARCHITECT); PROVIDING FOR A REPEALER CLAUSE; PROVIDING THAT THIS SPECIFIC USE PERMIT SHALL BE GRANTED SUBJECT TO CERTAIN CONDITIONS; PROVIDING A PENALTY NOT TO EXCEED \$2,000.00

ORD 6041
SUP FOR SELF-
STORAGE
(2105 S. FM 1417)

Mr. Shadden said the Planning and Zoning Commission recommended approval of the Specific Use Permit, subject to the staff review letter.

Mr. Tatchio appeared to answer any questions the City Council might have.

No other citizens appeared before the City Council to discuss Ordinance No. 6041.

Mayor Plyler introduced Ordinance No. 6042 and called for a public hearing:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 8, SUBSECTION (5)(A), ORDINANCE NO. 2280, SO AS TO GRANT A SPECIFIC USE PERMIT TO ALLOW A CLIMATE CONTROLLED SELF-STORAGE FACILITY IN A C-1 (RETAIL BUSINESS) DISTRICT/O-1.1 (FM 1417) OVERLAY DISTRICT AT 2115, 2119, 2123 AND 2127 SOUTH F.M. 1417 (HERITAGE PARKWAY), BEING LOT 3B, BLOCK 1, REPLAT OF LOT 3 OF COMMUNITY USA ADDITION (SHERMAN STORAGE 1, LLC, OWNERS; AND ROD TATCHIO, TATCHIO & ASSOCIATES,

ORD 6042
SUP FOR CLIMATE
CONTROLLED SELF-
STORAGE
(2115, 2119, 2123 &
2127 S. FM 1417)

ARCHITECT); PROVIDING FOR A REPEALER; PROVIDING THAT THIS SPECIFIC USE PERMIT SHALL BE GRANTED SUBJECT TO CERTAIN CONDITIONS; PROVIDING A PENALTY NOT TO EXCEED \$2,000.00.

Mr. Shadden said the Planning and Zoning Commission recommended approval of the Specific Use Permit, subject to the staff review letter.

Mr. Tatchio appeared to answer any questions the City Council might have.

No other citizens appeared before the City Council to discuss Ordinance No. 6042.

Mayor Plyler introduced Ordinance No. 6043 and called for a public hearing:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 12, ORDINANCE NO. 2280, SO AS TO INCLUDE CERTAIN PROPERTIES WITHIN THE C-2 (GENERAL COMMERCIAL) DISTRICT AND SECTION 8, SUBSECTION (5)(A), ORDINANCE NO. 2280, SO AS TO GRANT A SPECIFIC USE PERMIT TO ALLOW AN AUTO REPAIR PARKING LOT IN A C-2 (GENERAL COMMERCIAL) DISTRICT/O-1.2 (SAM RAYBURN) OVERLAY DISTRICT AT 1330 SOUTH AUSTIN STREET, BEING THE PROPOSED LOT 1 OF THE SCR 1 ADDITION, A REPLAT OF A PART OF LOT 8, BLOCK 23 AND A PART OF LOT 4, BLOCK 24 AND PART OF THE FORMER HESTER STREET RIGHT-OF-WAY BETWEEN BLOCKS 23 & 24, B.H. MOORE HEIRS ADDITION (SHERMAN COLLISION REPAIR, LLC, OWNERS; AND SARTIN & ASSOCIATES, SURVEYOR); PROVIDING FOR A REPEALER; PROVIDING THAT THIS SPECIFIC USE PERMIT SHALL BE GRANTED SUBJECT TO CERTAIN CONDITIONS; PROVIDING A PENALTY NOT TO EXCEED \$2,000.00

ORD 6043
ZONE CHANGE & SUP
FOR AUTO REPAIR
PARKING LOT
(1330 S. AUSTIN ST)

Mr. Shadden said the Planning and Zoning Commission recommended approval of the Specific Use Permit, subject to the staff review letter. The staff review letter requires them to construct an 8 foot fence, to enclose the dumpster inside the fence, and to not stack any debris above the dumpster.

Eddie Burchfield, 307 W. Hester

Mr. Burchfield attended the recent Planning and Zoning Commission Meeting concerning this request. At the meeting, he informed the Commission that most neighbors in that area worked and couldn't attend the meeting. He was told that they would be able to submit a written protest if they couldn't attend the meeting.

He reviewed the letter and said there was no provision in the letter that was mailed, for any type of protest other than personal attendance or a legal protest in writing by 20% or more of the residents in that neighborhood. He felt the Commission either had "misinformation" or they need to revise their letter.

He said this issue has not been approved at any City Council Meeting, however before the Zoning Commission heard the request, the fence has been altered and moved east about 15 to 20 feet, toward Austin Street.

There is a City of Sherman dumpster sitting on what used to be Hester Street and the parking lot is paved with rocks on one side, but that 15 to 20 feet is not parking lot. It is used for repair, old parts, and other things. There are still body parts stacked up above the fence. Mr. Burchfield asked what the purpose was for approving the request if they have already “done it.”

He said there is a residential house adjacent to the fence, where the repair is being done. There is equipment, body parts, and wrecked cars sitting next to the residential area. He asked why residential property was being converted to commercial, especially a body shop. He said there is no commercial property in the 1300 or 1400 blocks of Austin Street, other than this proposal.

Mr. Burchfield said the streets are not designed for commercial vehicles, either paving or the width of the street. Currently there is commercial traffic on a residential street; employee parking that creates additional traffic; visual trash, a dumpster, body parts; and spotlights and floodlights that shine on homes. He said he was not in support of this request.

Dwight Flemings, 1317 Sam Rayburn

Mr. Flemings appeared representing Sherman Collision Repair. He said their business is growing and the request is about adding 10 parking spaces. They are currently leasing parking spaces from an adjoining business.

By requesting the zone change they will add parking in the back. They will add an 8 foot fence, and the dumpster, with body parts, will not be visible.

No other citizens appeared before the City Council to discuss Ordinance No. 6043.

ADOPTION OF ORDINANCES

Ordinance 6033

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, CREATING A CHARTER REVIEW COMMISSION IN THE CITY; PROVIDING FOR SEVERABILITY; PROVIDING FOR A REPEALER.

ORD 6033
CHARTER REVIEW
COMMISSION

Ordinance 6034

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING CHAPTER 9 OF THE CODE OF ORDINANCES, ENTITLED “PERSONNEL,” ARTICLE 9.05, ENTITLED “CIVIL SERVICE FOR FIREFIGHTERS AND POLICE OFFICERS,” AT SECTION 9.05.026, ENTITLED “AUTHORIZED NUMBER OF POSITIONS,” TO REVISE THE NUMBER OF

ORD 6034
POLICE DEPT.
POSITIONS

AUTHORIZED POSITIONS IN THE POLICE DEPARTMENT; PROVIDING FOR INCLUSION IN THE CODE OF ORDINANCES; PROVIDING FOR SEVERABILITY; PROVIDING FOR A REPEALER.

Ordinance 6035

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, PROVIDING FOR A PERMANENT “SPEED LIMIT 30 MPH” SIGN ON FRIENDSHIP ROAD SOUTH OF STATE HIGHWAY 56 WITHIN THE CITY LIMITS OF THE CITY OF SHERMAN; PROVIDING FOR A PENALTY PROVISION; PROVIDING FOR SEVERABILITY; PROVIDING FOR A REPEALER.

ORD 6035
SPEED LIMIT ON
FRIENDSHIP RD

Ordinance 6036

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, PROVIDING FOR A PERMANENT “STOP” SIGN ON ROSEDALE STREET AT THROCKMORTON STREET WITHIN THE CITY LIMITS OF THE CITY OF SHERMAN; PROVIDING FOR A PENALTY PROVISION; PROVIDING FOR SEVERABILITY; PROVIDING FOR A REPEALER.

ORD 6036
STOP SIGN

Ordinance 6037

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING CHAPTER 13 OF THE CODE OF ORDINANCES, ENTITLED “UTILITIES,” ARTICLE 13.08, ENTITLED “UTILITY BILLING,” AT SECTIONS 13.08.003 AND 13.08.004 TO PROVIDE A DEPOSIT FOR PAYMENT DELINQUENCY AND FOR THE EARLY REFUND OF DEPOSITS; PROVIDING FOR INCLUSION IN THE CODE OF ORDINANCES; PROVIDING FOR SEVERABILITY; PROVIDING FOR A REPEALER CLAUSE.

ORD 6037
UTILITY BILLING
DEPOSITS

Ordinance 6038

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 8, SUBSECTION (5)(A), ORDINANCE NO. 2280, SO AS TO GRANT A SPECIFIC USE PERMIT TO ALLOW A LIQUOR STORE IN A C-2 (GENERAL COMMERCIAL) DISTRICT/O-1.1 (FM 1417) OVERLAY DISTRICT AT 1730 SOUTH F.M. 1417 (HERITAGE PARKWAY), BEING 2.590 ACRES IN THE ELIZABETH JONES SURVEY, ABSTRACT NO. 625 (KASHMIR SINGH AND SANDEEP KAUR, OWNERS; AND TATCHIO & ASSOCIATES, ARCHITECT); PROVIDING FOR A REPEALER; PROVIDING THAT THIS SPECIFIC USE PERMIT SHALL BE GRANTED SUBJECT TO CERTAIN CONDITIONS; PROVIDING A PENALTY NOT TO EXCEED \$2,000.00.

ORD 6038
SUP FOR
LIQUOR STORE
(1730 S. FM 1417)

Ordinance 6039

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 8, SUBSECTION (5)(A), ORDINANCE NO. 2280, SO AS TO GRANT A SPECIFIC USE PERMIT TO ALLOW A SOCIAL ENTERTAINMENT LOUNGE IN A C-1 (RETAIL BUSINESS) DISTRICT/CENTRAL BUSINESS DISTRICT AT 221 SOUTH TRAVIS STREET, BEING THE NORTH 20' OF LOT 5, BLOCK 8, ORIGINAL TOWN PLAT,

ORD 6039
SUP FOR SOCIAL
ENTERTAINMENT
LOUNGE
(221 S. TRAVIS)

LESS AND EXCEPT THE EAST TWELVE FEET OWNED BY THE CITY OF SHERMAN FOR AN ALLEY (WILSON CHILDREN'S TRUST, OWNERS; PATRICK A. CRAVENS, TENANT; AND SARTIN & ASSOCIATES, INC., SURVEYOR); PROVIDING FOR A REPEALER; PROVIDING THAT THIS SPECIFIC USE PERMIT SHALL BE GRANTED SUBJECT TO CERTAIN CONDITIONS; PROVIDING A PENALTY NOT TO EXCEED \$2,000.00

Ordinance 6040

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 8, SUBSECTION (5)(A), ORDINANCE NO. 2280, SO AS TO GRANT A SPECIFIC USE PERMIT TO ALLOW D-BAT TEXOMA A BASEBALL AND SOFTBALL TRAINING CENTER WITH BATTING CAGES (COMMERCIAL AMUSEMENT CENTER IN A C-2 (GENERAL COMMERCIAL) DISTRICT AT 4113 NORTH FRISCO ROAD, BEING 4.643 ACRES IN THE W.F. PATTERSON SURVEY, ABSTRACT NO. 969 AND THE J. HENDRIX SURVEY, ABSTRACT NO. 503 (BUFFALO GAP STREET PROPERTIES, LLC, OWNERS; D-BAT TEXOMA, TENANT; JOE FLORES, REPRESENTATIVE; AND HELVEY-WAGNER SURVEYING, INC., SURVEYOR); PROVIDING FOR A REPEALER; PROVIDING THAT THIS SPECIFIC USE PERMIT SHALL BE GRANTED SUBJECT TO CERTAIN CONDITIONS; PROVIDING A PENALTY NOT TO EXCEED \$2,000.00.

ORD 6040
SUP FOR BASEBALL
& SOFTBALL TRAINING
CENTER
(4113 N. FRISCO RD)

Ordinance 6041

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 9, SUBSECTION (5)(A) ORDINANCE NO. 2280, SO AS TO GRANT A SPECIFIC USE PERMIT TO ALLOW THE ADDITION OF A SELF-STORAGE FACILITY IN A C-1 (RETAIL BUSINESS) DISTRICT/O-1.1 (FM 1417) OVERLAY DISTRICT AT 2105 SOUTH F.M. 1417 (HERITAGE PARKWAY), BEING LOT 3B, BLOCK 1, REPLAT OF LOT 3 OF COMMUNITY USA ADDITION (SHERMAN STORAGE 1, LLC, OWNERS; AND ROD TATCHIO, TATCHIO & ASSOCIATES, ARCHITECT); PROVIDING FOR A REPEALER CLAUSE; PROVIDING THAT THIS SPECIFIC USE PERMIT SHALL BE GRANTED SUBJECT TO CERTAIN CONDITIONS; PROVIDING A PENALTY NOT TO EXCEED \$2,000.00

ORD 6041
SUP FOR SELF-
STORAGE
(2105 S. FM 1417)

Ordinance 6042

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 8, SUBSECTION (5)(A), ORDINANCE NO. 2280, SO AS TO GRANT A SPECIFIC USE PERMIT TO ALLOW A CLIMATE CONTROLLED SELF-STORAGE FACILITY IN A C-1 (RETAIL BUSINESS) DISTRICT/O-1.1 (FM 1417) OVERLAY DISTRICT AT 2115, 2119, 2123 AND 2127 SOUTH F.M. 1417 (HERITAGE PARKWAY), BEING LOT 3B, BLOCK 1, REPLAT OF LOT 3 OF COMMUNITY USA ADDITION (SHERMAN STORAGE 1, LLC, OWNERS; AND ROD TATCHIO, TATCHIO & ASSOCIATES, ARCHITECT); PROVIDING FOR A REPEALER; PROVIDING

ORD 6042
SUP FOR CLIMATE
CONTROLLED SELF-
STORAGE
(2115, 2119, 2123 &
2127 S. FM 1417)

THAT THIS SPECIFIC USE PERMIT SHALL BE GRANTED SUBJECT TO CERTAIN CONDITIONS; PROVIDING A PENALTY NOT TO EXCEED \$2,000.00.

Ordinance 6043

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 12, ORDINANCE NO. 2280, SO AS TO INCLUDE CERTAIN PROPERTIES WITHIN THE C-2 (GENERAL COMMERCIAL) DISTRICT AND SECTION 8, SUBSECTION (5)(A), ORDINANCE NO. 2280, SO AS TO GRANT A SPECIFIC USE PERMIT TO ALLOW AN AUTO REPAIR PARKING LOT IN A C-2 (GENERAL COMMERCIAL) DISTRICT/O-1.2 (SAM RAYBURN) OVERLAY DISTRICT AT 1330 SOUTH AUSTIN STREET, BEING THE PROPOSED LOT 1 OF THE SCR 1 ADDITION, A REPLAT OF A PART OF LOT 8, BLOCK 23 AND A PART OF LOT 4, BLOCK 24 AND PART OF THE FORMER HESTER STREET RIGHT-OF-WAY (SHERMAN COLLISON REPAIR, LLC, OWNERS; AND SARTIN & ASSOCIATES, SURVEYOR); PROVIDING FOR A REPEALER; PROVIDING THAT THIS SPECIFIC USE PERMIT SHALL BE GRANTED SUBJECT TO CERTAIN CONDITIONS; PROVIDING A PENALTY NOT TO EXCEED \$2,000.00

ORD 6043
ZONE CHANGE & SUP
FOR AUTO REPAIR
PARKING LOT
(1330 S. AUSTIN ST)

Council Member Couch asked about Ordinance 6034 and the positions they are proposing to add to the Police Department. Chief Flores said they currently have three vacancies but he is proposing to add two new positions.

ACTION TAKEN.

Motion by Council Member Couch to adopt Ordinance Nos. 6033, 6034, 6035, 6036, 6037, 6038, 6039, 6040, 6041, 6042, and 6043, as presented. Second by Council Member Steele.

VOTING AYE: Brown, Couch, Howeth, Sofey, Steele, Teamann.

VOTING NAY: None.

MOTION CARRIED.

CONSENT AGENDA

The Council reviewed the Consent Agenda. Mayor Plyler removed Item C-4, entitled "Resolution No. 6241 – Authorizing Execution of a Development Agreement with Stonehollow Homes, LLC for the Construction of Streets, Storm Drainage, Water Main and Sanitary Sewer Main Improvements in Austin Landing, Phase 3, a 25.235-acre Development West of North Travis Street and South of Kreager Road in the City of Sherman," from the Consent Agenda, for consideration in its regular order of business.

CONSENT AGENDA

Council Member Steele moved to approve the Consent Agenda, with the exception of Resolution 6240, which will be considered in its regular order of business. Second by Council Member Howeth. All present voted AYE.

Mr. Shelby said Mayor Plyler had removed Item C-4, Resolution 6241 from the Consent Agenda. However the motion was to remove Resolution 6240, which was Item C-3.

Council Member Steele amended his motion to approve the Consent Agenda, with the exception of Item C-4, Resolution 6241, which will be considered in its regular order of business. Second by Council Member Howeth. All present voted AYE.

RESOLUTIONS

RESOLUTION NO. 6238 – AUTHORIZING EXECUTION OF AN AGREEMENT FOR THE CONSTRUCTION PHASE OF THE AWARDED CONTRACT WITH SCHMOLDT CONSTRUCTION, INC. AS CONSTRUCTION MANAGER-AT-RISK (CMAR) FOR RENOVATION TO THE SHERMAN PUBLIC LIBRARY

RES 6238
PUBLIC LIBRARY
CONSTRUCTION
MANAGER-AT-RISK

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF AN AGREEMENT FOR THE CONSTRUCTION PHASE OF THE AWARDED CONTRACT WITH SCHMOLDT CONSTRUCTION, INC. AS CONSTRUCTION MANAGER-AT-RISK (CMAR) FOR RENOVATIONS TO THE SHERMAN PUBLIC LIBRARY.

Steve Ayers, Assistant City Manager, said the staff is proposing to enter into a contract with Schmoldt Construction for the Construction Manager-at-Risk position for the renovations to the Sherman Public Library. The City finally has “hard numbers” on a guaranteed construction price for the project.

The library is 44 years old and in need of major renovations. Planning and design for the project began last year and construction should start in the next couple of weeks.

The proposed contract with Schmoldt Construction calls for a guaranteed maximum price of \$1.89 million. There will be elements outside of construction costs that will add to the turn-key cost. The City might choose to add items such as resurfacing the parking area, signage, and landscaping, which would add to the construction price. It is estimated that the turn-key price will be about \$2.1 million.

Council Member Steele added that the longer the project is delayed, the more the cost will increase. He said this has been a trend on other projects as well. A project can increase by an average of 30% by the time it is actually done.

Mr. Ayers said the City started looking at an estimated cost for the project about 1.5 years ago, and at that time the estimate was about \$1.4 or \$1.5 million.

He referenced the recent fire at the library saying the staff is working with TML for an insurance claim settlement for damage. They still don't have the “hard numbers” for the settlement, however that money will help mitigate some of the construction costs.

ACTION TAKEN.

Motion by Council Member Steele to adopt Resolution No. 6238, as presented. Second by Council Member Couch.

VOTING AYE: Brown, Couch, Howeth, Sofey, Steele, Teamann.

VOTING NAY: None.

MOTION CARRIED.

RESOLUTION NO. 6239 – AUTHORIZING EXECUTION OF A PROFESSIONAL SERVICES AGREEMENT WITH FREEMAN-MILLICAN, INC. FOR THE DESIGN OF AN EFFLUENT REUSE FACILITY AND ASSOCIATED PIPELINE

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF A PROFESSIONAL SERVICES AGREEMENT WITH FREEMAN-MILLICAN, INC. FOR THE DESIGN OF AN EFFLUENT REUSE FACILITY AND ASSOCIATED PIPELINE.

**RES 6239
EFFLUENT REUSE
FACILITY & PIPELINE**

Mark Gibson, Director of Utilities, said the plan is to take the effluent that is currently discharged into the creek and reuse it for an industrial user in the Blalock Industrial Park. The staff is trying to be proactive and get a design in place for the project and purchase the right-of-way.

That way when an industry says they want to use effluent, there would be no delay and construction on the pipeline could begin. It is possible that the City could construct the pipeline while the industry is constructing their facility. Mr. Gibson said this is an attempt to make use of a resource that the City is currently wasting.

Council Member Steele asked if all the effluent would go into the pipeline or if some would still go into the creek. Mr. Gibson said most would be recycled and used, however there might be some environmental regulations from the Texas Commission on Environmental Quality for maintaining some stream flow down the creek.

Mr. Hefton said the State and TCEQ are “looking favorably” on the beneficial reuse of water whether it’s for industrial uses, like this, or to supplement a City’s water supply to treat for potable water purposes. That is not what Sherman is proposing.

Sherman is proposing an industrial use for cooling and irrigation, and things like that. He said there would be “State hurdles to jump through,” but they do like beneficial reuse of water.

He said this is one of several projects the City is doing and they are not proposing to build the pipeline today. However the development and purchase of right-of-way allows the City to act on the need quickly when it does come up. Some projects could have a short lead time and need to be in place in less time than it would take to design and construct them.

He added that this project would probably take six to nine months for the design phase.

Deputy Mayor Sofey said effluent water is becoming more and more in demand for commercial and industrial use. Mr. Hefton said the “retail” cost structure for effluent is a lot cheaper than potable water, but it does have a value. Currently the City is getting zero dollars for the effluent that is being sent down the creek.

Council Member Couch confirmed that there are some Sherman Economic Development Corporation contacts that are asking about the use of effluent.

Mayor Plyler confirmed that the intent is to get the pipeline into the middle of the industrial area so it could be sent to any location when the location of the user was determined.

ACTION TAKEN.

Motion by Council Member Howeth to adopt Resolution No. 6239, as presented. Second by Deputy Mayor Sofey.
VOTING AYE: Brown, Couch, Howeth, Sofey, Steele, Teamann.
VOTING NAY: None.
MOTION CARRIED.

RESOLUTION NO. 6240 – AUTHORIZING EXECUTION OF AN INTERLOCAL COOPERATION AGREEMENT BETWEEN THE CITY OF SHERMAN, TEXAS, AND THE CITY OF ALLEN, TEXAS

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF AN INTERLOCAL COOPERATION AGREEMENT BETWEEN THE CITY OF SHERMAN, TEXAS, AND THE CITY OF ALLEN, TEXAS.

CONSENT AGENDA.

RES 6240
INTERLOCAL
AGREEMENT WITH
CITY OF ALLEN

RESOLUTION NO. 6241 – AUTHORIZING EXECUTION OF A DEVELOPMENT AGREEMENT WITH STONEHOLLOW HOMES, LLC FOR THE CONSTRUCTION OF STREETS, STORM DRAINAGE, WATER MAIN AND SANITARY SEWER MAIN IMPROVEMENT IN AUSTIN LANDING, PHASE 3, A 25.235-ACRE DEVELOPMENT WEST OF NORTH TRAVIS STREET AND SOUTH OF KREAGER ROAD IN THE CITY OF SHERMAN

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF A DEVELOPMENT AGREEMENT WITH STONEHOLLOW HOMES, LLC FOR THE CONSTRUCTION OF STREETS, STORM DRAINAGE, WATER MAIN AND SANITARY SEWER MAIN IMPROVEMENTS IN AUSTIN LANDING, PHASE 3, A 25.235-ACRE DEVELOPMENT WEST OF NORTH TRAVIS STREET AND SOUTH OF KREAGER ROAD IN THE CITY OF SHERMAN.

RES 6241
DEVELOPMENT
AGREEMENT WITH
STONEHOLLOW
HOMES

COUNCIL MINUTES – JULY 17, 2017

Mayor Plyler removed Item C-4 from the Consent Agenda, for consideration in its regular order of business.

Mr. Hefton said this is Phase 3 for Austin Landing, on North Travis Street, and includes 90 lots. He said Sherman is “on track” for 160 plus new homes to be permitted and built this year.

ACTION TAKEN.

Motion by Council Member Steele to adopt Resolution No. 6241, as presented. Second by Council Member Couch.

VOTING AYE: Brown, Couch, Howeth, Sofey, Steele, Teamann.

VOTING NAY: None.

MOTION CARRIED.

RESOLUTION NO. 6242 – AUTHORIZING PUBLICATION OF THE PROPOSED FINAL STATEMENT/ACTION PLAN FOR THE COMMUNITY DEVELOPMENT BLOCK GRANT FOR PROGRAM YEAR 2017; AUTHORIZING SUBMISSION OF THE BLOCK GRANT APPLICATION; AUTHORIZING EXECUTION OF CERTAIN ASSURANCES OF COMPLIANCE IN CONNECTION WITH THE ADMINISTRATION AND CONDUCT OF THE COMMUNITY DEVELOPMENT PROGRAM FOR PROGRAM YEAR 2017

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING PUBLICATION OF THE PROPOSED FINAL STATEMENT/ACTION PLAN FOR THE COMMUNITY DEVELOPMENT BLOCK GRANT FOR PROGRAM YEAR 2017; AUTHORIZING SUBMISSION OF THE BLOCK GRANT APPLICATION; AUTHORIZING EXECUTION OF CERTAIN ASSURANCES OF COMPLIANCE IN CONNECTION WITH THE ADMINISTRATION AND CONDUCT OF THE COMMUNITY DEVELOPMENT PROGRAM FOR PROGRAM YEAR 2017.

CONSENT AGENDA.

CHANGE ORDER NO. 1

WEST CANYON CREEK EXTENSION PROJECT; LYNN VESSELS CONSTRUCTION, LLC; \$367,504.06 INCREASE

Mr. Philpott said construction on the West Canyon Creek Extension Project started in March 2017 and by May they determined that a part of the storm drain system would go through the new Pecan Grove ball fields, and cause certain parts of the park to be unusable during rain events.

The change order will provide money to take the storm water drainage east into the existing Dean Gilbert Lake. This change will require additional pipe, but will be beneficial to the park. It will also eliminate the need for any detention, which benefits Carriage Estates. It also saves the City in development costs for the park itself.

RES 6242
CDBG FINAL
STATEMENT &
ACTION PLAN

CHANGE ORDER NO. 1
WEST CANYON CREEK
EXTENSION

ACTION TAKEN.

Motion by Council Member Steele to approve Change Order No. 1 to Lynn Vessels Construction, LLC, in the amount of a \$367,504.06 increase, for the West Canyon Creek Extension Project, as presented. Second by Council Member Couch.

VOTING AYE: Brown, Couch, Howeth, Sofey, Steele, Teamann.

VOTING NAY: None.

MOTION CARRIED.

CHANGE ORDER NO. 2

APPROVING THE GREATER TEXOMA UTILITY AUTHORITY'S INTENTION TO EXECUTE CHANGE ORDER NO. 2 FOR CONSTRUCTION OF THE SHERMAN WASTEWATER TREATMENT PLANT BIOSOLIDS DEWATERING PROJECT

The City Council approved Greater Texoma Utility Authority's intention to execute Change Order No. 2 for construction of the Wastewater Treatment Plan Biosolids Dewatering Project. The change order incorporates 10 changes to the original project quantities, and results in an increase of \$9,396.46. The final contract amount is \$1,841,406.46.

CONSENT AGENDA.

CHANGE ORDER NO. 2
BIOSOLIDS
DEWATERING
PROJECT

OTHER BUSINESS

MAYOR'S APPOINTMENTS TO A CHARTER REVIEW COMMISSION

Mr. Shelby said this item is related to Ordinance 6033, creating a Charter Review Commission. The ordinance authorizes the Mayor to make appointments to the Commission.

CHARTER REVIEW
COMMISSION

Mayor Plyler said he would like to appoint Deputy Mayor Sofey, Council Member Couch, and himself to serve on the Charter Review Commission.

ACTION TAKEN.

Motion by Council Member Steele to appoint Mayor David Plyler, Deputy Mayor Jason Sofey, and Council Member Kevin Couch to the Charter Review Commission, as presented. Second by Council Member Teamann.

VOTING AYE: Brown, Couch, Howeth, Sofey, Steele, Teamann.

VOTING NAY: None.

MOTION CARRIED.

REVIEW OF THE 2017-2018 PROPOSED BUDGET

Mr. Hefton said at the Budget Workshop in June, the direction was to bring back several items for discussion, including the stormwater program and fee.

PROPOSED BUDGET

He said by Charter and State law, there are deadlines to approval of the budget. The staff needs clear direction tonight to meet the deadlines. The draft budget will be presented at the August 7, 2017 Council Meeting, followed by public hearings on the tax rate and the budget.

He said the tax rate, as proposed, is just to cover debt already issued for projects. The stormwater fee structure is based on results of the professional consultants.

Generally speaking, as an internal policy, the City tries to match recurring revenue sources with recurring expenses and non-recurring revenue sources with non-recurring expenses. Overall, there is a balance that must be struck to balance the ongoing needs of the City, or balance the one year budget, all that is allowed by law, with the future long term needs of the City.

Mr. Hefton presented proposals that were made at the budget workshop for the tax rate, stormwater fee, and utility rate, with two other alternatives for each. He said that every \$1 of residential equivalent unit generates about \$460,00 and its scalable. Therefore, that fee at \$1 will generate about \$460,000 annually; at \$0.50 it would generate \$230,000; and at \$10.00 it would generate \$4.6 million.

He added that there has been some “easing up” on the utility rate since the budget workshop, in terms of having more data to determine the deficit that would need to be covered. Every 1% on the utility rate generates about \$220,000 to \$230,000. Both alternatives for the utility rate are less than what was presented at the budget workshop.

Council Member Steele verified that the tax rate of 3.3% would strictly be to cover items that have already been approved by the City Council, not new projects. It would cover only the debt that has already been issued.

Mr. Hefton said, on the tax rate, the City has issued about \$26 million in bonds in 2016 and 2017. Roughly 80% of those dollars relate to street projects, including engineering work or purchasing right-of-way for a future road.

Debt service on \$26 million in bonds is about \$1.6 million a year, which is between \$0.05 and \$0.06 on the tax rate. He said the staff would like Council direction on the tax rate tonight, as well as any projects they want to “dial back” on. Projects that could be deferred include Friendship Road, parks projects, Preston Club Road, and possibly others. Mr. Hefton said there was \$8 million to \$10 million in debt issue that could be delayed, if the Council chooses.

Discussions on the stormwater program began in 2007 after the flood and an estimated loss of \$2 million. The Comprehensive Master Plan was adopted in 2009 and the stormwater program was identified as a top three priority out of a list of 32. The Stormwater Master Plan was started in 2012 and completed in 2013 and the Fee Study was completed in 2016/2017 by consultants.

He said the stormwater fee is really a utility fee. Taxes pay for general services that are available to all citizens whether

or not they use them, such as animal control services, and police and fire. Fees are generally specific to an individual and a service they get, such as rental of a cabana at the swimming pool, or water and sewer service.

He outlined several stormwater projects that have been completed without a dedicated budget, some because they were an emergency. At the budget workshop, the proposed stormwater fee was \$3.00. Today they are also presenting some alternative amounts. This amount included an operating piece and a capital or project related piece.

If the Council chose the \$1.00 alternative, it would not allow any money for the operating piece. There would be no dedicated crew, and the City would not be able to purchase the equipment that would be used to complete the projects. The construction of projects would be contracted out to others. Mr. Hefton said if the dollars change from what was proposed, then the program changes too.

Two projects that Mr. Hefton felt were very important were the east/west access for emergency response during periods of flooding and the update of Floodplain Maps.

He outlined the impact under a \$1 stormwater fee per ERU, or equivalent residential unit, for several types of customers, including industrial, “big box,” fast food, and residential. ERU is defined as 3,400 feet of impervious cover, rooftops, driveways, and sidewalks. Businesses with large parking lots would pay a higher stormwater fee.

Mr. Hefton said, on utility rates, there is more data available now than there was at the budget workshop and projected revenues have increased slightly. With this increase, he said the rate increase needed to cover the revenue shortfall, and debt issue can be scaled back. He said he would now be comfortable with a utility rate increase less than 5%. He added that 1% on the rates is about \$220,000 in revenue, and four days in reserves.

In summary, Mr. Hefton said the staff needs direction on the tax rate, utility rate, and stormwater fee for the draft budget. He also asked if there were any other changes the Council would like to make.

Council Member Couch wanted to take each proposal individually. Mr. Shelby reminded the Council that any motion made today, would not be an approval for the actual budget. The final budget approval will be in August 2017. Mr. Hefton said there will be three or four more chances for the Council to review the budget.

Council Member Steele felt he could make a motion for the tax rate at 3.3% because the Council has already approved the projects on which the tax rate is based.

COUNCIL MINUTES – JULY 17, 2017

Council Member Teamann felt there were other options that would eliminate the need for a tax increase this year only. He suggested keeping the tax rate down this year, because they don't know what will come next year.

Council Member Steele said, with the City growing, and the need for construction, if they wait, the cost will probably double. So many projects have been delayed in order to try and keep the taxes low. He did not want to increase taxes if it wasn't necessary, but said Sherman is growing.

He said in this region, communities that are growing from the south to the north, are having to raise their tax rate for these types of projects. After the projects are in place, Council Member Steele said he would agree to decrease the tax rate.

Council Member Teamann still did not want to increase taxes this year.

Deputy Mayor Sofey said he has watched previous Council's "kick things down the road" and he agreed with Council Member Steele, that it costs more money and it also creates problems. He added that there is a good City staff in place that is looking in the correct direction. He said a lot of this money is for acquisition, engineering, right-of-way, and planning. It's not necessarily for construction. He said the growth needs to be well planned and positive, and it costs money to do that.

Council Member Teamann said he wasn't proposing "shorting any of the projects that are on the plan." He said, this year, the City has the funds available to not raise the taxes, for this one year.

He said some of the projects are very important for Sherman, but knowing the "future development that is on the books" such as the \$2 million technology company that may be coming to Sherman, will add a lot of value to the tax role. Deputy Mayor Sofey said Sherman shouldn't "bank on may be."

Council Member Teamann asked Mr. Hefton if the City had the money that could be redirected to complete the projects for this year and keep the tax rate down. Mr. Hefton said the City would have to "not do" some of the proposed projects that specifically would be money paid for from the sale of property.

The projects are not currently "on the books" because the budget hasn't been adopted, but they have been proposed. The Council could direct the staff to remove them from the upcoming budget and hold them for a later date.

Council Member Teamann said the citizens that elected him to office do not want a tax increase. Deputy Mayor Sofey agreed that they had to do what was right for the citizens, but

said sometimes that is proper planning. With the information they have been given and by trusting their staff, this is what they are working through.

Council Member Couch said he has been asked if there is a tipping point in the future that this type of fee or program could be rescinded. Mr. Hefton verified that he was talking about the stormwater fee, and said like the tax rate and the utility rate, it can be increased or decreased any year by the City Council.

Council Member Couch said he is hearing from citizens that their appraisals are up, and now they are hearing that they need to find \$1 million for this budget. It doesn't mean one million dollar project has to be cut, there can be a scaled effect to many projects. Mr. Hefton said the City would just have to prioritize the projects.

Council Member Couch said there seems to be other options that aren't coming out. He felt the \$1 million needed to service the debt could be found without raising the tax rate. He said it is too much all at once, and he would like to scale back with no tax increase.

Council Member Brown said he would not like to see taxes increase either and the City can procrastinate, however eventually the projects will need to be done and it will cost more later.

Council Member Howeth said she was on the City Council when they decided to cut the tax rate to make the citizens happy. She said she was also on the City Council a few years later when "it did come back and bite us." It hurt in order to catch up because it was put off. She said none of the Council wanted a tax increase, but it must be done to move forward.

Council Member Teamann said if there was another recession, like eight years ago, they probably wouldn't be pushing through with a lot of the projects because there wouldn't be any growth.

Council Member Brown said you don't know when a flood is coming. Council Member Howeth said she was only talking about the tax rate at this point, and paying for the debt that has already been incurred.

Ronald Aycock, 220 E. Houston Street

Mr. Aycock asked a question about the floodplain. He said the City allowed apartments to be built on Woods Street south of Texas Star Bank, and the south end of that area is in the floodplain. They have built that area up and the water will be pushed to the west side of that street, which will create flooding.

Mr. Hefton said people are allowed to bring properties up, out of the floodplain by increasing their base elevation. Mr.

Philpott said there was a small portion, the front of those properties, that was in the floodplain. It was determined that the development already had houses on it and so removing those homes and what they put back, did not increase the floodplain elevation.

Mr. Aycock said when you raise the dirt level, the water will have to go somewhere, and it will be right in their front yard.

Ginny Hampton

Ms. Hampton said she is a small business owner in Sherman. She agreed that the need for infrastructure for flood mitigation is important but questioned how it was delegated out to everyone. She said it especially affected businesses more than homes, and asked how it would affect the Sherman Independent School District.

Whether it's taxes or fees, most of the burden will be on businesses. They use more water than single families. She said she has two businesses, apartment buildings, that use more water than the "big box" stores shown in the slides for stormwater fees. She said they will have to pass the fees along to their customers.

Even a tax increase would affect businesses more than residential homes because of the value. She said they are "stifling businesses from growing." She said the easiest way to raise money is to not approve a tax increase, but to increase the fee for something everyone has to have, water.

Deputy Mayor Sofey said the City is regulated on how they can solve stormwater problems. The only way it can be done is through the stormwater fee. Ms. Hampton said there are three different ways the City can pay for it. With a tax increase, a utility rate increase, or a stormwater fee.

Deputy Mayor Sofey said no, those are three different line items to be used for different projects. Ms. Hampton verified that the proposal was to add a tax increase, a utility rate increase, and a stormwater fee. She asked why businesses were being punished the most.

Deputy Mayor Sofey said every City in the United States pays these fees. It is a fee basis that is done across the board, and Sherman's fees are still very low. He felt the Council could decide whether or not to increase the tax rate, however the stormwater fee is not in question.

It is needed because Sherman has had loss of life, they are not prepared for it, there has been poor planning in the past, and there is a horrible road system. For example, during the flood of 2007, there was only one road open that went east and west in Sherman, and that was US Hwy 82. First responders had one road to cross the City and protect the

citizens. He said he was tired of putting the first responders and the citizens at risk due to flooding. It is a public safety issue.

Mr. Hefton added that the stormwater fee is “value neutral” as to whether it is a residence, a business, or an industry. It is based on how much you contribute to the flooding problem based on the impervious cover.

Ms. Hampton agreed that the first responders do not need to be put in any more harm than they already are. She asked how much the stormwater fee would affect the SISD since they have many larger facilities. Will it be so much that there will be a loss of teachers?

Mr. Hefton said there would be another discussion with the City Council later to consider whether or not the SISD or another government will be exempted from the fee. The City will not charge themselves for the stormwater fee, since that would only go from “one pocket to the other.” The SISD does not get “a break” on their water or sewer bill.

He felt that the process used to recommend the increases is sound and it really depends on the “pain threshold.” Ms. Hampton felt that more fines and fees devalue the businesses.

Deputy Mayor Sofey said he felt very strongly about the stormwater fee. It needs to be addressed and he felt that Sherman was “on borrowed time.” He was in favor of the workshop numbers for this fee.

Council Member Teamann felt it was too much for one year. He felt there was a consensus on a tax increase this year. He felt the utility fee and the utility rate increase were too much at one time. He said Sherman is trying to bring businesses to town and they would be charged the biggest fees.

Mayor Plyler said Sherman’s building permit fees are probably the lowest around, so the cost of locating a business in Sherman is significantly less than in other communities. Sherman is trying to stay in front of the curve of growth by purchasing right-of-way and paying for engineering on future projects.

Council Member Couch felt they needed to be focusing on jobs now and he did not feel that businesses needed more fees.

Council Member Brown said the community is suffering now for waiting in the past. He said it needs to be done now, or the costs will double next year.

Council Member Teamann felt it was wise to “push it down the road.” He wanted to wait until the City could afford it. Deputy Mayor Sofey said the costs are going up and when

will the City ever be able to afford it. Council Member Couch felt there was new development coming to Sherman and they should let the businesses develop before the fees increase.

Council Member Steele said new businesses that come to Sherman are interested in the quality of life of the community. Many professionals that work in Sherman, live in the communities to the south of us, paying double what the costs are in Sherman. He said when the City cuts taxes, they are basically saying they are cutting services. He said the citizens of Sherman want the amenities. He added that decisions for today cannot be based on “what ifs” of tomorrow.

Council Member Couch said most of the City’s budget is derived from sales tax. There are two new businesses coming that will be “super sales tax driven” and he felt the increases would be “putting the cart before the horse.”

Mayor Plyler said the fees can always be lowered in the future and the 3.3% tax rate only covers the debt. Sherman’s tax rate is second from the bottom now with their peer cities.

Council Member Teamann said he would like to see a list of stormwater projects and a timeline before he “signed off” on fees of any kind. He also wanted to know when the fee would end.

Council Member Howeth asked if there could be a compromise on the stormwater fee. Those new businesses may not come to Sherman as quickly as is expected.

Council Member Brown addressed flood problems that he has dealt with for many years in his neighborhood. He has been a victim of the flooding issues. Sometimes it means paying more taxes. Mr. Aycock expressed concern that the issue was about Council Member Brown’s house.

Mr. Hefton said there is a list of priorities that would be addressed if a stormwater fee is enacted. Part of the money would be used for construction of stormwater issues, updating the floodplain maps, and property acquisition that would allow regional detention upstream that would help prevent flooding downstream and would allow travel between east and west Sherman.

Mr. Philpott said the City is not looking to spend all the money real fast. Once there is money to back the program, then they will organize and move forward with the Federal Emergency Management Agency to get grant money to help fund projects. But Sherman has to show that they have money for the projects.

As for the utility rate, Mr. Hefton said every 1% increase generates between \$220,000 to \$230,000. The staff is projecting an increase of between 3% and 4%, instead of the

COUNCIL MINUTES – JULY 17, 2017

5% that was discussed at the budget workshop. This would bring fund balances back to where they need to be. Council Member Steele verified that a 3% increase would get the City “within margin” of where they needed to be.

Council Member Teamann felt the Council could increase the rate for one year and then review it next year and reduce it if possible. Mr. Hefton said the utility rate is reviewed every year. He said normally a City will try to smooth rates out over a period of time.

Mayor Plyler said the City has invested heavily in the Water Treatment Plant and is moving forward with a plan to sell some of the water. This could help stabilize the rate and possibly help lower them in the future.

Council Member Teamann addressed the \$54 million in projects that were listed for the stormwater fee. Deputy Mayor Sofey said FEMA grant money would pay between 75% and 90% of those project costs.

Mr. Hefton added that the City would not be doing the entire \$54 million worth of projects. The idea is to “take a bite of the elephant now” and do some of the projects that have the most impact. This would be projects such as getting the public safety officers from one side of Sherman to the other; getting some of the severely repetitive loss properties out of the floodplain; and building regional detention. He added that \$1 will fund about \$6 million in projects.

Mayor Plyler said the fees could be re-evaluated during next year’s budget discussions and if the goals aren’t being accomplished, the fees could be changed. There are three options on which the staff needs direction tonight.

Mr. Hefton said that the vote tonight had no legal bearing, it just offered direction to the staff as to what to bring back for the proposed budget.

ACTION TAKEN.

Motion by Council Member Steele to direct the staff to bring back a draft budget that reflects a tax rate increase of 3.3 cents. Second by Council Member Brown.

VOTING AYE: Brown, Howeth, Sofey, Steele.

VOTING NAY: Couch, Teamann.

MOTION CARRIED.

ACTION TAKEN.

Motion by Council Member Teamann to not approve a Stormwater Fee. Second by Council Member Couch.

VOTING AYE: Couch, Teamann.

VOTING NAY: Brown, Howeth, Sofey, Steele.

MOTION FAILED.

ACTION TAKEN.

Motion by Deputy Mayor Sofey to approve the proposed Alternate #1 of the Stormwater Fee.

MOTION DIED FOR LACK OF A SECOND.

ACTION TAKEN.

Motion by Council Member Steele to approve Alternate #2 of the Stormwater Fee. Second by Council Member Howeth.

VOTING AYE: Brown, Howeth, Sofey, Steele.

VOTING NAY: Couch, Teamann.

MOTION CARRIED.

ACTION TAKEN.

Motion by Council Member Steele to approve a Utility Rate Increase of 3%. Second by Deputy Mayor Sofey.

VOTING AYE: Brown, Couch, Howeth, Sofey, Steele, Teamann.

VOTING NAY: None.

MOTION CARRIED.

APPROVE QUARTERLY INVESTMENT REPORT FOR QUARTER ENDED JUNE 30, 2017

The City Council approved the Quarterly Investment Report for the quarter ended June 30, 2017. As of that date, the portfolios were in compliance with applicable State laws and the City's Investment Policy.

**QUARTERLY
INVESTMENT REPORT**

The Operating investment portfolio had a book value of about \$17.1 million, a decrease of about \$0.15 million from the prior quarter of \$17.2 million, due to a withdrawal from a Local Government Investment Pool and a maturity of a U.S. Agency Security, and the purchase of a State of Texas Obligation and a U.S. Agency.

The underlying investments were adequately diversified among four different types of securities. This portfolio is appropriately liquid and its weighted-average maturity was about 498 days, up from 447 days from last quarter.

The portfolio yield of 1.213% for the quarter is slightly lower than the benchmark yield of 1.24%. The portfolio value on the City's books is essentially equal to the market value of the overall portfolio.

The debt proceeds portfolio balance of \$23.5 million was invested in a Local Government Investment Pool, a U.S. Agency, and an FDIC insured money market account. Transactions in this portfolio included the receipt of interest income and payments for capital projects. The yield of .86% was above the benchmark yield of .84% for this portfolio. Book value and market value were about the same.

CONSENT AGENDA.

REPLAT APPROVAL OF SCR 1 ADDITION, BEING A REPLAT OF A PART OF LOT 8, BLOCK 23 AND A PART OF LOT 4, BLOCK 24, AND PART OF THE FORMER HESTER STREET RIGHT-OF-WAY BETWEEN BLOCKS 23 & 24, B.H. MOORE HEIRS ADDITION, BEING 0.5722 ACRES IN THE SAMUEL BLAGG SURVEY, ABSTRACT NO. 56 AND BEING THE SOUTH 87.5 FEET OF LOT 8, BLOCK 23 AND THE NORTH 100 FEET OF LOT 4, BLOCK 24 OF THE B.H. MOORE HEIRS ADDITION; SHERMAN COLLISION REPAIR, LLC, OWNERS; AND SARTIN & ASSOCIATES, INC., SURVEYOR (1330 AND 1402 SOUTH AUSTIN STREET)

APPROVE REPLAT
(1330 & 1402 S.
AUSTIN ST)

The City Council approved the Replat of SCR 1 Addition, being a Replat of a part of Lot 8, Block 23 and a part of Lot 4, Block 24, and part of the former Hester Street right-of-way between Blocks 23 and 24, B.H. Moore Heirs Addition. The 0.5722 acre tract is located at 1330 and 1402 South Austin Street, between Olive and Dulin Streets.

The property is zoned R-1 (One Family Residential) and is also located in the O-1.2 (Sam Rayburn) Overlay District. The owners would like to replat two lots and part of the former Hester Street right-of-way into two lots for commercial development.

The Planning and Zoning Commission recommended approval of the Replat, subject to the Staff Review Letter.
CONSENT AGENDA.

REPLAT APPROVAL OF LOTS 13 & 14, PRESTON CLUB, THE CLASSICS, PHASE TWO, BEING 0.436 ACRES IN THE DANIEL BICKENBACK SURVEY, ABSTRACT NO. 128 AND BEING ALL OF LOTS 13 AND 14 OF PRESTON CLUB, THE CLASSICS, PHASE TWO; ROSSI REALTY, LLC AND MICHAEL STANLEY, OWNERS; AND HELVEY-WAGNER SURVEYING, SURVEYOR (5012 AND 5016 EAGLE RIDGE TRAIL, FORMERLY 129 AND 141 EAGLE RIDGE TRAIL)

APPROVE REPLAT
(PRESTON CLUB,
THE CLASSICS,
PHASE 2)

The City Council approved the Replat of Lots 13 and 14, Preston Club, The Classics, Phase Two, located at 5012 and 5016 Eagle Ridge Trail, formerly 129 and 141 Eagle Ridge Trail.

The owners of the 0.436 acre tract would like to replat the property by moving the lot lines on two lots. The Planning and Zoning Commission recommended approval of the Replat, subject to the Staff Review Letter.
CONSENT AGENDA.

REPLAT APPROVAL OF LOTS 11, 12, & 13, BLOCK 11, PRESTON CLUB, THE LEGENDS SUBDIVISION, PHASE ONE, BEING 0.459 ACRES IN THE McMULLEN & MCGLOIN SURVEY, ABSTRACT NO. 762 AND THE DANIEL BICKENBACK SURVEY, ABSTRACT NO. 128, AND BEING A REPLAT OF LOTS 11, 12 AND 13, BLOCK 11 OF PRESTON CLUB, THE LEGENDS SUBDIVISION, PHASE ONE; ROSSI REALTY, LLC AND CHRISTOPHER AND AMY SWINDELL, OWNERS; AND HELVEY-WAGNER SURVEYING, SURVEYOR

APPROVE REPLAT
(PRESTON CLUB, THE
LEGENDS)

(3218, 3222 AND 3226 PRESTON CLUB DRIVE, FORMERLY 218, 220 AND 222 PRESTON CLUB DRIVE)

The City Council approved the Replat of Lots 11, 12, and 13, Block 11, Preston Club, The Legends Subdivision, Phase One, being 0.459 acres located at 3218, 3222 and 3226 Preston Club Drive, formerly 218, 220 and 222 Preston Club Drive.

The owners would like to replat three lots into two lots. The Planning and Zoning Commission recommended approval of the Replat, subject to the Staff Review Letter.
CONSENT AGENDA.

REPLAT APPROVAL OF LOT 2, AMERISTATE PLAZA, BEING 3.309 ACRES IN THE T.J. SHANNON SURVEY, ABSTRACT NO. 1137 AND BEING ALL OF LOT 2 OF AMERISTATE PLAZA; SHERMAN HOTELS, LLC, OWNERS; AND UNDERWOOD DRAFTING AND SURVEYING, INC., SURVEYOR (4344 LOY LAKE ROAD)

The City Council approved the Replat of Lot 2, Ameristate Plaza, being 3.309 acres located at 4344 Loy Lake Road. The property is zoned C-1 (Retail Business) and the owners would like to replat the property into two lots for commercial development. The Planning and Zoning Commission recommended approval of the Replat, subject to the Staff Review Letter.
CONSENT AGENDA.

APPROVE REPLAT
(AMERISTATE PLAZA)

CITIZENS REQUESTS

There were no citizen's requests.

CITIZENS REQUEST

MEDIA QUESTIONS

There were no media questions.

MEDIA QUESTIONS

APPOINT/REMOVE OR CONSIDER QUALIFICATIONS TO BOARDS AND COMMISSIONS

KEEP SHERMAN BEAUTIFUL COMMISSION (1)
ACTION TAKEN.

Motion by Council Member Couch to appoint Sarah Whitt to the Keep Sherman Beautiful Commission for a term from July 18, 2017 to July 18, 2019. Second by Council Member Teamann.

VOTING AYE: Brown, Couch, Howeth, Sofey, Steele, Teamann.

VOTING NAY: None.

MOTION CARRIED.

KEEP SHERMAN
BEAUTIFUL

PARKS AND RECREATION ADVISORY BOARD (1)

ACTION TAKEN.

Motion by Council Member Steele to reappoint Brian Jones to the Parks and Recreation Advisory Board for a term from May 19, 2017 to May 19, 2019. Second by Council Member Couch.

PARKS & REC
BOARD

COUNCIL MINUTES – JULY 17, 2017

VOTING AYE: Brown, Couch, Howeth, Sofey, Steele, Teamann.

VOTING NAY: None.

MOTION CARRIED.

COUNCIL COMMENTS

UTILITY DEPOSITS REFUNDED

Council Member Teamann said he appreciated the staff working to get the utility deposits refunded. Every dollar counts for small businesses.

UTILITY DEPOSITS
REFUNDED

UTILITY DEPOSITS REFUNDED

Council Member Couch agreed about the refunding of the utility deposits for businesses.

UTILITY DEPOSITS
REFUNDED

LIGHTS ON THE LAKE

Council Member Steele commended the staff for “a job well done” for the Lights on the Lake event. He said it was a great turnout and the “talk of the town.”

LIGHTS ON THE LAKE

CITY COUNCIL DISCUSSION

Deputy Mayor Sofey said he appreciated everyone's input tonight, both the ones you agree with and the ones you don't. He felt the right thing was done and said through the discussion you could tell everyone really cares about Sherman.

CITY COUNCIL
DISCUSSION

CITY COUNCIL DISCUSSION

Council Member Howeth felt that Washington, D.C. should have watched the City Council tonight. The Council can have disagreements, but they stayed civil and are friends. They all want what's best and get work done and make a decision.

CITY COUNCIL
DISCUSSION

CITY COUNCIL DISCUSSION

Council Member Brown said the disagreement makes the Council stronger as a unit. He added that he is leaving in the morning for a three week vacation.

CITY COUNCIL
DISCUSSION

CITY COUNCIL DISCUSSION

Mayor Plyler said he appreciates all the Council Members and all their points of view are important. That's why they are elected to represent the citizens.

CITY COUNCIL
DISCUSSION

ANNOUNCEMENTS

Mayor Plyler announced the following:

- There are two Hot Summer Nights concerts left this year. Blue Oyster Cult will play Thursday, July 20, and Jr. Boy Jones will play Thursday, July 27.
- Battle of the Badges Blood Drive will be held on July 20 at the Fire Department and on July 21 at the Grayson County Courthouse.
- On July 27, Texas Roadhouse will host the “Tip a Cop” program to benefit Special Olympics Texas.

ANNOUNCEMENTS

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

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

EXECUTIVE SESSION

SECTION 551.071 – CONSULTATION WITH CITY ATTORNEY CONCERNING PENDING OR CONTEMPLATED LITIGATION

SECTION 551.074 -- PERSONNEL MATTERS:
CONSIDER THE QUALIFICATIONS,
APPOINTMENT AND REMOVAL OF
MEMBERS TO BOARDS AND
COMMISSIONS:
CIVIL SERVICE COMMISSION (2)

RED RIVER GROUNDWATER
CONSERVATION DISTRICT BOARD
OF DIRECTORS (1)

SHERMAN HOUSING AUTHORITY
(2)

SECTION 551.087 -- DELIBERATE REGARDING
ECONOMIC DEVELOPMENT
NEGOTIATIONS:
DELIBERATE REGARDING
COMMERCIAL OR FINANCIAL
INFORMATION THAT THE CITY
HAS RECEIVED FROM A
BUSINESS PROSPECT AND
DELIBERATE ANY OFFERS OR
INCENTIVES TO THE BUSINESS
PROSPECT

On Motion duly made and carried, the Open Meeting recessed and reconvened in Executive Session at 7:35 p.m.

On Motion duly made and carried, the Executive Session recessed at 7:52 p.m. and reconvened in Open Meeting.

OPEN MEETING

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

OPEN MEETING

APPOINT/REMOVE OR CONSIDER QUALIFICATIONS TO BOARDS AND COMMISSIONS

CIVIL SERVICE COMMISSION (2)

ACTION TAKEN.

Motion by Council Member Couch to confirm the City Manager's reappointment of Keith Carlisle to the Civil

**CIVIL SERVICE
COMMISSION**

COUNCIL MINUTES – JULY 17, 2017

Service Commission for a term from June 7, 2017 to June 7, 2020, and appointment of Dr. Al Hambrick for a term from July 18, 2017 to July 18, 2020. Second by Deputy Mayor Sofey.

VOTING AYE: Brown, Couch, Howeth, Sofey, Steele, Teamann.

VOTING NAY: None.

MOTION CARRIED.

RED RIVER GROUNDWATER CONSERVATION DISTRICT BOARD OF DIRECTORS (1)

ACTION TAKEN.

Motion by Council Member Brown to reappoint David Gattis to the Red River Groundwater Conservation District Board of Directors for a term from August 31, 2017 to August 31, 2021. Second by Council Member Couch.

VOTING AYE: Brown, Couch, Howeth, Sofey, Steele, Teamann.

VOTING NAY: None.

MOTION CARRIED.

SHERMAN HOUSING AUTHORITY (2)

ACTION TAKEN.

Motion by Council Member Teamann to reappoint Beth Williams and Mike Ditto to the Sherman Housing Authority Board of Directors for a term from June 1, 2017 to June 1, 2019. Second by Council Member Steele.

VOTING AYE: Brown, Couch, Howeth, Sofey, Steele, Teamann.

VOTING NAY: None.

MOTION CARRIED.

ADJOURNMENT

On Motion duly made and carried, the meeting adjourned at 7:54 p.m.

RED RIVER
GROUNDWATER
CONSERVATION
DISTRICT BOARD
OF DIRECTORS

SHERMAN HOUSING
AUTHORITY

ADJOURNMENT

MAYOR

CITY CLERK

City of Sherman Annexation Hearing

Kings Ridge Development, July 17, 2017

My name is Mark Deans.

For twenty plus years I have lived at 2004 Norwood Road, directly across the street from the proposed Kings Ridge development.

First things first----

Thanks!!!! :

I want to thank the city of Sherman for the work that has been completed since the annexation of the Carriage Estates neighborhood.

- GREAT water and GREAT water pressure.
- Fire hydrants.
- Reduced cost trash service
- Police presence.

I do however have several concerns for the proposed Kings Ridge Development:

1. Lot size:

- a. The current plat for this land shows 20 one acre lots, each is roughly 80 foot wide.
- b. The annexation proposal shows these lots will be annexed as "R-A" (Single Family Agriculture).
- c. The minimum size requirements listed on the cities website for "R-A" zoning is a minimum 2 Acres with a 200 foot lot width.
- d. **Will the council or P&Z board require this development to be replatted to meet the existing standards?**

City of Sherman Annexation Hearing

Kings Ridge Development, July 17, 2017

4. Driveway access:

- a. If access to the proposed (individual) properties is made directly from Norwood Street, driveways would cut across the land owned by homeowners on the west side of Norwood.
- b. **If someone entering the new property across my land, drives or stumbles off of the driveway into the drainage ditch, who is responsible?**

In Summary:

- a. I do not believe the current homeowners on the west side of Norwood are in favor of a single family development on the east side of the road.
- b. The neighbors would appreciate having these concerns openly addressed to better understand the cities position on these issues.
- c. **It would be helpful if city development representatives would meet with the existing homeowners to discuss these concerns.**

The city has one chance prior construction start to get the zoning and construction requirements right.

Thank you for your consideration of these concerns.

Mark Deans

2004 Norwood Street

Sherman, TX 75092

(903) 892-9368

July 17, 2017

Sherman City Council
220 W Mulberry Street
Sherman, TX 75090

Reference: Proposed Annexation of Kings Ridge Addition.

Members of the Board:

I would like to voice my opposition to the proposed annexation of Kings Ridge subdivision as it is presently proposed for the following reasons.

In its current form, this addition would create a substandard community in what will soon be the middle of Sherman. A new subdivision in Sherman should at the very least have: curb and gutter streets; sidewalks and street lights; and city services (including sewer).

Previously, Mr. Tate developed Carriage Estates which lies directly to the west of the proposed new addition, without these minimum standards; however, that was decades ago and it was not a part of the city until recently. The addition being proposed would be inside Sherman city limits from the onset. If this addition is added and Mr. Tate is allowed to build houses as planned, the City of Sherman will be forced at some future date to spend excessive amounts of tax payer dollars (easily in excess of \$1 million+ dollars) to correct the problems created

In its current form, this addition would add twenty substandard sewer systems. The City of Sherman operates a waste water treatment plant specifically purchased with tax payer funds for the purpose of sanitary sewage disposal. If Kings Ridge addition is going to be annexed to the city, then the city should require the developer to install the appropriate infrastructure to utilize the city's sanitary sewer system. When Carriage Estates was developed, the developer required all new homes to be connected to his private "super" sewer system. The home builder/buyers paid several thousand dollars each to be connected to this system. A few years ago, we were notified by the Grayson County Health Department that the system was not a legal system and would have to be shut down. All of the homeowners in Carriage Estates were required to install, (at additional costs of thousands of dollars each), aerobic sewer systems which create an unpleasant odor and require continuous maintenance. Shortly after the aerobic systems were installed, the City of Sherman decided that it would annex Carriage Estates, without providing city sewer.

Last year, a similar situation arose in Preston Club addition, created by the same developer. This time however, the city decided that it would run city sewer and water several miles to provide these services to the residents of Preston Club. It is obvious that the residents have been wronged by the developer, Mr. Tate and by the City of Sherman. We implore you; please do not add insult to injury by allowing Mr. Tate to create another addition with aerobic systems that will create an unpleasant odor and possibly a health hazard. The addition of twenty such systems will create an odor and health hazard that the city will eventually be forced to resolve.

In its current form, the proposed addition will create twenty lots that are very narrow and will be disproportionate to the surrounding neighborhood of single acre residential housing. The houses will likely be built as close to Norwood St. as is legally possible due to a high-pressure gas line at the back end of the properties. In addition to the potential compact proximity to the aerobic sprayers, the proposed houses will reduce the property values of the other neighboring homes in Carriage Estates, (such as mine) that will be directly across the street. As a neighborhood, we have worked extremely hard to maintain our properties and add to their value as much as possible. We expect the city to help us in this endeavor, rather than allow a substandard development to adversely affect our property values.

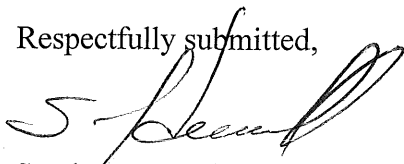
Additionally, in its current form, this addition will create a property dispute that will likely be litigated for decades. When Carriage Estates was developed, the property lines were drawn so that the lots which are immediately west of the proposed Kings Ridge addition extend for a distance of approximately ten feet past Norwood Road. For this reason, each of the proposed lots in Kings Ridge will require an easement across property that the developer does not own. Those of us who own those lots have maintained and paid tax on the property in question for many years (in most cases over 20+ years). I urgently request this board not to participate in creating an unnecessary property dispute of a prolonged duration.

The City of Sherman cannot in good conscience allow the developer to sell the lots as proposed. The substandard living established without appropriate sanitary sewer, the diminution in value of neighboring property/tax values, and the landlocked parcels bordered by privately held road frontage property and a high pressure gas line in the back— would be a disservice tantamount to fraud for any potential buyer.

In summary, the proposed addition in its current form will create a number of problems that the City of Sherman and the residents of Carriage Estates will be forced to deal with for many years. I cannot understand why this board would annex this property and create the very real issues outlined above. I am not opposed to Mr. Tate developing his property and enjoying the profit he will make in doing so, provided he develops it correctly. The City Council along with the Planning and Zoning committee should require that Mr. Tate, as well as anyone else who develops property; do so in a manner that will enhance the value of the overall city.

The City Council is tasked with representing the citizens of Sherman, not the short-term profit motives of a developer. Mr. Tate has a long history of exploiting homeowners and the City of Sherman by creating housing additions with substandard sewer and water systems, which subsequently demand great costs to the very taxpayers you represent. At the onset of this development, require Mr. Tate to install this housing addition correctly, or not at all.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "S. Hearrell", written over the typed name.

Stephen Hearrell, CPA
2008 Norwood St
Sherman, TX 75092

STATE OF TEXAS §
 July 31, 2017
COUNTY OF GRAYSON §

BE IT REMEMBERED THAT A Called Meeting of the Sherman City Council was begun and held in the City Council Chambers on July 31, 2017.

COUNCIL MEMBERS PRESENT: Mayor David Plyler; Deputy Mayor Jason Sofey.
Council Members Couch, Howeth.

COUNCIL MEMBERS ABSENT: Council Members Brown, Steele, Teamann.

CITY STAFF PRESENT: Robby Hefton, City Manager; Steve Ayers, Assistant City Manager; Brandon Shelby, City Attorney; Mark Gibson, Director of Utilities; Zachary Flores, Police Chief; Clint Philpott, Director of Engineering; Pam Cloer, Assistant to the City Manager; Linda Ashby, City Clerk.

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

Invocation by Mayor David Plyler

Public Hearing

Conduct the Second Public Hearing Concerning the Annexation of a 19.379 Acre Tract of Land in Kings Ridge Addition on Norwood Street, Adjacent to the Sherman City Limits and in the City of Sherman's Extra Territorial Jurisdiction

Council Comments

Adjournment

CALL TO ORDER, QUORUM DETERMINED, MEETING DECLARED OPEN

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

INVOCATION BY MAYOR DAVID PLYLER

PUBLIC HEARING

CONDUCT THE SECOND PUBLIC HEARING CONCERNING THE ANNEXATION OF A 19.379 ACRE TRACT OF LAND IN KINGS RIDGE ADDITION ON NORWOOD STREET, ADJACENT TO THE SHERMAN CITY LIMITS AND IN THE CITY OF SHERMAN'S EXTRA TERRITORIAL JURISDICTION

Mayor Plyler called for a public hearing on the annexation of a 19.379 acre tract of land in Kings Ridge Addition on Norwood Street.

Robby Hefton, City Manager, explained that this was the second public hearing on a proposed annexation of the Kings Ridge Addition on the east side of Norwood Street. The property is adjacent to Carriage Estates, which the City annexed last year.

COUNCIL MINUTES – JULY 31, 2016

The last public hearing will be held on August 21, 2017, at which time the introduction and adoption of an ordinance will be considered. The property owner requested annexation in order to have access to City utilities.

Stephen Hearrell, 2008 Norwood Street

Mr. Hearrell said an article in the Herald Democrat yesterday stated that “in a document prepared for the Council, City staff noted all property owners in the area have signed the annexation petition.” Mr. Hearrell said he has not signed an annexation petition.

Mr. Hefton explained that, at least 50% of the property owners that are being annexed, have to sign the petition. Mr. Hearrell said there is only one property owner. He felt that it was misleading to say all property owners in the annexed area. He is across the street from the area being annexed.

Mr. Hefton said State law says a City has to have a certain percentage of the property owners who are being annexed. Deputy Mayor Sofey said the City does not control what is printed in the newspaper. Mr. Hearrell asked if the newspaper was inaccurate.

Deputy Mayor Sofey said the accurate statement is that the City is required to have signatures from over 50% of the owners to annex property. The City Council does not have control over “the verbiage” that is in the newspaper.

Mr. Hearrell said Mr. Tate owns the property being annexed, so it’s not “citizens in the area” it’s just him. He felt the Herald Democrat needs to print a retraction because it is incorrect. He said no one on his side of the street is in favor of the annexation as it is currently proposed, because of the tiny lots. Mr. Hearrell said he would be okay with one and a half acre or two acre lots, but tiny lots will affect his property value.

Mr. Hefton added that the City has more authority to regulate development and working with developers when the property is inside the City limits rather than outside. From a standpoint of managing something that would be appropriate for the area, the annexation will be a good thing, to address Mr. Hearrell’s concerns.

Mr. Hearrell said Mr. Tate previously had the plat approved many years ago, and it appears that the Council is voting on 50 foot lots across the street from their property. He said if the developer is adding many lots, it will require more aerobic septic systems. He felt that at some point, City sewer would need to be extended to the property.

No other citizens appeared before the City Council to discuss the proposed annexation of a 19.379 acre tract of land in Kings Ridge Addition on Norwood Street.

The Public Hearing was closed.

COUNCIL COMMENTS

Mayor Plyler thanked the staff for their hard work for putting together the Hot Summer Night series. He said it was great for the community and brought thousands of people out for the events.

COUNCIL MINUTES – JULY 31, 2016

ADJOURNMENT

There being no further business to come before the City Council, motion was duly made and approved to adjourn the Called Meeting at 12:08 p.m.

MAYOR

ATTEST

CITY CLERK



SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

B.1.

Meeting Date: 08/07/2017

Prepared By: Mary Lawrence, Director of Finance

Approved By: Robby Hefton, City Manager

Caption:

INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 6044

Revising the Designation of Tax Increment Reinvestment Zone #5 in the City of Sherman

Issue:

To enlarge the boundaries of Tax Increment Reinvestment Zone #5 (TIRZ #5)

Background:

At the February 20, 2017 meeting, the City Council approved the creation and boundaries of Tax Increment Reinvestment Zone #5 located on the northwest corner of U.S. Highway 75 and F.M. 1417 (Heritage Parkway). This ordinance enlarges the area of TIRZ #5 by about ten (10) acres to include an additional tract on the west side. This area is ideal for development because of its topography and location to the current TIRZ boundary. State law requires a public hearing prior to the adoption of an ordinance that changes the boundaries of a zone.

Origination:

City Council

Financial Consideration:

There is no financial consideration to passing this ordinance except that the increased taxable values within the zone will be directed to building infrastructure in that location.

Staff Recommendation:

The staff recommends approving this ordinance.

Alternatives:

The City Council could leave the boundaries as adopted in the original ordinance.

Attachments

Ordinance No. 6044

Original Survey

Original Map

Expanded Survey

Expanded Map

ORDINANCE NO. 6044

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, REVISING THE DESIGNATION OF TAX INCREMENT REINVESTMENT ZONE #5 IN THE CITY OF SHERMAN; FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS ORDINANCE IS PASSED WAS NOTICED AND IS OPEN TO THE PUBLIC AS REQUIRED BY LAW.

WHEREAS, at its February 20, 2017 meeting, the City Council of the City of Sherman adopted Ordinance No. 6010 to establish Tax Increment Reinvestment Zone #5 ("TIRZ #5"), pursuant to the provisions of Chapter 311 of the Texas Tax Code; and

WHEREAS, TIRZ #5 encompasses the area northwest of the intersection of U.S. Highway 75 and F.M. 1417 (Heritage Parkway); and

WHEREAS, the City Council of the City of Sherman desires to enlarge the boundaries of TIRZ #5 to include an approximate ten (10) acre tract of land to the west that is ideal for development due to its topography and location adjacent to the existing TIRZ #5 boundary;

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

SECTION 1. That the hereinafter described real property is hereby established as Tax Increment Reinvestment Zone #5, for the purposes of and pursuant to Chapter 311 of the Texas Tax Code. Such TIRZ #5 is hereby described as follows:

PARCEL DESCRIPTION SITE #5

Situated in the City of Sherman, Grayson County, State of Texas, being a part of the Preston Kitchen Survey, Abstract No. 667, and being a tract of land embracing the following...

A portion of South Side Addition to said City of Sherman, including streets and alleys, as shown by plat of record in Volume 94, Page 134, and Replat in Volume 363, Page 101, Deed Records, Grayson County, Texas, including that portion of said Addition described as 9.0 acres conveyed by The City of Sherman to Donald F. and Audrey J. Brewer by deed dated December 11, 2002, recorded in Volume 3364, Page 695, Official Public Records, Grayson County, Texas;

All of the same tracts of land referred to as Tract No. 2, described as 0.981 acres, and Tract No. 3, described as 0.20 acres, as conveyed by American National Bank Of Pottsboro to William P. Lee and Betty Lou Lee, Trustees by deed dated May 8, 1997, recorded in Volume 2548, Page 19, said Official Public Records;

Part of the same tract of land described as 781.14 acres and referred to as Tract 1as conveyed by Sherman Hills Country Club, Ltd. to SSCGC Holdings, LLC by deed dated January 4, 2013,

recorded in Volume 5232, Page 220, said Official Public Records, including that portion of Tract 1 known as Sunrise Tract at Sherman Hills, Phase 1 addition to said City of Sherman as shown by plat of record in Volume 19, Page 96, Plat Records, Grayson County, Texas;

All of the same tract of land described as 1.5 acres conveyed by Jeff Mercer to the City of Sherman by deed dated January 17, 1958, recorded in Volume 866, Page 150, said Deed Records;

All of the same tract of land described as 130.4789 acres conveyed by First State Bank to Sherman Crossroads, Ltd. by deed dated November 29, 2011, recorded in Volume 5054, Page 925, said Official Public Records, including the same tract of land described as 44.830 acres severed from said 130.4789 acre tract as conveyed by said Sherman Crossroads, Ltd. to Heritage Development Partners, LLC by deed dated August 15, 2015, recorded in Volume 5676, Page 224, said Official Public Records;

and being more particularly described by metes and bounds as follows:

Beginning at the point of intersection of the North line of the said Kitchen Survey with the West right-of-way line of U. S. Highway No. 75, said point also being in the North line of Lake Street (unopen ~ unimproved) as shown on the Correction Plat Of Mahew's Second Supplement addition to said City of Sherman as shown by plat of record in Volume 425, Page 307, said Deed Records, said Lake Street also running along the North line of said South Side Addition;

Thence in a Southerly direction with said West right-of-way line of Highway No. 75 and East lines of the above mentioned tracts the following calls and distances:

South 14°22'00" East a distance of 872.61 feet;

Southerly with a curve to the right having a radius of 3644.72 feet, (chord bears South 09°25'34" East, 627.80 feet) an arc distance of 628.58 feet;

South 07°29'57" West a distance of 158.82 feet; South 02°50'00" East a distance of 103.60 feet; South 17°36'44" East a distance of 156.81 feet;

Southerly with a curve to the right having a radius of 3654.72 feet, (chord bears South 01°32'34" West, 557.73 feet) an arc distance of 558.28 feet;

South 02°29'13" West a distance of 178.38 feet; South 08°42'00" West a distance of 1227.00 feet; South 07°41'24" West a distance of 306.14 feet;

Southerly with a curve to the left having a radius of 2982.79 feet, (chord bears South 09°18'00" East, 1544.01 feet) an arc distance of 1561.79 feet;

South 26°17'24" East a distance of 306.14 feet; South 27°18'00" East a distance of 1329.79 feet; South 22°59'13" East a distance of 280.70 feet; South 14°14'34" East a distance of 290.47 feet; South 09°48'00" East a distance of 310.50 feet;

South 09°10'47" West a distance of 135.69 feet to the intersection of said East right-of-way line of Highway No. 75 with the North right-of-way line of F. M. Highway No. 1417, being the Southeast corner of the said 130.4789 acre tract;

Thence in a Westerly direction with said North right-of-way line of Highway No. 1417 the following calls and distances:

South 75°47'00" West a distance of 239.65 feet;

South 78°58'39" West a distance of 215.43 feet;

South 74°59'00" West a distance of 200.00 feet;

South 70°41'39" West a distance of 200.56 feet;

South 74°59'00" West a distance of 500.00 feet;

South 73°49'32" West a distance of 207.75 feet to the Southwest corner of the said 130.4789 acre tract and the Southeast corner of the same tract of land described as 96.64 acres conveyed by Rabin Worldwide, Inc. et al to Actichem L.P. by deed dated May 31, 2005, recorded in Volume 3880, Page 138, said Official Public Records;

Thence in a Northerly direction with the West line of both the said 130.4789 acre tract and 44.830 acre tract and East line of the said 96.64 acre tract the following calls and distances:

North 17°57'51" West a distance of 541.99 feet;

North 11°37'37" East a distance of 525.61 feet;

North 44°54'41" West a distance of 493.45 feet;

North 13°28'22" West a distance of 2189.24 feet to the Northeast corner of the said 96.64 acre, and angle point in said West line of the 44.830 acre tract, and an outside Southeast "L" corner to the said SSCGC Holdings, LLC Tract 1;

Thence South 74°42'06" West with the South line of said Tract 1 a distance of 982.64 feet to the Northwest corner of the said 96.64 acre tract;

Thence North 08°48'59" West with the extended West line of the said 96.64 acre tract a distance of 487.01 feet to a point for an outside "L" corner in the extended Northerly South line of said Tract 1;

Thence North 75°37'50" East a distance of 934.94 feet to the Northwest corner of the said 44.830 acre tract and an inside "L" corner to said Tract 1;

Thence North 13°16'43" West over and across said Tract 1 along or near the West line of the said Kitchen Survey and East line of the Elizabeth Jones Survey, Abstract No. 625 a distance of 4085.20 feet to a point for the Northwest corner of the herein described tract, assumed as the Northwest corner of the said Kitchen Survey;

Thence North 75°43'00" East a distance of 2243.61 feet to the Point of Beginning and containing 329.88 acres of land more or less.....

SECTION 2. 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 _____, 2017.

ADOPTED on this the _____ day of _____, 2017.

EFFECTIVE DATE on this the _____ day of _____, 2017.

CITY OF SHERMAN, TEXAS

BY: _____
DAVID PLYLER, MAYOR

ATTEST:

BY: _____
LINDA ASHBY, CITY CLERK

**APPROVED AS TO FORM
AND CONTENT:**

BY: _____
**BRANDON S. SHELBY,
CITY ATTORNEY**

Tax Increment Financing Zone #5



Sherman
ENGINEERING DEPT.
300 W. MCGUIRE
SHERMAN, TX 76550

TIRZ 5

1 inch = 1,000 feet



ORDINANCE NO. 6010

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, ESTABLISHING A TAX INCREMENT REINVESTMENT ZONE #5 (SHERMAN CROSSROADS); PROVIDING FOR FINDINGS OF FACT; PROVIDING FOR A BOARD OF DIRECTORS; 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 there is hereby created a reinvestment zone to be named the Sherman Tax Increment Reinvestment Zone #5 ("TIRZ-5") to take effect immediately from and after the final passage of this ordinance, the boundaries of which are fully described in Exhibit "A" attached hereto and made a part hereof for all purposes.

SECTION 2. That the City Council hereby makes the following findings and determinations which are true and correct:

- (a) That the development of the area within the TIRZ-5 Zone would not occur in the foreseeable future solely through private investment.
- (b) That the area's present condition substantially impairs the city's growth, retards the provision of housing, or constitutes an economic or social liability to the public health, safety, morals, or welfare. Further, this condition exists because of the presence of one or more of the following conditions: a substantial number of substandard or deteriorating structures, inadequate sidewalks or street layout, faulty lot layouts, unsanitary or unsafe conditions, a tax or special assessment delinquency that exceeds the fair market value of the land, defective or unusual conditions of title, or that endanger life or property by fire or other cause; or be predominantly open or undeveloped and, because of obsolete platting, deterioration of the structures or site improvements, or other factors, substantially impair or arrest the sound growth of the municipality.
- (c) That the City of Sherman has fully complied with all of the applicable sections of Chapter 311 of the Texas Tax Code and specifically Section 311.003.
- (d) That the Sherman Tax Increment Reinvestment Zone #5 is in full compliance and meets all of the requirements of Section 311.005 of the Texas Tax Code.
- (e) That the improvements in the Zone will significantly enhance the value of all the taxable real property in the Zone and will be of general benefit to the municipality and its citizens.

SECTION 3. That there is hereby established a tax increment fund for the Zone to be styled Sherman Tax Increment Reinvestment Zone #5 ("TIRZ-5").

SECTION 4. That there is hereby established a five (5) member Board of Directors for the TIRZ-5 Zone to be composed of three (3) members of the City Council, one (1) member of the City staff and one (1) representative from Grayson County, all to be chosen by the City Council for terms of two (2) years, with no term limitations, in accordance with Section 311.009 of the Texas Tax Code. The City Council does not delegate or grant any of its powers or authority to the Board of Directors. The City Council hereby restricts the authority of the Board of Directors under Chapter 311 of the Texas Tax Code to an advisory board to the City Council.

SECTION 5. The Zone shall terminate upon all City bonded indebtedness, interest on those bonds and project costs pertaining to the Zone being paid in full.

SECTION 6. That the provisions of this ordinance are severable and the invalidity of any word, phrase, sentence or part of this ordinance shall not affect the validity or effectiveness of the remainder of the ordinance.

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

INTRODUCED on this the 20th day of February, 2017.

ADOPTED on this the 20th day of February, 2017.

EFFECTIVE DATE on this the 20th day of February, 2017.

CITY OF SHERMAN, TEXAS

ATTEST:

BY: Linda Ashby
LINDA ASHBY, CITY CLERK

BY: David Plyler
DAVID PLYLER, MAYOR

APPROVED AS TO FORM
AND CONTENT:

BY: Brandon S. Shelby
BRANDON S. SHELBY,
CITY ATTORNEY

Field Notes
Sherman Tax Increment Reinvestment Zone #5 ("TIRZ-5")
for the Sherman Crossroads District



DRAFTING & SURVEYING, INC.

PARCEL

DESCRIPTION SITE #5

Situated in the City of Sherman, Grayson County, State of Texas, being a part of the Preston Kitchen Survey, Abstract No. 667, and being a tract of land embracing the following ...

A portion of South Side Addition to said City of Sherman, including streets and alleys, as shown by plat of record in Volume 94, Page 134, and Replat in Volume 363, Page 101, Deed Records, Grayson County, Texas, including that portion of said Addition described as 9.0 acres conveyed by The City of Sherman to Donald F and Audrey J. Brewer by deed dated December 11, 2002, recorded in Volume 3364, Page 695, Official Public Records, Grayson County, Texas;

All of the same tracts of land referred to as Tract No. 2, described as 0.981 acres, and Tract No. 3, described as 0.20 acres, as conveyed by American National Bank Of Pottsboro to William P. Lee and Betty Lou Lee, Trustees by deed dated May 8, 1997, recorded in Volume 2548, Page 19, said Official Public Records;

Part of the same tract of land described as 781.14 acres and referred to as Tract las conveyed by Sherman Hills Country Club, Ltd. to SSCGC Holdings, LLC by deed dated January 4, 2013, recorded in Volume 5232, Page 220, said Official Public Records, including that portion of Tract 1 known as Sunrise Tract at Sherman Hills, Phase 1 addition to said City of Sherman as shown byplat of record in Volume 19, Page 96, Plat Records, Grayson County, Texas;

All of the same tract of land described as 1.5 acres conveyed by Jeff Mercer to the City of Sherman by deed dated January 17, 1958, recorded in Volume 866, Page 150, said Deed Records; All of the same tract of land described as 130.4789 acres conveyed by First State Bank to Sherman Crossroads, Ltd. by deed dated November 29, 2011, recorded in Volume 5054, Page 925, said Official Public Records, including the same tract of land described as 44.830 acres severed from said 130.4789 acre tract as conveyed by said Sherman Crossroads, Ltd. to Heritage Development Partners, LLC by deed dated August 15, 2015, recorded in Volume 5676, Page 224, said Official Public Records;

and being more particularly described by metes and bounds as follows:

Beginning at the point of intersection of the North line of the said Kitchen Survey with the West right-of-way line of U. S Highway No. 75, said point also being in the North line of Lake Street (unopen – unimproved) as shown on the Correction Plat Of Mahew's Second Supplement addition to said City of Sherman as shown byplat of record in Volume 425, Page 307, said Deed

Records, said Lake Street also running along the North line of said South Side Addition;
Thence in a Southerly direction with said West right-of-way line of Highway No. 75 and East lines of the above mentioned tracts the following calls and distances:

South 14°22'00" East a distance of 872.61feet;

Southerly with a curve to the right having a radius of 3644. 72 feet, (chord bears South 09°25'34" East, 627.80 feet) an arc distance of 628.58 feet;

South 07°29'57" West a distance of 158.82 feet;

South 02°50'00" East a distance of 103.60 feet;

South 17°36'44" East a distance of 156.81feet;

Southerly with a curve to the right having a radius of 3654. 72 feet, (chord bears South 01°32'34" West, 557. 73feet) an arc distance of 558.28 feet;

South 02°29'13" West a distance of 178.38 feet;

South 08°42'00" West a distance of 1227.00 feet;

South 07°41 '24" West a distance of 306.14 feet;

Southerly with a curve to the left having a radius of 2982. 79 feet, (chord bears South 09°18'00" East, 1544.01feet) an arc distance of 1561. 79 feet;

South 26°17'24" East a distance of 306.14 feet;

South 27°18'00" East a distance of 1329. 79 feet;

South 22°59'13" East a distance of 280. 70 feet;

South 14°14'34" East a distance of 290.47 feet;

South 09°48'00" East a distance of 310.50 feet;

South 09°10'47" West a distance of 135.69 feet to the intersection of said East right-of-way line of Highway No. 75 with the North right-of-way line of F M Highway No. 1417, being the Southeast corner of the said 130.4789 acre tract;

Thence in a Westerly direction with said North right-of-way line of Highway No. 1417 the following calls and distances:

South 75°47'00" West a distance of 239.65 feet;

South 78°58'39" West a distance of 215.43 feet;

South 74°59'00" West a distance of 200.00 feet;

South 70°41'39" West a distance of 200.56 feet;

South 74°59'00" West a distance of 500.00 feet;

South 73°49'32" West a distance of 207.75 feet to the Southwest corner of the said 130.4789 acre tract and the Southeast corner of the same tract of land described as 96.64 acres conveyed by Rabin Worldwide, Inc. et al to Actichem L.P. by deed dated May 31, 2005, recorded in Volume 3880, Page 138, said Official Public Records;

Thence in a Northerly direction with the West line of both the said 130.4789 acre tract and 44.830 acre tract and East line of the said 96.64 acre tract the following calls and distances:

North 17°57'51" West a distance of 541.99 feet;

North 11°37'37" East a distance of 525.61 feet;

North 44°54'41" West a distance of 493.45 feet;

North 13°28'22" West a distance of 2189.24 feet to the Northeast corner of the said 96.64 acre, and angle point in said West line of the 44.830 acre tract, and an outside Southeast "L" corner to the said SSCGC Holdings, LLC Tract 1;

Thence North 14°25'26" West a distance of 468.80 feet to the Northwest corner of the said 44.830 acre tract and an inside "L" corner to said Tract 1;

Thence North 13°16'43" West over and across said Tract 1 along or near the West line of the said Kitchen Survey and East line of the Elizabeth Jones Survey, Abstract No. 625 a distance of 4085.20 feet to a point for the Northwest corner of the herein described tract, assumed as the Northwest corner of the said Kitchen Survey;

Thence North 75°43'00" East a distance of 2243.61 feet to the Point of Beginning and containing 319.4 acres of land more or less... ..

Current Tax Increment Refinancing Zone #5
adopted by Ordinance No. 6010



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

1 inch = 1,000 feet





DRAFTING & SURVEYING, INC.

PARCEL DESCRIPTION**SITE #5**

Situated in the City of Sherman, Grayson County, State of Texas, being a part of the Preston Kitchen Survey, Abstract No. 667, and being a tract of land embracing the following...

A portion of South Side Addition to said City of Sherman, including streets and alleys, as shown by plat of record in Volume 94, Page 134, and Replat in Volume 363, Page 101, Deed Records, Grayson County, Texas, including that portion of said Addition described as 9.0 acres conveyed by The City of Sherman to Donald F. and Audrey J. Brewer by deed dated December 11, 2002, recorded in Volume 3364, Page 695, Official Public Records, Grayson County, Texas;

All of the same tracts of land referred to as Tract No. 2, described as 0.981 acres, and Tract No. 3, described as 0.20 acres, as conveyed by American National Bank Of Pottsboro to William P. Lee and Betty Lou Lee, Trustees by deed dated May 8, 1997, recorded in Volume 2548, Page 19, said Official Public Records;

Part of the same tract of land described as 781.14 acres and referred to as Tract 1as conveyed by Sherman Hills Country Club, Ltd. to SSCGC Holdings, LLC by deed dated January 4, 2013, recorded in Volume 5232, Page 220, said Official Public Records, including that portion of Tract 1 known as Sunrise Tract at Sherman Hills, Phase 1 addition to said City of Sherman as shown by plat of record in Volume 19, Page 96, Plat Records, Grayson County, Texas;

All of the same tract of land described as 1.5 acres conveyed by Jeff Mercer to the City of Sherman by deed dated January 17, 1958, recorded in Volume 866, Page 150, said Deed Records;

All of the same tract of land described as 130.4789 acres conveyed by First State Bank to Sherman Crossroads, Ltd. by deed dated November 29, 2011, recorded in Volume 5054, Page 925, said Official Public Records, including the same tract of land described as 44.830 acres severed from said 130.4789 acre tract as conveyed by said Sherman Crossroads, Ltd. to Heritage Development Partners, LLC by deed dated August 15, 2015, recorded in Volume 5676, Page 224, said Official Public Records;

and being more particularly described by metes and bounds as follows:

Beginning at the point of intersection of the North line of the said Kitchen Survey with the West right-of-way line of U. S. Highway No. 75, said point also being in the North line of Lake Street (unopen ~ unimproved) as shown on the Correction Plat Of Mahew's Second Supplement addition to said City of Sherman as shown by plat of record in Volume 425, Page 307, said Deed Records, said Lake Street also running along the North line of said South Side Addition;

Thence in a Southerly direction with said West right-of-way line of Highway No. 75 and East lines of the above mentioned tracts the following calls and distances:

South 14°22'00" East a distance of 872.61 feet;

Southerly with a curve to the right having a radius of 3644.72 feet, (chord bears South 09°25'34" East, 627.80 feet) an arc distance of 628.58 feet;

South 07°29'57" West a distance of 158.82 feet;

South 02°50'00" East a distance of 103.60 feet;

South 17°36'44" East a distance of 156.81 feet;

Southerly with a curve to the right having a radius of 3654.72 feet, (chord bears South 01°32'34" West, 557.73 feet) an arc distance of 558.28 feet;

South 02°29'13" West a distance of 178.38 feet;

South 08°42'00" West a distance of 1227.00 feet;

South 07°41'24" West a distance of 306.14 feet;

Southerly with a curve to the left having a radius of 2982.79 feet, (chord bears South 09°18'00" East, 1544.01 feet) an arc distance of 1561.79 feet;

South 26°17'24" East a distance of 306.14 feet;

South 27°18'00" East a distance of 1329.79 feet;

South 22°59'13" East a distance of 280.70 feet;

(Site 5 cont'd.)

South 14°14'34" East a distance of 290.47 feet;

South 09°48'00" East a distance of 310.50 feet;

South 09°10'47" West a distance of 135.69 feet to the intersection of said East right-of-way line of Highway No. 75 with the North right-of-way line of F. M. Highway No. 1417, being the Southeast corner of the said 130.4789 acre tract;

Thence *in a Westerly direction with said North right-of-way line of Highway No. 1417 the following calls and distances:*

South 75°47'00" West a distance of 239.65 feet;

South 78°58'39" West a distance of 215.43 feet;

South 74°59'00" West a distance of 200.00 feet;

South 70°41'39" West a distance of 200.56 feet;

South 74°59'00" West a distance of 500.00 feet;

South 73°49'32" West a distance of 207.75 feet to the Southwest corner of the said 130.4789 acre tract and the Southeast corner of the same tract of land described as 96.64 acres conveyed by Rabin Worldwide, Inc. et al to Actichem L.P. by deed dated May 31, 2005, recorded in Volume 3880, Page 138, said Official Public Records;

Thence *in a Northerly direction with the West line of both the said 130.4789 acre tract and 44.830 acre tract and East line of the said 96.64 acre tract the following calls and distances:*

North 17°57'51" West a distance of 541.99 feet;

North 11°37'37" East a distance of 525.61 feet;

North 44°54'41" West a distance of 493.45 feet;

North 13°28'22" West a distance of 2189.24 feet to the Northeast corner of the said 96.64 acre, and angle point in said West line of the 44.830 acre tract, and an outside Southeast "L" corner to the said SSCGC Holdings, LLC Tract 1;

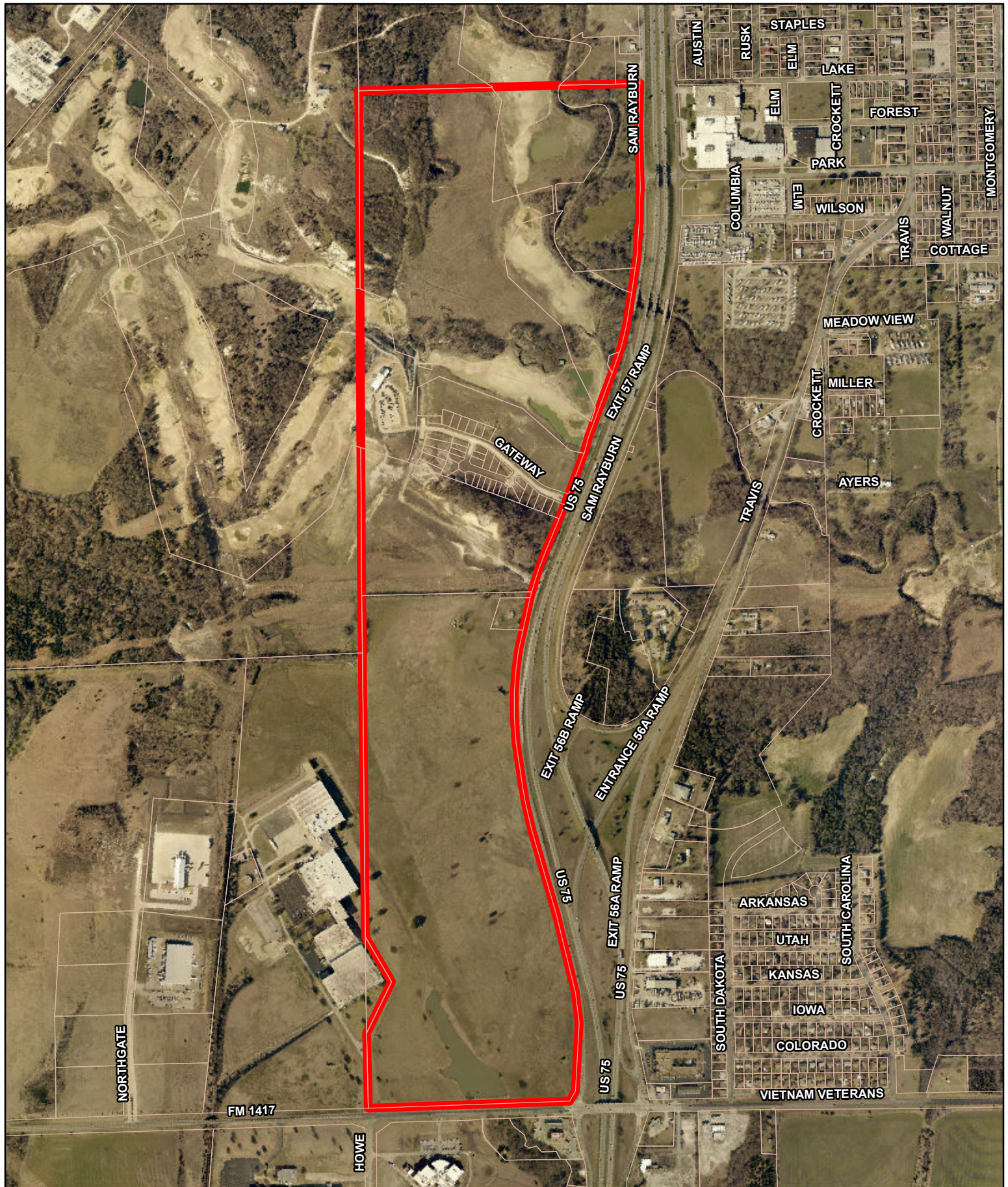
Thence *South 74°42'06" West with the South line of said Tract 1 a distance of 982.64 feet to the Northwest corner of the said 96.64 acre tract;*

Thence *North 08°48'59" West with the extended West line of the said 96.64 acre tract a distance of 487.01 feet to a point for an outside "L" corner in the extended Northerly South line of said Tract 1;*

Thence *North 75°37'50" East a distance of 934.94 feet to the Northwest corner of the said 44.830 acre tract and an inside "L" corner to said Tract 1;*

Thence *North 13°16'43" West over and across said Tract 1 along or near the West line of the said Kitchen Survey and East line of the Elizabeth Jones Survey, Abstract No. 625 a distance of 4085.20 feet to a point for the Northwest corner of the herein described tract, assumed as the Northwest corner of the said Kitchen Survey;*

Thence *North 75°43'00" East a distance of 2243.61 feet to the Point of Beginning and containing 319.4 acres of land more or less.....*





DRAFTING & SURVEYING, INC.

PARCEL DESCRIPTION

SITE #5

Situated in the City of Sherman, Grayson County, State of Texas, being a part of the Preston Kitchen Survey, Abstract No. 667, and being a tract of land embracing the following...

A portion of South Side Addition to said City of Sherman, including streets and alleys, as shown by plat of record in Volume 94, Page 134, and Replat in Volume 363, Page 101, Deed Records, Grayson County, Texas, including that portion of said Addition described as 9.0 acres conveyed by The City of Sherman to Donald F. and Audrey J. Brewer by deed dated December 11, 2002, recorded in Volume 3364, Page 695, Official Public Records, Grayson County, Texas;

All of the same tracts of land referred to as Tract No. 2, described as 0.981 acres, and Tract No. 3, described as 0.20 acres, as conveyed by American National Bank Of Pottsboro to William P. Lee and Betty Lou Lee, Trustees by deed dated May 8, 1997, recorded in Volume 2548, Page 19, said Official Public Records;

Part of the same tract of land described as 781.14 acres and referred to as Tract 1as conveyed by Sherman Hills Country Club, Ltd. to SSCGC Holdings, LLC by deed dated January 4, 2013, recorded in Volume 5232, Page 220, said Official Public Records, including that portion of Tract 1 known as Sunrise Tract at Sherman Hills, Phase 1 addition to said City of Sherman as shown by plat of record in Volume 19, Page 96, Plat Records, Grayson County, Texas;

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South 73°49'32" West a distance of 207.75 feet to the Southwest corner of the said 130.4789 acre tract and the Southeast corner of the same tract of land described as 96.64 acres conveyed by Rabin Worldwide, Inc. et al to Actichem L.P. by deed dated May 31, 2005, recorded in Volume 3880, Page 138, said Official Public Records;

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North 13°28'22" West a distance of 2189.24 feet to the Northeast corner of the said 96.64 acre, and angle point in said West line of the 44.830 acre tract, and an outside Southeast "L" corner to the said SSCGC Holdings, LLC Tract 1;

Thence South 74°42'06" West with the South line of said Tract 1 a distance of 982.64 feet to the Northwest corner of the said 96.64 acre tract;

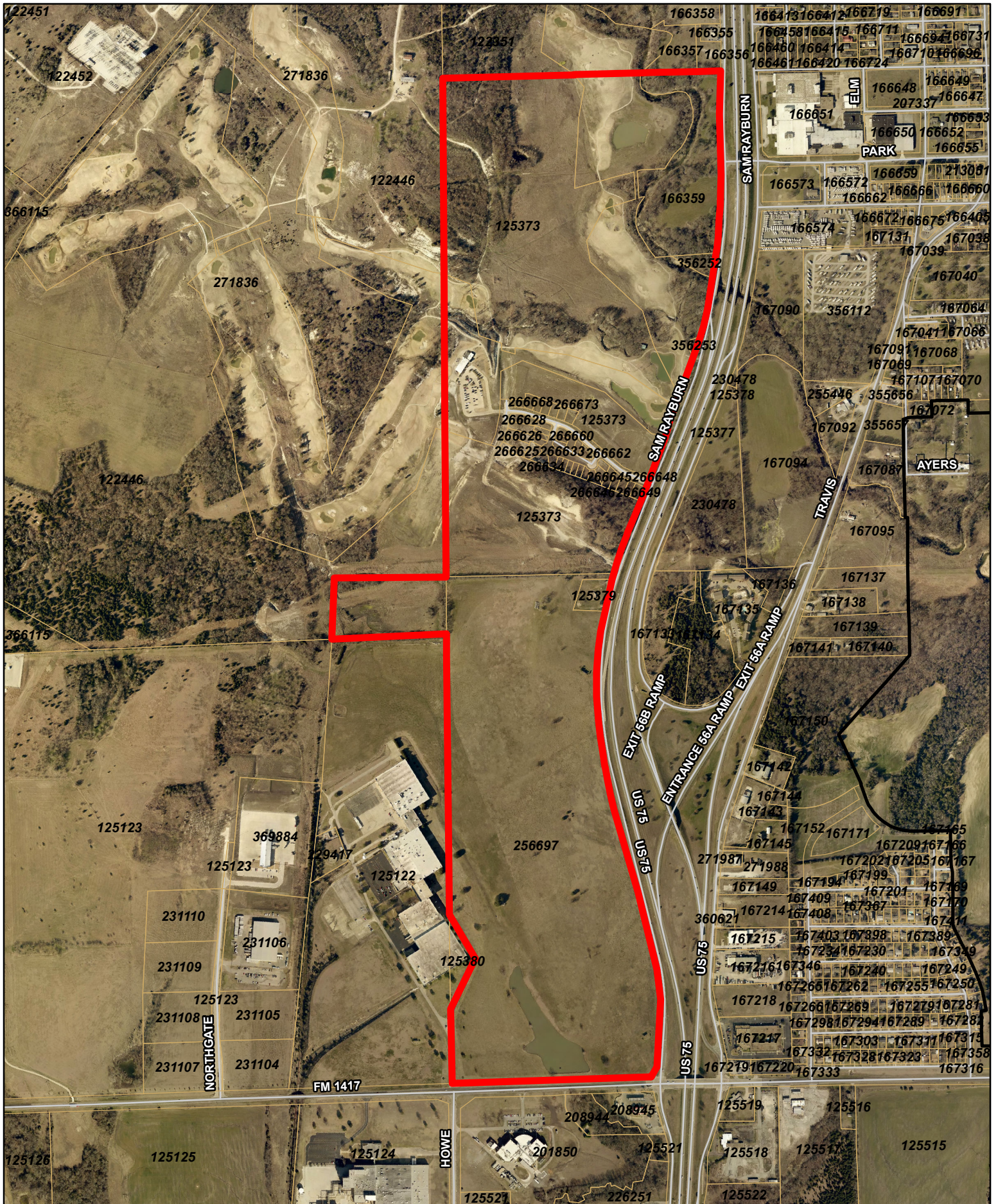
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Thence North 75°37'50" East a distance of 934.94 feet to the Northwest corner of the said 44.830 acre tract and an inside "L" corner to said Tract 1;

Thence North 13°16'43" West over and across said Tract 1 along or near the West line of the said Kitchen Survey and East line of the Elizabeth Jones Survey, Abstract No. 625 a distance of 4085.20 feet to a point for the Northwest corner of the herein described tract, assumed as the Northwest corner of the said Kitchen Survey;

Thence North 75°43'00" East a distance of 2243.61 feet to the Point of Beginning and containing 329.88 acres of land more or less.....

Attachment C



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

TIRZ 5

1 inch = 1,000 feet





SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

B.2.

Meeting Date: 08/07/2017

Prepared By: Mary Lawrence, Director of Finance

Approved By: Robby Hefton, City Manager

Caption:

INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 6045

Accepting and Approving the Project Plan and the Financing Plan for the Sherman Tax Increment Reinvestment Zone Number Five; Providing for Findings of Fact

Issue:

To approve Tax Increment Reinvestment Zone Number Five (TIRZ #5) Project and Financing Plans

Background:

The Texas Tax Code requires the board of directors of a Tax Increment Reinvestment Zone adopt a Project Plan and a Financing Plan and submit the plans to the City that designated the zone for their approval. The Plans call for about \$3.5 million in public improvements financed by an allocation of the 2017 Certificates of Obligation that were issued by the City in March. The City will contribute 75% of the M&O tax rate; and the County will contribute 75% of the tax rate allocated to its General Fund on the zone's increment to pay the debt service and other costs incurred by the zone. The attached plans provide more detail on the improvements and financing.

The TIRZ #5 Board met on August 3rd to discuss the Project and Financing Plans. They approved the Plans and recommended that the Council adopt the plans as presented.

Origination:

City Manager

Financial Consideration:

There is no financial consideration to passing this ordinance.

Staff Recommendation:

The staff recommends approving this ordinance.

Alternatives:

The City Council could deny this ordinance or direct that changes be made in the ordinance or to the project and financing plans.

Attachments

Ordinance No. 6045

TIRZ #5 Project & Financing Plans

ORDINANCE NO. 6045

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, ACCEPTING AND APPROVING THE PROJECT PLAN AND THE FINANCING PLAN FOR THE SHERMAN TAX INCREMENT REINVESTMENT ZONE NUMBER FIVE; PROVIDING FOR FINDINGS OF FACT; 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 the City Council hereby finds and determines that the Board of Directors of the Sherman Tax Increment Reinvestment Zone Number Five presented to the City Council a Project Plan and a Financing Plan for the Sherman Tax Increment Reinvestment Zone Number Five, which the Board finds are feasible and conform to the City's Master Plan and recommends that the City Council accept and approve the Project Plan and Financing Plan as presented, which are attached hereto.

SECTION 2. 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 _____, 2017.

ADOPTED on this the _____ day of _____, 2017.

EFFECTIVE DATE on this the _____ day of _____, 2017.

CITY OF SHERMAN, TEXAS

ATTEST:

BY: _____
LINDA ASHBY, CITY CLERK

BY: _____
DAVID PLYLER, MAYOR

**APPROVED AS TO FORM
AND CONTENT:**

BY: _____
**BRANDON S. SHELBY,
CITY ATTORNEY**

DRAFT



Project and Financing Plans
Tax Increment Reinvestment Zone #5

August 7, 2017

PROJECT PLAN

TAX INCREMENT REINVESTMENT ZONE #5

The City of Sherman, Texas formed Tax Increment Reinvestment Zone (TIRZ) #5 by Ordinance 6010 and enlarged the boundaries by Ordinance # [REDACTED]. These plans are consistent with the preliminary plan submitted to the City Council on February 20, 2017.

DESCRIPTION

Tax Increment Reinvestment Zone #5 is located on the northwest corner of Highway 75 and State Highway 1417. The base is the taxable assessed value as of December 31, 2016 of \$4,111,246 and contains about 330 acres. See Attachments A, B, and C for a survey, parcel list and map, respectively, of the proposed zone.

ESTIMATED PROJECT COSTS

Project costs will depend partly on who will be responsible for the construction the public improvements. The costs in this plan assume a developer will carry out the project plan. Alternatively, the City could use its own crews and subcontractors for the project. The means of construction will be determined by agreement between the City and the developer. Currently, project costs are estimated at \$5,339,327 over the twenty year life of the zone. This is broken down as \$3,521,714 in capital costs for construction, \$1,792,498 in interest costs and \$25,115 in debt issuance costs. The effect on the project costs of using City crews and subcontractors has not been determined at this time. Attachment D shows the costs per year assuming the developer constructs the public improvements.

EXISTING USES AND CONDITIONS AND PROPOSED USES

The area designated as TIRZ #5 is largely undeveloped but contains a portion of a private golf course and club house. Less than ten percent of the area is residential. Zoning consists of Retail Business (C-1), Single Family Residential, Light Manufacturing, with part of the property included in the Blaylock Industrial Park. Attachment E is a map of existing zoning.

The property will be used for commercial development. The first phase of the 130-acre project will consist of an emergency room, dialysis center, and utilities, roads and related infrastructure for future development. Planned future development includes a hospital, a hotel, additional medical offices and suppliers, restaurants, an anchor retailer, and other mid-size and small retailers. Attachment F is a map of public improvements and commercial development planned for the zone.

PROPOSED PLANNING AND ZONING CHANGES

Anticipated zoning changes include changing the zoning to commercial. Any changes to codes, ordinances, or master plan as a result of the creation of the TIRZ will be made through the existing processes and procedures of the City.

ESTIMATED NON-PROJECT COSTS

Non-project costs within the TIRZ are those development costs not paid for by the TIRZ. The non-project costs include the costs of new private development, estimated at about \$13,000,000 in the first phase.

RELOCATION OF DISPLACED PERSONS

No resident will be displaced by this zone.

FINANCING PLAN

TAX INCREMENT REINVESTMENT ZONE #5

The Financing Plan provides information on the projected monetary impact that the formation of the Tax Increment Reinvestment Zone (TIRZ) could have on the property included in the zone.

LIST OF IMPROVEMENTS

Following is a list of the proposed public works and public improvements for the zone, shown by kind, number, and location.

- New street presently termed Sherman Crossroads will parallel to SH-75 Frontage Road. The new street will begin at the first current curb-cut at the West Travis Street Phase 1 street project and proceed south approximately 2,580 linear feet to FM 1417. This road is proposed to be 37' wide lime-stabilized concrete curb and gutter street.
- A new street intersecting the aforementioned Sherman Crossroads Street at approximately 1,500 feet from West Travis Street intersection. This new street will depart the intersection westerly, and will also connect to FM 1417, will proceed approximately 2,060 linear feet. This new street shall also be a 37' wide lime-stabilized and be concrete with curbs and gutters.
- The proposed zone shall be provided with a sanitary sewer collection sewer system that will total approximately 4,100-linear feet and include an estimated 8 manholes.
 - o Beginning near the intersection of the new West Travis Street and proposed Sherman Crossroads Street and proceeding 1,500 feet south to the new proposed intersection, an 8-inch sewer line will be able to collect wastewater from various developments;
 - o Beginning near the intersection of the new Sherman Crossroads and proceeding north approximately 1,080-feet north to the Sherman Crossroads and unnamed street noted above shall be an 8-inch sewer line and be able to collect wastewater from various developed sites;
 - o The junction of the above mentioned sewer lines will proceed west down the unnamed street to just past the drainage and connect to the new sewer outfall line;
 - o Beginning at the intersection of FM 1417 and the unnamed street above, the new 8-inch sewer line shall pick up wastewater for various developed sites and also connect to the new outfall line near the drainage.
 - o A new outfall main will be constructed that will travel parallel to the main drainage system and connects to the existing city main. The new outfall line shall be approximately 3578 linear feet long and be from 15 inch to 8 inch diameter.
- The area will be served by 12-inch and 8-inch water mains. All mains will be constructed of C-900 PVC water pipe that is certified Fire Mutual (FM) approved for drinking water (NSF-61). The water system shall be looped with no dead-end mains and connect to existing city mains. All lines shall incorporate adequate valves to sufficiently isolate fire hydrants and sections of the system for repairs as necessary. The following sections shall be included:

- o The new 12-inch waterline will begin at the first current curb-cut at the West Travis Street Phase I street project and proceed south to FM 1417, approximately 2,580 linear feet.
- o A new 12-inch waterline intersecting the aforementioned Sherman Crossroads Street at approximately 1,500 feet from West Travis Street intersection will proceed southwest. This new waterline will also connect to a waterline in FM 1417 and will be approximately 2,060 linear feet long.
- o An estimated 400-linear feet and 150-linear feet is proposed for major water crossings and fire hydrant attachments at various locations.

Storm Sewer lines are proposed to be incorporated into this proposed zone. All infrastructure storm drain lines shall be reinforced concrete pipe (RCP). Pipe diameters are sized relative to the expected flows to be encountered and range in size from 18-inch to 60-inch diameter pipe and also includes an estimated 9-foot wide by 5-foot tall concrete box culvert to include headwalls. The area will collect street flow water by an estimated 18-each 10-linear foot long curb inlets.

Other public improvements in the zone may include costs of the construction of additional public works, public improvements, new structures, and fixtures; the acquisition of land and the clearing and grading of land; professional services; and other costs necessary to implement the project plans for the zone.

Attachment F is a map of these improvements and Attachment J is a list of improvements and costs by each by type.

ECONOMIC FEASIBILITY STUDY

Based on the taxable value that is projected to be generated in the zone, it is feasible to issue bonds that would be repaid from using 75% of the M&O tax rate of the City of Sherman and 75% of the tax rate allocated to the general fund from Grayson County. Attachment G shows that in a schedule of cash inflows and outflows.

No other taxing entities will participate.

ESTIMATED BONDED INDEBTEDNESS

The City will fund the project with an allocation of proceeds from the 2017 Certificates of Obligation of \$3,900,000. Repayment of the allocation will be made from incremental revenues generated by the zone, although security for the bonds will be a pledge of ad valorem tax revenues of the City.

ESTIMATED TIMING OF COSTS

Costs related to debt service and construction will begin in fiscal year 2018 (October 1, 2017 – September 30, 2018).

METHOD OF FINANCING/SOURCES OF REVENUE

Attachment H shows the sources of revenue at 75% of the M&O tax rate from the City of Sherman and 75% of the tax rate allocated to the general fund from Grayson County on the incremental value generated in the zone. Interest income from the fund will also be used to pay debt service and other expenses of the zone.

CURRENT TOTAL ASSESSED VALUE OF REAL ESTATE IN THE ZONE

Attachment B shows the total current taxable assessed value of the real estate in the zone by tract.

ESTIMATED CAPTURED VALUE

Attachment I shows the estimated captured assessed value of the zone for each year of its projected existence.

DURATION

The Zone will terminate on the date that all project costs and project debt has been fully repaid. The current debt will be fully repaid in 2037.



DRAFTING & SURVEYING, INC.

PARCEL DESCRIPTION

SITE #5

Situated in the City of Sherman, Grayson County, State of Texas, being a part of the Preston Kitchen Survey, Abstract No. 667, and being a tract of land embracing the following...

A portion of South Side Addition to said City of Sherman, including streets and alleys, as shown by plat of record in Volume 94, Page 134, and Replat in Volume 363, Page 101, Deed Records, Grayson County, Texas, including that portion of said Addition described as 9.0 acres conveyed by The City of Sherman to Donald F. and Audrey J. Brewer by deed dated December 11, 2002, recorded in Volume 3364, Page 695, Official Public Records, Grayson County, Texas;

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All of the same tract of land described as 130.4789 acres conveyed by First State Bank to Sherman Crossroads, Ltd. by deed dated November 29, 2011, recorded in Volume 5054, Page 925, said Official Public Records, including the same tract of land described as 44.830 acres severed from said 130.4789 acre tract as conveyed by said Sherman Crossroads, Ltd. to Heritage Development Partners, LLC by deed dated August 15, 2015, recorded in Volume 5676, Page 224, said Official Public Records;

and being more particularly described by metes and bounds as follows:

Beginning *at the point of intersection of the North line of the said Kitchen Survey with the West right-of-way line of U. S. Highway No. 75, said point also being in the North line of Lake Street (unopen ~ unimproved) as shown on the Correction Plat Of Mahew's Second Supplement addition to said City of Sherman as shown by plat of record in Volume 425, Page 307, said Deed Records, said Lake Street also running along the North line of said South Side Addition;*

Thence *in a Southerly direction with said West right-of-way line of Highway No. 75 and East lines of the above mentioned tracts the following calls and distances:*

South 14°22'00" East a distance of 872.61 feet;

Southerly with a curve to the right having a radius of 3644.72 feet, (chord bears South 09°25'34" East, 627.80 feet) an arc distance of 628.58 feet;

*South 07°29'57" West a distance of 158.82 feet;
South 02°50'00" East a distance of 103.60 feet;
South 17°36'44" East a distance of 156.81 feet;
Southerly with a curve to the right having a radius of 3654.72 feet, (chord bears South 01°32'34" West, 557.73 feet) an arc distance of 558.28 feet;
South 02°29'13" West a distance of 178.38 feet;
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South 22°59'13" East a distance of 280.70 feet;
South 14°14'34" East a distance of 290.47 feet;
South 09°48'00" East a distance of 310.50 feet;
South 09°10'47" West a distance of 135.69 feet to the intersection of said East right-of-way line of Highway No. 75 with the North right-of-way line of F. M. Highway No. 1417, being the Southeast corner of the said 130.4789 acre tract;*

Thence in a Westerly direction with said North right-of-way line of Highway No. 1417 the following calls and distances:

*South 75°47'00" West a distance of 239.65 feet;
South 78°58'39" West a distance of 215.43 feet;
South 74°59'00" West a distance of 200.00 feet;
South 70°41'39" West a distance of 200.56 feet;
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Thence in a Northerly direction with the West line of both the said 130.4789 acre tract and 44.830 acre tract and East line of the said 96.64 acre tract the following calls and distances:

*North 17°57'51" West a distance of 541.99 feet;
North 11°37'37" East a distance of 525.61 feet;
North 44°54'41" West a distance of 493.45 feet;
North 13°28'22" West a distance of 2189.24 feet to the Northeast corner of the said 96.64 acre, and angle point in said West line of the 44.830 acre tract, and an outside Southeast "L" corner to the said SSCGC Holdings, LLC Tract 1;*

Thence South 74°42'06" West with the South line of said Tract 1 a distance of 982.64 feet to the Northwest corner of the said 96.64 acre tract;

Thence North 08°48'59" West with the extended West line of the said 96.64 acre tract a distance of 487.01 feet to a point for an outside "L" corner in the extended Northerly South line of said Tract 1;

Thence North 75°37'50" East a distance of 934.94 feet to the Northwest corner of the said 44.830 acre tract and an inside "L" corner to said Tract 1;

Thence North 13°16'43" West over and across said Tract 1 along or near the West line of the said Kitchen Survey and East line of the Elizabeth Jones Survey, Abstract No. 625 a distance of 4085.20 feet to a point for the Northwest corner of the herein described tract, assumed as the Northwest corner of the said Kitchen Survey;

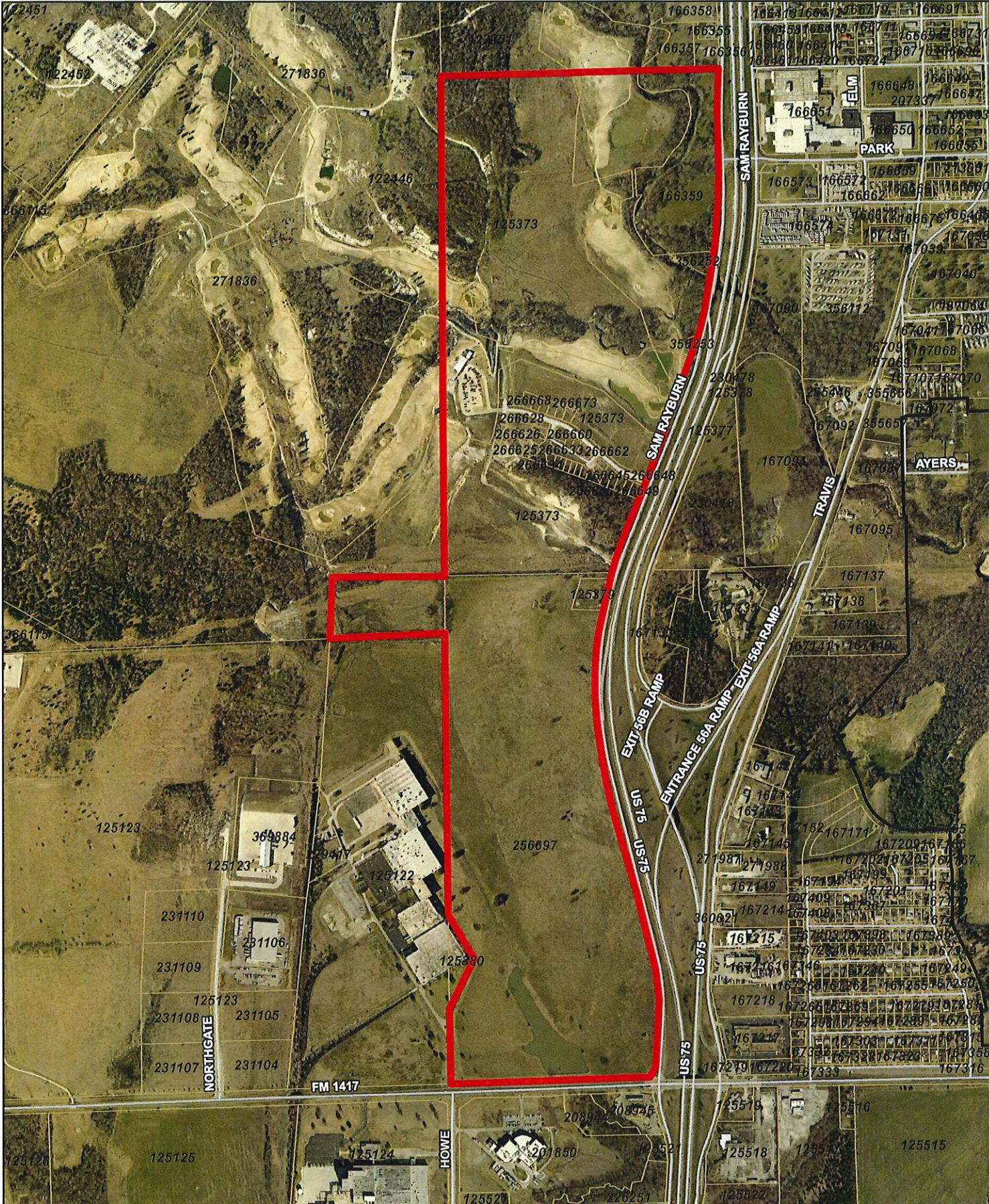
Thence North 75°43'00" East a distance of 2243.61 feet to the Point of Beginning and containing 329.88 acres of land more or less.....

City of Sherman
Tax Increment Reinvestment Zone #5
PARCEL LIST
Attachment B

Parcel ID	Owner	Total Acreage	Assessed Value	Improvements Value	% Acreage in TIRZ	Acreage in TIRZ	Value in TIRZ
122446	SGCGC Holdings LLC	723.32	\$ 39,171	\$ 8,403	1%	10.48	\$ 689
125373	SGCGC Holdings LLC	106.28	133,956	-	100%	106.28	133,956
125379	City of Sherman	1.20	67,954	-	100%	1.20	67,954
166359	Donald Brewer Etux Audrey	9.00	13,173	-	100%	9.00	13,173
256697	Sherman Crossroads LTD	85.65	2,315,032	-	100%	85.65	2,315,032
266624	SGCGC Holdings LLC	0.25	1,049	-	100%	0.25	1,049
266625	SGCGC Holdings LLC	0.33	1,390	-	100%	0.33	1,390
266626	SGCGC Holdings LLC	0.33	1,386	-	100%	0.33	1,386
266627	SGCGC Holdings LLC	0.38	1,592	-	100%	0.38	1,592
266628	SGCGC Holdings LLC	0.26	1,096	-	100%	0.26	1,096
266629	SGCGC Holdings LLC	0.14	576	-	100%	0.14	576
266630	SGCGC Holdings LLC	0.14	589	-	100%	0.14	589
266631	SGCGC Holdings LLC	0.14	578	-	100%	0.14	578
266632	SGCGC Holdings LLC	0.15	618	-	100%	0.15	618
266633	SGCGC Holdings LLC	0.30	1,256	-	100%	0.30	1,256
266634	SGCGC Holdings LLC	0.24	992	-	100%	0.24	992
266635	SGCGC Holdings LLC	0.18	744	-	100%	0.18	744
266636	SGCGC Holdings LLC	0.11	475	-	100%	0.11	475
266637	SGCGC Holdings LLC	0.11	479	-	100%	0.11	479
266638	SGCGC Holdings LLC	0.11	482	-	100%	0.11	482
266639	SGCGC Holdings LLC	0.12	486	-	100%	0.12	486
266640	SGCGC Holdings LLC	0.12	489	-	100%	0.12	489
266641	SGCGC Holdings LLC	0.13	564	-	100%	0.13	564
266642	SGCGC Holdings LLC	0.19	811	-	100%	0.19	811
266643	SGCGC Holdings LLC	0.20	852	-	100%	0.20	852
266644	SGCGC Holdings LLC	0.13	538	-	100%	0.13	538
266645	SGCGC Holdings LLC	0.23	959	-	100%	0.23	959
266646	SGCGC Holdings LLC	0.20	823	-	100%	0.20	823
266647	SGCGC Holdings LLC	0.19	781	-	100%	0.19	781
266648	SGCGC Holdings LLC	0.17	698	-	100%	0.17	698
266649	SGCGC Holdings LLC	0.23	984	-	100%	0.23	984
266657	SGCGC Holdings LLC	0.16	681	-	100%	0.16	681

City of Sherman
Tax Increment Reinvestment Zone #5
PARCEL LIST
Attachment B

Parcel ID	Owner	Total Acreage	Assessed Value	Improvements Value	% Acreage in TIRZ	Acreage in TIRZ	Value in TIRZ
266658	SGCGC Holdings LLC	0.11	477	-	100%	0.11	477
266659	SGCGC Holdings LLC	0.16	676	-	100%	0.16	676
266660	SGCGC Holdings LLC	0.21	899	-	100%	0.21	899
266661	SGCGC Holdings LLC	0.18	753	-	100%	0.18	753
266662	SGCGC Holdings LLC	0.22	941	-	100%	0.22	941
266667	SGCGC Holdings LLC	0.15	650	-	100%	0.15	650
266668	SGCGC Holdings LLC	0.18	745	-	100%	0.18	745
266669	SGCGC Holdings LLC	0.16	689	-	100%	0.16	689
266670	SGCGC Holdings LLC	0.18	743	-	100%	0.18	743
266671	SGCGC Holdings LLC	0.18	743	-	100%	0.18	743
266672	SGCGC Holdings LLC	0.18	743	-	100%	0.18	743
266673	SGCGC Holdings LLC	0.20	856	-	100%	0.20	856
271836	SGCGC Holdings LLC	231.04	398,016	532,106	28%	63.91	257,290
356252	William Lee	0.98	573	-	100%	0.98	573
356253	William Lee	0.20	13,591	-	100%	0.20	13,591
379838	Heritage Development Partners LLC	44.83	1,278,104	-	100%	44.83	1,278,104
		1,209.84	\$ 4,290,453	\$ 540,509		329.88	\$ 4,111,246



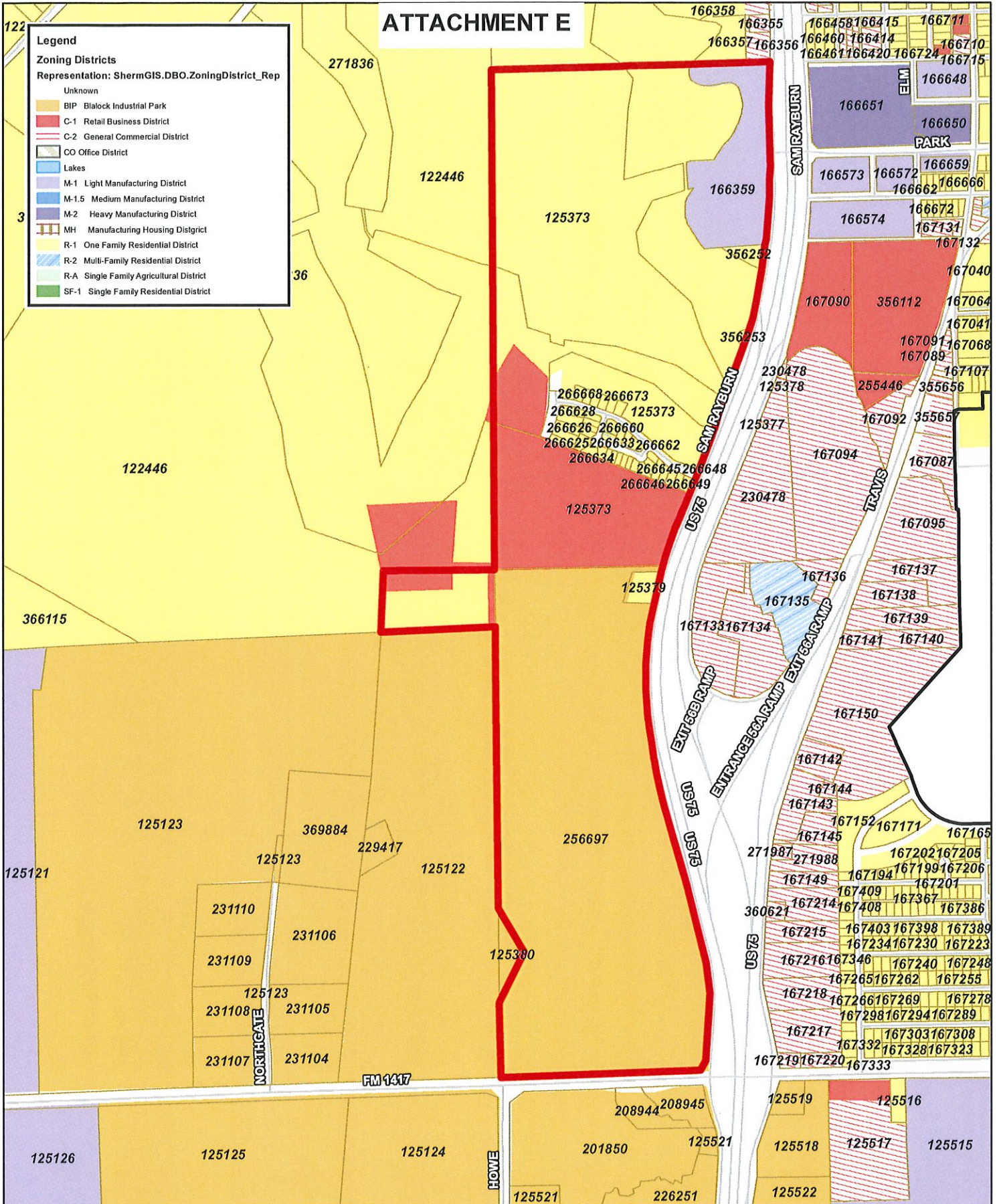
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City of Sherman
Tax Increment Reinvestment Zone #5
PROJECT COSTS
Attachment D

Fiscal Year	Capital Outlay	Debt Service Principal	Interest Expense	Debt Issuance Costs	Total
2017	\$ -	\$ -	\$ -	\$ 25,115	\$ 25,115
2018	3,521,714	-	211,202	-	3,732,916
2019	-	134,594	153,602	-	288,196
2020	-	142,131	146,872	-	289,003
2021	-	148,592	139,765	-	288,357
2022	-	156,129	132,336	-	288,465
2023	-	163,666	124,529	-	288,196
2024	-	172,281	116,346	-	288,626
2025	-	180,895	107,732	-	288,626
2026	-	189,509	98,687	-	288,196
2027	-	199,199	89,212	-	288,411
2028	-	207,813	81,244	-	289,057
2029	-	215,351	72,931	-	288,282
2030	-	221,811	66,471	-	288,282
2031	-	228,272	59,816	-	288,088
2032	-	235,809	52,683	-	288,492
2033	-	243,346	45,019	-	288,365
2034	-	251,960	36,806	-	288,766
2035	-	260,574	28,302	-	288,877
2036	-	269,188	19,182	-	288,371
2037	-	278,879	9,761	-	288,640
	<u>\$ 3,521,714</u>	<u>\$ 3,900,000</u>	<u>\$ 1,792,498</u>	<u>\$ 25,115</u>	<u>\$ 9,239,327</u>

DRAFT

ATTACHMENT E



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

TIRZ #5

1 inch = 1,000 feet

Page 14 of 19



Attachment F



UTILITY LAYOUT				
SHERMAN CROSSROADS GAS EXTENSION				
CITY OF SHERMAN, TEXAS				
BROCKWELL/DAVIS/DRAKE, INC.				
Consulting Engineers				
Civil & Structural Engineering, Surveying				
1111 North Cooper Street, Suite 1100				
Dallas, Texas 75204				
DESIGNED	DATE	SCALE	NOTES	NO.
JAR	04/07/11	1"=100'	BD	C1023
DRAWN				
CHECKED				
APPROVED				

BENCHMARKS

City of Sherman control monument #1-107, 34" brass disk, located on the south side of Loberview Drive, 100' West of the intersection of Sherman Drive and 5' South of a concrete sidewalk. ELEVATION: 787.86

City of Sherman control monument #1-108, 34" brass disk, located on the right side of Post Oak Avenue, 25.7' Southwest of a metal corner. ELEVATION: 86.19

City of Sherman
Tax Increment Reinvestment Zone #5
FEASIBILITY STUDY
Attachment G

Fiscal Year	Captured Value	City Property Tax	County Property Tax	Bonds	Interest Income	Total Inflow	Capital Outlay	Debt Service	Bond Issuance Costs	Total Outflow	Net Cashflow	Cumulative Cash Position
2017	\$ -	\$ -	\$ -	\$ 3,900,000	\$ -	3,900,000	\$ -	\$ -	\$ -	\$ 25,115	\$ 3,874,885	\$ 3,874,885
2018	25,000,000	65,229	79,261	-	29,100	29,100	3,521,714	211,202	25,115	3,732,916	(3,703,816)	171,069
2019	50,000,000	130,457	158,522	-	1,300	145,789	-	288,196	288,196	288,196	(142,406)	28,662
2020	50,000,000	130,457	158,522	-	200	289,179	-	289,003	289,003	289,003	176	28,838
2021	50,000,000	130,457	158,522	-	200	289,179	-	288,357	288,357	288,357	822	29,660
2022	50,000,000	130,457	158,522	-	200	289,179	-	288,465	288,465	288,465	714	30,373
2023	50,000,000	130,457	158,522	-	200	289,179	-	288,196	288,196	288,196	983	31,357
2024	50,000,000	130,457	158,522	-	200	289,179	-	288,626	288,626	288,626	552	31,909
2025	50,000,000	130,457	158,522	-	200	289,179	-	288,626	288,626	288,626	552	32,461
2026	50,000,000	130,457	158,522	-	200	289,179	-	288,196	288,196	288,196	983	33,444
2027	50,000,000	130,457	158,522	-	300	289,279	-	288,411	288,411	288,411	868	34,312
2028	50,000,000	130,457	158,522	-	300	289,279	-	289,057	289,057	289,057	222	34,534
2029	50,000,000	130,457	158,522	-	300	289,279	-	288,282	288,282	288,282	997	35,531
2030	50,000,000	130,457	158,522	-	300	289,279	-	288,282	288,282	288,282	997	36,528
2031	50,000,000	130,457	158,522	-	300	289,279	-	288,088	288,088	288,088	1,191	37,718
2032	50,000,000	130,457	158,522	-	300	289,279	-	288,492	288,492	288,492	787	38,505
2033	50,000,000	130,457	158,522	-	300	289,279	-	288,365	288,365	288,365	913	39,419
2034	50,000,000	130,457	158,522	-	300	289,279	-	288,766	288,766	288,766	512	39,931
2035	50,000,000	130,457	158,522	-	300	289,279	-	288,877	288,877	288,877	402	40,333
2036	50,000,000	130,457	158,522	-	300	289,279	-	288,371	288,371	288,371	908	41,241
2037	50,000,000	130,457	158,522	-	300	289,279	-	288,640	288,640	288,640	639	41,880
		\$ 2,413,459	\$ 2,932,648	\$ 3,900,000	\$ 35,100	\$ 5,381,207	\$ 3,521,714	\$ 5,692,498	\$ 25,115	\$ 9,239,327		

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City of Sherman
Tax Increment Reinvestment Zone #5
PROJECT REVENUE
Attachment H

Fiscal Year	Captured Value	Taxes On Captured Value	Interest Income	Total Revenue
2018	\$ -	\$ -	\$ 29,100	\$ 29,100
2019	25,000,000	144,489	1,300	145,789
2020	50,000,000	288,979	200	289,179
2021	50,000,000	288,979	200	289,179
2022	50,000,000	288,979	200	289,179
2023	50,000,000	288,979	200	289,179
2024	50,000,000	288,979	200	289,179
2025	50,000,000	288,979	200	289,179
2026	50,000,000	288,979	200	289,179
2027	50,000,000	288,979	300	289,279
2028	50,000,000	288,979	300	289,279
2029	50,000,000	288,979	300	289,279
2030	50,000,000	288,979	300	289,279
2031	50,000,000	288,979	300	289,279
2032	50,000,000	288,979	300	289,279
2033	50,000,000	288,979	300	289,279
2034	50,000,000	288,979	300	289,279
2035	50,000,000	288,979	300	289,279
2036	50,000,000	288,979	300	289,279
2037	50,000,000	288,979	300	289,279
		\$ 5,346,107	\$ 35,100	\$ 5,381,207

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City of Sherman
Tax Increment Reinvestment Zone #5
ESTIMATED CAPTURED APPRAISED VALUE
Attachment I

Fiscal Year	Estimated Captured Value
2018	\$ -
2019	25,000,000
2020	50,000,000
2021	50,000,000
2022	50,000,000
2023	50,000,000
2024	50,000,000
2025	50,000,000
2026	50,000,000
2027	50,000,000
2028	50,000,000
2029	50,000,000
2030	50,000,000
2031	50,000,000
2032	50,000,000
2033	50,000,000
2034	50,000,000
2035	50,000,000
2036	50,000,000
2037	50,000,000

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**City of Sherman
Tax Increment Reinvestment Zone #5
CONSTRUCTION COSTS
Attachment J**

Sherman Crossroads

Earthwork	150,000
Paving	1,177,535
Signing/Striping	25,150
Storm Sewer	755,000
Water	292,600
Wastewater	143,300
Wastewater Extension (West Side)	349,510
20% Contingency	578,619
Allowance to modify pond	50,000
Total Estimated Project Costs	\$ 3,521,714



SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

B.3.

Meeting Date: 08/07/2017

Prepared By: Steve Ayers, Assistant City Manager

Approved By: Robby Hefton, City Manager

Caption:

INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 6046

Amending Chapter 12 of the Code of Ordinances, entitled "Traffic and Vehicles", at Article 12.02, entitled "Operation of Vehicles Generally", to Provide for a New Section 12.02.011 to be entitled "Violation of Bicycle Equipment Requirements"

Issue:

The proposed ordinance would amend the Code of Ordinances to increase safety for drivers and bicyclists.

Background:

At the March 6, 2017 City Council meeting, Parks and Recreation Board Chairman Sholdon Daniels asked the City Council to prioritize bicycle infrastructure improvements to enhance public safety. At the May 1, 2017 meeting, the City Council proclaimed the month of May "Sherman Bike Month" and approved a resolution in support of the prioritization of citywide bicycle infrastructure improvements.

On June 23, 2017, Mr. Daniels proposed, on behalf of BIKE SHERMAN, two ordinances relating to bicycle safety in Sherman. Mr. Daniels believes the first ordinance would increase safety for drivers and bicyclists alike. Specifically, all bikes operating on public roads in Sherman must be equipped with brakes in good working condition. Also, in an effort to address driver concerns over visibility of bicyclists on public roadways during periods of limited visibility, Mr. Daniels proposes that all people operating a bicycle on public roadways during periods of limited visibility be required to have at least one active white light affixed to their bicycle and turned on. This will help car drivers see bicyclists better. It also reinforces the fact that bicycles are legitimate forms of transportation and that there are rules to follow while riding on public roads - even for bicyclists. Active lights are those that you must turn on for them to work, while passive lights are the reflectors that come standard on all new bikes sold in America.

Mr. Daniels proposes that any violation of the ordinance should be a Class C misdemeanor. He suggests the City hold off on prosecuting violators for at least a month or so after enacting the ordinance. Instead, police officers should issue warnings and spread awareness for the first month after the ordinance goes into effect to give the public a grace period to comply.

Origination:

Mr. Sholdon Daniels, Chairman of the Parks and Recreation Board and Founder of BIKE SHERMAN

Financial Consideration:

None

Staff Recommendation:

It is recommended that the proposed ordinances be adopted.

Alternatives:

As the City Council directs

Attachments

Ordinance No. 6046

Mr. Daniels' Request dated June 23, 2017

ORDINANCE NO. 6046

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING CHAPTER 12 OF THE CODE OF ORDINANCES, ENTITLED "TRAFFIC AND VEHICLES", AT ARTICLE 12.02, ENTITLED "OPERATION OF VEHICLES GENERALLY", TO PROVIDE FOR A NEW SECTION 12.02.011 TO BE ENTITLED "VIOLATION OF BICYCLE EQUIPMENT REQUIREMENTS"; PROVIDING FOR INCLUSION IN THE CODE OF ORDINANCES; PROVIDING FOR SEVERABILITY; PROVIDING FOR A REPEALER CLAUSE; FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS ORDINANCE IS PASSED WAS NOTICED AND IS OPEN TO THE PUBLIC AS REQUIRED BY LAW.

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

SECTION 1. That Chapter 12, Article 12.02 of the Code of Ordinances of the City of Sherman, Texas, be and is hereby amended to provide for a new Section 12.02.011 so that such section shall read as follows:

Sec. 12.02.011 Violation of Bicycle Equipment Requirements

(1) A person commits the offense of violation of bicycle equipment requirements if the person does any of the following:

- (a) Operates on any public road a bicycle in violation of the requirements of this section.*
- (b) Is the parent or guardian of a minor child or ward and authorizes or knowingly permits the child or ward to operate a bicycle on any public road in violation of the requirements of this section.*

(2) A bicycle is operated in violation of the requirements of this section if any of the following requirements are violated:

- (a) A bicycle must be equipped with a brake that enables the operator of the bicycle to stop the bicycle within fifteen (15) feet from a speed of ten (10) miles per hour on dry, level, clean pavement.*
- (b) A person shall not install or use any siren or whistle upon a bicycle. This paragraph does not apply to bicycles used by police officers.*
- (c) At the times described in the following, a bicycle or its rider must be equipped with lighting equipment that meets the described requirements:*

- (A) *The lighting equipment must be used during limited visibility conditions.*
- (B) *The lighting equipment must show a white light visible from a distance of at least 500 feet to the front of the bicycle.*
- (C) *The lighting equipment must have a red reflector or lighting device or material of such size or characteristic and so mounted as to be visible from all distances up to 600 feet to the rear when directly in front of lawful lower beams of headlights on a motor vehicle.*

(3) *Nothing contained in this section shall be construed to prohibit the use of additional parts and accessories on any bicycle consistent with this section.*

(4) *The offense described in this section, violation of bicycle equipment requirements, is a Class C traffic violation.*

SECTION 2. That it is the intention of the City Council of the City of Sherman, Texas, that the provisions of this ordinance shall become a part of the Code of Ordinances of the City of Sherman, Texas, and that sections of this ordinance may be renumbered or re-lettered to accomplish such intention.

SECTION 3. That the provisions of this ordinance are servable and the invalidity of any word, phrase or part of this ordinance shall not affect the validity of effectiveness of the remainder of the ordinance.

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

SECTION 5. That it is hereby officially found and determined that the meetings at which this ordinance was introduced and passed were open to the public and that public notice of the time, place and purpose of said meetings were given all as required by law.

INTRODUCED on this the _____ day of _____, 2017.

ADOPTED on this the _____ day of _____, 2017.

EFFECTIVE DATE on this the _____ day of _____, 2017.

CITY OF SHERMAN, TEXAS

BY: _____
DAVID PLYLER, MAYOR

ATTEST:

BY: _____
LINDA ASHBY, CITY CLERK

**APPROVED AS TO FORM
AND CONTENT:**

BY: _____
**BRANDON S SHELBY,
CITY ATTORNEY**

Cloer, Pam

From: Sholdon Daniels <sholdondaniels@gmail.com>
Sent: Friday, June 23, 2017 12:48 PM
To: Cloer, Pam
Cc: shawn@texomafit.com; Steele, Terrence
Subject: Proposed Council Meeting Agenda Items

Good afternoon,

I'd like to propose two ordinances relating to bicycle safety in Sherman at an upcoming council meeting, on behalf of Bike Sherman.

First, I'm proposing "bicycle equipment requirements" in an effort to increase safety for drivers and bicyclists alike.

Specifically, all bikes operating on public roads in Sherman must be equipped with brakes in good working condition. Also, in an effort to address driver concerns over visibility of bicyclist on public roadways during periods of limited visibility, I propose that all people operating a bicycle on public roadways during periods of limited visibility be required to have at least one active white light affixed to their bicycle, and turned on. This will help car drivers see bicyclists better. It also reinforces the fact that bicycles are legitimate forms of transportation, and that there are rules to follow while riding on public roads—even for bicyclists. A little more about "active" versus passive lights: Active lights are those that you must turn on for them to work, while passive lights are the reflectors that come standard on all new bikes sold in America.

Second, in an effort to prevent injuries to the increasing number of bicyclists on Sherman's public streets, I'm proposing a "safe passing ordinance" requiring that there be a 3-foot minimum passing distance between cars and bicyclists; and a six feet minimum between trucks and bicyclists. For example, when a car is attempting to pass, or go around a bicyclist while traveling down a road, the driver of the car must leave at least three feet of space between their vehicle and the bicyclists. This should help prevent riders from being bullied by aggressive drivers and ran off the road. It also reinforces—in the minds of drivers—that bicycles are to be regarded as legitimate transportation vehicles, and treated with respect.

Houston PD uses a device called the C3FT Device to measure the distance between cars and bikes on the road, our police bikes could potentially get equipped with these devices as well. To see the device in action, click this link: https://www.facebook.com/Houstonpolice/videos/10155214960129720/?hc_ref=PAGES_TIMELINE. For more information visit, <http://codaxus.com/c3ft/>.

Any violation of these ordinances should be a Class C misdemeanor, however, I suggest that the city hold off on prosecuting violators for at least a month or so after enacting this ordinance. Instead, police officers should issue warnings and spread awareness for the first month after the ordinance goes into effect to give the public a grace period to comply.

Here's what the actual language of the first ordinance looks like with a penalty mechanism for enforcement:

VIOLATION OF BICYCLE EQUIPMENT REQUIREMENTS

(1) A person commits the offense of violation of bicycle equipment requirements if the person does any of the following:

(a) Operates on any public road a bicycle in violation of the requirements of this section.

(b) Is the parent or guardian of a minor child or ward and authorizes or knowingly permits the child or ward to operate a bicycle on any public road in violation of the requirements of this section.

(2) A bicycle is operated in violation of the requirements of this section if any of the following requirements are violated:

(a) A bicycle must be equipped with a brake that enables the operator of the bicycle to stop the bicycle within 15 feet from a speed of 10 miles per hour on dry, level, clean pavement.

(b) A person shall not install or use any siren or whistle upon a bicycle. This paragraph does not apply to bicycles used by police officers.

(c) At the times described in the following, a bicycle or its rider must be equipped with lighting equipment that meets the described requirements:

(A) The lighting equipment must be used during limited visibility conditions.

(B) The lighting equipment must show a white light visible from a distance of at least 500 feet to the front of the bicycle.

(C) The lighting equipment must have a red reflector or lighting device or material of such size or characteristic and so mounted as to be visible from all distances up to 600 feet to the rear when directly in front of lawful lower beams of headlights on a motor vehicle.

(3) Nothing contained in this section shall be construed to prohibit the use of additional parts and accessories on any bicycle consistent with this section.

(4) The offense described in this section, violation of bicycle equipment requirements, is a Class C traffic violation.

Here is a draft of the proposed Safe Passing Ordinance:

(a) Definitions. The following words, terms and phrases, when used in this section will have the meanings set forth in this subsection, except when the context clearly indicates a different meaning:

Safe Distance Means:

- (1) While passing, a separation between a motor vehicle and a vulnerable road user that, when all road, traffic and weather conditions are considered, provides the motorist sufficient space and time to avoid a collision with a vulnerable road user but, in any event, not less than 3 feet if the operator's vehicle is a passenger car or light truck and not less than 6 feet if the operator's vehicle is a truck (other than a light truck) or a commercial vehicle as defined by Texas Transportation Code Section 522.003; or
- (2) While trailing, a separation between a motor vehicle and a vulnerable road user that, when all road, traffic and weather conditions are considered, provides the motorist sufficient space and time to avoid a collision with a vulnerable road user.

Vulnerable Road User Means:

- (1) A pedestrian (including a runner), physically disabled person (including a person in a wheelchair), stranded motorist or passenger, highway construction or maintenance worker, tow truck operator, or utility worker in the roadway;
- (2) A person on horseback or operating a horse-driven conveyance, in the roadway;
- (3) A person operating a bicycle (including an electric bicycle), hand cycle, or other human-powered wheeled vehicle in the roadway; or
- (4) A person operating a moped, motor-driven cycle, or motor-assisted scooter, as those terms are defined in sections 541.201 and 551.351 of the Texas Transportation Code, as applicable.

(b) Action required. An operator of a motor vehicle or motorcycle shall:

- (1) When passing a vulnerable road user on a highway or street;
 - a. Vacate the lane in which the vulnerable road user is located if the highway or street has two or more marked lanes running in the same direction if such action can be taken safely; or
 - b. Pass the vulnerable road user at a safe distance; or
- (2) When making a turn at an intersection (including an intersection with an alley or private road or driveway), yield the right-of-way to a vulnerable road user who is approaching from the opposite direction and is in the intersection, or is in such proximity to the intersection as to be an immediate hazard.

(c) Prohibited action. An occupant of a motor vehicle may not:

- (1) Knowingly throw or project any object or substance at or against a vulnerable road user, or the user's animal, equipment, vehicle or conveyance;
- (2) Overtake a vulnerable road user traveling in the same direction and subsequently make a turn in front of the vulnerable road user unless the operator is safely clear of the vulnerable road user, taking into account the speed at which the vulnerable road user is traveling and the braking requirements of the motor vehicle making the right-hand turn; or
- (3) Maneuver the vehicle in a manner that is intended to cause intimidation or harassment to a vulnerable road user or threatens a vulnerable road user.

(d) Affirmative defense. It is an affirmative defense to prosecution under this section that, at the time of the offense, the vulnerable road user was acting in violation of any applicable traffic law.

(e) Offenses. The penalty for any violation of this section shall be a fine not to exceed \$500.00

These laws will make Sherman safer for bicyclists and pedestrians. I urge passage of these proposed ordinances by the honorable men and woman of the City Council as soon as possible. I thank you for your consideration in this regard.

Sincerely,

Sholdon Daniels
Founder
BIKE SHERMAN



SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

B.4.

Meeting Date: 08/07/2017

Prepared By: Steve Ayers, Assistant City Manager

Approved By: Robby Hefton, City Manager

Caption:

INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 6047

Amending Chapter 12 of the Code of Ordinances, entitled "Traffic and Vehicles", at Article 12.02, entitled "Operation of Vehicles Generally", to Provide for a New Section 12.02.012 to be entitled "Safe Passing Requirements"

Issue:

The proposed ordinance would amend the Code of Ordinances to increase safety for drivers and bicyclists.

Background:

At the March 6, 2017 City Council meeting, Parks and Recreation Board Chairman Sholdon Daniels asked the City Council to prioritize bicycle infrastructure improvements to enhance public safety. At the May 1, 2017 meeting, the City Council proclaimed the month of May "Sherman Bike Month" and approved a resolution in support of the prioritization of citywide bicycle infrastructure improvements.

On June 23, 2017, Mr. Daniels proposed, on behalf of BIKE SHERMAN, two ordinances relating to bicycle safety in Sherman. Mr. Daniels believes the second ordinance would prevent injuries to the increasing number of bicyclists on Sherman's public streets. Specifically, Mr. Daniels proposes a "safe passing ordinance" requiring that there be a three (3) feet minimum passing distance between cars and bicyclists; and a six (6) feet minimum between trucks and bicyclists. For example, when a car is attempting to pass or go around a bicyclist while traveling down a road, the driver of the car must leave at least three (3) feet of space between their vehicle and the bicyclists. This should help prevent riders from being bullied by aggressive drivers and run off the road. Mr. Daniels believes it also reinforces—in the minds of drivers—that bicycles are to be regarded as legitimate transportation vehicles, and treated with respect. The proposed requirements are consistent with regulations passed in other Texas cities and in many states across the U.S.

Origination:

Mr. Sholdon Daniels, Chairman of the Parks and Recreation Board and Founder of BIKE SHERMAN

Financial Consideration:

None

Staff Recommendation:

It is recommended that the proposed ordinances be adopted.

Alternatives:

As the City Council directs

Attachments

Ordinance No. 6047

Mr. Daniels' Request dated June 23, 2017

ORDINANCE NO. 6047

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING CHAPTER 12 OF THE CODE OF ORDINANCES, ENTITLED "TRAFFIC AND VEHICLES", AT ARTICLE 12.02, ENTITLED "OPERATION OF VEHICLES GENERALLY", TO PROVIDE FOR A NEW SECTION 12.02.012 TO BE ENTITLED "SAFE PASSING REQUIREMENTS"; PROVIDING FOR INCLUSION IN THE CODE OF ORDINANCES; PROVIDING FOR SEVERABILITY; PROVIDING FOR A REPEALER CLAUSE; FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS ORDINANCE IS PASSED WAS NOTICED AND IS OPEN TO THE PUBLIC AS REQUIRED BY LAW.

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

SECTION 1. That Chapter 12, Article 12.02 of the Code of Ordinances of the City of Sherman, Texas, be and is hereby amended to provide for a new Section 12.02.012 so that such section shall read as follows:

Sec. 12.02.012 Safe Passing Requirements

(a) Definitions. *The following words, terms and phrases, when used in this section will have the meanings set forth in this subsection, except when the context clearly indicates a different meaning:*

Safe Distance Means:

- (1)*** *While passing, a separation between a motor vehicle and a vulnerable road user that, when all road, traffic and weather conditions are considered, provides the motorist sufficient space and time to avoid a collision with a vulnerable road user but, in any event, not less than three (3) feet if the operator's vehicle is a passenger car or light truck and not less than six (6) feet if the operator's vehicle is a truck (other than a light truck) or a commercial vehicle as defined by Texas Transportation Code Section 522.003; or*
- (2)*** *While trailing, a separation between a motor vehicle and a vulnerable road user that, when all road, traffic and weather conditions are considered, provides the motorist sufficient space and time to avoid a collision with a vulnerable road user.*

Vulnerable Road User Means:

- (1) *A pedestrian (including a runner), physically disabled person (including a person in a wheelchair), stranded motorist or passenger, highway construction or maintenance worker, tow truck operator, or utility worker in the roadway;*
 - (2) *A person on horseback or operating a horse-driven conveyance, in the roadway;*
 - (3) *A person operating a bicycle (including an electric bicycle), hand cycle, or other human-powered wheeled vehicle in the roadway; or*
 - (4) *A person operating a moped, motor-driven cycle, or motor-assisted scooter, as those terms are defined in Sections 541.201 and 551.351 of the Texas Transportation Code, as applicable.*
- (b) **Action required.** *An operator of a motor vehicle or motorcycle shall:*
- (1) *When passing a vulnerable road user on a highway or street;*
 - a. *Vacate the lane in which the vulnerable road user is located if the highway or street has two or more marked lanes running in the same direction if such action can be taken safely; or*
 - b. *Pass the vulnerable road user at a safe distance; or*
 - (2) *When making a turn at an intersection (including an intersection with an alley or private road or driveway), yield the right-of-way to a vulnerable road user who is approaching from the opposite direction and is in the intersection, or is in such proximity to the intersection as to be an immediate hazard.*
- (c) **Prohibited action.** *An occupant of a motor vehicle may not:*
- (1) *Knowingly throw or project any object or substance at or against a vulnerable road user, or the user's animal, equipment, vehicle or conveyance;*
 - (2) *Overtake a vulnerable road user traveling in the same direction and subsequently make a turn in front of the vulnerable road user unless the operator is safely clear of the vulnerable road user, taking into account the speed at which the vulnerable road user is traveling and the braking requirements of the motor vehicle making the right-hand turn; or*
 - (3) *Maneuver the vehicle in a manner that is intended to cause intimidation or harassment to a vulnerable road user or threatens a vulnerable road user.*

(d) Affirmative defense. *It is an affirmative defense to prosecution under this section that, at the time of the offense, the vulnerable road user was acting in violation of any applicable traffic law.*

(e) Offenses. *The penalty for any violation of this section shall be a fine not to exceed Five Hundred Dollars and No Cents (\$500.00).*

SECTION 2. That it is the intention of the City Council of the City of Sherman, Texas, that the provisions of this ordinance shall become a part of the Code of Ordinances of the City of Sherman, Texas, and that sections of this ordinance may be renumbered or re-lettered to accomplish such intention.

SECTION 3. That the provisions of this ordinance are servable and the invalidity of any word, phrase or part of this ordinance shall not affect the validity of effectiveness of the remainder of the ordinance.

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

SECTION 5. That it is hereby officially found and determined that the meetings at which this ordinance was introduced and passed were open to the public and that public notice of the time, place and purpose of said meetings were given all as required by law.

INTRODUCED on this the _____ day of _____, 2017.

ADOPTED on this the _____ day of _____, 2017.

EFFECTIVE DATE on this the _____ day of _____, 2017.

CITY OF SHERMAN, TEXAS

ATTEST:

BY: _____
LINDA ASHBY, CITY CLERK

BY: _____
DAVID PLYLER, MAYOR

**APPROVED AS TO FORM
AND CONTENT:**

BY: _____
**BRANDON S SHELBY,
CITY ATTORNEY**

Cloer, Pam

From: Sholdon Daniels <sholdondaniels@gmail.com>
Sent: Friday, June 23, 2017 12:48 PM
To: Cloer, Pam
Cc: shawn@texomafit.com; Steele, Terrence
Subject: Proposed Council Meeting Agenda Items

Good afternoon,

I'd like to propose two ordinances relating to bicycle safety in Sherman at an upcoming council meeting, on behalf of Bike Sherman.

First, I'm proposing "bicycle equipment requirements" in an effort to increase safety for drivers and bicyclists alike.

Specifically, all bikes operating on public roads in Sherman must be equipped with brakes in good working condition. Also, in an effort to address driver concerns over visibility of bicyclist on public roadways during periods of limited visibility, I propose that all people operating a bicycle on public roadways during periods of limited visibility be required to have at least one active white light affixed to their bicycle, and turned on. This will help car drivers see bicyclists better. It also reinforces the fact that bicycles are legitimate forms of transportation, and that there are rules to follow while riding on public roads—even for bicyclists. A little more about "active" versus passive lights: Active lights are those that you must turn on for them to work, while passive lights are the reflectors that come standard on all new bikes sold in America.

Second, in an effort to prevent injuries to the increasing number of bicyclists on Sherman's public streets, I'm proposing a "safe passing ordinance" requiring that there be a 3-foot minimum passing distance between cars and bicyclists; and a six feet minimum between trucks and bicyclists. For example, when a car is attempting to pass, or go around a bicyclist while traveling down a road, the driver of the car must leave at least three feet of space between their vehicle and the bicyclists. This should help prevent riders from being bullied by aggressive drivers and ran off the road. It also reinforces—in the minds of drivers—that bicycles are to be regarded as legitimate transportation vehicles, and treated with respect.

Houston PD uses a device called the C3FT Device to measure the distance between cars and bikes on the road, our police bikes could potentially get equipped with these devices as well. To see the device in action, click this link: https://www.facebook.com/Houstonpolice/videos/10155214960129720/?hc_ref=PAGES_TIMELINE. For more information visit, <http://codaxus.com/c3ft/>.

Any violation of these ordinances should be a Class C misdemeanor, however, I suggest that the city hold off on prosecuting violators for at least a month or so after enacting this ordinance. Instead, police officers should issue warnings and spread awareness for the first month after the ordinance goes into effect to give the public a grace period to comply.

Here's what the actual language of the first ordinance looks like with a penalty mechanism for enforcement:

VIOLATION OF BICYCLE EQUIPMENT REQUIREMENTS

(1) A person commits the offense of violation of bicycle equipment requirements if the person does any of the following:

(a) Operates on any public road a bicycle in violation of the requirements of this section.

(b) Is the parent or guardian of a minor child or ward and authorizes or knowingly permits the child or ward to operate a bicycle on any public road in violation of the requirements of this section.

(2) A bicycle is operated in violation of the requirements of this section if any of the following requirements are violated:

(a) A bicycle must be equipped with a brake that enables the operator of the bicycle to stop the bicycle within 15 feet from a speed of 10 miles per hour on dry, level, clean pavement.

(b) A person shall not install or use any siren or whistle upon a bicycle. This paragraph does not apply to bicycles used by police officers.

(c) At the times described in the following, a bicycle or its rider must be equipped with lighting equipment that meets the described requirements:

(A) The lighting equipment must be used during limited visibility conditions.

(B) The lighting equipment must show a white light visible from a distance of at least 500 feet to the front of the bicycle.

(C) The lighting equipment must have a red reflector or lighting device or material of such size or characteristic and so mounted as to be visible from all distances up to 600 feet to the rear when directly in front of lawful lower beams of headlights on a motor vehicle.

(3) Nothing contained in this section shall be construed to prohibit the use of additional parts and accessories on any bicycle consistent with this section.

(4) The offense described in this section, violation of bicycle equipment requirements, is a Class C traffic violation.

Here is a draft of the proposed Safe Passing Ordinance:

(a) Definitions. The following words, terms and phrases, when used in this section will have the meanings set forth in this subsection, except when the context clearly indicates a different meaning:

Safe Distance Means:

- (1) While passing, a separation between a motor vehicle and a vulnerable road user that, when all road, traffic and weather conditions are considered, provides the motorist sufficient space and time to avoid a collision with a vulnerable road user but, in any event, not less than 3 feet if the operator's vehicle is a passenger car or light truck and not less than 6 feet if the operator's vehicle is a truck (other than a light truck) or a commercial vehicle as defined by Texas Transportation Code Section 522.003; or
- (2) While trailing, a separation between a motor vehicle and a vulnerable road user that, when all road, traffic and weather conditions are considered, provides the motorist sufficient space and time to avoid a collision with a vulnerable road user.

Vulnerable Road User Means:

- (1) A pedestrian (including a runner), physically disabled person (including a person in a wheelchair), stranded motorist or passenger, highway construction or maintenance worker, tow truck operator, or utility worker in the roadway;
- (2) A person on horseback or operating a horse-driven conveyance, in the roadway;
- (3) A person operating a bicycle (including an electric bicycle), hand cycle, or other human-powered wheeled vehicle in the roadway; or
- (4) A person operating a moped, motor-driven cycle, or motor-assisted scooter, as those terms are defined in sections 541.201 and 551.351 of the Texas Transportation Code, as applicable.

(b) Action required. An operator of a motor vehicle or motorcycle shall:

- (1) When passing a vulnerable road user on a highway or street;
 - a. Vacate the lane in which the vulnerable road user is located if the highway or street has two or more marked lanes running in the same direction if such action can be taken safely; or
 - b. Pass the vulnerable road user at a safe distance; or
- (2) When making a turn at an intersection (including an intersection with an alley or private road or driveway), yield the right-of-way to a vulnerable road user who is approaching from the opposite direction and is in the intersection, or is in such proximity to the intersection as to be an immediate hazard.

(c) Prohibited action. An occupant of a motor vehicle may not:

- (1) Knowingly throw or project any object or substance at or against a vulnerable road user, or the user's animal, equipment, vehicle or conveyance;
- (2) Overtake a vulnerable road user traveling in the same direction and subsequently make a turn in front of the vulnerable road user unless the operator is safely clear of the vulnerable road user, taking into account the speed at which the vulnerable road user is traveling and the braking requirements of the motor vehicle making the right-hand turn; or
- (3) Maneuver the vehicle in a manner that is intended to cause intimidation or harassment to a vulnerable road user or threatens a vulnerable road user.

(d) Affirmative defense. It is an affirmative defense to prosecution under this section that, at the time of the offense, the vulnerable road user was acting in violation of any applicable traffic law.

(e) Offenses. The penalty for any violation of this section shall be a fine not to exceed \$500.00

These laws will make Sherman safer for bicyclists and pedestrians. I urge passage of these proposed ordinances by the honorable men and woman of the City Council as soon as possible. I thank you for your consideration in this regard.

Sincerely,

Sholdon Daniels
Founder
BIKE SHERMAN



SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

B.5.

Meeting Date: 08/07/2017

Prepared By: Pamela Cloer, Assistant to the City Manager

Approved By: Robby Hefton, City Manager

Caption:

ADOPTION OF ORDINANCES

Consider Adoption of Ordinance Numbers: 6044, 6045, 6046 and 6047

Issue:

- B. 1. INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 6044**
Revising the Designation of Tax Increment Reinvestment Zone #5 in the City of Sherman
- B. 2. INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 6045**
Accepting and Approving the Project Plan and the Financing Plan for the Sherman Tax Increment Reinvestment Zone Number Five; Providing for Findings of Fact
- B. 3. INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 6046**
Amending Chapter 12 of the Code of Ordinances, entitled "Traffic and Vehicles", at Article 12.02, entitled "Operation of Vehicles Generally", to Provide for a New Section 12.02.011 to be entitled "Violation of Bicycle Equipment Requirements"
- B. 4. INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 6047**
Amending Chapter 12 of the Code of Ordinances, entitled "Traffic and Vehicles", at Article 12.02, entitled "Operation of Vehicles Generally", to Provide for a New Section 12.02.012 to be entitled "Safe Passing Requirements"
-



SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

B.6.

Meeting Date: 08/07/2017

Prepared By: Pamela Cloer, Assistant to the City Manager

Approved By: Robby Hefton, City Manager

Caption:

CONSENT AGENDA

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

Issue:

C. 6. * RESOLUTION NO. 6248

Appointing and Authorizing the Execution of an Agreement with Adami, Lindsey & Company, L.L.P. to Perform the Fiscal Year 2017 Audit

C. 7. * RESOLUTION NO. 6249

Authorizing the Execution of Deeds for the Resale of Properties within the Sherman City Limits Seized for Delinquent Taxes

E. 5. * OTHER BUSINESS

Consider Calling a Special Meeting of the City Council for Tuesday, September 5, 2017, due to Conflict with a Federal Holiday

E. 6. * 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 Monday, September 25, 2017, to Review and Approve SEDCO's Annual Budget and Work Plan

E. 7. * OTHER BUSINESS

Replat Approval of Lot 16R, Block 11, W. Elliott's Addition, being a Replat of Lots 16-24, Block 11 of W. Elliott's Addition, being 0.725 acres in the G.B. Pilant Survey, Abstract No. 963, also being Lots 16 thru 24, Block 11, W. Elliott's Addition; Mendi Salejeski, Owner; BWG Architecture, Architect; and Underwood Drafting & Surveying, Surveyor (712 South Willow Street)

E. 8. * *OTHER BUSINESS*

Replat Approval of Lots 6 & 7 and a Portion of Lot 3, Block 5, G.W. Bond's Supplement No. 2 Addition, being 0.674 acres in the J.B. McAnair Survey, Abstract No. 763, also being All of Lots 6 and 7 and Part of Lot 3, Block 5, G.W. Bond's Supplement No. 2 Addition; Mack Broiles, Owner; J.C. Sild Holdings, Developer; and Helvey-Wagner Surveying, Surveyor (603 and 613 North Walnut Street)



SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

C.1.

Meeting Date: 08/07/2017

Prepared By: Mary Lawrence, Director of Finance

Approved By: Robby Hefton, City Manager

Caption:

RESOLUTION NO. 6243

Authorizing Execution of an Amended Interlocal Agreement between the City of Sherman and Grayson County to Participate in the Sherman Tax Increment Reinvestment Zone #5

Issue:

Amending an Interlocal Agreement with Grayson County for participation in the Tax Increment Reinvestment Zone #5

Background:

At the February 20, 2017 City Council meeting, the Council passed Ordinance No. 6010 forming Tax Increment Reinvestment Zone Number Five (TIRZ #5). Both the City and Grayson County are expected to participate by contributing 75% of their tax rate that is allocated to the General Fund to the TIRZ #5 Fund. The County has appointed one of the five board members to the TIRZ #5 Board.

At the May 1, 2017 meeting, the City Council approved Resolution No. 6213 and an Interlocal Agreement (ILA) with Grayson County for their participation in TIRZ #5. The County Commissioners adopted the ILA on August 1st, amended to include the County's level of participation at 75%. Because the original ILA did not specify the level of participation, the County requested that the City amend the ILA to include the percent of our tax rate that we will contribute.

Origination:

City Manager

Financial Consideration:

There is no cost associated with the amendment of this Interlocal Agreement.

Staff Recommendation:

The staff recommends approval of this amended Interlocal Agreement.

Alternatives:

As may be directed by the City Council

Attachments

Resolution No. 6243

Interlocal Agreement

Resolution No. 6213 and Agreement with Grayson County for Participation in TIRZ #5

RESOLUTION NO. 6243

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF AN AMENDED INTERLOCAL AGREEMENT BETWEEN THE CITY OF SHERMAN AND GRAYSON COUNTY TO PARTICIPATE IN THE SHERMAN TAX INCREMENT REINVESTMENT ZONE #5; FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS RESOLUTION IS PASSED WAS NOTICED AND IS OPEN TO THE PUBLIC AS REQUIRED BY LAW.

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

SECTION 1. That the City Manager be and is hereby authorized, subject to all contract documents being properly completed and approved as to form and content by the City Attorney, to execute an Amended Interlocal Agreement with Grayson County for the County's participation in the Sherman Tax Increment Reinvestment Zone #5, as set forth below and in accordance with the terms and provisions of the Agreement attached hereto and incorporated herein for all purposes.

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

PASSED AND APPROVED on this the ____ day of _____, 2017.

CITY OF SHERMAN, TEXAS

BY: _____
DAVID PLYLER, MAYOR

ATTEST:

BY: _____
LINDA ASHBY, CITY CLERK

**APPROVED AS TO FORM
AND CONTENT:**

BY: _____
BRANDON S. SHELBY,
CITY ATTORNEY

**City of Sherman and Grayson County
Agreement to Participate
in the
Sherman Tax Increment Reinvestment Zone Number Five**

THIS *City of Sherman and Grayson County Agreement to Participate in the Sherman Tax Increment Reinvestment Zone Number Five* (this "Agreement") is made and entered into by and between the City of Sherman, Texas, a municipal corporation (the "City"), and Grayson County, Texas (the "County") under the authority of Texas Government Code Chapter 791.

WITNESSETH:

WHEREAS, in accordance with the provisions of the Tax Increment Financing Act, Chapter 311, Texas Tax Code, as amended (the "Act"), and after due notice to the Grayson County Commissioners Court, the City Council of the City, pursuant to Ordinance No. 6010 (the "Zone Ordinance") adopted on February 20, 2017, created, established, and designated Reinvestment Zone Number Five, City of Sherman, Texas (the "Reinvestment Zone") under the Act; and

WHEREAS, the Act provides that each taxing unit levying taxes on real property in a reinvestment zone is not required to pay into the tax increment fund created for the zone any of the unit's tax increment produced from property in the zone unless the taxing unit enters into a tax participation agreement to do so with the governing body of the municipality that created the zone; and

WHEREAS, a tax participation agreement under the Act may be entered into any time before or after the zone is created, and such tax participation agreement may include any conditions for payment of the tax increment into the tax increment fund and must specify the portion of the tax increment to be paid into the tax increment fund and the years for which the tax increment is to be paid into the tax increment fund.

NOW THEREFORE, the City and the County, in consideration of the terms, conditions, and covenants contained herein, hereby agree as follows:

Section 1. The County agrees to pay to the City for deposit into the tax increment fund created by the City for the Reinvestment Zone (the "TIRZ Fund") over the term of the Reinvestment Zone the County's tax increment calculated as a millage rate per \$100 of captured appraised value in the Reinvestment Zone that equals 75% of the County's tax rate allocated to the general fund (excluding only that portion of the County's tax rate allocated to the County's Road & Bridge and Improvement Fund) (the "County Increment") subject to the following terms and conditions:

- a. Boundary: The boundaries of the Reinvestment Zone are and shall be those described in the Zone Ordinance, as amended upon recommendation of the Board of Directors of the Reinvestment Zone (the "Board") and approved by the City Council of the City in accordance with the *Reinvestment Zone Number Five, City of Sherman, Texas, Final Project and Financing Plan*, as amended (the "Final Plan"), and in accordance with the *REIMBURSEMENT AGREEMENT Reinvestment Zone Number Five, City of Sherman, Texas*, between the City and the owner of the property in the Reinvestment Zone, as amended (the "Reimbursement Agreement").
- b. Development in the Zone: Property within the boundaries of the Reinvestment Zone shall be developed as nearly as possible in conformity with the Final Plan.
- c. Taxable Value: The captured appraised value of the property in the Reinvestment Zone (the "Property") taxable by the County for a year is the total taxable value of the Property for that year less the tax increment base of the Property. The tax increment base of the Property is the total taxable value of the Property for the year 2016. The tax increment base of the Property is approximately \$4,086,000. The actual captured appraised value of the Property will be used to calculate the annual County Increment paid to the City and deposited in the TIRZ Fund pursuant to this Agreement.
- d. Bond Limit: No bonded indebtedness issued by the County or the City and secured by the TIRZ Fund is contemplated.

- e. Use of the County Increment: All amounts paid into the TIRZ Fund shall first be used to pay the administrative costs incurred by the County and the City in connection with the creation of the Reinvestment Zone and the organization and operation of the Board ("Administrative Costs") and then to pay "Project Costs" approved by the City as defined in, and in accordance with, the Final Plan and Reimbursement Agreement.

Section 2. For and in consideration of the agreement of the parties set forth herein, and subject to the provisions of this Agreement, the County agrees to participate in the Reinvestment Zone by contributing seventy-five percent (75%) of the County Increment to the City to be deposited into the TIRZ Fund to first reimburse Administrative Costs and then to pay Project Costs. Payment of the County Increment shall be due from actual property tax revenue received within sixty (60) days of receipt and shall be payable to the City for immediate deposit into the TIRZ Fund. No interest or penalty will be charged to the County for any late payment received from the County. However, the penalty and interest received by the County on any delinquent taxes from the County shall be paid to the City and deposited into the TIRZ Fund, less any collection fees incurred by the County. The County is not obligated to pay the County Increment from any source other than the real property taxes collected by the County in the Reinvestment Zone. For and during the term of this Agreement the County shall not enter into any agreements that would reduce the County Increment (including, but not limited to, tax abatement agreements and Texas Local Government Code "381 Economic Development Agreements") without the consent of the City and the "Owner" under the Reimbursement Agreement. Likewise the City agrees to contribute 75% of the M&O tax rate from the increment of the City of Sherman to the TIRZ Fund.

Section 3. The term of this Agreement, unless extended by mutual agreement of the County and the City, shall commence upon execution by the last party and shall terminate upon termination of the Reinvestment Zone.

Section 4. This Agreement and the TIRZ Fund shall be administered by the City Manager or his designees. The City shall maintain a separate account for the TIRZ Fund at a depository selected by the City, which TIRZ Fund shall be secured in the manner prescribed by law for funds of Texas cities. The City shall not charge an administration fee for oversight of the TIRZ Fund. The TIRZ Fund shall be an account into which the City shall deposit the County Increment, the City tax increment (as defined in the Zone Ordinance and Final Plan), and all accrued interest earned on the fund. The County shall participate in the oversight of the TIRZ Fund through its representation on the Board.

Section 6. Whenever this Agreement requires or permits any consent, approval, notice, request, proposal, or demand from one party to another, the consent, approval, notice, request, proposal or demand must be in writing to be effective and shall be delivered to the party intended to receive it at the addresses shown below (or to such other addresses as the parties may request, in writing, from time to time):

If intended for the City, to:

City Manager
City of Sherman
220 West Mulberry
Sherman, TX 75090

If intended for the County, to:

County Judge
Grayson County
Grayson County Courthouse
100 W. Houston
Sherman, TX 75090

Section 7. Venue shall be exclusively in Grayson County, Texas.

Section 8. This Agreement embodies the complete understanding of City and the County superseding all oral or written previous and contemporary agreements between the parties relating to matters herein. This Agreement may be amended, modified, or supplemented only by an instrument in writing executed by City and the County. The provisions of this Agreement that obligate the County to pay annually to the City the County Increment for deposit into the TIRZ Fund for the term of the Reinvestment Zone may only be amended, modified, or supplemented by an instrument in writing executed by the "Owner" under the Reimbursement Agreement. Any amendments to this Agreement required by changes in state or

federal law will be automatically incorporated into this Agreement without written amendment, and shall become effective on the date designated by such law.

EXECUTED this ____ day of , 2017, by the City signing by and through the City Manager as its duly authorized official; and

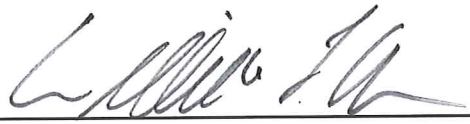
EXECUTED this 1ST day of , 2017, by Grayson County signing by and through the County Judge as its duly authorized official.

CITY OF SHERMAN

GRAYSON COUNTY

Robby Hefton, City Manager

Bill Magers, County Judge

_____ 

RESOLUTION NO. 6213

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF AN AGREEMENT BETWEEN THE CITY OF SHERMAN AND GRAYSON COUNTY TO PARTICIPATE IN THE SHERMAN TAX INCREMENT REINVESTMENT ZONE #5; FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS RESOLUTION IS PASSED WAS NOTICED AND IS OPEN TO THE PUBLIC AS REQUIRED BY LAW.

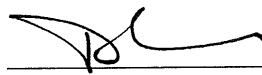
BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS:

SECTION 1. That the City Manager be and is hereby authorized, subject to all contract documents being properly completed and approved as to form and content by the City Attorney, to execute an Agreement with Grayson County for the County's participation in the Sherman Tax Increment Reinvestment Zone #5, as set forth below and in accordance with the terms and provisions of the Agreement attached hereto and incorporated herein for all purposes.

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

PASSED AND APPROVED on this the 1st day of May, 2017.

CITY OF SHERMAN, TEXAS

BY: 
DAVID PLYLER, MAYOR

ATTEST:

BY: 
LINDA ASHBY, CITY CLERK

**APPROVED AS TO FORM
AND CONTENT:**

BY: 
**BRANDON S. SHELBY,
CITY ATTORNEY**

**City of Sherman and Grayson County
Agreement to Participate
in the
Sherman Tax Increment Reinvestment Zone Number Five**

THIS *City of Sherman and Grayson County Agreement to Participate in the Sherman Tax Increment Reinvestment Zone Number Five* (this "Agreement") is made and entered into by and between the City of Sherman, Texas, a municipal corporation (the "City"), and Grayson County, Texas (the "County") under the authority of Texas Government Code Chapter 791.

WITNESSETH:

WHEREAS, in accordance with the provisions of the Tax Increment Financing Act, Chapter 311, Texas Tax Code, as amended (the "Act"), and after due notice to the Grayson County Commissioners Court, the City Council of the City, pursuant to Ordinance No. 6010 (the "Zone Ordinance") adopted on February 20, 2017, created, established, and designated Reinvestment Zone Number Five, City of Sherman, Texas (the "Reinvestment Zone") under the Act; and

WHEREAS, the Act provides that each taxing unit levying taxes on real property in a reinvestment zone is not required to pay into the tax increment fund created for the zone any of the unit's tax increment produced from property in the zone unless the taxing unit enters into a tax participation agreement to do so with the governing body of the municipality that created the zone; and

WHEREAS, a tax participation agreement under the Act may be entered into any time before or after the zone is created, and such tax participation agreement may include any conditions for payment of the tax increment into the tax increment fund and must specify the portion of the tax increment to be paid into the tax increment fund and the years for which the tax increment is to be paid into the tax increment fund.

NOW THEREFORE, the City and the County, in consideration of the terms, conditions, and covenants contained herein, hereby agree as follows:

Section 1. The County agrees to pay to the City for deposit into the tax increment fund created by the City for the Reinvestment Zone (the "TIRZ Fund") over the term of the Reinvestment Zone the County's tax increment calculated as a millage rate per \$100 of captured appraised value in the Reinvestment Zone that equals 75% of the County's tax rate allocated to the general fund (excluding only that portion of the County's tax rate allocated to the County's Road & Bridge and Improvement Fund) (the "County Increment") subject to the following terms and conditions:

- a. Boundary: The boundaries of the Reinvestment Zone are and shall be those described in the Zone Ordinance, as amended upon recommendation of the Board of Directors of the Reinvestment Zone (the "Board") and approved by the

City Council of the City in accordance with the *Reinvestment Zone Number Five, City of Sherman, Texas, Final Project and Financing Plan*, as amended (the "Final Plan"), and in accordance with the *REIMBURSEMENT AGREEMENT Reinvestment Zone Number Five, City of Sherman, Texas*, between the City and the owner of the property in the Reinvestment Zone, as amended (the "Reimbursement Agreement").

- b. Development in the Zone: Property within the boundaries of the Reinvestment Zone shall to be developed as nearly as possible in conformity with the Final Plan.
- c. Taxable Value: The captured appraised value of the property in the Reinvestment Zone (the "Property") taxable by the County for a year is the total taxable value of the Property for that year less the tax increment base of the Property. The tax increment base of the Property is the total taxable value of the Property for the year 2016. The tax increment base of the Property is approximately \$4,086,000. The actual captured appraised value of the Property will be used to calculate the annual County Increment paid to the City and deposited in the TIRZ Fund pursuant to this Agreement.
- d. Bond Limit: No bonded indebtedness issued by the County or the City and secured by the TIRZ Fund is contemplated.
- e. Use of the County Increment: All amounts paid into the TIRZ Fund shall first be used to pay the administrative costs incurred by the County and the City in connection with the creation of the Reinvestment Zone and the organization and operation of the Board ("Administrative Costs") and then to pay "Project Costs" approved by the City as defined in, and in accordance with, the Final Plan and Reimbursement Agreement.

Section 2. For and in consideration of the agreement of the parties set forth herein, and subject to the provisions of this Agreement, the County agrees to participate in the Reinvestment Zone by contributing seventy-five percent (75%) of the County Increment to the City to be deposited into the TIRZ Fund to first reimburse Administrative Costs and then to pay Project Costs. Payment of the County Increment shall be due from actual property tax revenue received within sixty (60) days of receipt and shall be payable to the City for immediate deposit into the TIRZ Fund. No interest or penalty will be charged to the County for any late payment received from the County. However, the penalty and interest received by the County on any delinquent taxes from the County shall be paid to the City and deposited into the TIRZ Fund, less any collection fees incurred by the County. The County is not obligated to pay the County Increment from any source other than the real property taxes collected by the County in the Reinvestment Zone. For and during the term of this Agreement the County shall not enter into any agreements that would reduce the County Increment (including, but not limited to, tax abatement agreements and Texas Local Government Code "381

Economic Development Agreements") without the consent of the City and the "Owner" under the Reimbursement Agreement.

Section 3. The term of this Agreement, unless extended by mutual agreement of the County and the City, shall commence upon execution by the last party and shall terminate upon termination of the Reinvestment Zone.

Section 4. This Agreement and the TIRZ Fund shall be administered by the City Manager or his designees. The City shall maintain a separate account for the TIRZ Fund at a depository selected by the City, which TIRZ Fund shall be secured in the manner prescribed by law for funds of Texas cities. The City shall not charge an administration fee for oversight of the TIRZ Fund. The TIRZ Fund shall be an account into which the City shall deposit the County Increment, the City tax increment (as defined in the Zone Ordinance and Final Plan), and all accrued interest earned on the fund. The County shall participate in the oversight of the TIRZ Fund through its representation on the Board.

Section 5. Whenever this Agreement requires or permits any consent, approval, notice, request, proposal, or demand from one party to another, the consent, approval, notice, request, proposal or demand must be in writing to be effective and shall be delivered to the party intended to receive it at the addresses shown below (or to such other addresses as the parties may request, in writing, from time to time):

If intended for the City, to:

City Manager
City of Sherman
220 West Mulberry
Sherman, TX 75090

If intended for the County, to:

County Judge
Grayson County
Grayson County Courthouse
100 W. Houston
Sherman, TX 75090

Section 6. Venue shall be exclusively in Grayson County, Texas.

Section 7. This Agreement embodies the complete understanding of City and the County superseding all oral or written previous and contemporary agreements between the parties relating to matters herein. This Agreement may be amended, modified, or supplemented only by an instrument in writing executed by City and the County. The provisions of this Agreement that obligate the County to pay annually to the City the County Increment for deposit into the TIRZ Fund for the term of the Reinvestment Zone may only be amended, modified, or supplemented by an instrument in writing executed by the "Owner" under the Reimbursement Agreement. Any amendments to this Agreement required by changes in state or federal law will be automatically incorporated into this Agreement without written amendment, and shall become effective on the date designated by such law.

EXECUTED this 3rd day of May, 2017, by the City signing by and through the City Manager as its duly authorized official; and

EXECUTED this _____ day of _____, 2017, by Grayson County signing by and through the County Judge as its duly authorized official.

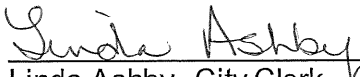
CITY OF SHERMAN

GRAYSON COUNTY

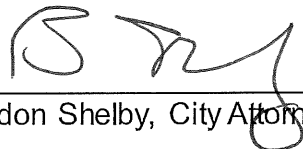
BY: 
Robby Hefton, City Manager

BY: _____
Bill Magers, County Judge

ATTEST:

BY: 
Linda Ashby, City Clerk

**APPROVED AS TO FORM AND
CONTENT:**

BY: 
Brandon Shelby, City Attorney



SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

C.2.

Meeting Date: 08/07/2017

Prepared By: Mary Lawrence, Director of Finance

Approved By: Robby Hefton, City Manager

Caption:

RESOLUTION NO. 6244

Authorizing Execution of an Amended Interlocal Agreement between the City of Sherman and Grayson County to Participate in the Sherman Tax Increment Reinvestment Zone #6

Issue:

Approving an Interlocal Agreement with Grayson County for participation in the Tax Increment Reinvestment Zone #6.

Background:

At the February 20, 2017 City Council meeting, the Council passed Ordinance No. 6011 forming Tax Increment Reinvestment Zone Number Six (TIRZ #6). Both the City and Grayson County are expected to participate by contributing 75% of their tax rate that is allocated to the General Fund to the TIRZ #6 Fund. The County has appointed one of the five board members to the TIRZ #6 Board.

At the May 1, 2017 meeting, the City Council approved Resolution No. 6214 and an Interlocal Agreement (ILA) with Grayson County for their participation in TIRZ #6. The County Commissioners adopted the ILA on August 1st, amended to include the County's level of participation at 75%. Because the original ILA did not specify the City's level of participation, the County requested that the City amend the ILA to include the percent of our tax rate that we will contribute.

Origination:

City Manager

Financial Consideration:

There is no cost associated with the amendment of this Interlocal Agreement.

Staff Recommendation:

The staff recommends approval of this amended Interlocal Agreement.

Alternatives:

As may be directed by the City Council

Attachments

Resolution No. 6244

Interlocal Agreement

Resolution No. 6214 and Agreement with Grayson County for Participation in TIRZ #6

RESOLUTION NO. 6244

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF AN AMENDED INTERLOCAL AGREEMENT BETWEEN THE CITY OF SHERMAN AND GRAYSON COUNTY TO PARTICIPATE IN THE SHERMAN TAX INCREMENT REINVESTMENT ZONE #6; FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS RESOLUTION IS PASSED WAS NOTICED AND IS OPEN TO THE PUBLIC AS REQUIRED BY LAW.

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

SECTION 1. That the City Manager be and is hereby authorized, subject to all contract documents being properly completed and approved as to form and content by the City Attorney, to execute an Amended Interlocal Agreement with Grayson County for the County's participation in the Sherman Tax Increment Reinvestment Zone #6, as set forth below and in accordance with the terms and provisions of the Agreement attached hereto and incorporated herein for all purposes.

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

PASSED AND APPROVED on this the ____ day of _____, 2017.

CITY OF SHERMAN, TEXAS

BY: _____
DAVID PLYLER, MAYOR

ATTEST:

BY: _____
LINDA ASHBY, CITY CLERK

**APPROVED AS TO FORM
AND CONTENT:**

BY: _____
BRANDON S. SHELBY,
CITY ATTORNEY

**City of Sherman and Grayson County
Agreement to Participate
in the
Sherman Tax Increment Reinvestment Zone Number Six**

THIS *City of Sherman and Grayson County Agreement to Participate in the Sherman Tax Increment Reinvestment Zone Number Six* (this "Agreement") is made and entered into by and between the City of Sherman, Texas, a municipal corporation (the "City"), and Grayson County, Texas (the "County") under the authority of Texas Government Code Chapter 791.

WITNESSETH:

WHEREAS, in accordance with the provisions of the Tax Increment Financing Act, Chapter 311, Texas Tax Code, as amended (the "Act"), and after due notice to the Grayson County Commissioners Court, the City Council of the City, pursuant to Ordinance No. 6011 (the "Zone Ordinance") adopted on February 20, 2017, created, established, and designated Reinvestment Zone Number Six, City of Sherman, Texas (the "Reinvestment Zone") under the Act; and

WHEREAS, the Act provides that each taxing unit levying taxes on real property in a reinvestment zone is not required to pay into the tax increment fund created for the zone any of the unit's tax increment produced from property in the zone unless the taxing unit enters into a tax participation agreement to do so with the governing body of the municipality that created the zone; and

WHEREAS, a tax participation agreement under the Act may be entered into any time before or after the zone is created, and such tax participation agreement may include any conditions for payment of the tax increment into the tax increment fund and must specify the portion of the tax increment to be paid into the tax increment fund and the years for which the tax increment is to be paid into the tax increment fund.

NOW THEREFORE, the City and the County, in consideration of the terms, conditions, and covenants contained herein, hereby agree as follows:

Section 1. The County agrees to pay to the City for deposit into the tax increment fund created by the City for the Reinvestment Zone (the "TIRZ Fund") over the term of the Reinvestment Zone the County's tax increment calculated as a millage rate per \$100 of captured appraised value in the Reinvestment Zone that equals 75% of the County's tax rate allocated to the general fund (excluding only that portion of the County's tax rate allocated to the County's Road & Bridge and Improvement Fund) (the "County Increment") subject to the following terms and conditions:

- a. Boundary: The boundaries of the Reinvestment Zone are and shall be those described in the Zone Ordinance, as amended upon recommendation of the Board of Directors of the Reinvestment Zone (the "Board") and approved by the City Council of the City in accordance with the *Reinvestment Zone Number Six, City of Sherman, Texas, Final Project and Financing Plan*, as amended (the "Final Plan"), and in accordance with the *REIMBURSEMENT AGREEMENT Reinvestment Zone Number Six, City of Sherman, Texas*, between the City and the owner of the property in the Reinvestment Zone, as amended (the "Reimbursement Agreement").
- b. Development in the Zone: Property within the boundaries of the Reinvestment Zone shall be developed as nearly as possible in conformity with the Final Plan.
- c. Taxable Value: The captured appraised value of the property in the Reinvestment Zone (the "Property") taxable by the County for a year is the total taxable value of the Property for that year less the tax increment base of the Property. The tax increment base of the Property is the total taxable value of the Property for the year 2016. The tax increment base of the Property is approximately \$5,961,000. The actual captured appraised value of the Property will be used to calculate the annual County Increment paid to the City and deposited in the TIRZ Fund pursuant to this Agreement.
- d. Bond Limit: No bonded indebtedness issued by the County or the City and secured by the TIRZ Fund is contemplated.

- e. Use of the County Increment: All amounts paid into the TIRZ Fund shall first be used to pay the administrative costs incurred by the County and the City in connection with the creation of the Reinvestment Zone and the organization and operation of the Board ("Administrative Costs") and then to pay "Project Costs" approved by the City as defined in, and in accordance with, the Final Plan and Reimbursement Agreement.

Section 2. For and in consideration of the agreement of the parties set forth herein, and subject to the provisions of this Agreement, the County agrees to participate in the Reinvestment Zone by contributing ~~seventy-Six~~ ^{Five} percent (75%) of the County Increment to the City to be deposited into the TIRZ Fund to first reimburse Administrative Costs and then to pay Project Costs. Payment of the County Increment shall be due from actual property tax revenue received within sixty (60) days of receipt and shall be payable to the City for immediate deposit into the TIRZ Fund. No interest or penalty will be charged to the County for any late payment received from the County. However, the penalty and interest received by the County on any delinquent taxes from the County shall be paid to the City and deposited into the TIRZ Fund, less any collection fees incurred by the County. The County is not obligated to pay the County Increment from any source other than the real property taxes collected by the County in the Reinvestment Zone. For and during the term of this Agreement the County shall not enter into any agreements that would reduce the County Increment (including, but not limited to, tax abatement agreements and Texas Local Government Code "381 Economic Development Agreements") without the consent of the City and the "Owner" under the Reimbursement Agreement. . Likewise the City agrees to contribute 75% of the M&O tax rate from the increment of the City of Sherman to the TIRZ Fund.

Section 3. The term of this Agreement, unless extended by mutual agreement of the County and the City, shall commence upon execution by the last party and shall terminate upon termination of the Reinvestment Zone.

Section 4. This Agreement and the TIRZ Fund shall be administered by the City Manager or his designees. The City shall maintain a separate account for the TIRZ Fund at a depository selected by the City, which TIRZ Fund shall be secured in the manner prescribed by law for funds of Texas cities. The City shall not charge an administration fee for oversight of the TIRZ Fund. The TIRZ Fund shall be an account into which the City shall deposit the County Increment, the City tax increment (as defined in the Zone Ordinance and Final Plan), and all accrued interest earned on the fund. The County shall participate in the oversight of the TIRZ Fund through its representation on the Board.

Section 6. Whenever this Agreement requires or permits any consent, approval, notice, request, proposal, or demand from one party to another, the consent, approval, notice, request, proposal or demand must be in writing to be effective and shall be delivered to the party intended to receive it at the addresses shown below (or to such other addresses as the parties may request, in writing, from time to time):

If intended for the City, to:

City Manager
City of Sherman
220 West Mulberry
Sherman, TX 75090

If intended for the County, to:

County Judge
Grayson County
Grayson County Courthouse
100 W. Houston
Sherman, TX 75090

Section 7. Venue shall be exclusively in Grayson County, Texas.

Section 8. This Agreement embodies the complete understanding of City and the County superseding all oral or written previous and contemporary agreements between the parties relating to matters herein. This Agreement may be amended, modified, or supplemented only by an instrument in writing executed by City and the County. The provisions of this Agreement that obligate the County to pay annually to the City the County Increment for deposit into the TIRZ Fund for the term of the Reinvestment Zone may only be amended, modified, or supplemented by an instrument in writing executed by the "Owner" under the Reimbursement Agreement. Any amendments to this Agreement required by changes in state or

federal law will be automatically incorporated into this Agreement without written amendment, and shall become effective on the date designated by such law.

EXECUTED this ____ day of , 2017, by the City signing by and through the City Manager as its duly authorized official; and

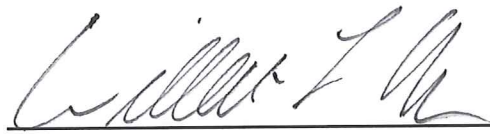
EXECUTED this 1st day of, 2017, by Grayson County signing by and through the County Judge as its duly authorized official.

CITY OF SHERMAN

GRAYSON COUNTY

Robby Hefton, City Manager

Bill Magers, County Judge

_____  _____

RESOLUTION NO. 6214

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF AN AGREEMENT BETWEEN THE CITY OF SHERMAN AND GRAYSON COUNTY TO PARTICIPATE IN THE SHERMAN TAX INCREMENT REINVESTMENT ZONE #6; FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS RESOLUTION IS PASSED WAS NOTICED AND IS OPEN TO THE PUBLIC AS REQUIRED BY LAW.

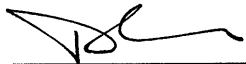
BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS:

SECTION 1. That the City Manager be and is hereby authorized, subject to all contract documents being properly completed and approved as to form and content by the City Attorney, to execute an Agreement with Grayson County for the County's participation in the Sherman Tax Increment Reinvestment Zone #6, as set forth below and in accordance with the terms and provisions of the Agreement attached hereto and incorporated herein for all purposes.

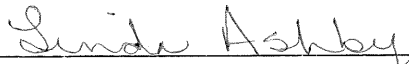
SECTION 2. That it is hereby officially found and determined that the meeting at which this resolution is passed is open to the public and that public notice of the time, place, and purpose of said meeting was given as required by law.

PASSED AND APPROVED on this the 1st day of May, 2017.

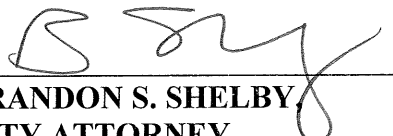
CITY OF SHERMAN, TEXAS

BY: 
DAVID PLYLER, MAYOR

ATTEST:

BY: 
LINDA ASHBY, CITY CLERK

**APPROVED AS TO FORM
AND CONTENT:**

BY: 
**BRANDON S. SHELBY,
CITY ATTORNEY**

**City of Sherman and Grayson County
Agreement to Participate
in the
Sherman Tax Increment Reinvestment Zone Number Six**

THIS City of Sherman and Grayson County Agreement to Participate in the Sherman Tax Increment Reinvestment Zone Number Six (this "Agreement") is made and entered into by and between the City of Sherman, Texas, a municipal corporation (the "City"), and Grayson County, Texas (the "County") under the authority of Texas Government Code Chapter 791.

WITNESSETH:

WHEREAS, in accordance with the provisions of the Tax Increment Financing Act, Chapter 311, Texas Tax Code, as amended (the "Act"), and after due notice to the Grayson County Commissioners Court, the City Council of the City, pursuant to Ordinance No. 6011 (the "Zone Ordinance") adopted on February 20, 2017, created, established, and designated Reinvestment Zone Number Six, City of Sherman, Texas (the "Reinvestment Zone") under the Act; and

WHEREAS, the Act provides that each taxing unit levying taxes on real property in a reinvestment zone is not required to pay into the tax increment fund created for the zone any of the unit's tax increment produced from property in the zone unless the taxing unit enters into a tax participation agreement to do so with the governing body of the municipality that created the zone; and

WHEREAS, a tax participation agreement under the Act may be entered into any time before or after the zone is created, and such tax participation agreement may include any conditions for payment of the tax increment into the tax increment fund and must specify the portion of the tax increment to be paid into the tax increment fund and the years for which the tax increment is to be paid into the tax increment fund.

NOW THEREFORE, the City and the County, in consideration of the terms, conditions, and covenants contained herein, hereby agree as follows:

Section 1. The County agrees to pay to the City for deposit into the tax increment fund created by the City for the Reinvestment Zone (the "TIRZ Fund") over the term of the Reinvestment Zone the County's tax increment calculated as a millage rate per \$100 of captured appraised value in the Reinvestment Zone that equals 75% of the County's tax rate allocated to the general fund (excluding only that portion of the County's tax rate allocated to the County's Road & Bridge and Improvement Fund) (the "County Increment") subject to the following terms and conditions:

- a. Boundary: The boundaries of the Reinvestment Zone are and shall be those described in the Zone Ordinance, as amended upon recommendation of the Board of Directors of the Reinvestment Zone (the "Board") and approved by the

City Council of the City in accordance with the *Reinvestment Zone Number Six, City of Sherman, Texas, Final Project and Financing Plan*, as amended (the "Final Plan"), and in accordance with the *REIMBURSEMENT AGREEMENT Reinvestment Zone Number Six, City of Sherman, Texas*, between the City and the owner of the property in the Reinvestment Zone, as amended (the "Reimbursement Agreement").

- b. Development in the Zone: Property within the boundaries of the Reinvestment Zone shall to be developed as nearly as possible in conformity with the Final Plan.
- c. Taxable Value: The captured appraised value of the property in the Reinvestment Zone (the "Property") taxable by the County for a year is the total taxable value of the Property for that year less the tax increment base of the Property. The tax increment base of the Property is the total taxable value of the Property for the year 2016. The tax increment base of the Property is approximately \$5,961,000. The actual captured appraised value of the Property will be used to calculate the annual County Increment paid to the City and deposited in the TIRZ Fund pursuant to this Agreement.
- d. Bond Limit: No bonded indebtedness issued by the County or the City and secured by the TIRZ Fund is contemplated.
- e. Use of the County Increment: All amounts paid into the TIRZ Fund shall first be used to pay the administrative costs incurred by the County and the City in connection with the creation of the Reinvestment Zone and the organization and operation of the Board ("Administrative Costs") and then to pay "Project Costs" approved by the City as defined in, and in accordance with, the Final Plan and Reimbursement Agreement.

Section 2. For and in consideration of the agreement of the parties set forth herein, and subject to the provisions of this Agreement, the County agrees to participate in the Reinvestment Zone by contributing seventy-Six percent (75%) of the County Increment to the City to be deposited into the TIRZ Fund to first reimburse Administrative Costs and then to pay Project Costs. Payment of the County Increment shall be due from actual property tax revenue received within sixty (60) days of receipt and shall be payable to the City for immediate deposit into the TIRZ Fund. No interest or penalty will be charged to the County for any late payment received from the County. However, the penalty and interest received by the County on any delinquent taxes from the County shall be paid to the City and deposited into the TIRZ Fund, less any collection fees incurred by the County. The County is not obligated to pay the County Increment from any source other than the real property taxes collected by the County in the Reinvestment Zone. For and during the term of this Agreement the County shall not enter into any agreements that would reduce the County Increment (including, but not limited to, tax abatement agreements and Texas Local Government Code "381

Economic Development Agreements") without the consent of the City and the "Owner" under the Reimbursement Agreement.

Section 3. The term of this Agreement, unless extended by mutual agreement of the County and the City, shall commence upon execution by the last party and shall terminate upon termination of the Reinvestment Zone.

Section 4. This Agreement and the TIRZ Fund shall be administered by the City Manager or his designees. The City shall maintain a separate account for the TIRZ Fund at a depository selected by the City, which TIRZ Fund shall be secured in the manner prescribed by law for funds of Texas cities. The City shall not charge an administration fee for oversight of the TIRZ Fund. The TIRZ Fund shall be an account into which the City shall deposit the County Increment, the City tax increment (as defined in the Zone Ordinance and Final Plan), and all accrued interest earned on the fund. The County shall participate in the oversight of the TIRZ Fund through its representation on the Board.

Section 5. Whenever this Agreement requires or permits any consent, approval, notice, request, proposal, or demand from one party to another, the consent, approval, notice, request, proposal or demand must be in writing to be effective and shall be delivered to the party intended to receive it at the addresses shown below (or to such other addresses as the parties may request, in writing, from time to time):

If intended for the City, to:

City Manager
City of Sherman
220 West Mulberry
Sherman, TX 75090

If intended for the County, to:

County Judge
Grayson County
Grayson County Courthouse
100 W. Houston
Sherman, TX 75090

Section 6. Venue shall be exclusively in Grayson County, Texas.

Section 7. This Agreement embodies the complete understanding of City and the County superseding all oral or written previous and contemporary agreements between the parties relating to matters herein. This Agreement may be amended, modified, or supplemented only by an instrument in writing executed by City and the County. The provisions of this Agreement that obligate the County to pay annually to the City the County Increment for deposit into the TIRZ Fund for the term of the Reinvestment Zone may only be amended, modified, or supplemented by an instrument in writing executed by the "Owner" under the Reimbursement Agreement. Any amendments to this Agreement required by changes in state or federal law will be automatically incorporated into this Agreement without written amendment, and shall become effective on the date designated by such law.



SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

C.3.

Meeting Date: 08/07/2017

Prepared By: Brandon Shelby, City Attorney

Approved By: Robby Hefton, City Manager

Caption:

RESOLUTION NO. 6245

Authorizing Execution of a Development Agreement with Sherman Crossroads, LTD. for the Construction of Public Facilities in Sherman Tax Increment Reinvestment Zone #5 in the City of Sherman

Issue:

The construction of public facilities in Sherman Tax Increment Reinvestment Zone #5 (TIRZ #5)

Background:

Sherman Crossroads, LTD. owns about 85 acres on the northwest corner of the intersection of Highways 75 and 1417 in Sherman. The owner proposes to develop a mixed-use development that will significantly enhance the commercial and retail offerings in Sherman. This development will complement the continued medical development occurring on the north side of this area.

The City Council recently established TIRZ #5 which will allow the City to collaborate with the owner to develop public infrastructure in this area. This development agreement will provide for terms and conditions related to this collaboration.

The infrastructure development is expected to begin in 3Q2017 and continue into 2018. This development is expected to ultimately grow the property tax base by \$30 million - \$50 million over its lifetime, and to expand the sales tax base in a significant way as well.

Origination:

Department of Public Works and Engineering
City Manager

Financial Consideration:

None

Staff Recommendation:

Staff recommends approval of the Development Agreement.

Alternatives:

As directed by the City Council

Attachments

Resolution No. 6245
Development Agreement
Location Map

RESOLUTION NO. 6245

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF A DEVELOPMENT AGREEMENT WITH SHERMAN CROSSROADS, LTD. FOR THE CONSTRUCTION OF PUBLIC FACILITIES IN SHERMAN TAX INCREMENT REINVESTMENT ZONE #5 IN THE CITY OF SHERMAN; FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS RESOLUTION IS PASSED WAS NOTICED AND IS OPEN TO THE PUBLIC AS REQUIRED BY LAW.

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

SECTION 1. That the City Manager be and is hereby authorized and directed, subject to all documents being properly completed and approved as to form and content by the City Attorney, to execute a Development Agreement with Sherman Crossroads, LTD. for the construction of public facilities in Sherman Tax Increment Reinvestment Zone #5 located at the northwest corner of U.S. Highway 75 and F.M. 1417 (Heritage Parkway) in the City of Sherman, Grayson County, Texas, in the same or substantially same form as the contract documents to be attached hereto and incorporated herein for all purposes.

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

PASSED AND APPROVED on this the _____ day of _____, 2017.

CITY OF SHERMAN, TEXAS

BY: _____
DAVID PLYLER, MAYOR

ATTEST:

BY: _____
LINDA ASHBY, CITY CLERK

**APPROVED AS TO FORM
AND CONTENT:**

BY: _____
BRANDON S. SHELBY,
CITY ATTORNEY

STATE OF TEXAS §
 §
COUNTY OF GRAYSON §

**DEVELOPMENT AGREEMENT BETWEEN
THE CITY OF SHERMAN AND SHERMAN CROSSROADS, LTD.**

THIS DEVELOPMENT AGREEMENT ("Agreement") is made and entered into this ____ day of _____, 2017 (the "Effective Date"), by and among the City of Sherman ("City"), a municipal corporation organized under the laws of the State of Texas, and Sherman Crossroads, LTD., ("Developer").

WITNESSETH:

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

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

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

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

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

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

**ARTICLE I.
SPECIFIC CONTRACT PROVISIONS**

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

title, setting out the name of the legal title holders, the outstanding mortgages, taxes, liens and covenants. The provisions of this paragraph are for the purpose of evidencing Developer's legal right to grant the exclusive rights of service contained in this Agreement.

2. **Assurance of Accuracy of Documents:** Developer has caused or will cause the subdivision plat of the Property (the "plat") and all plans and specifications (the "plans") for the streets, utilities and other improvements to be developed on the Property (collectively the "Project") as part of the public facilities of the City, to be prepared by a Registered Professional Engineer and that Plat and Plans accurately depict such subdivision and the improvements comprising the Project. Developer understands that the City will rely on the accuracy of the Plat and Plans in making its determination as to whether the documents comply with all City ordinances, state and federal law.
3. **Development Documents:** Any and all Plats, Plans, and orders of the City Planning and Zoning Commission and the City Council, made in connection with the approval of the Development depicted on the Plat (hereinafter the "Development") shall be deemed confirmed, ratified, and agreed upon by both parties and attached hereto as Exhibit "B". Developer agrees to comply with such orders and Ordinance No. 2684, and any amendments as of the date of the execution of the contract, as applicable to the Development; and all of the work of the Project will be done under the supervision of the City Engineer (as defined in Paragraph 8 of this Article) to City standards, and in accordance with applicable City regulations. The Plat, Plans, orders of the City Planning and Zoning Commission, and the City Council and Ordinance No. 2684 (hereinafter collectively referred to as the "Development Documents") are incorporated into this Agreement a part thereof for all purposes.
4. **Delivery of Improvements:** The Developer will pay for and deliver to the City free and clear of all liens and costs, all of the improvements provided in the Development Documents.
5. **Phased Development:** The Parties understand and agree that the Development contemplated by this agreement shall be completed in phases as designated by the developer and approved by the City Manager. The Parties agree that this agreement and its terms apply to any singular Phase of the Development singularly and equally to the Development in its entirety.
6. **Availability of Public Facilities:** No public facilities will be made available to any lot within any segment of this Development until the work on each segment is performed and approved as agreed upon in this Agreement.
7. **Registered Civil Engineer:** All of the plans and specifications for the improvements herein mentioned in the Development Documents, shall be prepared by a Registered Professional Civil Engineer, and all of the improvements shall be built under the supervision of such engineer, and the engineer shall certify to the City that, as each segment is built, such segment as built is true and correct in accordance with the plans

and specifications, and that the same was built under his supervision, and the certificate shall be signed and sealed by such engineer. All of the expense of such engineering shall be paid for by the Developer.

8. **City Engineer:** Before work is begun on any improvement, the City Engineer shall designate a person, hereinafter identified as "City Engineer," who shall be notified and arrangements made for inspection by the City Engineer at such stages of construction as required by him, and no improvement constructed underground shall be covered by the Developer until inspected by the City Engineer and approved by him. At any time any construction is contrary to the plans and specifications, the City Engineer shall be, and is, empowered to stop construction and require correct construction and installation at the Developer's risk and without liability to the City.
9. **Coordination of Work:** The work will be coordinated between the City and the Developer so that the utilities will be in place before the permanent improvements are installed.
10. **Utility Arrangements:** The Developer will make its own arrangements with gas, electric, and telephone service providers for extensions of their utilities, and upon complying with this Agreement, the City utilities will be furnished.
11. **Fees:** Other fees normally charged by the City for building permits, water taps, service connections, and similar fees will be paid as required to the City by the Developer.
12. **Guarantee or Maintenance Bond:**
 - A. If, within one year after the acceptance, defects should appear in the materials or workmanship, the Developer shall have such defects promptly repaired at its own expense, and shall leave the work as intended by the plans and specifications. This guarantee will apply to all parts of the work which have been accepted by the City.
 - B. Instead of the Guarantee set for in subparagraph (A) of this paragraph, Developer may provide a Maintenance Bond to the City at the time of final acceptance of the improvements by the City Engineer. The Bond shall name the City as an obligee under the bond and the bond shall provide a one (1) year guarantee on all the improvements contained in the Development Documents.
13. **WAIVER OF RIGHTS UNDER STATE LAW:**
 - A. Developer understands that, pursuant to Section 212.904 of the Texas Local Government Code, the developer is entitled to an apportionment of the municipal infrastructure cost and that such apportionment must be done by a professional engineer. Developer hereby agrees that any land or property it donates to the City, as reflected on the Final Plat, is roughly proportionate to the need for such land. Developer further acknowledges and agrees that all prerequisites to such a

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

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

14. Other Provisions:

- A. Upon Completion of any phase of the Development, one electronic copy and one set of reproducible "Record" drawings will be supplied to the City.
- B. Upon Completion and City acceptance of any phase of the Development, the City agrees to reimburse to the Developer all documented actual costs for project management, construction, and installation of public facilities as dedicated to the City within forty-five (45) days of completion. Agreed upon project management fees shall not exceed three percent (3%) of actual project costs.
- C. Developer agrees that the development, as set forth in the Contract Documents, will comply with all federal, state and local laws relating to the discharge of storm water upon completion of the development.

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

**ARTICLE II.
GENERAL CONTRACT PROVISIONS**

1. **Force Majeure.** If the performance of any of the parties hereto is delayed by reason of war, civil commotion, acts of God, inclement weather, unanticipated subsurface conditions, fire or other casualty, court injunction or any circumstances which are reasonably beyond the control of the party obligated or permitted under the terms of this Agreement to do or perform the same, regardless of whether any such circumstance is similar to any of those enumerated or not, the party so obligated or permitted shall be excused from doing or performing the same during such period of delay, so that the time period applicable to such design or construction requirement shall be extended for a period of time equal to the period such party was delayed. The terms above shall not apply to extend the time permitted for any payment obligations set forth in this Agreement.
2. **INDEMNIFICATION AND HOLD HARMLESS.** TO THE MAXIMUM EXTENT PERMITTED BY LAW, DEVELOPER OBLIGATES ITSELF TO THE CITY TO FULLY AND UNCONDITIONALLY PROTECT, INDEMNIFY AND DEFEND THE CITY, ITS OFFICERS, AGENTS AND EMPLOYEES, AND HOLD IT HARMLESS FROM AND AGAINST ANY AND ALL COSTS, EXPENSES, REASONABLE ATTORNEY FEES, CLAIMS, SUITS, LOSSES OR LIABILITY FOR INJURIES TO PROPERTY, INJURIES TO PERSONS (INCLUDING DEVELOPERS EMPLOYEES), INCLUDING DEATH, AND FROM ANY OTHER COSTS, EXPENSES, REASONABLE ATTORNEY FEES, CLAIMS, SUITS, LOSSES OR LIABILITIES OF ANY AND EVERY NATURE WHATSOEVER ARISING IN ANY MANNER, DIRECTLY OR INDIRECTLY, OUT OF OR IN CONNECTION HERewith, REGARDLESS OF CAUSE OR OF THE SOLE, JOINT, COMPARATIVE OR CONCURRENT NEGLIGENCE OR GROSS NEGLIGENCE OF DEVELOPER, ITS OFFICERS, AGENTS OR EMPLOYEES. THIS INDEMNIFICATION AND SAVE HARMLESS SHALL APPLY TO ANY IMPUTED OR ACTUAL JOINT ENTERPRISE LIABILITY. **This indemnity does not waive any governmental immunity available to the City under Texas law and does not waive any defenses of the parties under Texas law.**
3. **Authority to Bind.** Each general partner or member executing this Agreement on behalf the Developer represents that, by executing this Agreement in such capacity, it acts within the scope of its authority and does not exceed the bounds of its authority to act to bind such party regarding the obligations and assurances contained in this Agreement. City represents that the execution of this Agreement as provided below has been duly authorized by the City Council as provided in the Approval Resolution.

4. **Events of Default.** A default shall exist if either party fails to perform or observe any material covenant contained in this Agreement. The non-defaulting party shall immediately notify the defaulting party in writing upon becoming aware of any change in the existence of any condition or event which would constitute a default or, with the giving of notice or passage of time, or both, would constitute a default under this Agreement. Such notice shall specify the nature and the period of existence thereof and what action, if any, the notifying party requires or proposes to require with respect to curing the default.
5. **Remedies Available to City.** If a default by Developer shall occur and continue, after thirty (30) days' notice to cure default, City may, at its option, pursue any and all remedies it may be entitled to, at law or in equity, in accordance with Texas law and including using the Performance Bond to complete the work, without the necessity of further notice to or demand upon Developer. City shall not, however, have the right to exercise such remedies for so long as Developer proceeds in good faith and with due diligence to remedy and correct the default, provided that Developer has commenced to cure such default within thirty (30) days following notice, pursues such cure with reasonable diligence and completes such cure within one hundred eighty (180) days.
6. **No Waiver of Defenses.** Nothing in this Agreement shall be construed or intended to waive any defenses available to the City, including, but not limited to, governmental immunity.
7. **Venue and Governing Law.** This Agreement is performable in Grayson County, Texas and venue of any action arising out of this Agreement shall be exclusively in Grayson County. This Agreement shall be governed and construed in accordance with the laws of the State of Texas.
8. **Notices.** Any notice required by this Agreement shall be deemed to be properly served (i) three (3) days following deposit if deposited in the U.S. mail by certified letter, return receipt requested; (ii) on the next business day if sent by nationally recognized overnight delivery service; or (iii) upon receipt if transmitted by facsimile or electronic transmission, addressed to the recipient at the recipient's address shown below, subject to the right of either party to designate a different address by notice given in the manner just described.

CITY:

DESIGNEE: Robby Hefton
ADDRESS: 220 W. Mulberry Street
 Sherman, TX 75090
PHONE: 903-892-7200
FAX: 903-892-7355

DEVELOPER: SHERMAN CROSSROADS, LTD.

DESIGNEE: William J. Harkinson
ADDRESS: 4560 Beltline Road, Suite 400

Addison, TX 75001
PHONE: 214-394-9270

9. **Legal Construction.** In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision thereof and this Agreement shall be considered as if such invalid, illegal, or unenforceable provision had never been contained in this Agreement.
10. **Counterparts.** This Agreement may be executed in any number of counterparts, which may be transmitted originally or electronically, each of which shall be deemed an original and constitute one and the same instrument.
11. **Captions.** The captions to the various clauses of this Agreement are for informational purposes only and shall not alter the substance of the terms and conditions of this Agreement.
12. **Successors and Assigns.** The terms and conditions of this Agreement are binding upon the successors and assigns of all parties hereto, provided, however, this Agreement shall not be assigned by Developer without prior written approval by the City Manager of the City, which approval shall not be unreasonably withheld or delayed. City may assign or delegate any of its rights or obligations under this Agreement but the same shall not constitute a novation.
13. **Entire Agreement.** This Agreement embodies the complete agreement of the parties hereto, superseding all oral or written previous and contemporary agreements between the parties and relating to matters in this Agreement, and except as otherwise provided herein cannot be modified without written agreement of the parties to be attached to and made a part of this Agreement.
14. **Interpretation of Agreement.** This is negotiated Agreement. If any part of this Agreement is in dispute, the parties stipulate that the Agreement shall not be construed more favorably for either party.

IN WITNESS WHEREOF, parties have caused this Agreement to be executed in duplicate this ____ day of _____ 2017, with an original to each party.

DEVELOPER: SHERMAN CROSSROADS, LTD.

BY: _____
NAME: William J. Harkinson
TITLE: Managing Member

ATTEST: BY: _____

NAME: _____

TITLE: _____

CITY: **CITY OF SHERMAN**

BY: _____

NAME: Robby Hefton

TITLE: City Manager

ATTEST: **BY:** _____

NAME: Linda Ashby

TITLE: City Clerk

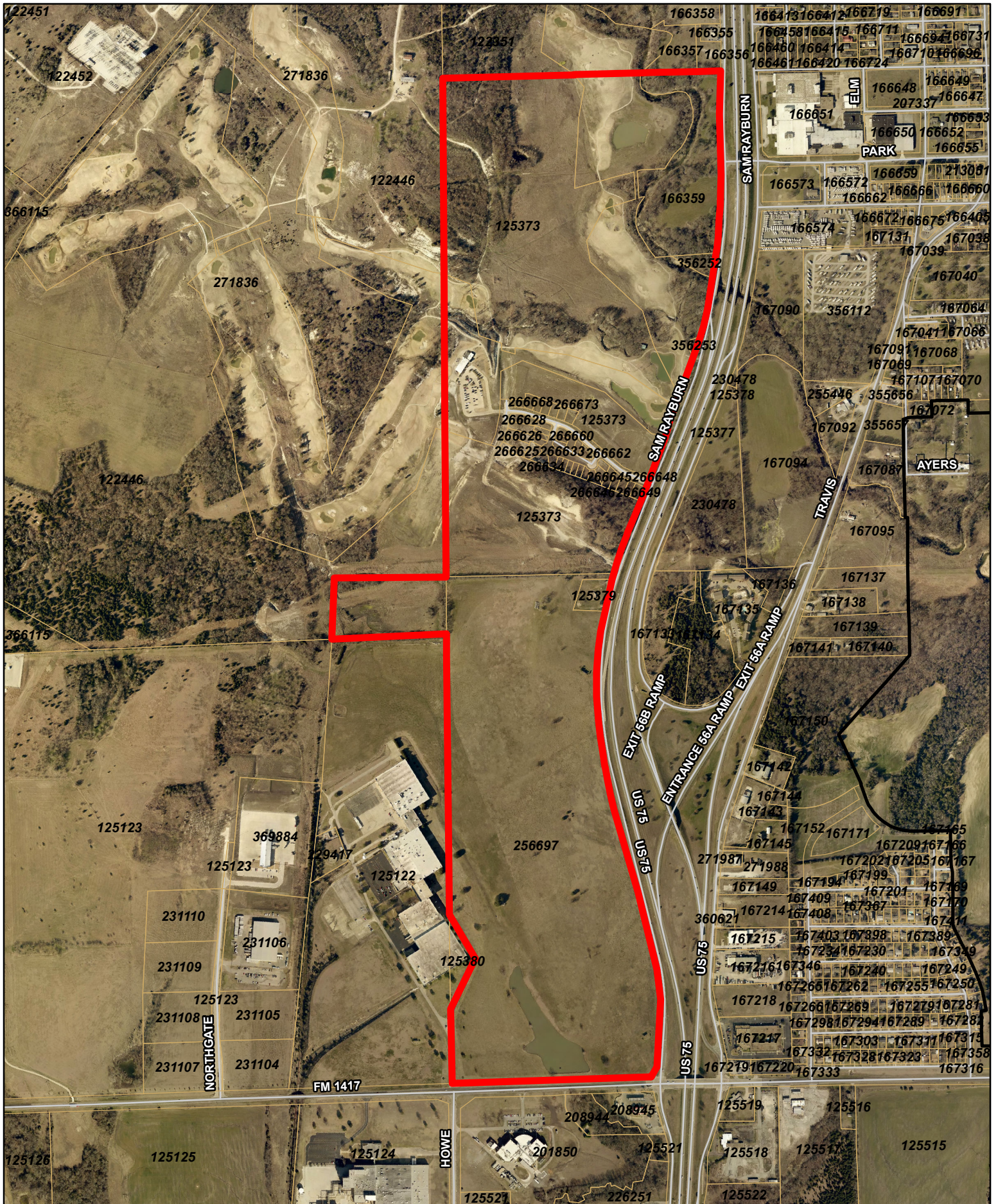
APPROVAL RECOMMENDED:

Clint Philpott, P.E. / Director Engineering

APPROVED AS TO FORM:

Brandon S. Shelby, City Attorney

Attachment C



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

TIRZ 5

1 inch = 1,000 feet





SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

C.4.

Meeting Date: 08/07/2017

Prepared By: Brandon Shelby, City Attorney

Approved By: Robby Hefton, City Manager

Caption:

RESOLUTION NO. 6246

Authorizing Execution of a Development Agreement with Heritage Development Partners, LLC for the Construction of Public Facilities in Sherman Tax Increment Reinvestment Zone #5 in the City of Sherman

Issue:

The construction of public facilities in Sherman Tax Increment Reinvestment Zone #5 in the City of Sherman

Background:

Heritage Development Partners, LLC proposes to develop medical facilities on approximately 45 acres within a tract of land that totals about 130 acres at the northwest corner of the intersections of Highways 75 and 1417 in Sherman. This development complements the development being undertaken by Sherman Crossroads, LTD in an 85 acre tract just south of this site.

This development agreement lines out terms and conditions for the collaboration between the owners of this tract and the City for the proposed development of public infrastructure in this area. Ultimately, this development is expected to add \$20 million + to the ad valorem tax base and will be a draw for activity in this area for the mixed use commercial and retail in the adjacent development.

The Council recently put TIRZ #5 in place that will allow the City to set aside the property tax revenues generated in this area to help fund the public infrastructure development contemplated by this Agreement.

Origination:

Department of Public Works and Engineering
City Manager

Financial Consideration:

None

Staff Recommendation:

Staff recommends approval of the Development Agreement.

Alternatives:

As directed by the City Council

Attachments

Resolution No. 6246
Development Agreement
Location Map

RESOLUTION NO. 6246

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF A DEVELOPMENT AGREEMENT WITH HERITAGE DEVELOPMENT PARTNERS, LLC FOR THE CONSTRUCTION OF PUBLIC FACILITIES IN SHERMAN TAX INCREMENT REINVESTMENT ZONE #5 IN THE CITY OF SHERMAN; FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS RESOLUTION IS PASSED WAS NOTICED AND IS OPEN TO THE PUBLIC AS REQUIRED BY LAW.

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

SECTION 1. That the City Manager be and is hereby authorized and directed, subject to all documents being properly completed and approved as to form and content by the City Attorney, to execute a Development Agreement with Heritage Development Partners, LLC for the construction of public facilities in Sherman Tax Increment Reinvestment Zone #5 located at the northwest corner of U.S. Highway 75 and F.M. 1417 (Heritage Parkway) in the City of Sherman, Grayson County, Texas, in the same or substantially same form as the contract documents to be attached hereto and incorporated herein for all purposes.

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

PASSED AND APPROVED on this the _____ day of _____, 2017.

CITY OF SHERMAN, TEXAS

BY: _____
DAVID PLYLER, MAYOR

ATTEST:

BY: _____
LINDA ASHBY, CITY CLERK

**APPROVED AS TO FORM
AND CONTENT:**

BY: _____
BRANDON S. SHELBY,
CITY ATTORNEY

STATE OF TEXAS §
 §
COUNTY OF GRAYSON §

**DEVELOPMENT AGREEMENT BETWEEN
THE CITY OF SHERMAN AND HERITAGE DEVELOPMENT PARTNERS, LLC**

THIS DEVELOPMENT AGREEMENT ("Agreement") is made and entered into this ____ day of _____, 2017 (the "Effective Date"), by and among the City of Sherman ("City"), a municipal corporation organized under the laws of the State of Texas, and Heritage Development Partners, LLC, ("Developer").

WITNESSETH:

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

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

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

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

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

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

**ARTICLE I.
SPECIFIC CONTRACT PROVISIONS**

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

title, setting out the name of the legal title holders, the outstanding mortgages, taxes, liens and covenants. The provisions of this paragraph are for the purpose of evidencing Developer's legal right to grant the exclusive rights of service contained in this Agreement.

2. **Assurance of Accuracy of Documents:** Developer has caused or will cause the subdivision plat of the Property (the "plat") and all plans and specifications (the "plans") for the streets, utilities and other improvements to be developed on the Property (collectively the "Project") as part of the public facilities of the City, to be prepared by a Registered Professional Engineer and that Plat and Plans accurately depict such subdivision and the improvements comprising the Project. Developer understands that the City will rely on the accuracy of the Plat and Plans in making its determination as to whether the documents comply with all City ordinances, state and federal law.
3. **Development Documents:** Any and all Plats, Plans, and orders of the City Planning and Zoning Commission and the City Council, made in connection with the approval of the Development depicted on the Plat (hereinafter the "Development") shall be deemed confirmed, ratified, and agreed upon by both parties and attached hereto as Exhibit "B". Developer agrees to comply with such orders and Ordinance No. 2684, and any amendments as of the date of the execution of the contract, as applicable to the Development; and all of the work of the Project will be done under the supervision of the City Engineer (as defined in Paragraph 8 of this Article) to City standards, and in accordance with applicable City regulations. The Plat, Plans, orders of the City Planning and Zoning Commission, and the City Council and Ordinance No. 2684 (hereinafter collectively referred to as the "Development Documents") are incorporated into this Agreement a part thereof for all purposes.
4. **Delivery of Improvements:** The Developer will pay for and deliver to the City free and clear of all liens and costs, all of the improvements provided in the Development Documents.
5. **Phased Development:** The Parties understand and agree that the Development contemplated by this agreement shall be completed in phases as designated by the developer and approved by the City Manager. The Parties agree that this agreement and its terms apply to any singular Phase of the Development singularly and equally to the Development in its entirety.
6. **Availability of Public Facilities:** No public facilities will be made available to any lot within any segment of this Development until the work on each segment is performed and approved as agreed upon in this Agreement.
7. **Registered Civil Engineer:** All of the plans and specifications for the improvements herein mentioned in the Development Documents, shall be prepared by a Registered Professional Civil Engineer, and all of the improvements shall be built under the supervision of such engineer, and the engineer shall certify to the City that, as each segment is built, such segment as built is true and correct in accordance with the plans

and specifications, and that the same was built under his supervision, and the certificate shall be signed and sealed by such engineer. All of the expense of such engineering shall be paid for by the Developer.

8. **City Engineer:** Before work is begun on any improvement, the City Engineer shall designate a person, hereinafter identified as "City Engineer," who shall be notified and arrangements made for inspection by the City Engineer at such stages of construction as required by him, and no improvement constructed underground shall be covered by the Developer until inspected by the City Engineer and approved by him. At any time any construction is contrary to the plans and specifications, the City Engineer shall be, and is, empowered to stop construction and require correct construction and installation at the Developer's risk and without liability to the City.
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11. **Fees:** Other fees normally charged by the City for building permits, water taps, service connections, and similar fees will be paid as required to the City by the Developer.
12. **Guarantee or Maintenance Bond:**
 - A. If, within one year after the acceptance, defects should appear in the materials or workmanship, the Developer shall have such defects promptly repaired at its own expense, and shall leave the work as intended by the plans and specifications. This guarantee will apply to all parts of the work which have been accepted by the City.
 - B. Instead of the Guarantee set for in subparagraph (A) of this paragraph, Developer may provide a Maintenance Bond to the City at the time of final acceptance of the improvements by the City Engineer. The Bond shall name the City as an obligee under the bond and the bond shall provide a one (1) year guarantee on all the improvements contained in the Development Documents.
13. **WAIVER OF RIGHTS UNDER STATE LAW:**
 - A. Developer understands that, pursuant to Section 212.904 of the Texas Local Government Code, the developer is entitled to an apportionment of the municipal infrastructure cost and that such apportionment must be done by a professional engineer. Developer hereby agrees that any land or property it donates to the City, as reflected on the Final Plat, is roughly proportionate to the need for such

land. Developer further acknowledges and agrees that all prerequisites to such a determination of rough proportionality have been met, and that any costs incurred relative to said donation are related both in nature and extent to the impact of the development of the Property and its needs related thereto. BY MY SIGNATURE ON THIS AGREEMENT, DEVELOPER HEREBY FREELY, KNOWINGLY AND VOLUNTARILY WAIVES ITS RIGHTS UNDER SECTION 212.904 OF THE TEXAS LOCAL GOVERNMENT CODE, OR ANY OTHER RELATED CLAIMS. DEVELOPER AGREES THAT THE DEVELOPER'S AGREEMENT MAY PROCEED WITHOUT THE REQUIREMENTS IMPOSED ON THE CITY UNDER SECTION 212.904 OF THE TEXAS LOCAL GOVERNMENT CODE, EXCEPT DEVELOPER SPECIFICALLY RESERVES ITS RIGHT TO APPEAL THE APPORTIONMENT IN ACCORDANCE WITH SECTION 212.904 OF THE TEXAS LOCAL GOVERNMENT CODE. I CONSENT TO THIS WAIVER AFTER HAVING THE OPPORTUNITY TO REVIEW THIS AGREEMENT AND WAIVER PROVISION WITH MY ATTORNEY, OR IF I HAVE NOT REVIEWED THIS WITH AN ATTORNEY, THAT I HAVE HAD THE OPPORTUNITY TO DO SO AND HAVE VOLUNTARILY CHOSEN NOT TO SEEK THE ADVICE OF AN ATTORNEY.

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

14. **Other Provisions:**

- A. Upon Completion of any phase of the Development, one electronic copy and one set of reproducible "Record" drawings will be supplied to the City.
- B. Upon Completion and City acceptance of any phase of the Development, the City agrees to reimburse to the Developer all documented actual costs for project management, construction, and installation of public facilities as dedicated to the City within forty-five (45) days of completion. Agreed upon project management fees shall not exceed three percent (3%) of actual project costs.

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

ARTICLE II.

GENERAL CONTRACT PROVISIONS

1. **Force Majeure.** If the performance of any of the parties hereto is delayed by reason of war, civil commotion, acts of God, inclement weather, unanticipated subsurface conditions, fire or other casualty, court injunction or any circumstances which are reasonably beyond the control of the party obligated or permitted under the terms of this Agreement to do or perform the same, regardless of whether any such circumstance is similar to any of those enumerated or not, the party so obligated or permitted shall be excused from doing or performing the same during such period of delay, so that the time period applicable to such design or construction requirement shall be extended for a period of time equal to the period such party was delayed. The terms above shall not apply to extend the time permitted for any payment obligations set forth in this Agreement.
2. **INDEMNIFICATION AND HOLD HARMLESS.** TO THE MAXIMUM EXTENT PERMITTED BY LAW, DEVELOPER OBLIGATES ITSELF TO THE CITY TO FULLY AND UNCONDITIONALLY PROTECT, INDEMNIFY AND DEFEND THE CITY, ITS OFFICERS, AGENTS AND EMPLOYEES, AND HOLD IT HARMLESS FROM AND AGAINST ANY AND ALL COSTS, EXPENSES, REASONABLE ATTORNEY FEES, CLAIMS, SUITS, LOSSES OR LIABILITY FOR INJURIES TO PROPERTY, INJURIES TO PERSONS (INCLUDING DEVELOPERS EMPLOYEES), INCLUDING DEATH, AND FROM ANY OTHER COSTS, EXPENSES, REASONABLE ATTORNEY FEES, CLAIMS, SUITS, LOSSES OR LIABILITIES OF ANY AND EVERY NATURE WHATSOEVER ARISING IN ANY MANNER, DIRECTLY OR INDIRECTLY, OUT OF OR IN CONNECTION HERewith, REGARDLESS OF CAUSE OR OF THE SOLE, JOINT, COMPARATIVE OR CONCURRENT NEGLIGENCE OR GROSS NEGLIGENCE OF DEVELOPER, ITS OFFICERS, AGENTS OR EMPLOYEES. THIS INDEMNIFICATION AND SAVE HARMLESS SHALL APPLY TO ANY IMPUTED OR ACTUAL JOINT ENTERPRISE LIABILITY. **This indemnity does not waive any governmental immunity available to the City under Texas law and does not waive any defenses of the parties under Texas law.**
3. **Authority to Bind.** Each general partner or member executing this Agreement on behalf the Developer represents that, by executing this Agreement in such capacity, it acts within the scope of its authority and does not exceed the bounds of its authority to act to bind such party regarding the obligations and assurances contained in this Agreement.

City represents that the execution of this Agreement as provided below has been duly authorized by the City Council as provided in the Approval Resolution.

4. **Events of Default.** A default shall exist if either party fails to perform or observe any material covenant contained in this Agreement. The non-defaulting party shall immediately notify the defaulting party in writing upon becoming aware of any change in the existence of any condition or event which would constitute a default or, with the giving of notice or passage of time, or both, would constitute a default under this Agreement. Such notice shall specify the nature and the period of existence thereof and what action, if any, the notifying party requires or proposes to require with respect to curing the default.
5. **Remedies Available to City.** If a default by Developer shall occur and continue, after thirty (30) days' notice to cure default, City may, at its option, pursue any and all remedies it may be entitled to, at law or in equity, in accordance with Texas law and including using the Performance Bond to complete the work, without the necessity of further notice to or demand upon Developer. City shall not, however, have the right to exercise such remedies for so long as Developer proceeds in good faith and with due diligence to remedy and correct the default, provided that Developer has commenced to cure such default within thirty (30) days following notice, pursues such cure with reasonable diligence and completes such cure within one hundred eighty (180) days.
6. **No Waiver of Defenses.** Nothing in this Agreement shall be construed or intended to waive any defenses available to the City, including, but not limited to, governmental immunity.
7. **Venue and Governing Law.** This Agreement is performable in Grayson County, Texas and venue of any action arising out of this Agreement shall be exclusively in Grayson County. This Agreement shall be governed and construed in accordance with the laws of the State of Texas.
8. **Notices.** Any notice required by this Agreement shall be deemed to be properly served (i) three (3) days following deposit if deposited in the U.S. mail by certified letter, return receipt requested; (ii) on the next business day if sent by nationally recognized overnight delivery service; or (iii) upon receipt if transmitted by facsimile or electronic transmission, addressed to the recipient at the recipient's address shown below, subject to the right of either party to designate a different address by notice given in the manner just described.

CITY:

DESIGNEE: Robby Hefton
ADDRESS: 220 W. Mulberry Street
 Sherman, TX 75090
PHONE: 903-892-7200
FAX: 903-892-7355

DEVELOPER: HERITAGE DEVELOPMENT PARTNERS, LLC

DESIGNEE: Richard D. Jelsma, MD

ADDRESS: 2600 N.US 75
Sherman, TX 75090

PHONE: 903-267-1172

9. **Legal Construction.** In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision thereof and this Agreement shall be considered as if such invalid, illegal, or unenforceable provision had never been contained in this Agreement.
10. **Counterparts.** This Agreement may be executed in any number of counterparts, which may be transmitted originally or electronically, each of which shall be deemed an original and constitute one and the same instrument.
11. **Captions.** The captions to the various clauses of this Agreement are for informational purposes only and shall not alter the substance of the terms and conditions of this Agreement.
12. **Successors and Assigns.** The terms and conditions of this Agreement are binding upon the successors and assigns of all parties hereto, provided, however, this Agreement shall not be assigned by Developer without prior written approval by the City Manager of the City, which approval shall not be unreasonably withheld or delayed. City may assign or delegate any of its rights or obligations under this Agreement but the same shall not constitute a novation.
13. **Entire Agreement.** This Agreement embodies the complete agreement of the parties hereto, superseding all oral or written previous and contemporary agreements between the parties and relating to matters in this Agreement, and except as otherwise provided herein cannot be modified without written agreement of the parties to be attached to and made a part of this Agreement.
14. **Interpretation of Agreement.** This is negotiated Agreement. If any part of this Agreement is in dispute, the parties stipulate that the Agreement shall not be construed more favorably for either party.

IN WITNESS WHEREOF, parties have caused this Agreement to be executed in duplicate this ____ day of _____ 2017, with an original to each party.

DEVELOPER: HERITAGE DEVELOPMENT PARTNERS, LLC

BY: _____
NAME: Richard D. Jelsma, MD
TITLE: Managing Member

ATTEST: **BY:** _____

NAME: _____

TITLE: _____

CITY: **CITY OF SHERMAN**

BY: _____

NAME: Robby Hefton

TITLE: City Manager

ATTEST: **BY:** _____

NAME: Linda Ashby

TITLE: City Clerk

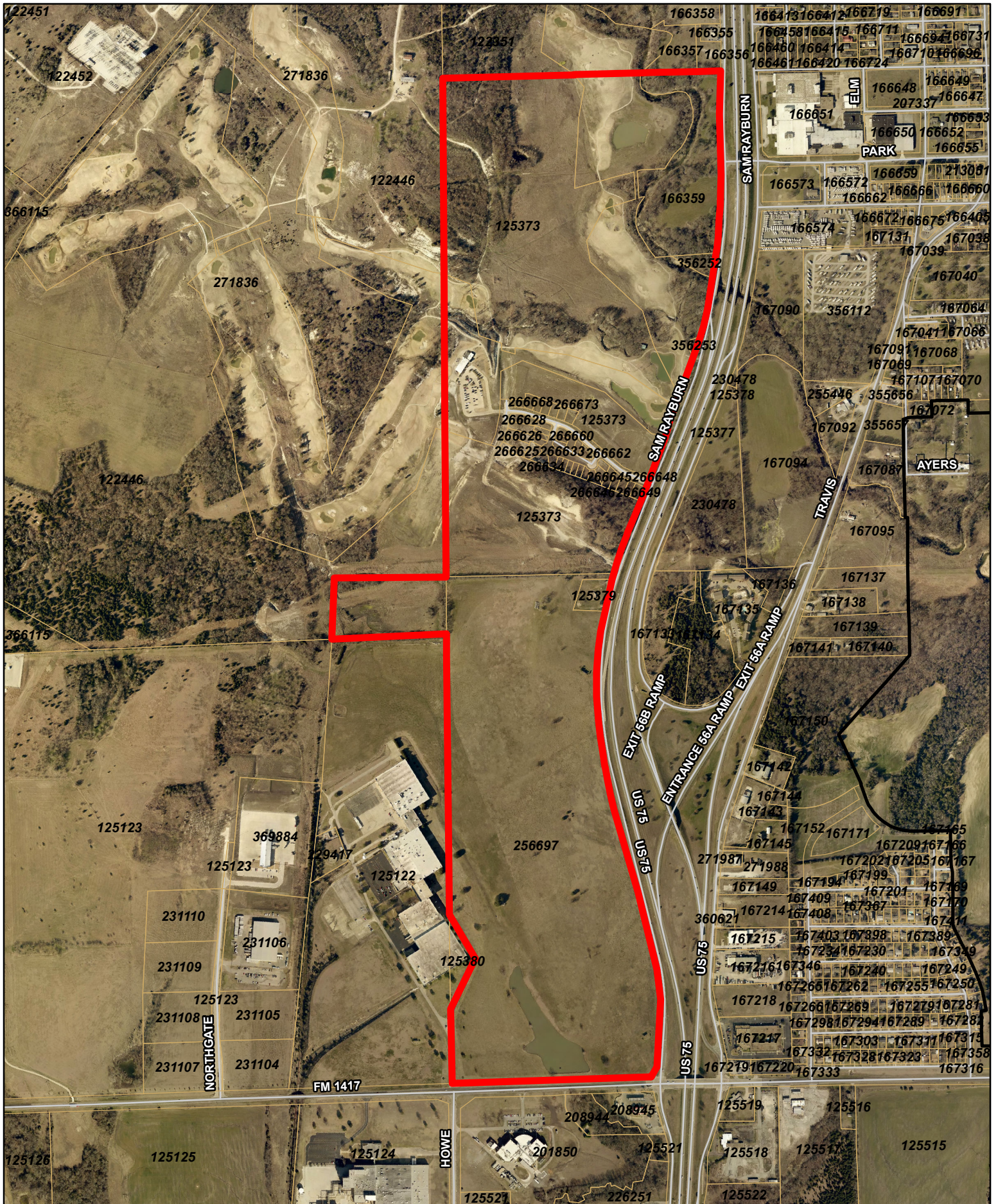
APPROVAL RECOMMENDED:

Clint Philpott, P.E. / Director Engineering

APPROVED AS TO FORM:

Brandon S. Shelby, City Attorney

Attachment C



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

TIRZ 5

1 inch = 1,000 feet





SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

C.5.

Meeting Date: 08/07/2017

Prepared By: Pamela Cloer, Assistant to the City Manager

Approved By: Robby Hefton, City Manager

Caption:

RESOLUTION NO. 6247

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

Issue:

To renew the guidelines and criteria established for the Central Business District Tax Abatement Program

Background:

Every two years, the City Council is required to pass a new resolution to keep the Central Business District Tax Abatement Program active. This program was first adopted at the City Council's July 6, 2004 meeting. At the August 1, 2005 meeting, the City Council revised the program's guidelines and criteria to promote the development or redevelopment of commercial structures in the Central Business District, whether they are retail, service, or professional in purpose, with improvements valued in excess of \$25,000.00. A certificate of occupancy must be issued to qualify; and the City Council has the opportunity to review and approve all tax abatement applications. Once approved, 100% of taxes on the improvements only are abated for five (5) years. The program was last renewed at the August 3, 2015 meeting of the City Council, with no revisions made.

Origination:

Mayor and City Council

Financial Consideration:

There is no immediate financial impact to renewing the guidelines and criteria. The impact of a particular abatement is judged when the abatement agreement is presented to the City Council for approval.

Staff Recommendation:

It is recommended that the City Council approve the Resolution to renew the Central Business District Tax Abatement Program.

Alternatives:

The City Council could decide not to participate in this tax abatement program or could revise the guidelines and criteria.

Attachments

Resolution No. 6247

Central Business District Tax Reinvestment Zone

Central Business District Tax Reinvestment Zone - Aerial

RESOLUTION NO. 6247

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; FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS RESOLUTION IS PASSED WAS NOTICED AND IS OPEN TO THE PUBLIC AS REQUIRED BY LAW.

WHEREAS, the City Council of the City of Sherman, Texas, desires to promote the development/redevelopment of the Central Business District within its jurisdiction; and

WHEREAS, the City of Sherman, Texas, is authorized to enter into Tax Abatement Agreements for commercial-industrial or residential purposes as authorized by Chapter 312 of the Texas Property Tax Code; and

WHEREAS, the Code requires the City of Sherman, Texas, to renew its guidelines and criteria for the designation of reinvestment zones for Tax Abatement Agreements;

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

SECTION 1. That the City of Sherman, Texas, declares it is eligible for and intends to renew its Tax Abatement Program.

SECTION 2. That the City of Sherman, Texas, hereby renews the following Guidelines and Criteria for Tax Abatement for use in its Tax Abatement Program:

CITY OF SHERMAN TAX ABATEMENT GUIDELINES AND CRITERIA

GENERAL PURPOSE AND OBJECTIVES

The City of Sherman is committed to an expansion of its tax base, an increase to its population, the promotion of development in all parts of the City, and to an ongoing improvement in the quality of life for its citizens. As these objectives are generally served by the enhancement and expansion of the local economy, the City of Sherman will offer a downtown tax abatement as a stimulus for economic development in Sherman. The policy of the City of Sherman is to make downtown tax abatement available to new structures and to the modernization of existing structures. It is the policy of the City of Sherman that such tax abatement will be provided in accordance with the procedures and criteria outlined in this document and as permitted by State statute. The guidelines and criteria herein adopted shall expire two (2) years from and after adoption. The provisions herein are severable and, if any provision or requirement of these guidelines or criteria is declared or found to be illegal or invalid, such illegality or invalidity

shall not affect the remaining provisions, since the City Council would have adopted these guidelines and criteria without the incorporation of the portions found to be invalid.

DEFINITION OF TERMS

Act — means the Property Redevelopment and Tax Abatement Act, Texas Tax Code Ann. 312.001, et seq., as amended from time to time.

Agreement — means a contractual agreement between a property owner and the City of Sherman for the purposes of tax abatement.

Applicant — means an owner of real property who requests tax abatement in accordance with these guidelines.

Base Year Value — means the assessed value of eligible property on January 1 preceding the date of execution of the agreement.

Economic Life — means the number of years a property improvement is expected to be in service.

Modernization — means the replacement, expansion and upgrading of commercial improvements for purposes of reconditioning, refurbishing or expanding.

New Structure — means commercial improvements made to a property previously undeveloped which is placed into use by means other than or in conjunction with expansion or modernization.

Reinvestment Zone — means a contiguous geographic area in the jurisdiction of the municipality in which tax abatements may be granted to promote commercial development or redevelopment if the governing body determines that commercial development or redevelopment would not occur solely through private investment in the reasonably foreseeable future.

Commercial Improvements — means the construction of commercial building(s), and all the appurtenances thereto, whether retail, service, or professional in purpose, and includes modernization and new structures.

Total Facility — means all buildings and structures along with the appurtenances thereto.

ELIGIBILITY

A new structure or modernization of a structure anywhere within the Central Business District of Sherman of a value in excess of TWENTY-FIVE THOUSAND DOLLARS (\$25,000.00) may receive abatement. As provided in the Act, abatement may only be granted for the value of eligible property subsequent to and listed in an abatement agreement between the City of Sherman and the property owner.

Eligible Property — Abatement will be extended to the increased value of real estate, buildings, structures, and site improvements along with the appurtenances thereto. A Certificate of Occupancy issued by the City of Sherman's building official must be obtained at the completion of each project for it to be eligible for abatement.

Value and Term of Abatement — Upon determination that all requirements for tax abatement have been satisfied by the applicant, the value and terms of the abatement will be for a period of five (5) years in accordance with the following schedule for the abatement of taxes on the added value above the base year value. Abatement shall be granted effective with the January 1 valuation date immediately following the date of completion of the improvements. Applicant agrees that the eligible property for which the abatement is granted shall be occupied and operational during the entire abatement period.

SCHEDULE OF TAXES ASSESSED

<u>TAX YEAR</u>	<u>ABATEMENT</u>
1	100%
2	100%
3	100%
4	100%
5	100%

CRITERIA

Any request for tax abatement shall be reviewed for completeness. The City staff shall determine whether the application satisfies the guidelines and criteria. Tax abatement shall be based upon an evaluation of the following criteria which each applicant will be requested to address in narrative format:

Fiscal Impact

Addition of real property improvements to the tax rolls.

No utility construction by the City would be required other than routine.

Community Impact

The project is compatible with the City's comprehensive plan.

No adverse environmental impact will be created by the project.

PROCEDURES

Any person, partnership, organization, corporation or other entity desiring that the City of Sherman consider providing tax abatement to encourage location within the Central Business District of Sherman shall be required to comply with the following procedural guidelines:

1. Preliminary Application Steps

- A. Applicant shall submit an “Application for Tax Abatement” contemporaneously with the application for a building permit, and shall pay a filing fee of \$75.00 to cover publication, notice cost, review and processing. If the applicant for the building permit is not the owner of the real estate and does not make application for tax abatement on behalf of the owner, the City staff shall notify the owner by certified mail, return receipt requested, that tax abatement must be filed with the City within ten (10) business days of receipt of the notice.
 - B. If the applicant does not wish to apply for tax abatement at the time that the building permit is issued or if the owner fails to respond to the written notice of availability for tax abatement, the opportunity for tax abatement is waived. The staff shall prepare forms necessary to reflect the refusal of an applicant to participate and to document the lack of response by the owner to the written notice. The refusal or waiver to participate in tax abatement by the owner or applicant shall be binding on subsequent owners of the real property.
 - C. The City may request applicant to provide substantiation of economic feasibility of the overall project to assist in determining the long-term benefit to the City.
 - D. A complete legal description shall be provided.
 - E. Applicant shall complete all forms and information detailed above and submit them to the City of Sherman.
2. All information in the application package detailed above will be reviewed for completeness and accuracy. Additional information may be requested as needed.
- If necessary, applicant will meet with City to discuss details of the application and prepare for presentation of application to the City Council.
3. The application shall include the total capital investment for real property improvements and type of project.

LEGAL DOCUMENTATION PREPARATION

The City will be responsible for drafting the proposed agreement pursuant to the approved Tax Abatement, as well as all associated documentation.

The legal document is to include the following:

- 1. Estimated value of modernization or new construction to be abated.
- 2. Percent of value to be abated each year.
- 3. Commencement date and the termination date of abatement.

4. Proposed use of the facility, nature of construction, time schedule, map, property description and improvements list as provided in the application.
5. Contractual obligations in the event of default, violation of terms or conditions, delinquent taxes, recapture and administration.

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 _____, 2017.

CITY OF SHERMAN, TEXAS

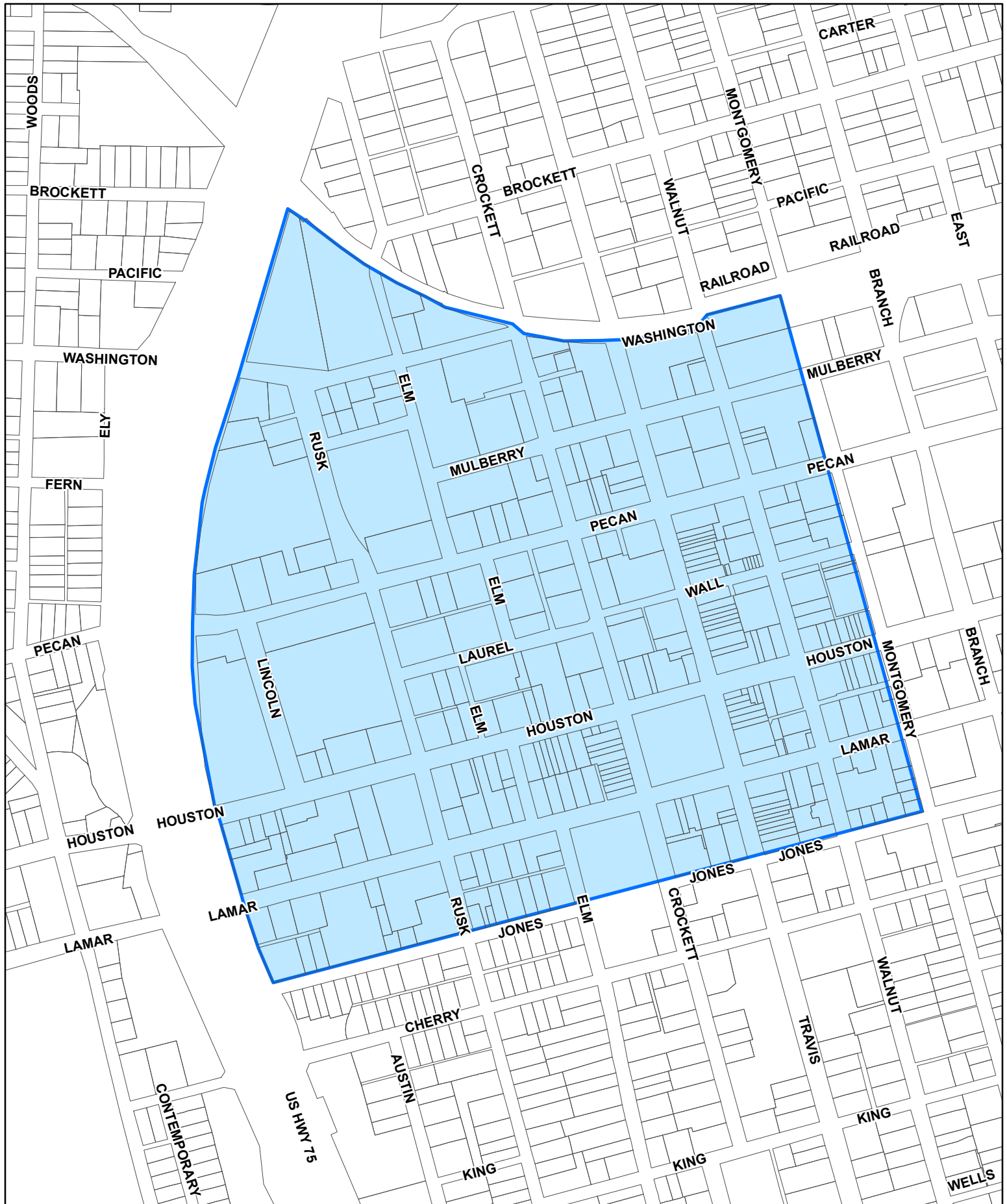
BY: _____
DAVID PLYLER, MAYOR

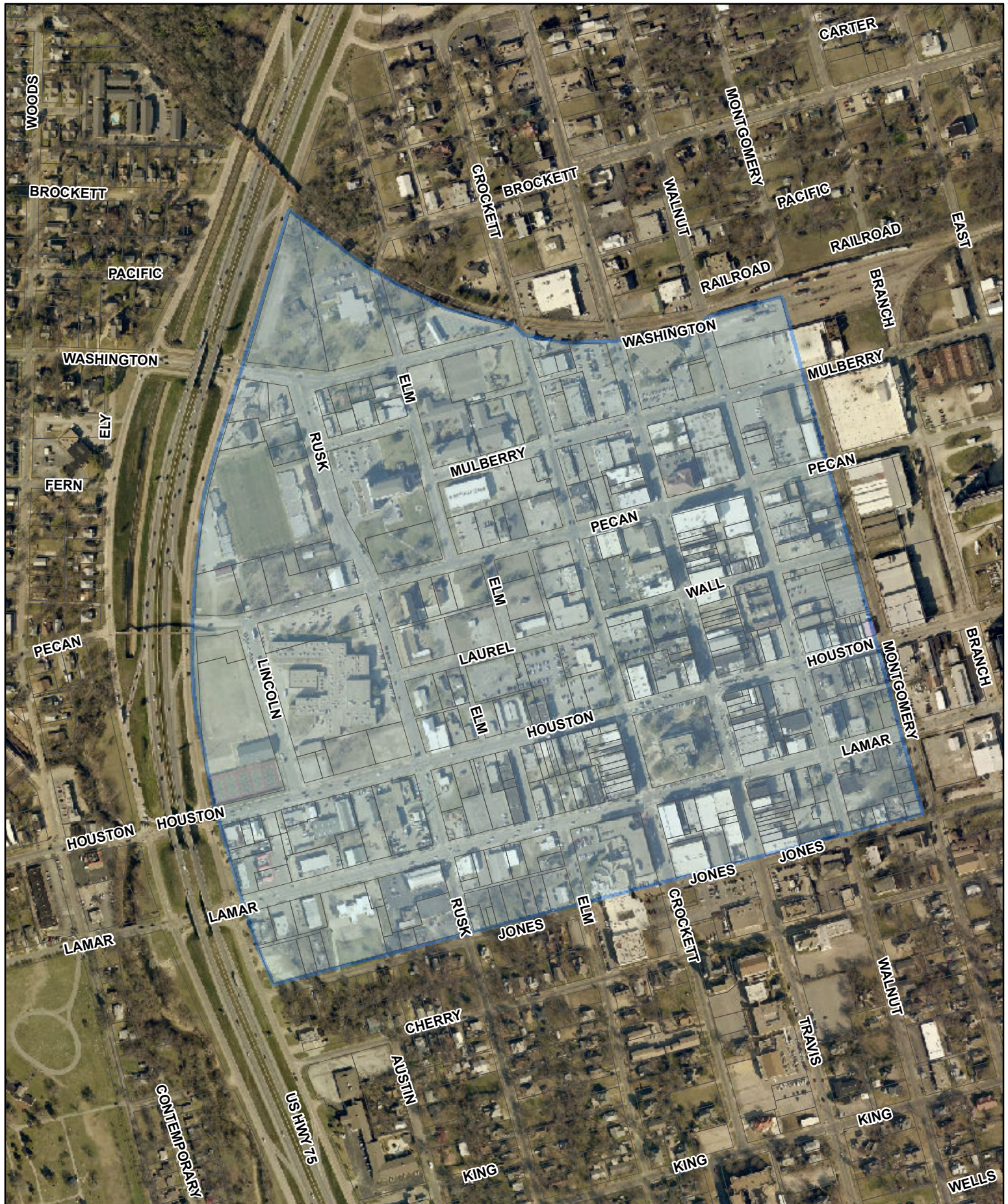
ATTEST:

BY: _____
LINDA ASHBY, CITY CLERK

**APPROVED AS TO FORM
AND CONTENT:**

BY: _____
**BRANDON S. SHELBY,
CITY ATTORNEY**







SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

C.6.

Meeting Date: 08/07/2017

Prepared By: Mary Lawrence, Director of Finance

Approved By: Robby Hefton, City Manager

Caption:

*** RESOLUTION NO. 6248**

Appointing and Authorizing the Execution of an Agreement with Adami, Lindsey & Company, L.L.P. to Perform the Fiscal Year 2017 Audit

Issue:

Independent audit services for fiscal year (FY) 2017

Background:

By Charter, we are required to annually appoint an independent auditor to perform a financial audit for the City. Adami, Lindsey & Company, L.L.P. (ALC) performed the audit for the past four years. The staff and Council Audit Committee were pleased with the firm's performance and are recommending the reappointment of ALC for the FY 2017 Audit.

Origination:

Council Audit Committee

Mary Lawrence, Director of Finance

Financial Consideration:

The fee estimate for these services is \$47,000.00 for the City and \$6,000.00 for the Sherman Economic Development Corporation (SEDCO). Funds have been allocated in the FY 2018 budget for this expenditure.

Staff Recommendation:

The staff recommends the City Council accept the recommendation of the Council Audit Committee to appoint Adami, Lindsey & Company, L.L.P. to perform the annual audit for the fiscal year ending September 30, 2017.

Alternatives:

The City Council could instruct the staff to solicit proposals from firms outside the City.

Attachments

Resolution No. 6248

Memo to Audit Committee dated August 1, 2017

Audit Engagement Letter dated July 27, 2017

RESOLUTION NO. 6248

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, APPOINTING AND AUTHORIZING THE EXECUTION OF AN AGREEMENT WITH ADAMI, LINDSEY & COMPANY, L.L.P. TO PERFORM THE FISCAL YEAR 2017 AUDIT; 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 hereby appoints Adami, Lindsey & Company, L.L.P. to perform the annual audit for the City of Sherman for fiscal year ending September 30, 2017.

SECTION 2. That the City Manager be and is hereby authorized and directed, subject to all agreement documents being properly completed and approved as to form and content by the City Attorney, to execute a contract with Adami, Lindsey & Company, L.L.P. to perform the annual audit for the City of Sherman for fiscal year ending September 30, 2017.

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 _____, 2017.

CITY OF SHERMAN, TEXAS

BY: _____
DAVID PLYLER, MAYOR

ATTEST:

BY: _____
LINDA ASHBY, CITY CLERK

**APPROVED AS TO FORM
AND CONTENT:**

BY: _____
**BRANDON S. SHELBY,
CITY ATTORNEY**

DATE: Tuesday, August 1, 2017

TO: The Council Audit Committee
The Honorable David Plyler, Mayor
The Honorable Kevin Couch, Council Member
The Honorable Shawn Teamann, Council Member

CC: Sherman City Council Members, Robby Hefton, City Manager
Steve Ayers, Assistant City Manager

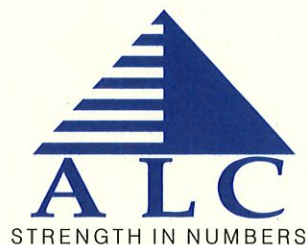
FROM: Mary Lawrence, Director of Finance 

SUBJECT: **Reappointment of Adami Lindsey Company, Inc. (ALC) as Independent Auditor for the Fiscal Year Ended September 30, 2017 Audit**

Adami Lindsey & Company, L.L.P. (ACL), a Certified Public Accounting firm in Sherman, has performed the annual audit for the City the past four years. Subject to Audit Committee and City Council approval, the staff proposes to engage ALC for the annual audit for the year ended September 30, 2017.

The engagement letter (contract) has been received from ALC and is attached for your review. ALC has agreed to provide the audit services for the upcoming fiscal year for \$53,000.00, including the audit of SEDCO, and \$1,750.00 more than the fee for last year. Audit field work is expected to begin in September with the report draft received by February 2, 2018.

The engagement letter will be on the August 7, 2017 agenda for approval. If you have any questions about this, please feel free to contact me.



ADAMI, LINDSEY & COMPANY, L.L.P.
Certified Public Accountants

123 NORTH CROCKETT STREET, SUITE 100
SHERMAN, TEXAS 75090

(903) 892-2727

FACSIMILE: (903) 868-9682

www.adamilindsey.com

DAROLD P. ADAMI
JAMES A. LINDSEY
DAROLD P. ADAMI, JR.
BELINDA W. DEVINCENTIS
TIMOTHY D. TARABA

July 27, 2017

Mr. Robby Hefton,
City Manager
City of Sherman, Texas

Re: **Audit of Financial Statements for the Year Ending September 30, 2017**

Dear Mr. Hefton:

We are pleased to confirm our understanding of the services we are to provide the City of Sherman, Texas (City) as of and for the year ended September 30, 2017. We will audit the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the City's basic financial statements as of and for the year ended September 30, 2017. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the City's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the City's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1. Management's discussion and analysis
2. Budgetary comparison schedule – General Fund
3. Supplementary pension and OPEB information

We have also been engaged to report on supplementary information other than RSI that accompanies the City's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and we will provide an opinion on it in relation to the financial statements as a whole, in a report combined with our auditor's report on the financial statements:

1. Schedule of expenditures of federal awards
2. Combining and individual fund financial statements and schedules

The following other information accompanying the financial statements will not be subjected to the auditing procedures applied in our audit of the financial statements, and our auditor's report will not provide an opinion or any assurance on that other information.

1. Introductory and statistical sections of Comprehensive Annual Financial Report (CAFR)

Audit Objectives

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. The objective also includes reporting on -

- Internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will include a paragraph that states that (1) the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The Uniform Guidance report on internal control over compliance will include a paragraph that states that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance, and will include tests of accounting records, a determination of major programs in accordance with the Uniform Guidance, and other procedures we consider necessary to enable us to express such opinions. We will issue written reports upon completion of our Single Audit. Our reports will be addressed to the Honorable Mayor and Members of the City Council of the City. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or we may withdraw from this engagement.

Audit Procedures – General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements or noncompliance may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or major programs. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; schedule of expenditures of federal awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

Audit Procedures – Internal Control

Our audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by the Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and the Uniform Guidance.

Audit Procedures – Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the City's compliance with provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with federal statutes, regulations, and the terms and conditions of federal awards applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the OMB Compliance Supplement for the types of compliance requirements that could have a direct and material effect on each of the City's major programs. The purpose of these procedures will be to express an opinion on the City's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

Other Services

We will also assist in preparing the financial statements, schedule of expenditures of federal awards, and related notes of the City in conformity with U.S. generally accepted accounting principles and the Uniform Guidance based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statements, schedule of expenditures of federal awards, and related notes services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Management Responsibilities

Management is responsible for (1) establishing and maintaining effective internal controls, including internal controls over federal awards, and for evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the financial statements, schedule of expenditures of federal awards, and all accompanying information in conformity with U.S. generally accepted accounting principles; and for compliance with applicable laws and regulations (including federal statutes) and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance, (3) additional information that we may request for the purpose of the audit, and (4) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the City involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants. Management is also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements, or abuse that we report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan.

You are responsible for identifying all federal awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received) in conformity with the Uniform Guidance. You agree to include our report on the schedule of expenditures of federal awards in any document that contains and indicates that we have reported on the schedule of expenditures of federal awards. You also agree to make the audited financial statements readily available to intended users of the schedule of expenditures of federal awards no later than the date the schedule of expenditures of federal awards is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance; (2) you believe the schedule of expenditures of federal awards, including its form and content, is stated fairly in accordance with the Uniform Guidance; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

You agree to assume all management responsibilities relating to the financial statements, schedule of expenditures of federal awards, and related notes and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements, schedule of expenditures of federal awards, and related notes and that you have reviewed and approved the financial statements, schedule of expenditures of federal awards, and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Engagement Administration, Fees, and Other

We may from time to time and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

We understand that your employees will prepare all cash or other confirmations we request and will locate any documents selected by us for testing.

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to electronically submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditors' reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with you the electronic submission and certification. The Data Collection Form and the reporting package must be submitted within the earlier of 30 calendar days after receipt of the auditors' reports or nine months after the end of the audit period.

We will provide ten (10) copies of our Audit Report, fifteen (15) copies of the CAFR, and a PDF copy of all reports to the City; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Adami, Lindsey & Company, LLP and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to the U.S. Department of Housing and Urban Development or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Adami, Lindsey & Company, LLP personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide to, distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the City's cognizant or oversight agency. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Mr. Robby Hefton
July 27, 2017
Page 8

We expect to begin preliminary audit procedures in September 2017 and to issue a draft of our reports no later than February 2, 2018. We will issue our final reports on or before February 26, 2018 and in time to present to the City Council at their first meeting in March 2018. Timothy D. Taraba, CPA is the engagement partner and is responsible for signing the reports or authorizing another individual to sign them. Brian Grisham, CPA is the engagement manager and will be responsible for supervising the engagement.

Our fees for these services, including the report on the Sherman Economic Development Corporation will be based on our standard hourly rates (discounted approximately 25%) plus out-of-pocket costs (such as report production, word processing, postage, travel, copies, telephone, etc.) except that we agree our gross fee will not exceed \$53,000 for the year ended September 30, 2017. The fee for the current year will be allocated \$47,000 to the City and \$6,000 to SEDCO. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered periodically as work progresses and are payable on presentation. The above fees are based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

You have requested that we provide you with a copy of our most recent external peer review report and any subsequent reports received during the contract period. Accordingly, our 2014 peer review report accompanies this letter.

You may request that we perform additional services not addressed in this engagement letter. If this occurs, we will communicate with you regarding the scope of the additional services and the estimated fees. We also may issue a separate engagement letter covering the additional services. In the absence of any other written communication from us documenting such additional services, our services will continue to be governed by the terms of this engagement letter.

We appreciate the opportunity to be of service to the City of Sherman, Texas and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

Adami, Lindsey & Company, LLP
Adami, Lindsey & Company, L.L.P.

RESPONSE:

This letter correctly sets forth the understanding of the City of Sherman, Texas.

Robby Hefton, City Manager

Date

System Review Report

July 8, 2014

To the Partners of

Adami, Lindsey & Company, LLP

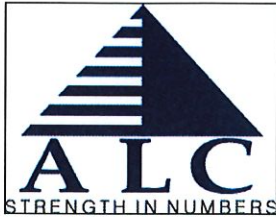
and the Peer Review Committee of the Texas Society of Certified Public Accountants

We have reviewed the system of quality control for the accounting and auditing practice of **Adami, Lindsey & Company, LLP** (the firm) in effect for the year ended December 31, 2013. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. As a part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under *Government Auditing Standards* and an audit of employee benefit plans.

In our opinion, the system of quality control for the accounting and auditing practice of **Adami, Lindsey & Company, LLP** in effect for the year ended December 31, 2013, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. **Adami, Lindsey & Company, LLP** has received a peer review rating of *pass*.

Davis Kinard & Co, PC
Certified Public Accountants



ADAMI, LINDSEY & COMPANY, L.L.P.
Certified Public Accountants

123 NORTH CROCKETT STREET, SUITE 100
SHERMAN, TEXAS 75090

DAROLD P. ADAMI
JAMES A. LINDSEY
DAROLD P. ADAMI, JR.
BELINDA W. DEVINCENTIS
TIMOTHY D. TARABA

(903) 892-2727
FACSIMILE: (903) 868-9682
www.adamilindsey.com

August 1, 2017

Mr. Robby Hefton,
City Manager
City of Sherman, Texas

Re: **Supplement to Audit Engagement Letter Dated July 27, 2017**

Dear Mr. Hefton:

We have previously provided our engagement letter for the audit of the financial statements of the City of Sherman, Texas (City) for the fiscal year ending September 30, 2017. That engagement letter presumes that the City will be subject to the requirements of the Federal Single Audit. Under this scenario, the portion of the total audit fee allocable to the City will be \$47,000, as stated in the engagement letter.

The requirements for a Federal Single Audit are applicable when the recipient expends more than \$750,000 of federal grants or awards during its fiscal year. In performing an audit under the requirements of the Federal Single Audit, the auditor is required to review and test the recipient's internal controls related to its major federal programs, and to perform compliance tests to ascertain that the recipient expended the federal grant funds in accordance with applicable requirements. The results of this review and testing are expressed in a separate independent auditor's report that is included within the recipient's financial statements. Additionally, a Schedule of Findings and Questioned Costs and a Schedule of Expenditures of Federal Awards must be prepared and presented within the recipient's financial statements.

If the City is determined to not be subject to the requirements of the Federal Single Audit, we will reduce our total fee of \$53,000, which includes the Sherman Economic Development Corporation, by \$3,200 to \$49,800. The portion of this reduced fee that will be allocable to the City will be \$43,800.

Please let us know if you have any additional questions.

Very truly yours,

Adami, Lindsey & Company, L.L.P.

Adami, Lindsey & Company, L.L.P.
Certified Public Accountants



SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

C.7.

Meeting Date: 08/07/2017

Prepared By: Pamela Cloer, Assistant to the City Manager

Approved By: Robby Hefton, City Manager

Caption:

*** RESOLUTION NO. 6249**

Authorizing the Execution of Deeds for the Resale of Properties within the Sherman City Limits Seized for Delinquent Taxes

Issue:

The attached resolution authorizes Grayson County to auction certain tracts of real property that have been moved to the City of Sherman's ownership due to unpaid property taxes. It also authorizes the Mayor to sign deeds conveying these properties to the buyers.

Background:

Grayson County will hold a tax resale auction on Thursday, October 12th at 10:00 a.m. at the Grayson County Courthouse, Assembly Room, 2nd Floor Annex located in downtown Sherman. The properties to be sold have gone through a sheriff's sale without receiving a bid equal to or above the taxes owed against the property. Therefore, they have been moved to the ownership of a local government and will be sold at this auction. Six (6) properties owned by the City of Sherman jointly with the other taxing entities (described in the list) will be included in the auction. The property located on West McGee Street has been removed from the list as it is in the floodplain and floodway and is not buildable. It is proposed that the property be maintained by the City as green space.

Origination:

Bruce Stidham, Assessor and Collector of Taxes for Grayson County

Financial Consideration:

A small amount of delinquent taxes will be collected by the auction; and the properties will be returned to the tax rolls. Proceeds from the auction will be distributed to each political subdivision on a pro-rata basis based on the taxes owed each entity.

Staff Recommendation:

The staff recommends approving the resale of these properties, returning them to the tax rolls.

Alternatives:

The City Council could deny the resolution.

Attachments

Resolution No. 6249

Tax Assessor-Collector's Request of July 20, 2017

Exhibit "A" - Property List

Location Map - E Brockett St

Photograph - E Brockett St

Location Map - 2001 S East

Photograph - 2001 S East

Location Map - Off Frisco Rd

Photograph - Off Frisco Rd

Location Map - 809 S Willow St

Photograph - 809 S Willow St

Location Map - 1019 N Branch

Photograph - 1019 N Branch

Location Map - S Rusk

Photograph - S Rusk

Letter to Tax Assessor-Collector re W McGee St

Location Map - W McGee St

Photograph - W McGee St

RESOLUTION NO. 6249

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING THE EXECUTION OF DEEDS FOR THE RESALE OF PROPERTIES WITHIN THE SHERMAN CITY LIMITS SEIZED FOR DELINQUENT TAXES; 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, certain tracts of real property, identified in Exhibit “A” attached hereto, have been struck-off/sold to various Grayson County taxing jurisdictions for delinquent taxes; and

WHEREAS, various Grayson County taxing jurisdictions desire to sell these properties and thereby place them back on the tax rolls; and

WHEREAS, Grayson County has scheduled a 2017 Tax Resale Auction to be held at the Grayson County Courthouse Assembly Room, 2nd Floor Annex, 100 West Houston Street, Sherman, Texas, at 10:00 a.m. on Thursday, October 12, 2017; and

WHEREAS, the taxing entities approve of the minimum bid price listed by each tract of real property shown in Exhibit “A”; and

WHEREAS, the funds received pursuant to this sale shall be distributed according to the Texas Property Tax Code; and

WHEREAS, there is no fee owed for placing this property in the 2017 Tax Resale Auction;

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

SECTION 1. That the list of property attached to this resolution as Exhibit “A” shall be offered for sale at the 2017 Tax Resale Auction at 10:00 a.m. on Thursday, October 12, 2017 at the Grayson County Courthouse Assembly Room, 2nd Floor Annex, 100 West Houston Street, Sherman, Texas, free and clear of all property taxes and tax liens held by the City of Sherman and may be sold by the auctioneer at a price equal to or above the minimum bid price shown on Exhibit “A”.

SECTION 2. That David Plyler, as Mayor of the City of Sherman, Texas, is hereby authorized to execute any deed or deeds necessary to complete the sale of said properties in conformance with this resolution and without further approval by this governing body.

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 _____, 2017.

CITY OF SHERMAN, TEXAS

BY: _____
DAVID PLYLER, MAYOR

ATTEST:

BY: _____
LINDA ASHBY, CITY CLERK

**APPROVED AS TO FORM
AND CONTENT:**

BY: _____
**BRANDON S. SHELBY,
CITY ATTORNEY**



OFFICE OF

BRUCE STIDHAM

TAX ASSESSOR - COLLECTOR

GRAYSON COUNTY

www.co.grayson.tx.us

COURTHOUSE
100 W. HOUSTON - SUITE 11
P.O. BOX 2107
SHERMAN, TX 75091

TAX OFFICE: 903-892-8297
VEHICLE REGISTRATION: 903-813-4225
FAX: 903-893-4973

TO: CITY OF SHERMAN

FROM: BRUCE STIDHAM *BS*

SUBJECT: 2017 TAX RESALE AUCTION

DATE: July 20, 2017

The 2017 Tax Resale Auction will be held on Thursday, October 12, 2017 at 10:00 a.m. at the Grayson County Courthouse, Assembly Room, 2nd Floor Annex, 100 W. Houston, Sherman, Texas. The auction will include tracts of real property that have been struck off to various Grayson County taxing jurisdictions for delinquent taxes.

Enclosed find a Resolution and a list of the properties that are to be included in the auction. Please present the Resolution to your jurisdiction for signatures at the next board or council meeting and return the signed Resolution to this office as soon as possible.

BS:vh

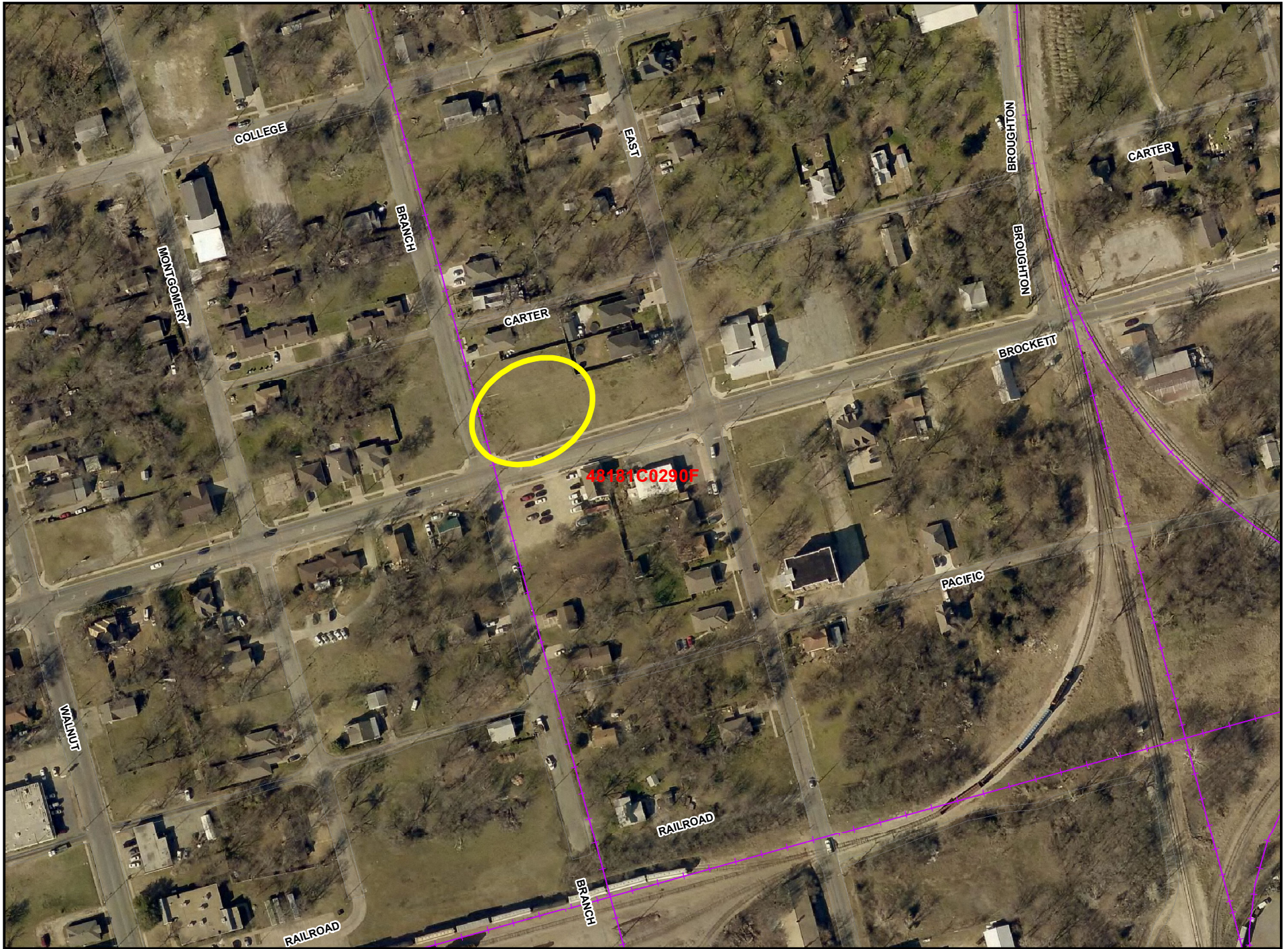
Enclosures



**2017 RESALE AUCTION
CITY OF SHERMAN**

CAUSE #	ORIGINAL OWNER NAME	PROPERTY ID#	ADDRESS	ISD	LEGAL DESCRIPTION	MINIMUM BID	ATTY
92-3431	FRANK AKERS	S030-2020011	E BROCKETT ST / SHERMAN	SH	BONDS 2ND ADDN, BLOCK 2, LOT 3, 150 X 90 (C), 13,500 SQ FT 3	\$ 303.00	LGBS
T-12-0033	MAGDON LEROY BOYD	S053-2221142 TRACT 1	2001 S EAST / SHERMAN	SH	SOUTHSIDE ADDN, BLOCK 46, LOT W 82' 12	\$ 363.00	LGBS
T-13-3395	EDWARD DUCOFF	S008-0811015	OFF FRISCO RD	SH	G-0811 MCGLOTHLIN SAMUEL M A-G0811, 30X300S	\$ 356.00	LGBS
T-15-3085	MIKE LOWERY HOPPER	S042-2078098	809 S WILLOW ST / SHERMAN	SH	ELLIOTTS W ADDN, BLOCK 16, LOT 5 & 6	\$ 363.00	LGBS
96-3616	OSCAR HUDSPETH, ET UX	S030-2035012	1019 N BRANCH / SHERMAN	SH	CARTER J Q A ADDN, BLOCK 1, LOT 12	\$ 379.00	LGBS
T-14-3268	DONALD L JACKSON	S025-2264006	W MCGEE ST / SHERMAN	SH	WEST PARK ADDN, BLOCK 1, LOT 6	\$ 342.00	LGBS
T-14-3474	ROBERT D THOMAS	S041-2186004	S RUSK / SHERMAN	SH	POST OAK ADDN, BLOCK 1, LOT N 25' 5 & S 25' 6	\$ 342.00	LGBS

*Rem'd
07/25/17*





NO TRESPASSING
PROPERTY OF
CITY OF SHERMAN

ALAN
DO

INSTALL





Property ID S008-0811015 - Off Frisco Road



1 inch = 300 feet

















July 25, 2017

Grayson County Tax Assessor
Attn: Bruce Stidham
P.O. Box 2107
Sherman, TX 75091

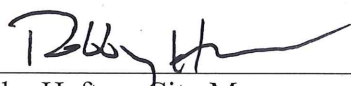
RE: Property ID # S025-2264006; W. McGee St., Sherman; Cause No. T-14-3268

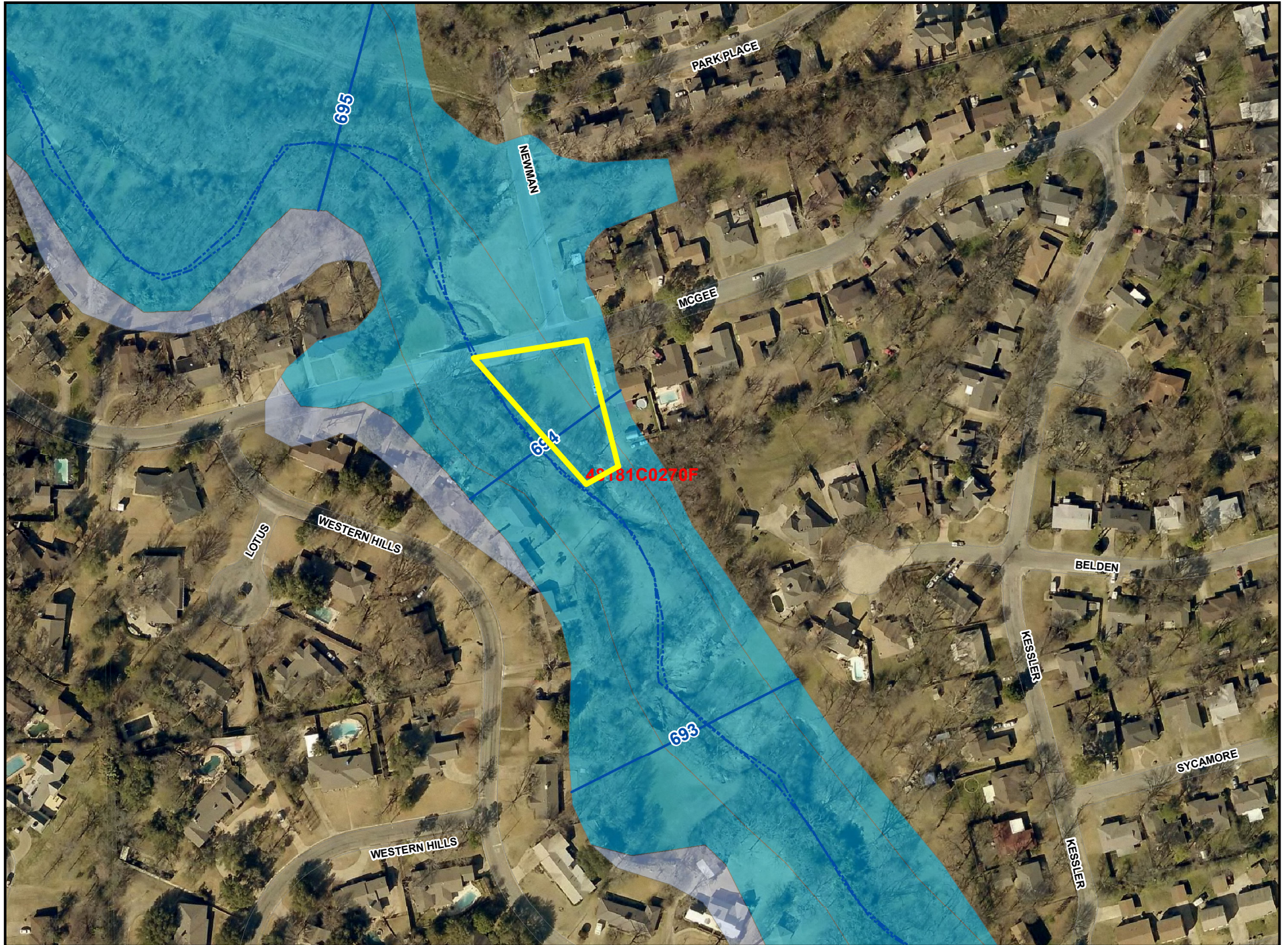
Dear Sir:

The City of Sherman is requesting that the property located on West McGee Street not be included in the 2017 Tax Resale Auction on October 12, 2017. This property lies entirely within both the Floodplain and Floodway and is will not be approved for any type of building on said property. The City would like to purchase this property in order to maintain the property as a green space. Please remove the above referenced property from the Resale Auction list and contact Clint Philpott, Director of Engineering, for further instructions to purchase this property.

Thank you,


Clint Philpott, Director of Engineering

Approved by: 
Robby Hefton, City Manager







SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

D.1.

Meeting Date: 08/07/2017

Prepared By: Clint Philpott, Director of Engineering

Approved By: Robby Hefton, City Manager

Caption:

REQUEST TO ADVERTISE

Construction of Sherman Streetscape Phase II Project

Issue:

Requesting permission to advertise for bids for the construction of the Sherman Streetscape Project Phase II

Background:

At a regularly scheduled meeting on July 18, 2016, the City Council authorized the execution of an Advanced Funding Agreement between the City of Sherman and the State of Texas, acting by and through the Texas Department of Transportation (TxDOT), for a Transportation Alternatives Program Project (Sherman Streetscape Phase II). This project was selected by TxDOT for the Transportation Alternatives Program, which provides partial funding for the project. The total project construction is estimated at \$515,928.00; and our share is estimated to be \$40,783.00.

Origination:

Engineering Department

Financial Consideration:

Funding for the construction is available in the Capital Improvement Program; and the cost of advertising is expected to be less than \$200.00.

Staff Recommendation:

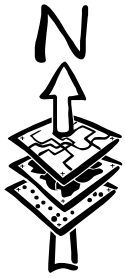
It is recommended that the City Council authorize the staff to advertise the project for bid.

Alternatives:

As may be directed by the City Council

Attachments

Location Map

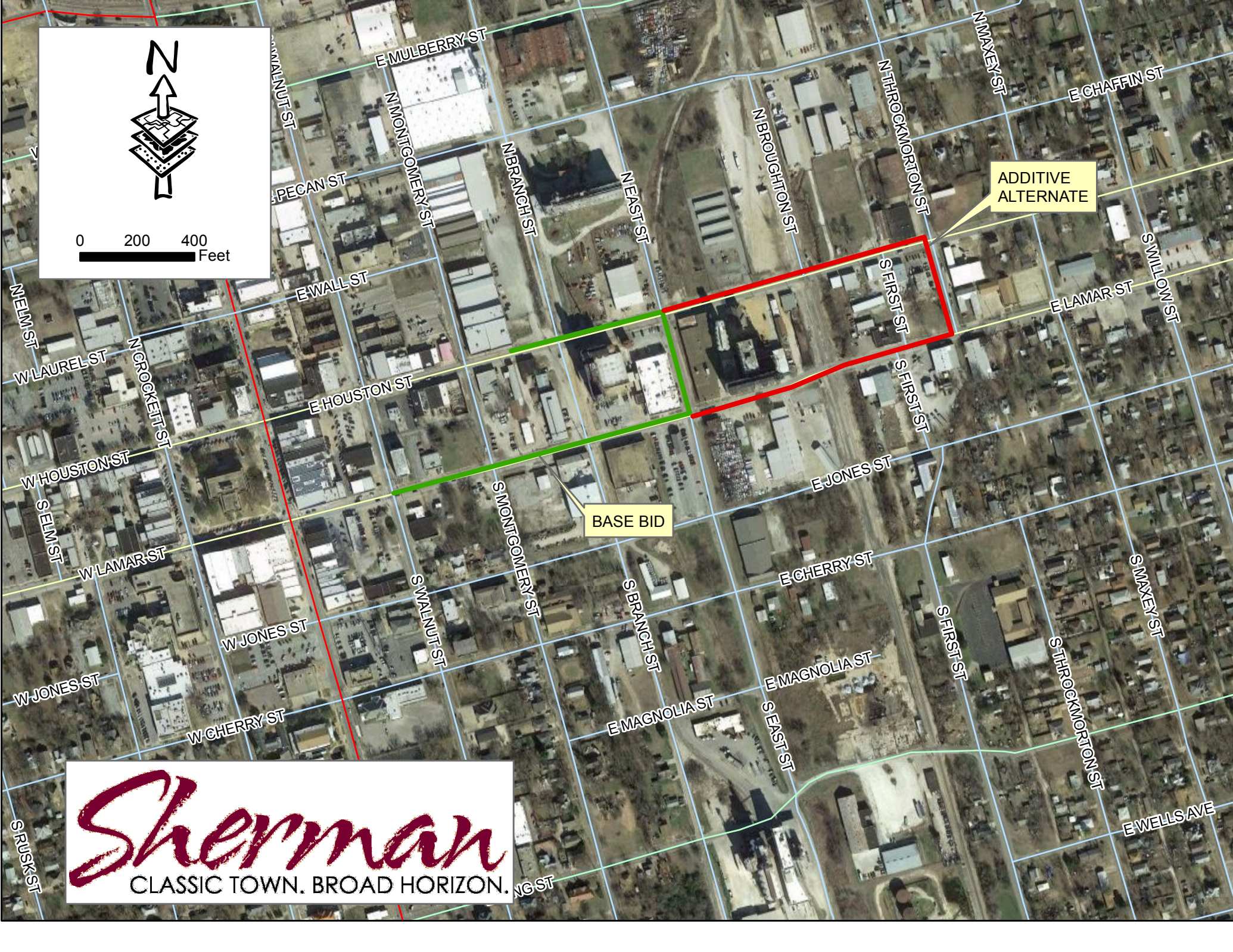


0 200 400 Feet

ADDITIVE
ALTERNATE

BASE BID

Sherman
CLASSIC TOWN. BROAD HORIZON.





SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

E.1.

Meeting Date: 08/07/2017

Prepared By: Mary Lawrence, Director of Finance

Approved By: Robby Hefton, City Manager

Caption:

OTHER BUSINESS

Review 2017-2018 Draft Budget

Issue:

Reviewing the draft budget for the 2017-2018 fiscal year

Background:

The City Charter requires that a draft budget be submitted to the Council at least 50 days prior to the start of the new fiscal year. This draft budget reflects the direction given by the Council at the Budget Workshop held on June 15, 2017 and discussion at the July 17, 2017 regular City Council meeting. The budget contains about \$94.6 million in appropriations, which is about \$11.8 million more than the prior year's original budget of \$82.8 million, due to capital expenses and new debt service. Staffing levels for full-time positions increased from 431 to 435; and fund balances for the General, Utility, and Solid Waste Funds are within targeted ranges of 70 to 90 days. The draft budget proposes funding for improvements to City facilities, parks, and streets, for utility fund projects, and for compensation and staffing issues. An increase in water and sewer rates, a property tax rate increase to fund new debt service, and a stormwater fee to address flooding issues are also included. More detailed information is available on the attachments.

Origination:

Director of Finance

Financial Consideration:

The proposed draft budget contains appropriations of \$94.6 million for the 2017-2018 fiscal year.

Staff Recommendation:

The staff recommends that the budget ordinance be prepared using the draft budget as presented herein and the public hearing on the proposed budget be set for August 21, 2017. At the conclusion of the public hearing, the Council shall take action on the proposed budget.

If the draft meets with the Council's approval, the staff will present the budget ordinance at the August 21, 2017 meeting of the City Council.

Alternatives:

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

Attachments

Draft Budget FY 2018

This budget will raise more total property taxes than last year's budget by \$1,465,000 and 13%, and of that amount \$142,000 is tax revenue to be raised from new property added to the tax roll this year.

**PROPOSED BUDGET FOR THE CITY OF SHERMAN
FOR FISCAL YEAR 2017**

August 6, 2017

SUMMARY

The attached proposed budget for Fiscal Year (FY) 2018 is based on the direction provided by the City Council at the June 15, 2017 budget workshop and discussion at the July 17, 2017 regular City Council meeting

The proposed budget of \$94.6 million includes funding for managing our growth through appropriations for 4 new positions, \$4.3 million in fleet, \$10.8 million in equipment, and small facility and park projects, and \$16.3 million in major facility and street projects funded by debt. A three percent increase in water and sewer rates is included, and an increase in the property tax rate to fund payments on debt issued in FY 2017. This budget is about \$11.8 million more than original FY 2017 budget due to spending on capital projects. Fund balances are maintained at targeted levels.

GENERAL FUND

The **General Fund** is balanced ongoing. A property tax increase from \$.3943/\$100 to \$.4273/\$100 is also proposed to fund \$18.1 million of debt issued in FY 2017. Property values increased about 5%. Two workers were added in the street department along with equipment to enable the City to perform work that was previously done by a contractor. Sales tax is budgeted to increase about two percent. Fund balance is projected to be \$6.7 million or 70 days of operating expenses at the end of FY 2018.

UTILITY FUND

For FY 2018, the **Utility Fund** is balanced on an ongoing basis. A three percent increase is planned for water and sewer rates due lagging revenues from flat consumption and decreased industrial usage. No personnel or equipment/fleet are planned until revenues have stabilized. Fund balance at the end of FY 2018 is projected to be about \$4.7 million, or about 76 days of operating expenses.

SOLID WASTE FUND

The **Solid Waste Fund** is balanced on an on-going basis but unbalanced for FY 2018 due to an additional fleet purchase. Fund balances are expected to be \$1.2 million, or 70 days of operating funds available at the end of FY 2018.

CAPITAL IMPROVEMENT FUNDS

The proposed budget of about \$21.0 million in the **General Improvement Fund** consists of funding for park improvements, public safety facilities, senior citizen center improvements, and public building and street improvements. Funding is provided by debt issued in FY 2017, an additional debt issuance in FY 2018 and by the sale of a large parcel of city land. Reserves of about \$0.7 million are expected at the end of FY 2018.

The **Utility Improvement Fund** proposed budget consists of projects that will be funded by debt issued by the Greater Texoma Utility Authority on behalf of the City. These projects include repainting/repair of the Gallagher water tower, a new northwest sewer lift station near the intersection of Highway 82 and Highway 691, upgrade to the aeration basins, rehab of the biological clarifier, and expansion of the waste water treatment plant control building. Utility Improvement Fund reserves will be about \$0.5 million at the end of FY 2018.

MAJOR IMPACTS

Tax Revenues

Property tax revenue is expected to increase about \$1,465,000 over last year, due to an increase in the tax rate, from growth in the value of existing property and from new property added to the tax roll. The increase in the tax rate is expected to generate about \$900,000 which will be used to fund debt service on certificates of obligation issued in FY 2017. Sales tax revenue is also expected to increase by about \$545,000 based on a two percent growth projection of ongoing revenue.

Wage Increase

The proposed budget contains an across-the-board increase in salaries for all employees plus additional adjustments in public safety. The cost for all funds is projected to be about \$786,000.

Staffing

Two positions were added in the Street Department to increase the capacity of the City to perform more work in-house. Two positions were also added at the Equipment Service Center to increase efficiency by staffing a maintenance location at the Solid Waste and Street Department facility.

Fleet, Equipment and Buildings

Major fleet expenditures for this year include solid waste collection trucks and a trailer (\$949,000), a fire truck (\$600,000), a tactical rescue truck (\$600,000), three police vehicles (\$143,000), and the new street department equipment including a sweeper, micro-planer, roller, excavator and loader totaling \$1.6 million. The police station will receive major renovations to increase efficiency and modernize the exterior.

Major Projects

New and continuing projects funded this year include a new fire station, remodel of the library, extension of Travis Street from Hwy 75 to Hwy 1417, Canyon Creek Road, Swan Ridge Road, and new ballfields at Pecan Grove.

SUMMARY SCHEDULES, DETAILED FUND STATEMENTS, AND OTHER INFORMATION

The following pages include a schedule that summarizes the draft FY 2018 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 schedule of transfers, a property tax historical summary, and a debt schedule.

City of Sherman
ALL FUNDS
2017-2018 Annual Budget

	General Fund	Enterprise Funds	Capital Improvement Funds	Special Revenue Funds	Internal Service Funds	Debt Service Funds	Trust Fund	Elim. Interfund Transfers	Totals
Beginning Fund Balance	\$ 5,892,555	\$ 5,602,385	\$ 17,117,744	\$ 634,539	\$ (1,275,531)	\$ 563,535	\$ 1,517,513	\$ -	\$ 30,052,740
Revenues:									
Taxes	28,382,400	-	271,353	522,650	-	2,576,628	-	-	31,753,031
Water Sales	-	13,933,000	-	-	-	-	-	-	13,933,000
Sewer Sales	-	7,313,000	-	-	-	-	-	-	7,313,000
Solid Waste Sales	-	6,262,180	-	-	-	-	-	-	6,262,180
Sales & Service	3,268,125	1,262,803	50,000	1,317,425	8,978,712	-	10,000	(8,978,712)	5,908,353
Interest Income	105,000	54,500	100,000	3,415	-	1,300	60,020	-	324,235
Miscellaneous Revenue	172,200	150,000	4,500,000	30,000	-	-	-	-	4,852,200
Debt Proceeds	-	-	8,000,000	-	2,209,882	-	-	-	10,209,882
Transfers In	3,800,000	462,000	100,000	50,000	2,089,209	682,000	-	(7,183,209)	-
Total Revenues	35,727,725	29,437,483	13,021,353	1,923,490	13,277,803	3,259,928	70,020	(16,161,921)	80,555,881
Total Funds Available	41,620,280	35,039,868	30,139,097	2,558,029	12,002,272	3,823,463	1,587,533	(16,161,921)	110,608,621
Expenditures:									
Personnel	25,324,787	7,759,939	-	251,671	1,344,019	-	-	-	34,680,415
Supplies	1,378,926	1,747,068	-	586,719	851,966	-	-	-	4,564,678
Repair & Maintenance	1,308,290	1,414,760	-	129,748	978,156	-	-	-	3,830,954
Utilities	1,177,120	1,974,710	-	44,680	54,830	-	-	-	3,251,340
Information Technology	669,120	223,660	-	4,600	19,400	-	-	(916,780)	-
Debt Service	-	7,083,095	-	-	185,000	3,240,365	-	-	10,508,460
Services & Charges	2,254,158	3,581,217	75,000	516,842	5,323,288	-	-	(5,283,000)	6,467,504
Vehicle Usage	1,433,230	1,328,950	-	4,190	-	-	-	(2,778,932)	(12,560)
Capital Expenses	340,630	7,500	26,204,503	545,000	4,256,277	-	-	-	31,353,910
Transfers Out	1,055,428	3,925,781	2,088,000	114,000	-	-	-	(7,183,209)	-
Total Expenditures	34,941,688	29,046,680	28,367,503	2,197,449	13,012,936	3,240,365	-	(16,161,921)	94,644,702
Excess Revenues Over Expenditures	786,037	390,803	(15,346,150)	(273,959)	264,867	19,563	70,020	-	(14,088,821)
Ending Fund Balance	\$ 6,678,593	\$ 5,993,188	\$ 1,771,594	\$ 360,579	\$ (1,010,664)	\$ 583,098	\$ 1,587,533	\$ -	\$ 15,963,919

City of Sherman
GENERAL FUND
2017-2018 Annual Budget

	Actual 2015-2016	Adjusted Budget 2016-2017	Projected 2016-2017	Requested 2017-2018
Beginning Fund Balance	\$ 8,313,395	\$ 7,053,600	\$ 7,472,319	\$ 5,892,555
Revenues				
Property Tax	7,970,204	9,329,300	9,125,560	9,748,400
Sales Tax	15,487,150	15,487,000	15,053,000	15,681,000
Franchise Tax	2,759,978	2,778,900	2,843,000	2,815,000
Other Taxes	141,767	143,400	138,000	138,000
Fines & Penalties	477,017	547,800	525,600	522,100
Recreation	329,921	356,000	350,800	355,300
Licenses & Permits	402,350	383,600	398,150	398,650
Rentals	48,334	46,300	45,300	35,100
Cemetery	117,512	147,800	251,300	171,100
Sales & Service	443,752	561,744	546,105	533,375
Ambulance Service	1,299,382	1,252,000	1,252,500	1,252,500
Interest Income	78,914	75,000	95,000	105,000
Grant Revenue	391,629	188,004	171,000	-
Intergovernmental	11,000	12,000	12,000	12,000
Miscellaneous Revenue	643,782	196,700	186,120	160,200
Total Revenues	30,602,691	31,505,548	30,993,435	31,927,725
Transfers In	2,857,159	2,782,000	2,782,000	3,800,000
Total Revenues and Transfers In	33,459,851	34,287,548	33,775,435	35,727,725
Total Funds Available	41,773,246	41,341,148	41,247,754	41,620,280
Expenditures				
Personnel	22,987,449	24,523,996	24,192,350	25,324,787
Supplies	1,205,393	1,667,406	1,534,963	1,378,926
Repair & Maintenance	1,134,287	1,410,881	1,449,573	1,308,290
Utilities	1,240,050	1,353,250	1,238,650	1,177,120
Information Technology	561,179	544,467	532,610	669,120
Services & Charges	2,395,586	2,245,060	2,251,315	2,254,158
Vehicle Usage	1,416,742	1,369,930	1,351,055	1,433,230
Capital Expenses	721,625	741,857	1,271,628	340,630
Transfers Out	2,638,616	1,533,054	1,533,054	1,055,428
Total Expenditures	34,300,927	35,389,901	35,355,198	34,941,688
Excess Revenues over Expenditures	(841,076)	(1,102,353)	(1,579,763)	786,037
Ending Fund Balance	\$ 7,472,319	\$ 5,951,247	\$ 5,892,555	\$ 6,678,593

City of Sherman
ENTERPRISE FUNDS
2017-2018 Annual Budget

	Actual 2015-2016	Adjusted Budget 2016-2017	Projected 2016-2017	Requested 2017-2018
Beginning Fund Balance	\$ 7,604,671	\$ 7,586,292	\$7,075,667	\$5,602,385
Revenues:				
Water Sales	12,956,753	13,731,000	13,278,000	13,933,000
Sewer Sales	6,962,748	7,341,000	7,065,000	7,313,000
Solid Waste Service	6,078,812	6,125,000	6,045,000	6,262,180
Service Charges & Penalties	543,278	595,000	565,000	552,000
Charges for Services	254,846	298,100	271,000	282,000
Intergovernmental	289,347	343,915	409,001	423,803
Interest Income	45,095	34,500	57,500	54,500
Miscellaneous Revenue	274,411	166,000	163,550	155,000
Debt Proceeds	842,000	-	-	-
Transfers In	454,000	161,000	405,639	462,000
Total Revenues	28,701,291	28,795,515	28,259,690	29,437,483
Total Funds Available	36,305,962	36,381,807	35,335,357	35,039,868
Expenditures:				
Personnel	6,931,987	7,689,785	7,683,500	7,759,939
Supplies	1,590,276	1,814,418	1,732,225	1,747,068
Repair & Maintenance	1,428,236	1,961,372	1,851,141	1,414,760
Utilities	2,185,845	2,432,510	2,262,670	1,974,710
Information Technology	110,396	178,380	174,570	223,660
Services & Charges	2,881,250	3,069,352	3,064,230	3,581,217
Vehicle Usage	1,213,918	1,249,130	1,224,665	1,328,950
Debt Service	6,202,993	6,446,328	6,362,755	7,083,095
Capital Expenses	972,582	946,952	985,426	7,500
Transfers Out	5,712,812	4,144,151	4,391,790	3,925,781
Total Expenditures	29,230,295	29,932,378	29,732,972	29,046,680
Excess Revenues over Expenditures	(529,004)	(1,136,863)	(1,473,282)	390,803
Ending Fund Balance	\$7,075,667	\$6,449,429	\$5,602,385	\$5,993,188

City of Sherman
CAPITAL IMPROVEMENT FUNDS
2017-2018 Annual Budget

	222 General CIP	770 Utility CIP	224 Street Revolving	235 Regional Detention	230 TIF #3 Construction	330 TIF #2 Construction	241 TIRZ #5 Construction	242 TIRZ #6 Construction	Total
Beginning Fund Balance	\$ 9,111,064	\$ 483,771	\$ 349,342	\$ 59,878	\$ 27,508	\$ 181,689	\$ 3,874,885	\$ 3,029,608	\$ 17,117,744
Revenues:									
Interest Income	60,000	17,000	-	-	-	500	15,000	7,500	100,000
Debt Proceeds	8,000,000	-	-	-	-	-	-	-	8,000,000
Taxes	-	-	3,000	-	169,004	99,349	-	-	271,353
Sales & Service	-	-	-	50,000	-	-	-	-	50,000
Miscellaneous Revenue	4,500,000	-	-	-	-	-	-	-	4,500,000
Transfers In	100,000	-	-	-	-	-	-	-	100,000
Total Revenues	12,660,000	17,000	3,000	50,000	169,004	99,849	15,000	7,500	13,021,353
Total Funds Available	21,771,064	500,771	352,342	109,878	196,512	281,538	3,889,885	3,037,108	30,139,097
Expenditures									
Services & Charges	75,000	-	-	-	-	-	-	-	75,000
Capital Expenses	19,604,503	-	100,000	50,000	-	150,000	3,500,000	2,800,000	26,204,503
Transfers Out	1,420,000	-	-	-	190,000	100,000	212,000	166,000	2,088,000
Total Expenditures	21,099,503	-	100,000	50,000	190,000	250,000	3,712,000	2,966,000	28,367,503
Excess Revenues over Expenditures	(8,439,503)	17,000	(97,000)	-	(20,996)	(150,151)	(3,697,000)	(2,958,500)	(15,346,150)
Ending Fund Balance	\$ 671,561	\$ 500,771	\$ 252,342	\$ 59,878	\$ 6,512	\$ 31,538	\$ 177,885	\$ 71,108	\$ 1,771,594

SPECIAL REVENUE FUNDS
2017-2018 Annual Budget

	420	440	450	460	470	480	455	456	457	
	Stormwater	E 911	Security & Technology	Hotel/ Motel	Drug Enforcement	Airport	Parks Pride	Police Pride	Donations	Total
Beginning Fund Balance	\$ -	\$ 166,073	\$ 24,713	\$ 97,365	\$ 214,302	\$ 85,787	\$ 37,335	\$ 3,163	\$ 5,801	\$ 634,539
Revenues										
Taxes	-	-	-	522,650	-	-	-	-	-	522,650
Sales & Service	418,000	315,000	31,200	92,000	125,000	336,225	-	-	-	1,317,425
Interest Income	-	1,000	-	1,000	100	1,200	75	20	20	3,415
Miscellaneous Revenue	-	-	-	1,000	-	-	11,000	11,000	7,000	30,000
Transfers In	-	-	-	50,000	-	-	-	-	-	50,000
Total Revenues	418,000	316,000	31,200	666,650	125,100	337,425	11,075	11,020	7,020	1,923,490
Total Funds Available	418,000	482,073	55,913	764,015	339,402	423,212	48,410	14,183	12,821	2,558,029
Expenditures										
Personnel	-	109,417	-	142,254	-	-	-	-	-	251,671
Supplies	-	5,600	11,600	27,650	254,290	268,200	-	8,379	11,000	586,719
Repair & Maintenance	-	65,748	5,000	25,000	27,000	7,000	-	-	-	129,748
Utilities	-	-	-	30,850	-	13,830	-	-	-	44,680
Information Technology	-	-	-	4,600	-	-	-	-	-	4,600
Services & Charges	-	98,320	3,905	283,450	10,000	67,367	48,000	5,800	-	516,842
Vehicle Usage	-	-	-	-	-	4,190	-	-	-	4,190
Capital Expenses	365,000	-	-	90,000	40,000	50,000	-	-	-	545,000
Transfers Out	-	-	-	114,000	-	-	-	-	-	114,000
Total Expenditures	365,000	279,085	20,505	717,804	331,290	410,587	48,000	14,179	11,000	2,197,449
Excess Revenues over Expenditures	53,000	36,915	10,695	(51,154)	(206,190)	(73,162)	(36,925)	(3,159)	(3,980)	(273,959)
Ending Fund Balance	\$ 53,000	\$ 202,988	\$ 35,408	\$ 46,211	\$ 8,112	\$ 12,625	\$ 410	\$ 4	\$ 1,821	\$ 360,579

City of Sherman
INTERNAL SERVICE FUNDS
2017-2018 Annual Budget

	600 Insurance	630 IT	650 Equipment	660 Fleet Replacement	Total
Beginning Fund Balance	\$ (1,651,440)	\$ 100,306	\$ 120,197	\$ 155,405	\$ (1,275,531)
Revenue					
Sales & Service	5,283,000	916,780	2,778,932	-	8,978,712
Other Contributions	-	-	-	-	-
Interest Income	-	-	-	-	-
Debt Proceeds	-	-	-	2,209,882	2,209,882
Transfers in	-	-	-	2,089,209	2,089,209
Total Revenue	5,283,000	916,780	2,778,932	4,299,091	13,277,803
Total Funds Available	3,631,560	1,017,086	2,899,129	4,454,496	12,002,272
Expenditures					
Personnel	-	521,862	822,156	-	1,344,019
Supplies	-	52,599	799,367	-	851,966
Repair & Maintenance	-	134,533	843,623	-	978,156
Utilities	-	33,110	21,720	-	54,830
Information Technology	-	-	19,400	-	19,400
Services & Charges	5,005,507	63,055	254,726	-	5,323,288
Debt Service	-	-	-	185,000	185,000
Capital Expenses	-	124,250	17,936	4,114,091	4,256,277
Total Expenditures	5,005,507	929,410	2,778,929	4,299,091	13,012,936
Excess Revenues over Expenditures	277,493	(12,630)	3	-	264,867
Ending Fund Balance	\$ (1,373,946)	\$ 87,676	\$ 120,201	\$ 155,405	\$ (1,010,664)

**City of Sherman
DEBT SERVICE FUNDS
2017-2018 Annual Budget**

	310 Auditorium Bonds	320 TIF #1	341 TIRZ #5	342 TIRZ #6	350 2008 CO Bonds	351 2009 CO Bonds	353 2009A CO Bonds	354 2016 Tax Notes	355 2016 CO Bonds	356 2017 CO Bonds	357 2017 Refunding Bonds	Total
Beginning Fund Balance	\$ 149,807	\$ 355,188	\$ -	\$ -	\$ 13,001	\$ 11,540	\$ 2,712	\$ 735	\$ 30,553	\$ -	\$ 738	\$ 563,535
Revenues												
Taxes	-	315,628	-	-	251,000	200,000	162,000	471,000	293,000	606,000	278,000	2,576,628
Interest Income	800	500	-	-	-	-	-	-	-	-	-	1,300
Transfers In	114,000	-	212,000	166,000	-	-	-	-	190,000	-	-	682,000
Total Revenues	114,800	316,128	212,000	166,000	251,000	200,000	162,000	471,000	483,000	606,000	278,000	3,259,928
Total Funds Available	264,607	671,316	212,000	166,000	264,001	211,540	164,712	471,735	513,553	606,000	278,738	3,823,463
Expenditures:												
Debt Service	103,781	311,672	211,202	165,171	250,485	199,905	161,475	470,063	483,230	605,413	277,968	3,240,365
Excess Revenues over Expenditures	11,019	4,456	798	829	515	95	525	937	(230)	587	32	19,563
Ending Fund Balance	\$ 160,826	\$ 359,644	\$ 798	\$ 829	\$ 13,516	\$ 11,635	\$ 3,237	\$ 1,672	\$ 30,323	\$ 587	\$ 770	\$ 583,098

City of Sherman
PERPETUAL CARE FUND
2017-2018 Annual Budget

	Actual 2015-2016	Projected 2016-2017	Requested 2017-2018
Beginning Fund Balance	\$ 1,382,475	\$ 1,446,493	\$ 1,517,513
Revenues			
Sales & Service	3,100	11,000	10,000
Interest Income	60,918	60,020	60,020
Total Revenues	64,018	71,020	70,020
Total Funds Available	1,446,493	1,517,513	1,587,533
Expenditures			
Miscellaneous	-	-	-
Ending Fund Balance	\$ 1,446,493	\$ 1,517,513	\$ 1,587,533

City of Sherman
UTILITY FUND
2017-2018 Annual Budget

	Actual 2015-2016	Adjusted Budget 2016-2017	Projected 2016-2017	Requested 2017-2018
Beginning Reserve	\$ 5,855,364	\$ 5,066,820	\$ 4,843,370	\$ 4,017,290
Revenues				
Water Sales	12,956,753	13,731,000	13,278,000	13,933,000
Sewer Sales	6,962,748	7,341,000	7,065,000	7,313,000
Laboratory	-	-	-	-
Service Charges & Penalties	492,216	540,000	515,000	500,000
Charges for Services	254,846	298,100	271,000	282,000
Interest Income	34,473	23,000	45,000	45,000
Intergovernmental	289,347	343,915	409,001	423,803
Miscellaneous Revenue	100,134	56,000	49,550	56,000
Debt Proceeds	842,000	-	-	-
Total Revenues	21,932,517	22,333,015	21,632,551	22,552,803
Transfers In	154,000	161,000	405,639	462,000
Total Revenues and Transfers In	22,086,517	22,494,015	22,038,190	23,014,803
Total Funds Available	27,941,882	27,560,835	26,881,560	27,032,093
Expenditures				
Personnel	5,407,850	6,026,776	6,023,310	6,091,398
Supplies	1,435,827	1,653,219	1,576,363	1,613,214
Repair & Maintenance	1,404,408	1,912,574	1,819,363	1,365,194
Utilities	2,158,301	2,399,240	2,232,330	1,941,610
Information Technology	98,896	147,320	144,180	180,780
Debt Service	6,202,993	6,446,328	6,362,755	7,083,095
Services & Charges	1,153,929	1,438,272	1,455,902	1,631,017
Vehicle Usage	308,902	325,910	340,615	394,830
Capital Expenses	972,582	497,275	509,911	-
Total Expenditures	19,143,687	20,846,913	20,464,729	20,301,139
Transfers Out				
General Fund-Franch & Admin	1,814,000	2,052,000	2,052,000	2,058,000
General Fund-Other	200,000	-	-	-
Other Funds	1,355,000	-	-	-
Fleet	585,825	347,540	347,540	-
Total Transfers Out	3,954,825	2,399,540	2,399,540	2,058,000
Total Expenditures and Transfers Out	23,098,512	23,246,453	22,864,269	22,359,139
Excess Revenues over Expenditures	(1,011,995)	(752,438)	(826,079)	655,664
Ending Reserve	\$ 4,843,370	\$ 4,314,382	\$ 4,017,290	\$ 4,672,954

City of Sherman
SOLID WASTE FUND
2017-2018 Annual Budget

	Actual 2015-2016	Adjusted Budget 2016-2017	Projected 2016-2017	Requested 2017-2018
Beginning Fund Balance	\$ 1,260,078	\$ 1,522,558	\$ 1,730,082	\$ 1,321,018
Revenues				
Solid Waste Service	6,078,812	6,125,000	6,045,000	6,262,180
Service Charges & Penalties	51,062	55,000	50,000	52,000
Interest Income	5,286	5,000	8,000	8,000
Miscellaneous Revenue	166,627	90,000	109,000	94,000
Transfers In	300,000	-	-	-
Total Revenues	6,601,787	6,275,000	6,212,000	6,416,180
Total Funds Available	7,861,865	7,797,558	7,942,082	7,737,198
Expenditures				
Personnel	1,524,138	1,663,009	1,660,190	1,668,541
Supplies	154,449	161,199	155,862	133,854
Repair & Maintenance	23,828	48,798	31,778	49,566
Utilities	27,544	33,270	30,340	33,100
Information Technology	11,500	31,060	30,390	42,880
Services & Charges	1,727,321	1,616,080	1,608,327	1,750,200
Vehicle Usage	905,016	923,220	884,050	934,120
Capital Expenses	-	449,677	475,515	7,500
Transfers Out-Franchise & Admin	702,000	730,000	730,000	757,000
Transfers Out-Billing	154,000	161,000	161,000	162,000
Transfers Out-Fleet	841,987	853,611	853,611	948,781
Transfers Out-Other	60,000	-	-	-
Total Expenditures	6,131,783	6,670,924	6,621,064	6,487,541
Excess Revenues over Expenditures	470,004	(395,924)	(409,064)	(71,361)
Ending Fund Balance	\$ 1,730,082	\$ 1,126,634	\$ 1,321,018	\$ 1,249,657

City of Sherman
GENERAL IMPROVEMENT FUND
2017-2018 Annual Budget

	Actual 2015-2016	Original Budget 2016-2017	P.O./Contracts	Adjusted Budget 2016-2017	Projected 2016-2017	Requested 2017-2018
Beginning Fund Balance	\$ 1,758,261	\$ 4,441,528		\$ 4,441,528	\$ 9,831,559	\$ 9,111,064
Revenues						
Transfers In	1,155,000	750,000		750,000	750,000	100,000
Intergovernmental	-	-		-	900,000	-
Grant Revenue	-	1,121,350		1,121,350	1,108,659	-
Interest Income	6,832	20,000		20,000	50,000	60,000
Miscellaneous Revenue	-	-		-	992	4,500,000
Debt Proceeds	9,004,837	9,910,000	-	9,910,000	11,896,604	7,925,000
Total Revenues	10,166,669	11,801,350	-	11,801,350	14,706,255	12,585,000
Total Funds Available	11,924,931	16,242,878	-	16,242,878	24,537,814	21,696,064
Expenditures						
(1) Bridges-Travis/Center/McGee	-	500,000	-	500,000	500,000	-
(1) Canyon Creek Shady Oaks to Lamberth	-	1,350,000	-	1,350,000	2,200,000	-
(1) FM 1417 (75 to 56) & FM 131 Schematics	83,018	-	-	-	714,000	-
(1) FM 1417 Design 56 to 82	-	1,600,000	-	1,600,000	-	-
(1) Friendship/Hwy 56 Annexation	7,757	-	-	-	-	-
(1) Lamberth Rd Thoroughfare	10,369	-	-	-	800,000	-
(1) Lamberth ROW Shady Oaks to Friendship	-	100,000	-	100,000	-	-
(1) Loy Lake Rd-Sara Swamy to Hwy 82	173,905	-	-	-	2,226,095	-
(1) ROW on Hwy 82 from Frisco to 1417	9,300	-	-	-	-	-
(1) Skatepark Upgrades	-	-	-	-	-	-
(1) Swan Ridge Extension	62,175	1,022,000	-	1,022,000	1,300,000	-
(1) Taylor to Hwy 289 ROW	-	1,000,000	-	1,000,000	1,000,000	-
(1) Travis St ROW 75 to 82	-	500,000	-	500,000	-	-
(2) Downtown Streetscape	49,840	548,218	-	548,218	548,218	-
(2) FEMA Grant-Flood Mitigation	-	736,418	-	736,418	736,418	-
Canyon Creek-Engineering	49,461	-	-	-	-	-
Carriage Estates Annexation	73,389	-	-	-	-	-
City Hall Roof Coating	-	75,000	-	75,000	75,000	-
Dispatch Consoles	-	55,464	-	55,464	55,464	-
East Fork Post Oak	23,642	-	-	-	25,850	-
Ellsworth Branch Flood Study	-	-	-	-	30,000	-
ESC Office Renovation	28,627	-	-	-	20,000	-
Fairview Park Tot Playground	50,000	-	-	-	-	-
Fallon Bridge Engineering/Hunt/Fallon Constructi	495,523	-	-	-	-	-
FEMA-Travis St Repairs	-	-	-	-	-	-
Fire Dept Exterior Renovation	-	-	-	-	-	-
Fire Station #3 Building Repair	-	-	-	-	-	-
Fire Station #1 Roof	-	200,000	-	200,000	100,000	-
Fire Station Repairs	-	-	-	-	-	-
GIS System	12,000	-	-	-	-	-
Grand Avenue Bridge	-	-	-	-	76,088	-
Grand Avenue Traffic & Pedestrian Imp	6,130	-	-	-	53,870	-
Houston St Property Acquisition	2,000	-	-	-	309,679	-
Hunt/Kessler St Gabion Engineering	29,900	-	-	-	-	-
Kessler Street Erosion Engineering	572,808	-	-	-	76,131	-
Lake Street Repair	1,028	-	-	-	1,600	-
Loy Lake Bridge-UCR Funded	-	-	-	-	-	-
Master Thoroughfare Plan	-	25,000	-	25,000	40,000	-
Muni Bldg Composition Roof	-	91,840	-	91,840	91,840	-
Muni Bldg Gutter & Cast Stone	-	60,000	-	60,000	60,000	-
Municipal Building Repair	-	-	-	-	-	-
Northgate Drive	-	-	-	-	900,000	-
OB Groner Land Purchase	3,900	-	-	-	-	-
Park Ave Realignment	-	-	-	-	300,000	-
Parks Master Plan	-	50,000	-	50,000	50,000	-
Pecan Grove Park Land	5,000	200,000	-	200,000	176,216	-
Police Dept Basement Renovation	34,305	-	-	-	-	-
Police Dept Communication Center Relocation	36,831	-	-	-	-	-
Remodel at Station 5	-	100,000	-	100,000	100,000	-
Stormwater Fee Study	-	112,500	-	112,500	112,500	-
Subdivision Ordinance Update	31,262	-	-	-	28,738	-
ESC Expand tool room	-	-	-	-	-	12,000
ESC Loft & shelving for storage building	-	-	-	-	-	13,000
Virtual Server	-	-	-	-	-	15,000
Server CALS	-	-	-	-	-	18,000
VM Server for Incode/RTA/GIS	-	-	-	-	-	18,000
Building Maint Shop Buildings Roof	-	-	-	-	-	20,000
ESC R-panel N and W side of bldg	-	-	-	-	-	20,000

City of Sherman
GENERAL IMPROVEMENT FUND
2017-2018 Annual Budget

	Actual 2015-2016	Original Budget 2016-2017	P.O./Contracts	Adjusted Budget 2016-2017	Projected 2016-2017	Requested 2017-2018
Taylor St Gym AC	-	-		-	-	20,000
Radio Console	-	-		-	-	21,630
Exchange Server	-	-		-	-	25,000
Lamar Green Space	-	-		-	-	25,000
Senior Center Patio West Side	-	-		-	-	25,240
South Plant - raise door on West side of bldg	-	-		-	-	30,000
South Plant LED lighting	-	-		-	-	30,000
Outdoor Warning Siren	-	-		-	-	32,000
New floor covering	-	-		-	-	32,225
ESC Ceiling Repairs	-	-		-	-	50,000
Senior Center Bathroom Renovations	-	-		-	-	50,000
Storage & Backup	-	-		-	-	50,000
Virtualization Server	-	-		-	-	50,000
Ely Park Playground						50,000
Fairview Sidewalks						50,000
Finance Remodel						60,000
Library Parking Lot	-			-	-	60,000
Skid Steer	-	-		-	-	70,000
ESC Roof Replacement	-	-		-	-	93,802
⁽¹⁾ Taylor-Roundabout to Little Ln	90,555	2,600,000	-	2,600,000	651,800	100,000
Building Maint Shop pavement & parking	-	-		-	-	100,000
Police Dept Storage & Backup	-	-	-	-	-	120,000
Police Dept Repeaters	-	-	-	-	-	149,642
Hickory Reconstruct Roadway	-	-	-	-	-	150,000
⁽¹⁾ Master Plan Parks	-	-	-	-	-	500,000
Street Improvement Program	16,126	-	-	-	200,000	502,114
Police Dept Exterior Renovation	-	-	-	-	-	516,850
Hwy 1417 (75 to 82) Eng & ROW						800,000
Transfers Out	-	-		-	-	1,420,000
⁽¹⁾ Friendship ROW 56 to Lamberth	-	300,000	-	300,000	292,243	1,300,000
⁽¹⁾ Library Remodel	27,223	1,200,000	-	1,200,000	500,000	1,625,000
⁽¹⁾ Fire Station 4 Relocation	7,250	2,725,000	-	2,725,000	-	3,300,000
⁽¹⁾ Pecan Grove Ball Fields	-	-	-	-	-	4,500,000
⁽¹⁾ Travis St West	100,048	1,075,000	-	1,075,000	1,075,000	5,000,000
Total Expenditures	2,093,372	16,226,440	-	16,226,440	15,426,750	21,024,503
Excess Revenues over Expenditures	8,073,297	(4,425,090)		(4,425,090)	(720,495)	(8,439,503)
Ending Fund Balance	\$ 9,831,559	\$ 16,438	\$ -	\$ 16,438	\$ 9,111,064	\$ 671,561

⁽¹⁾ Debt Funded

⁽²⁾ Partial Grant Funding

City of Sherman
UTILITY IMPROVEMENT FUND
2017-2018 Annual Budget

	Actual 2015-2016	Budget 2016-2017	Projected 2016-2017	Requested 2017-2018
Beginning Fund Balance	\$ 1,634,803	\$ 1,271,866	\$ 1,767,030	\$ 483,771
Revenues				
Transfers In	850,000	-	-	-
Miscellaneous Revenue	224,025	-	137,296	-
Interest Income	20,693	25,000	17,000	17,000
Total Revenues	1,094,718	25,000	154,296	17,000
Total Funds Available	2,729,522	1,296,866	1,921,326	500,771
Expenditures				
Baker Dr to Hwy 82	104,184	-	23,688	-
⁽¹⁾ Blalock Industrial Sewer	28,517	-	1,200,000	-
⁽¹⁾ Brine Disposal Line	-	2,000,000	-	-
⁽¹⁾ Canyon Creek Wastewater	-	-	-	50,000
⁽¹⁾ Canyon Creek Water	-	500,000	100,000	-
⁽¹⁾ Carriage Estates Water	8,939	-	120,000	-
⁽¹⁾ CGMA Water	11,923	4,000,000	-	-
⁽¹⁾ Cherry Park Pump Station Rehab	155,361	-	98,329	-
⁽¹⁾ Effluent Line	-	5,000,000	-	-
⁽¹⁾ Gallagher Elevated Tank Painting and Repair	-	500,000	500,000	778,000
Harrison Elevated Tank Painting	69,684	-	706,520	-
⁽¹⁾ High Country Estates Water	-	-	175,000	-
Hwy 289 Sewer	2,900	-	-	-
⁽¹⁾ Hwy 56 Water	-	-	100,000	-
Hwy 75 South Water Crossing Replacement	-	-	175,000	-
⁽¹⁾ Lamberth Water	-	-	100,000	-
North Travis St. Water Main Replacement	-	-	250,000	-
⁽¹⁾ North west Sewer	-	-	100,000	2,300,000
⁽¹⁾ Preston Club Water Line	37,778	-	50,000	50,000
Rehab two sludge thickeners	-	274,000	274,000	-
Ricketts St Water Line	117,011	-	2,863	-
Sand Creek Sewer	3,673	-	-	-
Sears Lift Station	23,408	-	-	-
⁽¹⁾ SW Elevated Storage Tank	30,408	-	-	-
⁽¹⁾ Swan Ridge Wastewater	-	-	-	115,000
⁽¹⁾ Swan Ridge Water	-	400,000	125,000	-
⁽¹⁾ Taylor/Washington St Water	-	-	-	70,000
⁽¹⁾ Travis St West Water	-	1,500,000	350,000	-
Utility Oversizing	-	50,000	-	-
⁽¹⁾ Water Treatment Plant Expansion	2,313	-	37,908	-
Well Repairs and Upgrades	-	-	5,484	-
WTP Basin Cleaning	366,393	-	-	-
WWTP Aeration Basin Upgrade	-	240,000	-	-
⁽¹⁾ Aeration Basin Upgrade	-	-	-	3,970,000
⁽¹⁾ Biological Clarifier Rehab	-	-	-	1,830,000
⁽¹⁾ WWTP Control Building Expansion	-	-	-	698,000
GTUA Funding	-	(13,900,000)	(3,056,237)	(9,861,000)
Total Expenditures	962,492	564,000	1,437,555	-
Excess Revenues over Expenditures	132,226	(539,000)	(1,283,259)	17,000
Ending Fund Balance	\$ 1,767,030	\$ 732,866	\$ 483,771	\$ 500,771

⁽¹⁾ Debt Funding

⁽²⁾ SEDCO Funding

City of Sherman
PUBLIC CHARITIES FUND
2017-2018 Annual Budget

These transactions are now accounted for in the General Fund

	Actual 2015-2016	Projected 2016-2017	Requested 2017-2018
Beginning Fund Balance	\$ 71,863	\$ -	\$ -
Revenues			
Interest Income	-	-	-
Animal Shelter Donations	-	-	-
Pet Adoption Donations	-	-	-
Sherman Beautification	-	-	-
Fishing Festival	-	-	-
Fire Dept Donations	-	-	-
Police Dept Donations	-	-	-
Genealogical Donations	-	-	-
Park Concessions Revenue	-	-	-
Parks & Recreation Donations	-	-	-
Total Revenues	-	-	-
Total Funds Available	71,863	-	-
Expenditures			
Altrusa (W.A.F.A.)	-	-	-
Animal Shelter	-	-	-
Pet Adoption Fund	-	-	-
Fire Dept	-	-	-
Fishing Festival Exp	-	-	-
Remodeling Contingency	-	-	-
Sherman Beautification Exp	-	-	-
Park Concessions Expense	-	-	-
Parks & Recreation	-	-	-
Transfers Out	71,863	-	-
Total Expenditures	71,863	-	-
Excess Revenues over Expenditures	(71,863)	-	-
Ending Fund Balance	\$ -	\$ -	\$ -

City of Sherman
LAND TRANSACTION FUND
2017-2018 Annual Budget

These transactions are now accounted for in the General Fund

	Actual 2015-2016	Projected 2016-2017	Requested 2017-2018
Beginning Fund Balance	\$ 69,296	\$ -	\$ -
Revenues			
Interest Income	-		
Total Revenues	-	-	-
Total Funds Available	69,296	-	-
Expenditures			
Transfers Out	69,296		
Total Expenditures	69,296	-	-
Excess Revenues over Expenditures	(69,296)	-	-
Ending Fund Balance	\$ -	\$ -	\$ -

City of Sherman
STREET REVOLVING FUND
2017-2018 Annual Budget

	Actual 2015-2016	Projected 2016-2017	Requested 2017-2018
Beginning Fund Balance	\$ 419,406	\$ 422,142	\$ 349,342
Revenues			
Interest Income	2,736	2,200	3,000
Total Revenues	2,736	2,200	3,000
Total Funds Available	422,142	424,342	352,342
Expenditures			
Capital Expenses	-	75,000	100,000
	-	75,000	100,000
Ending Fund Balance	\$ 422,142	\$ 349,342	\$ 252,342

City of Sherman
TIF #2 CONSTRUCTION FUND
2017-2018 Annual Budget

	Actual 2015-2016	Projected 2016-2017	Requested 2017-2018
Beginning Fund Balance	\$ 24,615	\$ 94,174	\$ 181,689
Revenues			
Property Tax	69,559	87,515	99,349
Interest Income	-	-	500
Total Revenues	<u>69,559</u>	<u>87,515</u>	<u>99,849</u>
Total Funds Available	94,174	181,689	281,538
Expenditures:			
Capital Expenses	-	-	150,000
Transfers Out	-	-	100,000
Total Expenditures	<u>-</u>	<u>-</u>	<u>250,000</u>
Excess Revenues over Expenditures	<u>69,559</u>	<u>87,515</u>	<u>(150,151)</u>
Ending Fund Balance	<u>\$ 94,174</u>	<u>\$ 181,689</u>	<u>\$ 31,538</u>

City of Sherman
TIF #3 CONSTRUCTION FUND
2017-2018 Annual Budget

	Actual 2015-2016	Projected 2016-2017	Requested 2017-2018
Beginning Fund Balance	\$ 542,600	\$ 12,853	\$ 27,508
Revenues			
Property Tax	115,253	149,655	169,004
Interest Income	-	-	-
Total Revenues	<u>115,253</u>	<u>149,655</u>	<u>169,004</u>
Total Funds Available	657,853	162,508	196,512
Expenditures			
Capital Expenses	-	-	-
Transfers Out	645,000	135,000	190,000
Total Expenditures	<u>645,000</u>	<u>135,000</u>	<u>190,000</u>
Excess Revenues over Expenditures	<u>(529,747)</u>	<u>14,655</u>	<u>(20,996)</u>
Ending Fund Balance	<u>\$ 12,853</u>	<u>\$ 27,508</u>	<u>\$ 6,512</u>

City of Sherman
REGIONAL DETENTION FUND
2017-2018 Annual Budget

	Actual 2015-2016	Projected 2016-2017	Requested 2017-2018
Beginning Fund Balance	\$ -	\$ -	\$ 59,878
Revenues			
Sales & Service	-	59,878	50,000
Total Revenues	-	59,878	50,000
Total Funds Available	-	59,878	109,878
Expenditures			
Capital Expenses	-	-	50,000
Total Expenditures	-	-	50,000
Excess Revenues over Expenditures	-	59,878	-
Ending Fund Balance	\$ -	\$ 59,878	\$ 59,878

City of Sherman
TIRZ #5 CONSTRUCTION FUND
2017-2018 Annual Budget

	Actual 2015-2016	Projected 2016-2017	Requested 2017-2018
Beginning Fund Balance	\$ -	\$ -	\$ 3,874,885
Revenues			
Property Tax	-	-	-
Interest Income	-	-	15,000
Debt Proceeds	-	3,874,885	-
Total Revenues	-	3,874,885	15,000
Total Funds Available	-	3,874,885	3,889,885
Expenditures			
Capital Expenses	-	-	3,500,000
Transfers Out	-	-	212,000
Total Expenditures	-	-	3,712,000
Excess Revenues over Expenditures	-	3,874,885	(3,697,000)
Ending Fund Balance	\$ -	\$ 3,874,885	\$ 177,885

City of Sherman
TIRZ #6 CONSTRUCTION FUND
2017-2018 Annual Budget

	Actual 2015-2016	Projected 2016-2017	Requested 2017-2018
Beginning Fund Balance	\$ -	\$ -	\$ 3,029,608
Revenues			
Property Tax	-	-	-
Interest Income	-	-	7,500
Debt Proceeds	-	3,029,608	-
Total Revenues	-	3,029,608	7,500
Total Funds Available	-	3,029,608	3,037,108
Expenditures			
Capital Expenses	-	-	2,800,000
Transfers Out	-	-	166,000
Total Expenditures	-	-	2,966,000
Excess Revenues over Expenditures	-	3,029,608	(2,958,500)
Ending Fund Balance	\$ -	\$ 3,029,608	\$ 71,108

City of Sherman
AUDITORIUM DEBT SERVICE FUND
2017-2018 Annual Budget

	Actual 2015-2016	Projected 2016-2017	Requested 2017-2018
Beginning Fund Balance	\$ 146,200	\$ 148,852	\$ 149,807
Revenues			
Transfers In	114,000	114,000	114,000
Interest Income	790	700	800
Total Revenues	<u>114,790</u>	<u>114,700</u>	<u>114,800</u>
Total Funds Available	260,990	263,552	264,607
Expenditures			
Debt Service	111,088	113,745	102,731
Services & Charges	1,050	-	1,050
Total Expenditures	<u>112,138</u>	<u>113,745</u>	<u>103,781</u>
Excess Revenues over Expenditures	<u>2,652</u>	<u>955</u>	<u>11,019</u>
Ending Fund Balance	<u><u>\$ 148,852</u></u>	<u><u>\$ 149,807</u></u>	<u><u>\$ 160,826</u></u>

City of Sherman
TIF #1 DEBT SERVICE FUND
2017-2018 Annual Budget

	Actual 2015-2016	Projected 2016-2017	Requested 2017-2018
Beginning Fund Balance	\$ 470,643	\$ 393,643	\$ 355,188
Revenues			
Property Tax	240,600	279,847	315,628
Interest Income	-	-	500
Total Revenues	<u>240,600</u>	<u>279,847</u>	<u>316,128</u>
Total Funds Available	711,243	673,490	671,316
Expenditures			
Debt Service	317,400	318,102	311,672
Services & Charges	200	200	-
Total Expenditures	<u>317,600</u>	<u>318,302</u>	<u>311,672</u>
Excess Revenues over Expenditures	<u>(77,000)</u>	<u>(38,455)</u>	<u>4,456</u>
Ending Fund Balance	<u>\$ 393,643</u>	<u>\$ 355,188</u>	<u>\$ 359,644</u>

City of Sherman
TIRZ #5 DEBT SERVICE FUND
2017-2018 Annual Budget

	Actual 2015-2016	Projected 2016-2017	Requested 2017-2018
Beginning Fund Balance	\$ -	\$ -	\$ -
Revenues			
Transfers In	-	-	212,000
Total Revenues	-	-	212,000
Total Funds Available	-	-	212,000
Expenditures			
Debt Service	-	-	211,202
Total Expenditures	-	-	211,202
Excess Revenues over Expenditures	-	-	798
Ending Fund Balance	\$ -	\$ -	\$ 798

City of Sherman
TIRZ #6 DEBT SERVICE FUND
2017-2018 Annual Budget

	Actual 2015-2016	Projected 2016-2017	Requested 2017-2018
Beginning Fund Balance	\$ -	\$ -	\$ -
Revenues			
Transfers In	-	-	166,000
Total Revenues	-	-	166,000
Total Funds Available	-	-	166,000
Expenditures			
Debt Service	-	-	165,171
Total Expenditures	-	-	165,171
Excess Revenues over Expenditures	-	-	829
Ending Fund Balance	\$ -	\$ -	\$ 829

City of Sherman
2008 CO DEBT SERVICE FUND
2017-2018 Annual Budget

	Actual 2015-2016	Projected 2016-2017	Requested 2017-2018
Beginning Fund Balance	\$ 11,460	\$ 12,068	\$ 13,001
Revenues			
Property Tax	360,000	362,000	251,000
Total Revenues	<u>360,000</u>	<u>362,000</u>	<u>251,000</u>
Total Funds Available	371,460	374,068	264,001
Expenditures			
Debt Service	359,393	361,067	249,435
Services & Charges	-	-	1,050
Total Expenditures	<u>359,393</u>	<u>361,067</u>	<u>250,485</u>
Excess Revenues over Expenditures	<u>608</u>	<u>933</u>	<u>515</u>
Ending Fund Balance	<u>\$ 12,068</u>	<u>\$ 13,001</u>	<u>\$ 13,516</u>

City of Sherman
2009 CO DEBT SERVICE FUND
2017-2018 Annual Budget

	Actual 2015-2016	Projected 2016-2017	Requested 2017-2018
Beginning Fund Balance	\$ 11,995	\$ 11,617	\$ 11,540
Revenues			
Property Tax	308,000	307,000	200,000
Total Revenues	<u>308,000</u>	<u>307,000</u>	<u>200,000</u>
Total Funds Available	319,995	318,617	211,540
Expenditures			
Debt Service	307,628	306,327	198,855
Services & Charges	750	750	1,050
Total Expenditures	<u>308,378</u>	<u>307,077</u>	<u>199,905</u>
Excess Revenues over Expenditures	<u>(378)</u>	<u>(77)</u>	<u>95</u>
Ending Fund Balance	<u>\$ 11,617</u>	<u>\$ 11,540</u>	<u>\$ 11,635</u>

City of Sherman
2009A CO DEBT SERVICE FUND
2017-2018 Annual Budget

	Actual 2015-2016	Projected 2016-2017	Requested 2017-2018
Beginning Fund Balance	\$ 3,287	\$ 2,825	\$ 2,712
Revenues			
Property Tax	251,000	252,000	162,000
Total Revenues	<u>251,000</u>	<u>252,000</u>	<u>162,000</u>
Total Funds Available	254,287	254,825	164,712
Expenditures			
Debt Service	250,713	251,363	160,425
Services & Charges	750	750	1,050
Total Expenditures	<u>251,463</u>	<u>252,113</u>	<u>161,475</u>
Excess Revenues over Expenditures	<u>(463)</u>	<u>(113)</u>	<u>525</u>
Ending Fund Balance	<u>\$ 2,825</u>	<u>\$ 2,712</u>	<u>\$ 3,237</u>

City of Sherman
2016 CO DEBT SERVICE FUND
2017-2018 Annual Budget

	Actual 2015-2016	Projected 2016-2017	Requested 2017-2018
Beginning Fund Balance	\$ -	\$ -	\$ 735
Revenues			
Property Tax	-	180,000	471,000
Total Revenues	-	180,000	471,000
Total Funds Available	-	180,000	471,735
Expenditures			
Debt Service	-	178,515	469,013
Services & Charges	-	750	1,050
Total Expenditures	-	179,265	470,063
Excess Revenues over Expenditures	-	735	937
Ending Fund Balance	\$ -	\$ 735	\$ 1,672

City of Sherman
2016 TAX NOTES DEBT SERVICE
2017-2018 Annual Budget

	Actual 2015-2016	Projected 2016-2017	Requested 2017-2018
Beginning Fund Balance	\$ -	\$ -	\$ 30,553
Revenues			
Sales Tax	-	376,000	293,000
Transfers In	-	135,000	190,000
Total Revenues	-	511,000	483,000
Total Funds Available	-	511,000	513,553
Expenditures			
Debt Service	-	479,697	482,180
Services & Charges	-	750	1,050
Total Expenditures	-	480,447	483,230
Excess Revenues over Expenditures	-	30,553	(230)
Ending Fund Balance	\$ -	\$ 30,553	\$ 30,323

City of Sherman
2017 CO DEBT SERVICE FUND
2017-2018 Annual Budget

	Actual 2015-2016	Projected 2016-2017	Requested 2017-2018
Beginning Fund Balance	\$ -	\$ -	\$ -
Revenues			
Property Tax	-	-	606,000
Total Revenues	-	-	606,000
Total Funds Available	-	-	606,000
Expenditures			
Debt Service	-	-	604,363
Services & Charges	-	-	1,050
Total Expenditures	-	-	605,413
Excess Revenues over Expenditures	-	-	587
Ending Fund Balance	\$ -	\$ -	\$ 587

City of Sherman
2017A Refunding Bonds
2017-2018 Annual Budget

	Actual 2015-2016	Projected 2016-2017	Requested 2017-2018
Beginning Fund Balance	\$ -	\$ -	\$ 738
Revenues			
Property Tax	-	27,000	278,000
Total Revenues	-	27,000	278,000
Total Funds Available	-	27,000	278,738
Expenditures			
Debt Service	-	26,262	276,918
Services & Charges	-	-	1,050
Total Expenditures	-	26,262	277,968
Excess Revenues over Expenditures	-	738	32
Ending Fund Balance	\$ -	\$ 738	\$ 770

City of Sherman
STORMWATER FUND
2017-2018 Annual Budget

	Actual 2015-2016	Projected 2016-2017	Requested 2017-2018
Beginning Fund Balance	\$ -	\$ -	\$ -
Revenues			
Sales & Service	-	-	418,000
Total Revenues	-	-	418,000
Total Funds Available	-	-	418,000
Expenditures			
Capital Expenses	-	-	365,000
Total Expenditures	-	-	365,000
Excess Revenues over Expenditures	-	-	53,000
Ending Fund Balance	\$ -	\$ -	\$ 53,000

City of Sherman
EMERGENCY 9-1-1 FUND
2017-2018 Annual Budget

	Actual 2015-2016	Projected 2016-2017	Requested 2017-2018
Beginning Fund Balance	\$ 115,253	\$ 124,792	\$ 166,073
Revenues			
Sales & Service	309,210	315,000	315,000
Fines & Penalties	25,050	-	-
Interest Income	722	1,000	1,000
Transfers In	7,955	-	-
Total Revenues	<u>342,937</u>	<u>316,000</u>	<u>316,000</u>
Total Funds Available	458,190	440,792	482,073
Expenditures			
Personnel	107,277	107,300	109,417
Supplies	4,096	7,800	5,600
Repair & Maintenance	80,354	66,300	65,748
Services & Charges	78,887	93,320	98,320
Capital Expenses	52,409	-	-
Transfers Out	10,375	-	-
Total Expenditures	<u>333,398</u>	<u>274,720</u>	<u>279,085</u>
Excess Revenues over Expenditures	<u>9,539</u>	<u>41,280</u>	<u>36,915</u>
Ending Fund Balance	<u>\$ 124,792</u>	<u>\$ 166,073</u>	<u>\$ 202,988</u>

City of Sherman
COURT SECURITY & TECHNOLOGY FUND
2017-2018 Annual Budget

	Actual 2015-2016	Projected 2016-2017	Requested 2017-2018
Beginning Fund Balance	\$ -	\$ 2,509	\$ 24,713
Revenues			
Fines & Penalties	89	27,000	31,200
Transfers in	10,375	-	-
Total Revenues	<u>10,464</u>	<u>27,000</u>	<u>31,200</u>
Total Funds Available	10,464	29,509	55,913
Expenditures			
Supplies	-	1,600	11,600
Repair & Maintenance	-	1,613	5,000
Services & Charges	-	1,583	3,905
Transfers Out	7,955	-	-
Total Expenditures	<u>7,955</u>	<u>4,796</u>	<u>20,505</u>
Excess Revenues over Expenditures	<u>2,509</u>	<u>22,204</u>	<u>10,695</u>
Ending Fund Balance	<u>\$ 2,509</u>	<u>\$ 24,713</u>	<u>\$ 35,408</u>
Repair & Maintenance			

City of Sherman
PARKS PRIDE FUND
2017-2018 Annual Budget

	Actual 2015-2016	Projected 2016-2017	Requested 2017-2018
Beginning Fund Balance	\$ 32,175	\$ 30,765	\$ 37,335
Revenues			
Miscellaneous Revenue	10,023	10,000	11,000
Interest Income	167	150	75
Total Revenues	<u>10,190</u>	<u>10,150</u>	<u>11,075</u>
Total Funds Available	42,365	40,915	48,410
Expenditures			
Services & Charges	<u>11,600</u>	<u>3,580</u>	<u>48,000</u>
Excess Revenues over Expenditures	<u>(1,410)</u>	<u>6,570</u>	<u>(36,925)</u>
Ending Fund Balance	<u>\$ 30,765</u>	<u>\$ 37,335</u>	<u>\$ 410</u>

**City of Sherman
POLICE PRIDE FUND
2017-2018 Annual Budget**

	Actual 2015-2016	Projected 2016-2017	Requested 2017-2018
Beginning Fund Balance	\$ 5,704	\$ 1,843	\$ 3,163
Revenues			
Miscellaneous Revenue	9,723	11,000	11,000
Interest Income	25	20	20
Total Revenues	<u>9,747</u>	<u>11,020</u>	<u>11,020</u>
Total Funds Available	15,451	12,863	14,183
Expenditures			
Supplies	3,568	4,000	8,379
Services & Charges	10,041	5,700	5,800
Total Expenditures	<u>13,609</u>	<u>9,700</u>	<u>14,179</u>
Excess Revenues over Expenditures	<u>(3,861)</u>	<u>1,320</u>	<u>(3,159)</u>
Ending Fund Balance	<u>\$ 1,843</u>	<u>\$ 3,163</u>	<u>\$ 4</u>

City of Sherman
DONATIONS FUND
2017-2018 Annual Budget

	Actual 2015-2016	Projected 2016-2017	Requested 2017-2018
Beginning Fund Balance	\$ 709	\$ 4,781	\$ 5,801
Revenues			
Miscellaneous Revenue	6,177	7,000	7,000
Interest Income	9	20	20
Total Revenues	<u>6,186</u>	<u>7,020</u>	<u>7,020</u>
Total Funds Available	6,895	11,801	12,821
Expenditures			
Supplies	<u>2,114</u>	<u>6,000</u>	<u>11,000</u>
Excess Revenues over Expenditures	<u>4,072</u>	<u>1,020</u>	<u>(3,980)</u>
Ending Fund Balance	<u>\$ 4,781</u>	<u>\$ 5,801</u>	<u>\$ 1,821</u>

City of Sherman
HOTEL/MOTEL TAX FUND
2017-2018 Annual Budget

	Actual 2015-2016	Projected 2016-2017	Requested 2017-2018
Beginning Fund Balance	\$ 346,905	\$ 191,985	\$ 97,365
Revenues			
Hotel-Motel Taxes	522,718	522,770	522,650
Fines & Penalties	-	-	-
Miscellaneous Revenue	5,283	1,200	1,000
Interest Income	1,383	1,000	1,000
Sales & Service	47,338	55,500	62,000
Rentals	28,098	29,000	30,000
Transfers In	-	-	50,000
Total Revenues	<u>604,820</u>	<u>609,470</u>	<u>666,650</u>
Total Funds Available	951,725	801,455	764,015
Expenditures:			
Tourism			
Chamber of Commerce	29,212	-	-
Administration	147,602	137,015	169,454
Programs	190,151	224,800	282,200
Downtown Building Incentive	-	50,000	-
Sherman Museum	70,000	52,500	-
Ballroom Operations	129,363	48,570	35,420
Auditorium Operations	79,411	77,205	116,730
Transfers Out	114,000	114,000	114,000
Total Expenditures	<u>759,739</u>	<u>704,090</u>	<u>717,804</u>
Excess Revenues over Expenditures	<u>(154,920)</u>	<u>(94,620)</u>	<u>(51,154)</u>
Ending Fund Balance	<u>\$ 191,985</u>	<u>\$ 97,365</u>	<u>\$ 46,211</u>

City of Sherman
DRUG ENFORCEMENT FUND
2017-2018 Annual Budget

	Actual 2015-2016		Projected 2016-2017		Requested 2017-2018
Beginning Fund Balance	\$ 36,361	\$	3,552	\$	214,302
Revenues					
Fines & Penalties	20,944		265,000		125,000
Interest Income	100		250		100
Total Revenues	<u>21,045</u>		<u>265,250</u>		<u>125,100</u>
Total Funds Available	57,406		268,802		339,402
Expenditures					
Supplies	30,658		10,000		254,290
Repair & Maintenance	-		2,000		27,000
Services & Charges	5,260		2,500		10,000
Capital Expenses	17,936		40,000		40,000
Total Expenditures	<u>53,854</u>		<u>54,500</u>		<u>331,290</u>
Excess Revenues over Expenditures	<u>(32,809)</u>		<u>210,750</u>		<u>(206,190)</u>
Ending Fund Balance	<u>\$ 3,552</u>	<u>\$</u>	<u>214,302</u>	<u>\$</u>	<u>8,112</u>

City of Sherman
MUNICIPAL AIRPORT FUND
2017-2018 Annual Budget

	Actual 2015-2016	Projected 2016-2017	Requested 2017-2018
Beginning Fund Balance	\$ 174,388	\$ 185,971	\$ 85,787
Revenues			
Interest Income	1,069	1,000	1,200
Rentals	49,900	49,000	50,225
Sales & Service	281,791	286,000	286,000
Total Revenues	332,760	336,000	337,425
Total Funds Available	507,148	521,971 -	423,212
Expenditures			
Supplies	257,527	300,000	268,200
Repair & Maintenance	5,030	7,000	7,000
Services & Charges	42,294	62,534	67,367
Utilities	12,695	13,830	13,830
Vehicle Usage	3,632	2,820	4,190
Capital Expenses	-	50,000	50,000
Total Expenditures	321,177	436,184	410,587
Excess Revenues over Expenditures	11,583	(100,184)	(73,162)
Ending Fund Balance	\$ 185,971	\$ 85,787	\$ 12,625

City of Sherman
EMPLOYEE INSURANCE FUND
2017-2018 Annual Budget

	Actual 2015-2016	Budget 2016-2017	Projected 2016-2017	Requested 2017-2018
Beginning Fund Balance	\$ 244,367	\$ 89,283	\$ (1,029,196)	\$ (1,651,440)
Revenues				
Employer Contributions	4,354,454	4,741,606	4,246,000	4,200,000
Employee Contributions	984,428	968,000	930,000	896,000
Retiree Contributions	196,486	190,000	200,000	187,000
COBRA Contributions	-	-	4,440	-
Transfers In	1,140,000	-	-	-
Total Revenues	6,675,368	5,899,606	5,380,440	5,283,000
Total Funds Available	6,919,735	5,988,889	4,351,244	3,631,560
Expenditures				
Health Insurance Claims	7,320,472	5,200,000	5,200,000	4,200,000
Administration & Premiums	551,824	615,000	754,684	768,000
Life Insurance Premiums	37,240	48,000	48,000	37,507
Miscellaneous Expense	39,394	25,000	-	-
Total Expenditures	7,948,930	5,888,000	6,002,684	5,005,507
Excess Revenues over Expenditures	(1,273,563)	11,606	(622,244)	277,493
Ending Fund Balance	\$ (1,029,196)	\$ 100,889	\$ (1,651,440)	\$ (1,373,946)

City of Sherman
INFORMATION TECHNOLOGY FUND
2017-2018 Annual Budget

	Actual 2015-2016	Projected 2016-2017	Requested 2017-2018
Beginning Fund Balance	\$ 103,395	\$ 100,093	\$ 100,306
Revenues			
Technology Services:			
General Fund	561,179	532,610	669,120
Tourism	2,300	2,610	4,600
Equipment Services Fund	16,099	15,630	19,400
Utility Fund	98,896	144,180	180,780
Solid Waste Fund	11,500	30,390	42,880
Interest Income	37	50	-
Miscellaneous Revenue	288	159	-
Total Revenues	<u>690,299</u>	<u>725,629</u>	<u>916,780</u>
Total Funds Available	793,694	825,722	1,017,086
Expenditures			
Personnel	378,356	415,850	521,862
Supplies	48,838	49,109	52,599
Repair & Maintenance	96,174	112,765	134,533
Utilities	45,985	33,580	33,110
Services & Charges	33,805	36,262	63,055
Capital Expenses	74,545	77,850	124,250
Total Expenditures	<u>677,703</u>	<u>725,416</u>	<u>929,410</u>
Excess Revenues over Expenditures	<u>12,596</u>	<u>213</u>	<u>(12,630)</u>
Ending Fund Balance	<u>\$ 100,093</u>	<u>\$ 100,306</u>	<u>\$ 87,676</u>

City of Sherman
EQUIPMENT SERVICES FUND
2017-2018 Annual Budget

	Actual 2015-2016	Projected 2016-2017	Requested 2017-2018
Beginning Fund Balance	\$ 6,852	\$ 118,703	\$ 120,197
Revenues			
Equipment Service Revenue	2,605,731	2,578,540	2,778,932
Miscellaneous Revenue	3,601	1,500	-
Total Revenues	2,609,332	2,580,040	2,778,932
Total Funds Available	2,616,184	2,698,743	2,899,129
Expenditures			
Personnel	687,400	693,840	822,156
Supplies	564,013	659,536	799,367
Repair & Maintenance	914,029	840,470	843,623
Utilities	22,830	24,690	21,720
Information Technology	16,099	15,630	19,400
Services & Charges	253,197	246,923	254,726
Capital Expenses	39,913	97,457	17,936
Total Expenditures	2,497,481	2,578,545	2,778,929
Excess Revenues over Expenditures	111,851	1,495	3
Ending Fund Balance	\$ 118,703	\$ 120,197	\$ 120,201

City of Sherman
FLEET REPLACEMENT FUND
2017-2018 Annual Budget

	Actual 2015-2016	Projected 2016-2017	Requested 2017-2018
Beginning Fund Balance	\$ 193,138	\$ 260,508	\$ 155,405
Revenues			
Transfers in	2,681,428	1,984,205	2,089,209
Interest Income	651	2,200	-
Debt Proceeds	-	-	2,209,882
Total Revenues	2,682,079	1,986,405	4,299,091
Total Funds Available	2,875,217	2,246,913	4,454,496
Expenditures			
Debt Service	220,228	165,258	185,000
Equipment-General Fund	1,077,635	805,250	3,165,310
Equipment-Utility Fund	522,197	315,000	-
Equipment-Solid Waste Fund	794,648	806,000	948,781
Equipment-Stormwater	-	-	-
Total Expenditures	2,614,708	2,091,508	4,299,091
Excess Revenues over Expenditures	67,370	(105,103)	-
Ending Fund Balance	\$ 260,508	\$ 155,405	\$ 155,405

City of Sherman
WATER CONSUMER DEPOSITS
2017-2018 Annual Budget

	Actual 2015-2016	Projected 2016-2017	Requested 2017-2018
Beginning Fund Balance	\$ 240,701	244,639	-
Revenues			
Interest Income	3,938	3,000	-
Total Funds Available	244,639	247,639	-
Expenditures			
Transfers Out	-	247,639	-
Ending Fund Balance	\$ 244,639	\$ -	-

City of Sherman
PRO RATA FUND
2017-2018 Annual Budget

	Actual 2015-2016	Projected 2016-2017	Requested 2017-2018
Beginning Fund Balance	\$ 248,528	\$ 257,577	\$ 264,077
Revenues			
Interest Income	1,399	1,500	1,500
Sales & Service	7,650	5,000	5,000
Total Revenues	9,049	6,500	6,500
Total Funds Available	257,577	264,077	270,577
Expenditures			
Services & Charges	-	-	200,000
Excess Revenues over Expenditures	9,049	6,500	6,500
Ending Fund Balance	\$ 257,577	\$ 264,077	\$ 70,577

TRANSFERS SCHEDULE

FUND DETAILS

100 From fund 700 5% franchise, admin cost
 From fund 790, dept 243, 244, 245
 From fund 222, Land sale proceeds
 To fund 660 for debt service
 To fund 660 for equipment purchases, debt service
 To fund 460, Jump Start the Heart

222 To fund 100, land sale proceeds
 To fund 700, land sale proceeds
 To 660, debt service
 From fund 330, Grant match

230 To fund 355, tax notes

241 To fund 341, debt service

242 To fund 342, debt service

310 From fund 460

330 To fund 222, Grant match

341 From fund 241, debt service

342 From fund 242, debt service

355 From fund 230, tax notes

460 To fund 310
 From fund 100, Jump Start the Heart

660 From fund 100, debt service
 From fund 100, equipment purchase
 From fund 222, debt service
 From fund 790, equipment purchase

700 To fund 100 5% franchise, admin cost
 From fund 790, admin cost
 To fund 660 for equipment purchase
 From fund 222, fund balance

790 To fund 100 8% franchise, admin cost RSW
790 To fund 700 admin cost RSW
790 To fund 100 8% franchise, admin cost CSW
790 To fund 700 admin cost CSW
790 To fund 100 8% franchise, admin cost Recycle
790 To fund 700 admin cost Recycle
790 To fund 660, equipment purchase

TOTALS

BUDGETED FY17/18	
Expense TRANSFER FROM Debit	Revenue TRANSFER TO Credit
	\$ 2,058,000.00
	\$ 757,000.00
	\$ 985,000.00
\$ 50,000.00	
\$ 955,427.76	
\$ 50,000.00	
\$ 985,000.00	
\$ 300,000.00	
\$ 135,000.00	
	\$ 100,000.00
\$ 190,000.00	
\$ 212,000.00	
\$ 166,000.00	
	\$ 114,000.00
\$ 100,000.00	
	\$ 212,000.00
	\$ 166,000.00
	\$ 190,000.00
\$ 114,000.00	
	\$ 50,000.00
	\$ 50,000.00
	\$ 955,427.76
	\$ 135,000.00
	\$ 948,781.00
\$ 2,058,000.00	
	\$ 162,000.00
	\$ 300,000.00
\$ 285,000.00	
\$ 61,000.00	
\$ 429,000.00	
\$ 92,000.00	
\$ 43,000.00	
\$ 9,000.00	
\$ 948,781.00	
\$ 7,183,208.76	\$ 7,183,208.76

City of Sherman
Property Tax Historical Summary

Fiscal Year	Estimated Taxable Value (in 000)	Tax Levy (in 000)	Total Collections (in 000)	Property Tax Rate (per \$100)
2004	\$ 1,515,989	\$ 6,064	\$ 5,912	\$ 0.400
2005	\$ 1,590,950	\$ 6,364	\$ 6,258	\$ 0.400
2006	\$ 1,735,457	\$ 6,942	\$ 6,802	\$ 0.400
2007	\$ 1,886,876	\$ 7,548	\$ 7,513	\$ 0.400
2008	\$ 1,979,001	\$ 7,921	\$ 7,741	\$ 0.400
2009	\$ 2,072,868	\$ 6,633	\$ 6,587	\$ 0.320
2010	\$ 2,187,663	\$ 7,001	\$ 6,874	\$ 0.320
2011	\$ 2,195,729	\$ 7,026	\$ 6,923	\$ 0.320
2012	\$ 2,213,944	\$ 7,085	\$ 7,061	\$ 0.320
2013	\$ 2,285,921	\$ 7,315	\$ 7,292	\$ 0.320
2014	\$ 2,257,117	\$ 7,855	\$ 7,825	\$ 0.348
2015	\$ 2,375,151	\$ 8,836	\$ 8,781	\$ 0.372
2016	\$ 2,530,048	\$ 9,412	\$ 9,139	\$ 0.372
2017 (est.)	\$ 2,781,252	\$ 10,966	\$ 10,589	\$ 0.394

City of Sherman
Bonded Debt as of 7/31/17

Fiscal Yr	(1) \$2,840,000 <i>Combination Tax & Tax Increment Revenue 2004 Series TIF Zone#1, Certificates of Obligation</i>				(2) \$5,000,000 <i>Tax & Waterworks & Sewer System (Limited Pledge) Revenue Certificates of Obligation Series 2008</i>			
	Coupon	Principal	Interest	TOTAL	Coupon	Principal	Interest	TOTAL
2018	4.44%	185,000.00	56,388.00	241,388.00	3.62%	245,000.00	4,435.00	249,435.00
2019	4.44%	195,000.00	48,174.00	243,174.00				-
2020	4.44%	205,000.00	39,516.00	244,516.00				-
2021	4.44%	215,000.00	30,414.00	245,414.00				-
2022	4.44%	230,000.00	20,868.00	250,868.00				-
2023	4.44%	240,000.00	10,656.00	250,656.00				-
2024		-	-	-				-
2025		-	-	-				-
2026		-	-	-				-
2027		-	-	-				-
2028		-	-	-				-
2029		-	-	-				-
2030		-	-	-		-	-	-
2031		-	-	-		-	-	-
2032		-	-	-		-	-	-
2033		-	-	-		-	-	-
2034		-	-	-		-	-	-
2035		-	-	-		-	-	-
2036		-	-	-		-	-	-
2037		-	-	-		-	-	-
		1,270,000.00	206,016.00	1,476,016.00		245,000.00	4,435.00	249,435.00

(1) 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.

(2) These bonds were issued in 2008 to provide funding for park and street development and improvements and were refunded in FY 2017

City of Sherman
Bonded Debt as of 7/31/17

Fiscal Yr	(3) \$4,100,000 Tax & Waterworks & Sewer System (Limited Pledge) Revenue Certificates of Obligation Series 2009				(4) \$900,000 TIF #1 Revenue Certificates of Obligation Series 2009			
	Coupon	Principal	Interest	TOTAL	Coupon	Principal	Interest	TOTAL
2018	3.98%	191,667.00	7,188.00	198,855.00	3.75%	53,333.33	2,000.00	55,333.33
2019				-				-
2020				-				-
2021				-				-
2022				-				-
2023				-				-
2024				-				-
2025				-				-
2026				-				-
2027				-				-
2028				-				-
2029				-				-
2030		-	-	-		-	-	-
2031		-	-	-		-	-	-
2032		-	-	-		-	-	-
2033		-	-	-		-	-	-
2034		-	-	-		-	-	-
2035		-	-	-		-	-	-
2036		-	-	-		-	-	-
2037		-	-	-		-	-	-
		191,667.00	7,188.00	198,855.00		53,333.33	2,000.00	55,333.33

(3) These bonds were issued in the spring of 2009 to provide funding for park and street development and improvements and were refunded in FY 2017.

(4) These certificates were issued in the spring of 2009 to provide funding for infrastructure development for Sherman Town Center. Debt service is paid from the tax increment property tax generated by the zone. These certificates were refunded in FY 2017.

City of Sherman
Bonded Debt as of 7/31/17

Fiscal Yr	(5) \$3,500,000 Tax & Waterworks & Sewer System (Limited Pledge) Revenue Certificates of Obligation Series 2009A				(6) \$1,830,000 Limited Tax Notes Series 2016			
	Coupon	Principal	Interest	TOTAL	Coupon	Principal	Interest	TOTAL
2018	3.50%	155,000.00	5,425.00	160,425.00	1.59%	460,000.00	22,180.50	482,180.50
2019				-	1.59%	465,000.00	14,866.50	479,866.50
2020				-	1.59%	470,000.00	7,473.00	477,473.00
2021				-		-	-	-
2022				-		-	-	-
2023				-		-	-	-
2024				-		-	-	-
2025				-		-	-	-
2026				-		-	-	-
2027				-		-	-	-
2028				-		-	-	-
2029				-		-	-	-
2030		-	-	-		-	-	-
2031		-	-	-		-	-	-
2032		-	-	-		-	-	-
2033		-	-	-		-	-	-
2034		-	-	-		-	-	-
2035		-	-	-		-	-	-
2036		-	-	-		-	-	-
2037		-	-	-		-	-	-
		155,000.00	5,425.00	160,425.00		1,395,000.00	44,520.00	1,439,520.00

(5) These certificates were issued in the fall of 2009 to provide funding for park and street development and improvements. These certificates were refunded in FY 2017.

(6) These notes were issued to fund the Loy Lake Road improvements between Hwy 82 and Sara Swamy Drive

City of Sherman
Bonded Debt as of 7/31/17

Fiscal Yr	(7) \$6,970,000 Tax & Waterworks & Sewer System (Limited Pledge) Revenue Certificates of Obligation Series 2016				(8) \$7,776,530 General Obligation Refunding Bonds Series 2017			
	Coupon	Principal	Interest		Coupon	Principal	Interest	
2018	2.000%	290,000.00	179,012.50	469,012.50	2.00%	32,206.20	244,711.76	276,917.95
2019	2.000%	295,000.00	173,212.50	468,212.50	2.00%	635,553.78	243,050.44	878,604.22
2020	3.000%	300,000.00	167,312.50	467,312.50	2.00%	652,483.08	230,341.38	882,824.46
2021	3.000%	310,000.00	158,312.50	468,312.50	2.00%	667,640.67	217,216.99	884,857.65
2022	3.000%	320,000.00	149,012.50	469,012.50	2.50%	684,412.39	203,760.33	888,172.72
2023	3.000%	330,000.00	139,412.50	469,412.50	3.00%	706,341.71	186,524.18	892,865.89
2024	3.000%	340,000.00	129,512.50	469,512.50	3.00%	726,341.71	165,093.22	891,434.92
2025	3.000%	350,000.00	119,312.50	469,312.50	4.00%	748,113.42	143,163.85	891,277.28
2026	2.000%	360,000.00	108,812.50	468,812.50	4.00%	785,200.32	113,094.04	898,294.37
2027	2.000%	370,000.00	101,612.50	471,612.50	4.00%	783,151.71	86,333.97	869,485.68
2028	2.250%	375,000.00	94,212.50	469,212.50	4.00%	818,151.71	54,955.83	873,107.54
2029	2.250%	385,000.00	85,775.00	470,775.00	4.00%	483,309.29	22,343.71	505,653.00
2030	2.375%	390,000.00	77,112.50	467,112.50	3.00%	53,624.39	1,718.75	55,343.14
2031	2.375%	400,000.00	67,850.00	467,850.00	-	-	-	-
2032	2.500%	410,000.00	58,350.00	468,350.00	-	-	-	-
2033	2.500%	420,000.00	48,100.00	468,100.00	-	-	-	-
2034	2.500%	430,000.00	37,600.00	467,600.00	-	-	-	-
2035	3.000%	440,000.00	26,850.00	466,850.00	-	-	-	-
2036	3.000%	455,000.00	13,650.00	468,650.00	-	-	-	-
2037	-	-	-	-	-	-	-	-
		6,970,000.00	1,935,025.00	8,905,025.00		7,776,530.37	1,912,308.44	9,688,838.81

(7) These certificates were issued to fund new street development and construction and improvements to city facilities.

(8) These bonds refunded the Series 2006 bonds, and the 2008, 2009 and 2009A Certificates of Obligation.

City of Sherman
Bonded Debt as of 7/31/17

Fiscal Yr	(9) \$474,557 TIF #1 Refunding Bonds Series 2017				(10) \$1,108,913 Auditorium Refunding Bonds Series 2017			
	Coupon	Principal	Interest		Coupon	Principal	Interest	
2018	2.00%	-	14,951.22	14,951.22	2.00%	67,793.80	34,937.03	102,730.83
2019	2.00%	51,652.42	14,849.72	66,502.13	2.00%	77,793.80	34,699.84	112,493.65
2020	2.00%	54,880.70	14,073.23	68,953.93	2.00%	82,636.22	32,885.40	115,521.61
2021	2.00%	54,880.70	13,271.36	68,152.06	2.00%	87,478.63	31,011.65	118,490.28
2022	2.50%	58,108.97	12,449.20	70,558.17	2.50%	87,478.63	29,090.47	116,569.10
2023	3.00%	61,337.25	11,396.12	72,733.36	3.00%	92,321.05	26,629.70	118,950.75
2024	3.00%	61,337.25	10,086.74	71,423.99	3.00%	92,321.05	23,570.04	115,891.09
2025	4.00%	64,565.53	8,746.92	73,312.45	4.00%	92,321.05	20,439.23	112,760.28
2026	4.00%	67,793.80	6,909.74	74,703.54	4.00%	102,005.88	16,146.22	118,152.10
2027	-	-	-	-	4.00%	106,848.29	11,616.03	118,464.32
2028	-	-	-	-	4.00%	106,848.29	7,394.17	114,242.46
2029	-	-	-	-	4.00%	101,690.71	3,006.29	104,697.00
2030	-	-	-	-	3.00%	11,375.61	231.25	11,606.86
2031	-	-	-	-	-	-	-	-
2032	-	-	-	-	-	-	-	-
2033	-	-	-	-	-	-	-	-
2034	-	-	-	-	-	-	-	-
2035	-	-	-	-	-	-	-	-
2036	-	-	-	-	-	-	-	-
2037	-	-	-	-	-	-	-	-
		474,556.62	106,734.23	581,290.85		1,108,913.00	271,657.33	1,380,570.33

(9) These bonds refunded the Series 2006 bonds, and the 2008, 2009 and 2009A Certificates of Obligation.

(10) These bonds refunded the Series 2006 bonds, and the 2008, 2009 and 2009A Certificates of Obligation.

City of Sherman
Bonded Debt as of 7/31/17

Fiscal Yr	(11) \$11,160,000 Combination Tax & Revenue Certificates of Obligation Series 2017				(12) \$3,900,000 TIRZ #5 Certificates of Obligation Series 2017			
	Coupon	Principal	Interest		Coupon	Principal	Interest	
2018		-	604,362.95	604,362.95		-	211,202.11	211,202.11
2019	5.00%	385,146.33	439,536.69	824,683.02	5.00%	134,594.15	153,601.53	288,195.68
2020	5.00%	406,714.52	420,279.38	826,993.90	5.00%	142,131.42	146,871.82	289,003.24
2021	5.00%	425,201.55	399,943.65	825,145.20	5.00%	148,591.94	139,765.25	288,357.19
2022	5.00%	446,769.74	378,683.57	825,453.31	5.00%	156,129.21	132,335.66	288,464.87
2023	5.00%	468,337.93	356,345.09	824,683.02	5.00%	163,666.48	124,529.20	288,195.68
2024	5.00%	492,987.30	332,928.19	825,915.49	5.00%	172,280.51	116,345.87	288,626.38
2025	5.00%	517,636.66	308,278.82	825,915.49	5.00%	180,894.53	107,731.85	288,626.38
2026	5.00%	542,286.03	282,396.99	824,683.02	5.00%	189,508.56	98,687.12	288,195.68
2027	4.00%	570,016.57	255,282.69	825,299.25	4.00%	199,199.34	89,211.69	288,411.03
2028	4.00%	594,665.93	232,482.03	827,147.96	4.00%	207,813.36	81,243.72	289,057.08
2029	3.00%	616,234.12	208,695.39	824,929.51	3.00%	215,350.64	72,931.18	288,281.82
2030	3.00%	634,721.15	190,208.37	824,929.51	3.00%	221,811.15	66,470.67	288,281.82
2031	3.13%	653,208.17	171,166.73	824,374.90	3.13%	228,271.67	59,816.33	288,088.00
2032	3.25%	674,776.37	150,753.98	825,530.34	3.25%	235,808.95	52,682.84	288,491.79
2033	3.38%	696,344.56	128,823.74	825,168.30	3.38%	243,346.22	45,019.05	288,365.27
2034	3.38%	720,993.93	105,322.11	826,316.04	3.38%	251,960.24	36,806.12	288,766.36
2035	3.58%	745,643.29	80,988.57	826,631.86	3.58%	260,574.27	28,302.46	288,876.73
2036	3.50%	770,292.66	54,891.05	825,183.71	3.50%	269,188.29	19,182.36	288,370.65
2037	3.50%	798,023.19	27,930.81	825,954.00	3.50%	278,879.07	9,760.77	288,639.84
		11,160,000.00	5,129,300.81	16,289,300.81		3,900,000.00	1,792,497.59	5,692,497.59

(11) These certificates were issued to fund new street development and construction and improvements to city facilities.

(12) These certificates were issued to fund infrastructure improvements in Sherman Crossroads (TIRZ #5) development. Debt service is paid from property tax increment generated by the zone.

City of Sherman
Bonded Debt as of 7/31/17

Fiscal Yr	(13) \$3,050,000 TIRZ #6 Certificates of Obligation Series 2017				TOTALS		
	Coupon	Principal	Interest		Principal	Interest	TOTAL
2018		-	165,170.88	165,170.88	1,680,000.33	1,551,964.94	3,231,965.27
2019	5.00%	105,259.53	120,124.28	225,383.80	2,345,000.00	1,242,115.50	3,587,115.50
2020	5.00%	111,154.06	114,861.30	226,015.36	2,425,000.00	1,173,614.00	3,598,614.00
2021	5.00%	116,206.52	109,303.60	225,510.11	2,025,000.00	1,099,239.00	3,124,239.00
2022	5.00%	122,101.05	103,493.27	225,594.32	2,105,000.00	1,029,693.00	3,134,693.00
2023	5.00%	127,995.58	97,388.22	225,383.80	2,190,000.00	952,881.00	3,142,881.00
2024	5.00%	134,732.19	90,988.44	225,720.63	2,020,000.00	868,525.00	2,888,525.00
2025	5.00%	141,468.80	84,251.83	225,720.63	2,095,000.00	791,925.00	2,886,925.00
2026	5.00%	148,205.41	77,178.39	225,383.80	2,195,000.00	703,225.00	2,898,225.00
2027	4.00%	155,784.10	69,768.12	225,552.22	2,185,000.00	613,825.00	2,798,825.00
2028	4.00%	162,520.71	63,536.75	226,057.46	2,265,000.00	533,825.00	2,798,825.00
2029	3.00%	168,415.24	57,035.93	225,451.17	1,970,000.00	449,787.50	2,419,787.50
2030	3.00%	173,467.70	51,983.47	225,451.17	1,485,000.00	387,725.00	1,872,725.00
2031	3.13%	178,520.15	46,779.44	225,299.59	1,460,000.00	345,612.50	1,805,612.50
2032	3.25%	184,414.69	41,200.68	225,615.37	1,505,000.00	302,987.50	1,807,987.50
2033	3.38%	190,309.22	35,207.21	225,516.43	1,550,000.00	257,150.00	1,807,150.00
2034	3.38%	197,045.83	28,784.27	225,830.10	1,600,000.00	208,512.50	1,808,512.50
2035	3.58%	203,782.44	22,133.97	225,916.41	1,650,000.00	158,275.00	1,808,275.00
2036	3.50%	210,519.05	15,001.59	225,520.64	1,705,000.00	102,725.00	1,807,725.00
2037	3.50%	218,097.74	7,633.42	225,731.16	1,295,000.00	45,325.00	1,340,325.00
		3,050,000.00	1,401,825.04	4,451,825.04	37,750,000.33	12,818,932.44	50,568,932.77

(13) These certificates were issued to fund infrastructure improvements on the south side of the Hwy 75 and Hwy 691 intersection (TIRZ #6). Debt service is paid from the property tax increment generated by the zone.



SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

E.2.

Meeting Date: 08/07/2017

Prepared By: Mary Lawrence, Director of Finance

Approved By: Robby Hefton, City Manager

Caption:

OTHER BUSINESS

Discussion of the Proposed Tax Rate for Fiscal Year 2017-2018 and Scheduling Public Hearings for the Budget and Proposed Tax Rate

Issue:

Discussing the tax rate for the upcoming fiscal year (FY) and scheduling required public hearing dates for the budget and proposed tax rate

Background:

As required by state law, if the proposed tax rate exceeds the lower of the effective tax rate or the rollback rate, the governing body is required to hold two public hearings. The proposed tax rate of \$.4273/\$100 exceeds the lower of the rollback or effective tax rates due to an increase in property values.

Accordingly, below is a schedule that outlines the applicable requirements for public hearings and adoption of the Budget and Tax Rate Ordinances. In summary, the required Council action is as follows:

- August 21st: Public Hearing and Adoption of Budget Ordinance and Ratification of Property Tax Revenue Increase
- August 21st: Introduction and First Public Hearing on Tax Revenue Increase
- September 5th: Second Public Hearing on Tax Revenue Increase
- September 18th: Adoption of the Tax Rate Ordinance

Origination:

Finance

Financial Consideration:

Failure to follow the law entitles a taxpayer to an injunction restraining the collection of taxes when filed according to statute.

Staff Recommendation:

The staff recommends following the schedule shown above, which meets the requirements of State law.

The following wording should be used in the motion to set the public hearings included above, **"I move to propose a tax rate of forty-two point seventy-three cents per hundred dollars of valuation for the upcoming budget year and to set public hearings on this proposal as presented."**

Alternatives:

As these requirements are set by State law, no alternatives can be offered.



SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

E.3.

Meeting Date: 08/07/2017

Prepared By: Mary Lawrence, Director of Finance

Approved By: Robby Hefton, City Manager

Caption:

OTHER BUSINESS

Review Draft Capital Improvement Program (CIP) 2017-2022 and Set Public Hearing for Monday, August 21, 2017

Issue:

To review the draft CIP 2017-2022 and set the public hearing on such for Monday, August 21, 2017

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 draft of the CIP. The public hearing is on the agenda of the regularly scheduled City Council meeting on August 21, 2017

Origination:

Finance Department

Financial Consideration:

General Fund	\$105,566,123
Utility Fund	29,292,770
Stormwater Fund	<u>28,634,476</u>
Total Projects for 2017-2022	\$163,493,369

Staff Recommendation:

It is recommended that the City Council review the City's 2017-2022 Capital Improvement Program.

Alternatives:

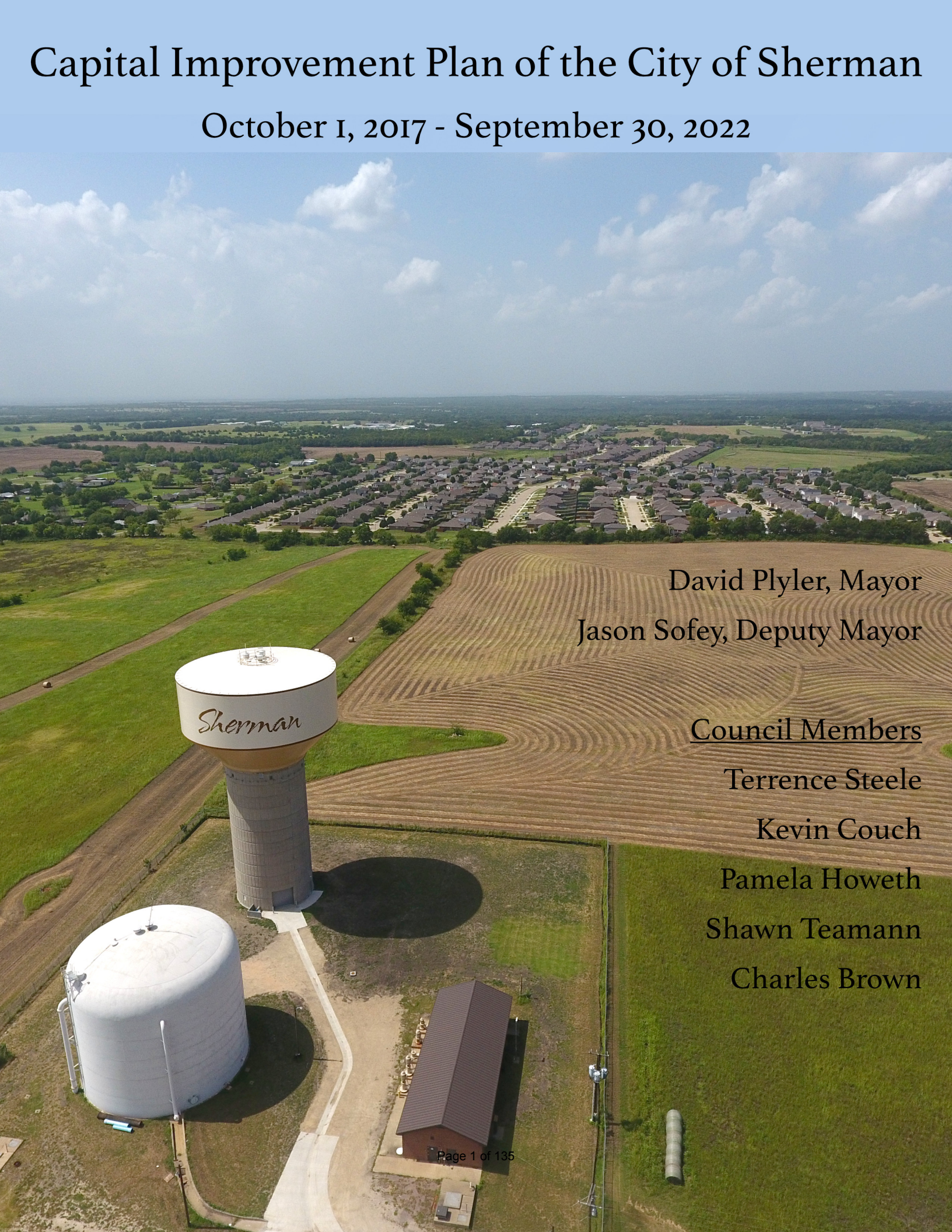
The Council may amend the program.

Attachments

Five-Year Capital Improvement Plan

Capital Improvement Plan of the City of Sherman

October 1, 2017 - September 30, 2022



David Plyler, Mayor
Jason Sofey, Deputy Mayor

Council Members

Terrence Steele

Kevin Couch

Pamela Howeth

Shawn Teamann

Charles Brown

CAPITAL IMPROVEMENT PROGRAM OF THE CITY OF SHERMAN

OCTOBER 1, 2017 - SEPTEMBER 30, 2022

CITY COUNCIL

David Plyler, Mayor
Jason Sofey, Deputy Mayor

Council Members

Terrence R. Steele
Kevin Couch
Pamela L. Howeth
Shawn Teamann
Charles Brown



Robby Hefton, City Manager

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City of Sherman, Texas

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The Honorable David Plyler, Mayor, and Members of the City Council

Subject: 2017-2018/2021-2022 Five-Year Capital Improvement Program

The Capital Improvement Program for the City of Sherman is submitted to you in compliance with Article V, Section IX of our Charter. This Five-Year Capital Improvement Program covers the planning period beginning October 1, 2017 through September 30, 2022.

Our community continues to experience growth and potential for growth and, in order to meet the needs of the future, we must plan. The Capital Improvement Program forecasts our major capital improvement needs on a yearly priority basis. The plan requires annual revision in order to ensure that it meets the public safety, health and welfare needs of the citizens of Sherman, as well as our ability to finance those needs.

The Capital Improvement Program provides you with a comprehensive planning forecast of Capital Improvement needs. It outlines the recommended projects by fiscal year and estimates cost and funding sources. Each project is described by a brief narrative. The process of reviewing and approving this document requires that you concentrate on the priorities of the projects, due to funding limitations.

The Capital Improvement Program is separated into two functions, that of governmental and of proprietary. The governmental function is accounted for in the General Fund services; and the Capital Improvement Projects under this section are associated with general government and financed by taxation, grants and other General Fund sources. These projects are in the nature of streets, parks, drainage, flood control, refuse, and public safety improvements. The proprietary function is accounted for in the Utility Services section. Projects under this section are primarily for water and sewer improvements. Summaries by fiscal year for General Services and Utility Services are for years one through five.

This Capital Improvement Program has been reviewed and is hereby respectfully submitted for your consideration.

Very truly yours,



Robby Hefton
City Manager

GENERAL SERVICES

PROJECT	FY 2018 Budgeted	FY 2019 Proposed	FY 2020 Proposed	FY 2021 Proposed	FY 2022 Proposed
AIRPORT SERVICES					
Completion of Structural Upgrades & Minor Repairs	\$ 50,000	\$ -	\$ -	\$ -	\$ -
Total Airport Services	\$ 50,000	\$ -	\$ -	\$ -	\$ -
BUILDING MAINTENANCE					
Finance Office Space Remodel	\$ 60,000	\$ -	\$ -	\$ -	\$ -
Building Maintenance Entry & Parking Improvements	\$ 100,000	\$ -	\$ -	\$ -	\$ -
Replace Carpet at City Hall	\$ -	\$ 50,000	\$ -	\$ -	\$ -
Kidd-Key Handicap Ramp & Restroom Improvements	\$ 60,000	\$ -	\$ -	\$ -	\$ -
Utility Billing Office Space Remodel	\$ -	\$ 40,000	\$ -	\$ -	\$ -
Continuation of Municipal Building 2nd-Floor Office Space Remodeling	\$ -	\$ -	\$ 40,000	\$ -	\$ -
Total Building Maintenance	\$ 220,000	\$ 90,000	\$ 40,000	\$ -	\$ -
ENGINEERING SERVICES					
Downtown Sidewalk Repairs	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
FM 1417 - ROW Acquisitions from SH 56 to 82	\$ 800,000	\$ -	\$ -	\$ -	\$ -
Friendship Road - ROW Acquisitions from SH 56 to Lamberth	\$ 1,300,000	\$ -	\$ -	\$ -	\$ -
Preliminary Engineering & ROW Acquisitions for Fallon Drive Extension	\$ -	\$ 62,000	\$ 200,000	\$ -	\$ -
TIRZ #5 - Public Infrastructure at Northwest Corner of FM 1417 & US 75	\$ 3,500,000	\$ -	\$ -	\$ -	\$ -
TIRZ #6 - Public Infrastructure at Southeast Corner of SH 691 & US 75	\$ 2,800,000	\$ -	\$ -	\$ -	\$ -
Engineering & Construction of Taylor/Washington Extension - FM 1417 to Washington Street	\$ 100,000	\$ -	\$ 8,000,000	\$ -	\$ -
Engineering & Construction of Taylor/Washington Extension - FM 1417 to SH 289	\$ -	\$ 1,000,000	\$ -	\$ 7,000,000	\$ -
Total Engineering Services	\$ 8,550,000	\$ 1,112,000	\$ 8,250,000	\$ 7,050,000	\$ 50,000
EQUIPMENT SERVICES					
Equipment Services Center - Ceiling Repairs	\$ 50,000	\$ -	\$ -	\$ -	\$ -
Equipment Services Center - Roof Replacement	\$ 93,802	\$ -	\$ -	\$ -	\$ -
Equipment Services Center - Office Remodel/HVAC/LED Lighting/etc.	\$ 60,000	\$ -	\$ -	\$ -	\$ -
Total Building Maintenance	\$ 203,802	\$ -	\$ -	\$ -	\$ -
FIRE DEPARTMENT					
Fire Station #1 Remodel	\$ -	\$ 271,350	\$ -	\$ -	\$ -
Fire Station #4 Relocation	\$ 3,300,000	\$ -	\$ -	\$ -	\$ -
Outdoor Warning Siren	\$ 32,000	\$ -	\$ -	\$ -	\$ -
Replace SCBA Equipment	\$ -	\$ 300,000	\$ 300,000	\$ -	\$ -

GENERAL SERVICES

PROJECT	FY 2018 Budgeted	FY 2019 Proposed	FY 2020 Proposed	FY 2021 Proposed	FY 2022 Proposed
Fire Station #2 Generator	\$ -	\$ 55,000	\$ -	\$ -	\$ -
Fire Station #3 Generator	\$ -	\$ 50,000	\$ -	\$ -	\$ -
Fire Station #4 Multi-purpose Building	\$ -	\$ 1,750,000	\$ -	\$ -	\$ -
Fire Station #6 Construction	\$ -	\$ 4,500,000	\$ -	\$ -	\$ -
Fire Station #4 Training Facility	\$ -	\$ -	\$ 1,200,000	\$ -	\$ -
Fire Station #7 Construction	\$ -	\$ -	\$ 4,500,000	\$ -	\$ -
Fire Station #5 Relocation	\$ -	\$ -	\$ -	\$ 4,500,000	\$ -
Fire Station #8 Construction	\$ -	\$ -	\$ -	\$ -	\$ 4,500,000
Total Fire Department	\$ 3,332,000	\$ 6,926,350	\$ 6,000,000	\$ 4,500,000	\$ 4,500,000

INFORMATION TECHNOLOGY

Backup Servers & Storage (Various Departments)	\$ 50,000	\$ 51,000	\$ 53,000	\$ 55,000	\$ 57,000
Open Record Request Email Archiver & Storage	\$ -	\$ -	\$ 27,000	\$ -	\$ -
New Microsoft Exchange Server	\$ 25,000	\$ -	\$ -	\$ -	\$ -
Virtualization of Servers	\$ 50,000	\$ 57,500	\$ 10,000	\$ 10,000	\$ 10,000
Community Development & Infrastructure Software	\$ -	\$ 100,050	\$ 30,450	\$ 30,450	\$ 30,450
Multiple Programs Server Upgrade	\$ -	\$ 52,000	\$ -	\$ -	\$ -
Total Information Technology	\$ 125,000	\$ 260,550	\$ 120,450	\$ 95,450	\$ 97,450

LIBRARY SERVICES

Phase I Library Renovations - Building Remodel	\$ 1,875,000	\$ -	\$ -	\$ -	\$ -
Insurance Proceeds - Library Arson Damage	\$ (250,000)	\$ -	\$ -	\$ -	\$ -
Phase II Library Renovations - Parking & Landscape	\$ 60,000	\$ -	\$ -	\$ -	\$ -
Total Library Services	\$ 1,685,000	\$ -	\$ -	\$ -	\$ -

PARKS AND RECREATION

Development of Pecan Grove Athletic Complex	\$ 4,500,000	\$ -	\$ -	\$ -	\$ -
Parks Master Plan - Additional Parks Improvements	\$ 500,000	\$ -	\$ -	\$ -	\$ -
Hawn Park Skatepark Renovation	\$ -	\$ -	\$ 200,000	\$ -	\$ -
Ely Park Playground Renovation	\$ 50,000	\$ -	\$ -	\$ -	\$ -
Replace Fairview Park Sidewalk	\$ 50,000	\$ -	\$ -	\$ -	\$ -
Trails Master Plan Implementation	\$ -	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000
Lamar Street Green Space	\$ 25,000	\$ -	\$ -	\$ -	\$ -
Fairview Park - Install Dog Park	\$ -	\$ 30,000	\$ -	\$ -	\$ -
Hillcrest Park playground replacement	\$ -	\$ 742,000	\$ -	\$ -	\$ -
Fairview Park - Install Exercise Stations	\$ -	\$ 80,000	\$ -	\$ -	\$ -

GENERAL SERVICES

PROJECT	FY 2018 Budgeted	FY 2019 Proposed	FY 2020 Proposed	FY 2021 Proposed	FY 2022 Proposed
Martin Luther King Park - Playground & Pavilion Improvements	\$ -	\$ 180,000	\$ -	\$ -	\$ -
Replace Fairview Park Restrooms	\$ -	\$ -	\$ 850,000	\$ -	\$ -
Pecan Grove East - Install Restrooms & Trail Lighting	\$ -	\$ -	\$ 350,000	\$ -	\$ -
City Recreation/Community Center Feasibility Study	\$ -	\$ -	\$ 50,000	\$ -	\$ -
Baker Park - Create Nature Center & Trail	\$ -	\$ -	\$ -	\$ 200,000	\$ -
Install Walking Trail Around Cherry Street Park	\$ -	\$ -	\$ -	\$ 150,000	\$ -
Ely Park - Install Walking Trail & Upgrade Pavilion	\$ -	\$ -	\$ -	\$ 175,000	\$ -
Binkley Park - Add Play Structure	\$ -	\$ -	\$ -	\$ 150,000	\$ -
Recreation/Community Center Construction	\$ -	\$ -	\$ -	\$ -	\$ 10,000,000
Upgrade Hawn Park Play Structure	\$ -	\$ -	\$ -	\$ -	\$ 150,000
Total Parks & Recreation	\$ 5,125,000	\$ 1,332,000	\$ 1,750,000	\$ 975,000	\$ 10,450,000

POLICE DEPARTMENT

Police Department - Exterior Remodel	\$ 516,850	\$ -	\$ -	\$ -	\$ -
Replace Police Repeater Technology	\$ 149,642	\$ -	\$ -	\$ -	\$ -
Police Department - Replace Three Roof A/C Units	\$ -	\$ 25,000	\$ 25,000	\$ 25,000	\$ -
Police Department - Remodel Basement	\$ -	\$ 200,000	\$ -	\$ -	\$ -
Police Department - Replace Roof	\$ -	\$ -	\$ 75,000	\$ -	\$ -
Sky Watch Mobile Surveillance Tower	\$ -	\$ -	\$ -	\$ 100,000	\$ -
Total Police Department	\$ 666,492	\$ 225,000	\$ 100,000	\$ 125,000	\$ -

PUBLIC SAFETY SUPPORT

Public Safety Additional Storage & Backup	\$ 120,000	\$ -	\$ -	\$ -	\$ -
Total Public Safety Support	\$ 120,000	\$ -	\$ -	\$ -	\$ -

SENIOR CITIZENS CENTER

Senior Citizens Center - Bathroom Renovations	\$ 50,000	\$ -	\$ -	\$ -	\$ -
Senior Citizens Center - West Patio Construction	\$ 25,240	\$ -	\$ -	\$ -	\$ -
Senior Citizens Center - New Flooring	\$ 32,225	\$ -	\$ -	\$ -	\$ -
Total Information Technology	\$ 107,465	\$ -	\$ -	\$ -	\$ -

STREET DEPARTMENT

Lamberth Road Expansion - Shady Oaks to Friendship	\$ -	\$ 450,000	\$ 3,000,000	\$ -	\$ -
West Travis Extension - Northgate Drive to FM 1417	\$ 5,000,000	\$ 3,000,000	\$ -	\$ -	\$ -

GENERAL SERVICES

PROJECT	FY 2018 Budgeted	FY 2019 Proposed	FY 2020 Proposed	FY 2021 Proposed	FY 2022 Proposed
Strip & Reconstruct Roadway on North Hickory	\$ 150,000	\$ -	\$ -	\$ -	\$ -
Street Improvement Program (Walnut/Willow/Throckmorton)	\$ 502,114	\$ -	\$ -	\$ -	\$ -
FM 1417 Improvements from US 82 to SH 56	\$ -	\$ 1,800,000	\$ -	\$ -	\$ -
Friendship Road - Construction from SH 56 to Lamberth	\$ -	\$ 1,600,000	\$ 2,000,000	\$ 2,700,000	\$ 6,200,000
Park Avenue Realignment Construction	\$ -	\$ 750,000	\$ -	\$ -	\$ -
FM 1417 Improvements from US 82 to W. Travis	\$ -	\$ -	\$ 2,000,000	\$ -	\$ -
Traffic Signals	\$ -	\$ -	\$ -	\$ -	\$ 1,680,000
Total Street Maintenance	\$ 5,652,114	\$ 7,600,000	\$ 7,000,000	\$ 2,700,000	\$ 7,880,000

SWIMMING POOLS DEPARTMENT

Splash Expansion - Decking, Seating & Shade Structures	\$ -	\$ -	\$ -	\$ -	\$ 500,000
Total Swimming Pool Department	\$ -	\$ -	\$ -	\$ -	\$ 500,000

Total General Services	\$25,836,873	\$17,545,900	\$23,260,450	\$15,445,450	\$23,477,450
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UTILITY SERVICES

PROJECT	FY 2018 Budgeted	FY 2019 Proposed	FY 2020 Proposed	FY 2021 Proposed	FY 2022 Proposed
Aeration Basin Upgrade Phase II	\$ 3,970,000	\$ -	\$ -	\$ -	\$ -
Biological Clarifier Rehabilitation (3 Clarifiers)	\$ 1,830,000	\$ -	\$ -	\$ -	\$ -
Expand Staff Areas & Other Upgrades to the WWTP Control Building	\$ 698,000	\$ -	\$ -	\$ -	\$ -
Canyon Creek Wastewater Line	\$ 50,000	\$ -	\$ -	\$ -	\$ -
Preston Club Water Line	\$ 50,000	\$ -	\$ -	\$ -	\$ -
Northwest Sewer Construction	\$ 2,300,000	\$ -	\$ -	\$ -	\$ -
Taylor/Washington Water Line	\$ 70,000	\$ -	\$ -	\$ -	\$ -
Swan Ridge Wastewater Line	\$ 115,000	\$ -	\$ -	\$ -	\$ -
Gallagher Tank Repair	\$ 778,000	\$ -	\$ -	\$ -	\$ -
AMI Infrastructure	\$ -	\$ 230,000	\$ 232,000	\$ 121,000	\$ -
Construct Brine Disposal Line for WTP Expansion	\$ -	\$ 2,000,000	\$ -	\$ -	\$ -
Replace Existing Deteriorated Sewer Relief (Rosedale to First)	\$ -	\$ 800,000	\$ -	\$ -	\$ -
Overflow Relief between Existing Sewers (Sycamore to Evergreen)	\$ -	\$ 100,000	\$ -	\$ -	\$ -
Replace Water Main on Texoma Parkway	\$ -	\$ 250,000	\$ -	\$ -	\$ -
Repair & Re-paint Ida Road Ground Storage Tank	\$ -	\$ 1,500,000	\$ -	\$ -	\$ -
Repair & Re-paint Fairview Elevated Storage Tank	\$ -	\$ 1,500,000	\$ -	\$ -	\$ -
Construct Sewer Line to Reclaim Industrial Park Effluent	\$ -	\$ 5,000,000	\$ -	\$ -	\$ -
Construct Water Main for South 75 Corridor Water Transport	\$ -	\$ 4,000,000	\$ -	\$ -	\$ -
Water & Sewer Oversizing Costs 2019	\$ -	\$ 50,000	\$ -	\$ -	\$ -
Water System Improvements to Address Water Quality, Age, etc.	\$ -	\$ 100,000	\$ -	\$ -	\$ -
Replace Base & Re-Surface WWTP Main Road	\$ -	\$ 62,770	\$ -	\$ -	\$ -
Refurbish Clay Liners on Sludge Storage Basins	\$ -	\$ 300,000	\$ -	\$ -	\$ -
Primary Clarifier #1 Rehabilitation	\$ -	\$ 250,000	\$ -	\$ -	\$ -
Primary Digester #1 & Digester Complex Piping Rehabilitation	\$ -	\$ 600,000	\$ -	\$ -	\$ -
Replace Existing Perimeter Fencing & Install Fencing Around Lab Facility	\$ -	\$ 75,000	\$ -	\$ -	\$ -
Hwy 75 South Water Crossing Replacement	\$ -	\$ 206,000	\$ -	\$ -	\$ -
Lamberth Road Water Line	\$ -	\$ 100,000	\$ -	\$ -	\$ -
High Country Estates Water Line	\$ -	\$ 175,000	\$ -	\$ -	\$ -
Water & Sewer Oversizing Costs 2020	\$ -	\$ -	\$ 50,000	\$ -	\$ -
WWTP Security Upgrade	\$ -	\$ -	\$ 150,000	\$ -	\$ -
Digester Upgrade Study & Cost Recovery	\$ -	\$ -	\$ 220,000	\$ -	\$ -
Water & Sewer Oversizing Costs 2021	\$ -	\$ -	\$ -	\$ 50,000	\$ -
Nutrient Removal Process (Phosphorus Only)	\$ -	\$ -	\$ -	\$ 810,000	\$ -
Odor Abatement Study	\$ -	\$ -	\$ -	\$ 200,000	\$ -
Water & Sewer Oversizing Costs 2022	\$ -	\$ -	\$ -	\$ -	\$ 50,000
Demolish Sludge Drying Beds	\$ -	\$ -	\$ -	\$ -	\$ 250,000
Total Utility Services	\$ 9,861,000	\$ 17,298,770	\$ 652,000	\$ 1,181,000	\$ 300,000

STORMWATER SERVICES

PROJECT	FY 2018 Budgeted	FY 2019 Proposed	FY 2020 Proposed	FY 2021 Proposed	FY 2022 Proposed
ENGINEERING SERVICES					
Increase Culvert Capacity under Lamberth Road	\$ -	\$ 241,000	\$ -	\$ -	\$ -
Sam Rayburn Freeway & Contemporary Property Acquisitions	\$ -	\$ 105,284	\$ -	\$ -	\$ -
Ayers Drive Property Acquisitions	\$ -	\$ 192,152	\$ -	\$ -	\$ -
Regency Drive & Washington Street Property Acquisitions	\$ -	\$ 1,150,305	\$ -	\$ -	\$ -
Sam Rayburn Freeway & Travis Street Property Acquisitions	\$ -	\$ 489,003	\$ -	\$ -	\$ -
Repetitive Loss Property Acquisitions for Flood Mitigation	\$ -	\$ 1,268,086	\$ -	\$ -	\$ -
Peyton Drive Property Acquisition for Detention Pond	\$ -	\$ 200,000	\$ -	\$ -	\$ -
Design & Construct Detention Pond Near Peyton Street & Texoma Parkway	\$ -	\$ 100,000	\$ -	\$ 757,000	\$ -
Contemporary Drive Property Acquisitions	\$ -	\$ 1,242,646	\$ -	\$ -	\$ -
Property Acquisition for Proposed Dam 9A	\$ -	\$ 1,000,000	\$ -	\$ -	\$ -
Construction of Proposed Dam 9A	\$ -	\$ 40,000	\$ -	\$ -	\$ 5,000,000
Canterbury Drive Property Acquisition for Detention Pond	\$ -	\$ 100,000	\$ -	\$ -	\$ -
Construct a Detention Pond at Canterbury Drive	\$ -	\$ 50,000	\$ -	\$ 378,000	\$ -
US 82 & Post Oak Crossing Property Acquisition for Detention Pond	\$ -	\$ 300,000	\$ -	\$ -	\$ -
Design & Construct Detention Pond Near US 82 & Post Oak Crossing	\$ -	\$ 150,000	\$ 1,036,000	\$ -	\$ -
Taylor Street Property Acquisition	\$ -	\$ 600,000	\$ -	\$ -	\$ -
Design & Construct Detention Pond on Post Oak Creek Near Taylor Street	\$ -	\$ 300,000	\$ 2,214,000	\$ -	\$ -
Increase Culvert Capacity Under Lamberth Road at East Fork	\$ -	\$ 793,000	\$ -	\$ -	\$ -
Archer Drive Property Acquisitions	\$ -	\$ -	\$ 4,238,000	\$ -	\$ -
Archer Drive Detention Pond Construction	\$ -	\$ -	\$ 100,000	\$ 757,000	\$ -
Choctaw Creek Easement Acquisitions	\$ -	\$ -	\$ 15,000	\$ -	\$ -
Construct a Detention Pond at Town Center	\$ -	\$ -	\$ -	\$ 419,000	\$ -
Increase Culvert Capacity Under Gribble Street at Stream G Box Culvert	\$ -	\$ -	\$ -	\$ 275,000	\$ -
Increase Capacity of Channels Near Lamar Street & US 75	\$ -	\$ -	\$ -	\$ 1,437,000	\$ -
Increase Capacity of Channels Near Center Street & Post Oak	\$ -	\$ -	\$ -	\$ 2,698,000	\$ -
Total Engineering Services	\$ -	\$ 8,321,476	\$ 7,603,000	\$ 6,721,000	\$ 5,000,000
STREETS MAINTENANCE					
Flood Maps Update & Stabilize W. Lamberth/Kessler-Hunt/Overland Trail/Setting Suns	\$ 365,000	\$ -	\$ -	\$ -	\$ -
Taylor/Washington Bridges - Erosion & Overlay	\$ -	\$ 92,000	\$ -	\$ -	\$ -
Center/McGee Bridges - Erosion & Overlay	\$ -	\$ 300,000	\$ -	\$ -	\$ -
Center/Lamberth Bridges - Erosion & Overlay	\$ -	\$ 87,000	\$ -	\$ -	\$ -
Hillcrest/Wood Bridges - Erosion & Overlay	\$ -	\$ -	\$ 77,000	\$ -	\$ -
Ricketts/Centennial/etc Bridges - Erosion & Overlay	\$ -	\$ -	\$ -	\$ 68,000	\$ -
Total Streets Maintenance Services	\$ 365,000	\$ 479,000	\$ 77,000	\$ 68,000	\$ -
Total Stormwater Services	\$365,000	\$8,800,476	\$7,680,000	\$6,789,000	\$5,000,000

RESOLUTION NO.

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

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

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

WHEREAS, the City Council met to review said plan on the 7th day of August, 2017, at a regular City Council meeting;

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

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

SECTION 2. That the effective date of this resolution shall be the 21st day of August, 2017.

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 _____, 2017.

CITY OF SHERMAN, TEXAS

BY: _____
DAVID PLYLER, MAYOR

ATTEST:

BY: _____
LINDA ASHBY, CITY CLERK

**APPROVED AS TO FORM
AND CONTENT:**

BY: _____
**BRANDON S. SHELBY,
CITY ATTORNEY**

DRAFT

CAPITAL BUDGET

2017 - 2022

GENERAL SERVICES

2017 - 2022

GENERAL SERVICES

CAPITAL BUDGET: 2017-2022

Within the Five-year Capital Improvement Program, the first year, or “activated” year is considered the Capital Budget. Careful analysis of financial ability has been made on all of these projects and fund balances are anticipated for all projects listed. The appropriation ordinance will give initial authorization for the staff to prepare and execute all projects listed for the coming year, barring unforeseen circumstances.

2017-2018

PROJECT YEAR: 2017 - 2018

MUNICIPAL AIRPORT BUILDINGS PAINTING AND ROOF REPAIRS

DESCRIPTION:	Flooring and roof repairs to Municipal Airport terminal building; Painting and repairs to the terminal awning.
ESTIMATED COST:	\$50,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	General Improvement Fund
PROJECT NECESSITY:	Repairs and maintenance are necessary for continued optimal use.
DEPARTMENT/DIRECTOR:	Director of Public Services, Steve Ayers

FINANCE DEPARTMENT OFFICE SPACE REMODEL

DESCRIPTION:	Remodel of the Finance Department for efficient use of existing space, including floorplan re-design.
ESTIMATED COST:	\$60,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	General Improvement Fund
PROJECT NECESSITY:	Remodel updates are necessary to accommodate current and future staffing needs.
DEPARTMENT/DIRECTOR:	Director of Finance, Mary Lawrence

PROJECT YEAR: 2017 - 2018

BUILDING MAINTENANCE ENTRY & PARKING IMPROVEMENTS

DESCRIPTION:	Addition of paved entry and operable entrance gating at the Building Maintenance office; Install covered parking.
ESTIMATED COST:	\$100,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	General Improvement Fund
PROJECT NECESSITY:	Current facility does not have paved entry or provide for covered parking.
DEPARTMENT/DIRECTOR:	Director of Public Services, Steve Ayers

KIDD-KEY HANDICAP RAMP & RESTROOM IMPROVEMENTS

DESCRIPTION:	Construct new handicap ramp in front of Kidd-Key Auditorium and repurpose ticket booths to create handicap restroom facilities.
ESTIMATED COST:	\$60,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	Hotel Tax Fund
PROJECT NECESSITY:	Construction will bring auditorium entrance and exit areas in line with current safety standards and allow for removal of non-functioning, mechanized chair lift.
DEPARTMENT/DIRECTOR:	Director of Public Services, Steve Ayers

PROJECT YEAR: 2017 - 2018

DOWNTOWN SIDEWALK REPAIRS

DESCRIPTION:	Repair of various sidewalks within the Central Business District.
ESTIMATED COST:	\$50,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	TIF #2 Construction Fund
PROJECT NECESSITY:	One of the highest priorities identified in the 2009 Comprehensive Master Plan is to encourage Downtown Development/Revitalization. Sidewalk improvements will encourage this behavior.
DEPARTMENT/DIRECTOR:	Director of Engineering, Clint Philpott

FM 1417 - ROW ACQUISITIONS FROM SH 56 TO HWY 82

DESCRIPTION:	Acquire right-of-way property along FM 1417 from SH 56 to Hwy 82.
ESTIMATED COST:	\$800,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	General Improvement Fund
PROJECT NECESSITY:	The acquisition of related right-of-way property is required by TxDOT prior to TxDOT funded FM 1417 construction.
DEPARTMENT/DIRECTOR:	Director of Engineering, Clint Philpott

PROJECT YEAR: 2017 - 2018

FRIENDSHIP ROAD - ROW (HWY 56 TO LAMBERTH ROAD)

DESCRIPTION:	Acquire right-of-way property along Friendship Road between State Hwy 56 and Lamberth Road.
ESTIMATED COST:	\$1,300,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	General Improvement Fund
PROJECT NECESSITY:	Acquisition is directly related to new development in the area and corresponds to right-of-way widths included in the 2016 updates to the Master Thoroughfare Plan.
DEPARTMENT/DIRECTOR:	Director of Engineering, Clint Philpott

PUBLIC INFRASTRUCTURE AT NW CORNER OF FM 1417 & US 75

DESCRIPTION:	Reimbursement to the developer at Tax Increment Reinvestment Zone (TIRZ) #5 for public infrastructure, including streets, water and sewer utilities.
ESTIMATED COST:	\$3,500,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	TIRZ #5 Fund
PROJECT NECESSITY:	Economic development of unimproved land for retail use.
DEPARTMENT/DIRECTOR:	Director of Engineering, Clint Philpott

PROJECT YEAR: 2017 - 2018

PUBLIC INFRASTRUCTURE AT SE CORNER OF SH 691 & US 75

DESCRIPTION:	Reimbursement to the developer at Tax Increment Reinvestment Zone (TIRZ) #6 for public infrastructure, including streets, water and sewer utilities.
ESTIMATED COST:	\$2,800,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	TIRZ #6 Fund
PROJECT NECESSITY:	Economic development of unimproved land for retail use.
DEPARTMENT/DIRECTOR:	Director of Engineering, Clint Philpott

TAYLOR/WASHINGTON EXTENSION - PHASE II ENGINEERING DESIGN

DESCRIPTION:	Engineering design for construction of Taylor/Washington extension from FM 1417 to Washington (two lanes).
ESTIMATED COST:	\$100,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	General Improvement Fund
PROJECT NECESSITY:	This design will assist in the areas of development in West Sherman. The 2016 updated Master Thoroughfare Plan recommended a major thoroughfare between FM 1417 and SH 289.
DEPARTMENT/DIRECTOR:	Director of Engineering, Clint Philpott

PROJECT YEAR: 2017 - 2018

EQUIPMENT SERVICES CENTER - CEILING REPAIRS

DESCRIPTION: Repairs of the ceiling at the Equipment Services Center.

ESTIMATED COST: \$50,000

ESTIMATED O&M COST: N/A

PROPOSED FINANCING: General Improvement Fund

PROJECT NECESSITY: As part of the remodeling project of the Equipment Services Center, these repairs will address necessary maintenance needs to the facility.

DEPARTMENT/DIRECTOR: Director of Public Services, Steve Ayers

EQUIPMENT SERVICES CENTER - ROOF REPLACEMENT

DESCRIPTION: Replace Equipment Services Center building roof.

ESTIMATED COST: \$93,802

ESTIMATED O&M COST: N/A

PROPOSED FINANCING: General Improvement Fund

PROJECT NECESSITY: As part of the remodeling project of the Equipment Services Center, these repairs will address necessary maintenance needs to the facility.

DEPARTMENT/DIRECTOR: Director of Public Services, Steve Ayers

PROJECT YEAR: 2017 - 2018

EQUIPMENT SERVICES CENTER - REMODEL OF SOUTH PLANT LOCATION

DESCRIPTION:	Remodel of existing facility space located at the South Plant for the addition of on-site Equipment Services Center shop. Location will service the Streets Maintenance, Water Distribution and Solid Waste departments; Remodel includes office space, HVAC and LED lighting.
ESTIMATED COST:	\$60,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	General Improvement Fund
PROJECT NECESSITY:	Current ESC facilities cannot provide adequate services, resulting in the need for a second facility location.
DEPARTMENT/DIRECTOR:	Director of Public Services, Steve Ayers

FIRE STATION #4 RELOCATION

DESCRIPTION:	A new fire station site in the southwest quadrant of Sherman.
ESTIMATED COST:	\$3,300,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	General Improvement Fund
PROJECT NECESSITY:	Due to future redevelopment of the U.S. Highway 75 and F.M. 1417 corner, Fire Station #4 will be relocated. The station site will include Fire Training Field and Fire Administration Offices.
DEPARTMENT/DIRECTOR:	Fire Chief, Danny Jones

PROJECT YEAR: 2017 - 2018

OUTDOOR WARNING SIREN

DESCRIPTION:	Install new outdoor warning siren in industrial section of Sherman.
ESTIMATED COST:	\$32,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	General Improvement Fund
PROJECT NECESSITY:	The Sherman Comprehensive Master Plan requires that emergency police and fire response maintain basic levels of protective services for existing residents and businesses.
DEPARTMENT/DIRECTOR:	Fire Chief, Danny Jones

BACKUP SERVERS & STORAGE (VARIOUS DEPARTMENTS)

DESCRIPTION:	Increase current storage capacity of backup servers.
ESTIMATED COST:	\$50,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	General Improvement Fund
PROJECT NECESSITY:	Increasing document management needs of the City and end users require additional servers and storage capacity to meet anticipated growth and protected against risk of data loss.
DEPARTMENT/DIRECTOR:	Information Technology Manager, Shawn Hackworth

PROJECT YEAR: 2017 - 2018

NEW MICROSOFT EXCHANGE SERVER

DESCRIPTION:	Upgrade existing 2010 Microsoft Exchange server to new version.
ESTIMATED COST:	\$25,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	General Improvement Fund
PROJECT NECESSITY:	Current server is seven years old; mainstream support for the current server ended in January, 2015.
DEPARTMENT/DIRECTOR:	Information Technology Manager, Shawn Hackworth

VIRTUALIZATION OF SERVERS

DESCRIPTION:	Virtualization of all servers with enough capacity to fail to another site with minimal, if any, disruptions of service.
ESTIMATED COST:	\$50,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	General Improvement Fund
PROJECT NECESSITY:	Allows the city to bring up new servers without the additional expense of new hardware purchases.
DEPARTMENT/DIRECTOR:	Information Technology Manager, Shawn Hackworth

PROJECT YEAR: 2017 - 2018

PHASE I LIBRARY RENOVATIONS - BUILDING REMODEL

DESCRIPTION:	Continuance of re-design of the current library facility, including extensive interior remodeling.
ESTIMATED COST:	\$1,875,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	General Improvement Fund; Estimated \$250,000 in insurance proceeds.
PROJECT NECESSITY:	Current facility is over 40 years in age and in need of significant updating, including roof, HVAC, ADA compliance, and technology upgrades. The project is consistent with the Comprehensive Master Plan.
DEPARTMENT/DIRECTOR:	Director of Public Services, Steve Ayers

PHASE II LIBRARY RENOVATIONS - PARKING & LANDSCAPING

DESCRIPTION:	Continuance of re-design of the current library facility, including facility parking lot and surrounding landscaping.
ESTIMATED COST:	\$60,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	General Improvement Fund; Estimated \$250,000 in insurance proceeds.
PROJECT NECESSITY:	Current facility is over 40 years in age and in need of significant updating, including roof, HVAC, ADA compliance, and technology upgrades. The project is consistent with the Comprehensive Master Plan.
DEPARTMENT/DIRECTOR:	Director of Public Services, Steve Ayers

PROJECT YEAR: 2017 - 2018

DEVELOPMENT OF PECAN GROVE ATHLETIC COMPLEX

DESCRIPTION:	Development of an athletic complex facility at Pecan Grove West park.
ESTIMATED COST:	\$4,500,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	General Improvement Fund
PROJECT NECESSITY:	The project is consistent with the Comprehensive Master Plan.
DEPARTMENT/DIRECTOR:	Director of Public Services, Steve Ayers

REPLACE FAIRVIEW PARK SIDEWALK

DESCRIPTION:	Replace the sidewalk along the western edge of Fairview Park along Taylor Street.
ESTIMATED COST:	\$50,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	General Improvement Fund
PROJECT NECESSITY:	The current sidewalk is narrow and uneven; Replacement of sidewalk will improve safety standards.
DEPARTMENT/DIRECTOR:	Director of Public Services, Steve Ayers

PROJECT YEAR: 2017 - 2018

ELY PARK PLAYGROUND RENOVATION

DESCRIPTION:	Install new playground equipment at Ely Park.
ESTIMATED COST:	\$50,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	General Improvement Fund
PROJECT NECESSITY:	Updates will improve the safety standards for the playground equipment.
DEPARTMENT/DIRECTOR:	Director of Public Services, Steve Ayers

PARKS MASTER PLAN - ADDITIONAL PARKS IMPROVEMENTS

DESCRIPTION:	Development of new parks and parks improvements.
ESTIMATED COST:	\$500,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	General Improvement Fund
PROJECT NECESSITY:	This project is consistent with the identified, expanding need for parks development, as addressed in the Parks Master Plan.
DEPARTMENT/DIRECTOR:	Director of Public Services, Steve Ayers

PROJECT YEAR: 2017 - 2018

LAMAR STREET GREEN SPACE

DESCRIPTION:	Create a green space facility at Lamar Street.
ESTIMATED COST:	\$25,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	General Improvement Fund
PROJECT NECESSITY:	This project is consistent with the identified, expanding need for parks development, as addressed in the Parks Master Plan.
DEPARTMENT/DIRECTOR:	Director of Public Services, Steve Ayers

POLICE DEPARTMENT - EXTERIOR REMODEL

DESCRIPTION:	Remodel of the Police Department facility, including brick veneer exterior, restructuring of windows and façade.
ESTIMATED COST:	\$516,850
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	General Improvement Fund
PROJECT NECESSITY:	The police station was built in 1966, with a second story added in 1988. Remodeling the exterior is needed to bring it into continuity with the progressive movement of downtown areas of Sherman.
DEPARTMENT/DIRECTOR:	Police Chief, Zachary Flores

PROJECT YEAR: 2017 - 2018

REPLACE POLICE REPEATER TECHNOLOGY

DESCRIPTION:	Replacing the existing repeater technology, including adding a repeater site to increase coverage area.
ESTIMATED COST:	\$149,642
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	General Improvement Fund
PROJECT NECESSITY:	Current police repeater technology becomes unserviceable after Fiscal Year 2018. Hand-held police radios rely on repeater technology for communications capabilities.
DEPARTMENT/DIRECTOR:	Police Chief, Zachary Flores

PUBLIC SAFETY ADDITIONAL STORAGE & BACKUP

DESCRIPTION:	Increase storage capacity for video and photo archives at the Police Department.
ESTIMATED COST:	\$120,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	General Improvement Fund
PROJECT NECESSITY:	Due to the addition of law enforcement officer bodycams and the increased reliance on video evidence, additional storage is necessary to maintain legal and policy-driven retention requirements.
DEPARTMENT/DIRECTOR:	Police Chief, Zachary Flores

PROJECT YEAR: 2017 - 2018

SENIOR CITIZENS CENTER - BATHROOM RENOVATIONS

DESCRIPTION:	Renovate existing bathroom facilities.
ESTIMATED COST:	\$50,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	General Improvement Fund
PROJECT NECESSITY:	Renovations will provide updated facilities to meet immediate and long-term needs.
DEPARTMENT/DIRECTOR:	Director of Public Services, Steve Ayers

SENIOR CITIZENS CENTER - WEST PATIO CONSTRUCTION

DESCRIPTION:	Build new patio activity center by installing wood structure attached to existing building; Install ADA ramp, lighting, ceiling fans and guardrail.
ESTIMATED COST:	\$25,240
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	General Improvement Fund
PROJECT NECESSITY:	Construction updates will provide covering to current unprotected west patio, allowing for a protected activity area, with ADA-approved safety measures.
DEPARTMENT/DIRECTOR:	Director of Public Services, Steve Ayers

PROJECT YEAR: 2017 - 2018

SENIOR CITIZENS CENTER - NEW FLOORING

DESCRIPTION:	Replace worn carpet and tile flooring with new vinyl plankboard inside the Senior Citizens Center.
ESTIMATED COST:	\$32,225
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	General Improvement Fund
PROJECT NECESSITY:	Existing carpet and tile is badly stained and exceeded its useful life.
DEPARTMENT/DIRECTOR:	Director of Public Services, Steve Ayers

WEST TRAVIS EXTENSION - NORTHGATE DRIVE TO FM 1417

DESCRIPTION:	Phase three of the West Travis Extension project consists of an extension from Northgate Drive west to FM 1417.
ESTIMATED COST:	\$5,000,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	General Improvement Fund
PROJECT NECESSITY:	The 2016 updated Master Thoroughfare Plan recommended a major thoroughfare connecting South Travis Street and FM 1417.
DEPARTMENT/DIRECTOR:	Director of Engineering, Clint Philpott

PROJECT YEAR: 2017 - 2018

STRIP AND RECONSTRUCT ROADWAY ON NORTH HICKORY

DESCRIPTION:	Materials to be used for the stripping and reworking of the roadway of the 3000 block of North Hickory Street.
ESTIMATED COST:	\$150,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	General Improvement Fund
PROJECT NECESSITY:	Due to recent construction and development in the area, the street is in need of roadway repair.
DEPARTMENT/DIRECTOR:	Public Works Manager, Kevin Winkler

STREET IMPROVEMENT PROGRAM - WALNUT/WILLOW/THROCKMORTON

DESCRIPTION:	Maintenance of Walnut, Willow and Throckmorton adding a repeater site to increase coverage area.
ESTIMATED COST:	\$502,114
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	General Improvement Fund; Street Improvement Program Sales Tax
PROJECT NECESSITY:	A portion (0.125%) of the current sales tax rate is designated to street maintenance and was most recently voter-approved in 2016. The tax collected is restricted in use to fund the ongoing maintenance of City streets.
DEPARTMENT/DIRECTOR:	Public Works Manager, Kevin Winkler

2018-2019

PROJECT YEAR: 2018 - 2019

REPLACE CARPET AT CITY HALL

DESCRIPTION: Replace existing carpet at the City Hall facility.

ESTIMATED COST: \$50,000

ESTIMATED O&M COST: N/A

PROPOSED FINANCING: General Improvement Fund

PROJECT NECESSITY: Current carpet is at the end of its useful life.

DEPARTMENT/DIRECTOR: Director of Public Services, Steve Ayers

UTILITY BILLING OFFICE SPACE REMODEL

DESCRIPTION: Remodel the Utility Billing Department for efficient use of existing space, including floorplan re-design.

ESTIMATED COST: \$40,000

ESTIMATED O&M COST: N/A

PROPOSED FINANCING: General Improvement Fund

PROJECT NECESSITY: Remodel updates are necessary to accommodate current and future staffing needs.

DEPARTMENT/DIRECTOR: Director of Finance, Mary Lawrence

PROJECT YEAR: 2018 - 2019

DOWNTOWN SIDEWALK REPAIRS

DESCRIPTION:	Repair of various sidewalks within the Central Business District.
ESTIMATED COST:	\$50,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	TIF #2 Construction Fund
PROJECT NECESSITY:	One of the highest priorities identified in the 2009 Comprehensive Master Plan is to encourage Downtown Development/Revitalization. Sidewalk improvements will encourage this behavior.
DEPARTMENT/DIRECTOR:	Director of Engineering, Clint Philpott

FALLON DRIVE EXTENSION - ENGINEERING & ROW ACQUISITIONS

DESCRIPTION:	Project for preliminary engineering and to acquire right-of-way property along Fallon Drive west of US 75 to Kerr Chapel Road and east towards Dripping Springs.
ESTIMATED COST:	\$62,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	General Improvement Fund
PROJECT NECESSITY:	Acquisition is directly related to new development in the area and corresponds to right-of-way widths included in the 2016 updates to the Master Thoroughfare Plan.
DEPARTMENT/DIRECTOR:	Director of Engineering, Clint Philpott

PROJECT YEAR: 2018 - 2019

TAYLOR /WASHINGTON EXTENSION - PHASE III ENGINEERING DESIGN

DESCRIPTION:	Engineering design for construction of Taylor/Washington extension from Washington to SH 289.
ESTIMATED COST:	\$1,000,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	General Improvement Fund
PROJECT NECESSITY:	This design will assist in the areas of development in West Sherman. The 2016 updated Master Thoroughfare Plan recommended a major thoroughfare between FM 1417 and SH 289.
DEPARTMENT/DIRECTOR:	Director of Engineering, Clint Philpott

FIRE SCBA EQUIPMENT REPLACEMENT

DESCRIPTION:	Continue replacement of all Self-Contained Breathing Apparatus (SCBA) currently used by the Fire Department.
ESTIMATED COST:	\$300,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	General Improvement Fund
PROJECT NECESSITY:	All SCBA units required to meet NFPA standards by 2023. Current models with the Fire Department will be obsolete and in need of replacement.
DEPARTMENT/DIRECTOR:	Fire Chief, Danny Jones

PROJECT YEAR: 2018 - 2019

FIRE STATION #2 GENERATOR

DESCRIPTION:	Replacement of Fire Station #2 generator and electrical upgrades.
ESTIMATED COST:	\$55,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	General Improvement Fund
PROJECT NECESSITY:	Properly functioning generator is crucial to day-to-day first responder operations, in case of a power outage.
DEPARTMENT/DIRECTOR:	Fire Chief, Danny Jones

FIRE STATION #3 GENERATOR

DESCRIPTION:	Replacement of Fire Station #3 generator and electrical upgrades.
ESTIMATED COST:	\$50,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	General Improvement Fund
PROJECT NECESSITY:	Properly functioning generator is crucial to day-to-day first responder operations, in case of a power outage.
DEPARTMENT/DIRECTOR:	Fire Chief, Danny Jones

PROJECT YEAR: 2018 - 2019

FIRE STATION #1 REMODEL

DESCRIPTION:	Remodeling of Fire Station #1 consists of updates to the outer façade and construction of a second story area, which will include staff living quarters, kitchen, etc.
ESTIMATED COST:	\$271,350
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	General Improvement Fund
PROJECT NECESSITY:	Fire Station #1 is in need of an architectural consistency to the rest of downtown Sherman.
DEPARTMENT/DIRECTOR:	Fire Chief, Danny Jones

FIRE STATION #4 MULTI-PURPOSE BUILDING

DESCRIPTION:	Phase II of Fire Station #4 is the construction of a Multi-Purpose building for training, administrative offices and storage.
ESTIMATED COST:	\$1,750,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	General Improvement Fund
PROJECT NECESSITY:	The 2009 Comprehensive Master Plan listed a primary concern as the City's ability to serve its current geographic area, while preparing for future demands for fire/rescue services; The project addresses this concern.
DEPARTMENT/DIRECTOR:	Fire Chief, Danny Jones

PROJECT YEAR: 2018 - 2019

FIRE STATION #6 CONSTRUCTION

DESCRIPTION:	Construction of a new fire station site in West Sherman.
ESTIMATED COST:	\$4,500,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	General Improvement Fund
PROJECT NECESSITY:	The Fire Station master plan supports adding a new Fire Station in the west portion of Sherman, to accommodate growth towards State Highway 289.
DEPARTMENT/DIRECTOR:	Fire Chief, Danny Jones

BACKUP SERVERS & STORAGE (VARIOUS DEPARTMENTS)

DESCRIPTION:	Increase current storage capacity of backup servers.
ESTIMATED COST:	\$51,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	General Improvement Fund
PROJECT NECESSITY:	Increasing document management needs of the City and end users require additional servers and storage capacity to meet anticipated growth and protected against risk of data loss.
DEPARTMENT/DIRECTOR:	Information Technology Manager, Shawn Hackworth

PROJECT YEAR: 2018 - 2019

VIRTUALIZATION OF SERVERS

DESCRIPTION:	Virtualization of all servers with enough capacity to fail to another site with minimal, if any, disruptions of service.
ESTIMATED COST:	\$57,500
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	General Improvement Fund
PROJECT NECESSITY:	Allows the city to bring up new servers without the additional expense of new hardware purchases.
DEPARTMENT/DIRECTOR:	Information Technology Manager, Shawn Hackworth

COMMUNITY DEVELOPMENT & INFRASTRUCTURE SOFTWARE

DESCRIPTION:	Installation of community development & infrastructure software, including 15 users and 6 iPads for field use.
ESTIMATED COST:	\$100,050
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	General Improvement Fund
PROJECT NECESSITY:	Incode V9 no longer has available updates for Building Projects, Business License and Call Center; instead a community development & infrastructure software package is needed.
DEPARTMENT/DIRECTOR:	Information Technology Manager, Shawn Hackworth

PROJECT YEAR: 2018 - 2019

MULTIPLE PROGRAMS SERVER UPGRADE

DESCRIPTION:	Upgrade software for Incode 9, RTA, GIS and Vueworks programs.
ESTIMATED COST:	\$52,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	General Improvement Fund
PROJECT NECESSITY:	These programs are on older server hardware and software, which must be upgraded to remain supportable.
DEPARTMENT/DIRECTOR:	Information Technology Manager, Shawn Hackworth

TRAILS MASTER PLAN IMPLEMENTATION

DESCRIPTION:	Continue implementation of Trails Master Plan, which includes parks renovation and new construction.
ESTIMATED COST:	\$300,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	General Improvement Fund
PROJECT NECESSITY:	This project is consistent with the Trails Master Plan.
DEPARTMENT/DIRECTOR:	Director of Public Services, Steve Ayers

PROJECT YEAR: 2018 - 2019

FAIRVIEW PARK - INSTALL DOG PARK

DESCRIPTION:	Installation of a dog park northwest of Veterans Field in Fairview Park.
ESTIMATED COST:	\$30,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	General Improvement Fund
PROJECT NECESSITY:	This project is consistent with the Trails Master Plan.
DEPARTMENT/DIRECTOR:	Director of Public Services, Steve Ayers

HILLCREST PARK PLAYGROUND REPLACEMENT

DESCRIPTION:	Install new playground equipment at Hillcrest Park.
ESTIMATED COST:	\$742,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	General Improvement Fund
PROJECT NECESSITY:	Necessary replacement of dated equipment for which most replacement parts are no longer available.
DEPARTMENT/DIRECTOR:	Director of Public Services, Steve Ayers

PROJECT YEAR: 2018 - 2019

FAIRVIEW PARK - INSTALL EXERCISE STATIONS

DESCRIPTION:	Install exercise stations along the trail at Fairview Park.
ESTIMATED COST:	\$80,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	General Improvement Fund
PROJECT NECESSITY:	Updating of park amenities is consistent with the Parks Master Plan improvements.
DEPARTMENT/DIRECTOR:	Director of Public Services, Steve Ayers

MARTIN LUTHER KIND PARK - PLAYGROUND & PAVILION IMPROVEMENTS

DESCRIPTION:	Replace aged playground equipment and pavilion at MLK Park with small play structure and pavilion.
ESTIMATED COST:	\$180,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	General Improvement Fund
PROJECT NECESSITY:	Facility structure and playground equipment has reached the end of its useful life. Updating of park amenities is consistent with the Parks Master Plan.
DEPARTMENT/DIRECTOR:	Director of Public Services, Steve Ayers

PROJECT YEAR: 2018 - 2019

POLICE DEPARTMENT - REPLACE THREE ROOF A/C UNITS

DESCRIPTION:	Replace three (3) roof air conditioning units on the Police Department building roof.
ESTIMATED COST:	\$25,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	General Improvement Fund
PROJECT NECESSITY:	These AC units are nearing their life expectancy. To maintain efficiency, replacements will be installed over a three-year period (FY 2019 thru 2021).
DEPARTMENT/DIRECTOR:	Police Chief, Zachary Flores

POLICE DEPARTMENT - REMODEL BASEMENT

DESCRIPTION:	Remodel the Police Department building basement to provide more optimal, efficient workspace.
ESTIMATED COST:	\$200,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	General Improvement Fund
PROJECT NECESSITY:	As part of a multi-year, phased approach to updates to the Police Department facility, improvements are needed to the building basement to improve efficiency.
DEPARTMENT/DIRECTOR:	Police Chief, Zachary Flores

PROJECT YEAR: 2018 - 2019

LAMBERTH ROAD EXPANSION - SHADY OAKS TO FRIENDSHIP ROAD

DESCRIPTION:	Engineering design to expand and extend Lamberth Road from Shady Oaks to Friendship Road.
ESTIMATED COST:	\$450,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	General Improvement Fund
PROJECT NECESSITY:	This design will assist in the areas of development in West Sherman. The 2016 updated Master Thoroughfare Plan recommended a major thoroughfare between FM 1417 and SH 289.
DEPARTMENT/DIRECTOR:	Director of Engineering, Clint Philpott

WEST TRAVIS EXTENSION - NORTHGATE DRIVE TO FM 1417

DESCRIPTION:	Continuation of Phase III of the West Travis Extension project, which consists of an extension from Northgate Drive west to FM 1417
ESTIMATED COST:	\$3,000,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	General Improvement Fund
PROJECT NECESSITY:	The 2016 updated Master Thoroughfare Plan recommended a major thoroughfare connecting South Travis Street and FM 1417.
DEPARTMENT/DIRECTOR:	Director of Engineering, Clint Philpott

PROJECT YEAR: 2018 - 2019

FM 1417 IMPROVEMENTS - US 82 TO SH 56

DESCRIPTION:	Cost share required for the \$25M FM 1417 expansion project.
ESTIMATED COST:	\$1,800,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	General Improvement Fund; TxDOT Funds
PROJECT NECESSITY:	Traffic volume on the thoroughfare has increased significantly and planning for improvements is required to account for growth. Failure to fund will result in the loss of \$23M in MPO and TxDOT funding.
DEPARTMENT/DIRECTOR:	Director of Engineering, Clint Philpott

FRIENDSHIP ROAD - CONSTRUCTION FROM SH 56 TO LAMBERTH ROAD

DESCRIPTION:	Engineering design to expand and extend Friendship Road from Hwy 56 to Lamberth Road.
ESTIMATED COST:	\$1,600,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	General Improvement Fund
PROJECT NECESSITY:	This design will assist in the areas of development in West Sherman. The 2016 updated Master Thoroughfare Plan recommended a major thoroughfare between Hwy 56 and US 82.
DEPARTMENT/DIRECTOR:	Director of Engineering, Clint Philpott

PROJECT YEAR: 2018 - 2019

PARK AVENUE REALIGNMENT CONSTRUCTION

DESCRIPTION:	Construct an extension of Park Avenue from Inwood Street to First Street.
ESTIMATED COST:	\$750,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	General Improvement Fund
PROJECT NECESSITY:	This construction is consistent with the 2016 updated Master Thoroughfare Plan.
DEPARTMENT/DIRECTOR:	Director of Engineering, Clint Philpott

2019-2020

PROJECT YEAR: 2019 - 2020

CONTINUATION OF MUNICIPAL BUILDING OFFICE SPACE REMODELING

DESCRIPTION:	Continuation of second-floor office remodeling, including women's restroom facility and Community Planning and Support Services workspace.
ESTIMATED COST:	\$40,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	General Improvement Fund
PROJECT NECESSITY:	Remodeling updates are necessary to accommodate current and future staffing needs.
DEPARTMENT/DIRECTOR:	Director of Public Services, Steve Ayers

DOWNTOWN SIDEWALK REPAIRS

DESCRIPTION:	Repair of various sidewalks within the Central Business District.
ESTIMATED COST:	\$50,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	TIF #2 Construction Fund
PROJECT NECESSITY:	One of the highest priorities identified in the 2009 Comprehensive Master Plan is to encourage Downtown Development/Revitalization. Sidewalk improvements will encourage this behavior.
DEPARTMENT/DIRECTOR:	Director of Engineering, Clint Philpott

PROJECT YEAR: 2019 - 2020

FALLON DRIVE EXTENSION - ENGINEERING & ROW ACQUISITIONS

DESCRIPTION:	Project for preliminary engineering and acquiring of right-of-way property along Fallon Drive west of US 75 to Kerr Chapel Road and east towards Dripping Springs.
ESTIMATED COST:	\$200,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	General Improvement Fund
PROJECT NECESSITY:	Acquisition is directly related to new development in the area and corresponds to right-of-way widths included in the 2016 updates to the Master Thoroughfare Plan.
DEPARTMENT/DIRECTOR:	Director of Engineering, Clint Philpott

TAYLOR/WASHINGTON EXTENSION - PHASE II CONSTRUCTION

DESCRIPTION:	Construction of Taylor/Washington extension from FM 1417 to Washington (two lanes).
ESTIMATED COST:	\$8,000,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	General Improvement Fund
PROJECT NECESSITY:	This design will assist in the areas of development in West Sherman. The 2016 updated Master Thoroughfare Plan recommended a major thoroughfare between FM 1417 and SH 289.
DEPARTMENT/DIRECTOR:	Director of Engineering, Clint Philpott

PROJECT YEAR: 2019 - 2020

FIRE SCBA EQUIPMENT REPLACEMENT

DESCRIPTION:	Continue replacement of all Self-Contained Breathing Apparatus (SCBA) currently used by the Fire Department.
ESTIMATED COST:	\$300,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	General Improvement Fund
PROJECT NECESSITY:	All SCBA units required to meet NFPA standards by 2023. Current models with the Fire Department will be obsolete and in need of replacement.
DEPARTMENT/DIRECTOR:	Fire Chief, Danny Jones

FIRE STATION #4 TRAINING FACILITY

DESCRIPTION:	Phase II of Fire Station #4 is the construction of an on-site Training Facility.
ESTIMATED COST:	\$1,200,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	General Improvement Fund
PROJECT NECESSITY:	The 2009 Comprehensive Master Plan listed a primary concern as the City's ability to serve its current geographic area, while preparing for future demands for fire/rescue services; The project addresses this concern.
DEPARTMENT/DIRECTOR:	Fire Chief, Danny Jones

PROJECT YEAR: 2019 - 2020

FIRE STATION #7 CONSTRUCTION

DESCRIPTION:	Construction of a new fire station site in Northwest Sherman.
ESTIMATED COST:	\$4,500,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	General Improvement Fund
PROJECT NECESSITY:	The Fire Station master plan supports adding a new Fire Station in the northwest portion of Sherman, to accommodate growth.
DEPARTMENT/DIRECTOR:	Fire Chief, Danny Jones

BACKUP SERVERS & STORAGE (VARIOUS DEPARTMENTS)

DESCRIPTION:	Increase current storage capacity of backup servers.
ESTIMATED COST:	\$53,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	General Improvement Fund
PROJECT NECESSITY:	Increasing document management needs of the City and end users require additional servers and storage capacity to meet anticipated growth and protected against risk of data loss.
DEPARTMENT/DIRECTOR:	Information Technology Manager, Shawn Hackworth

PROJECT YEAR: 2019 - 2020

OPEN RECORDS REQUEST EMAIL ARCHIVER & STORAGE

DESCRIPTION:	Install email archiver and backup storage.
ESTIMATED COST:	\$27,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	General Improvement Fund
PROJECT NECESSITY:	Email archiver and storage will allow for the multi-year retention of emails to provide for open records requests. Additionally, it will provide backup for disaster recovery of the email system.
DEPARTMENT/DIRECTOR:	Information Technology Manager, Shawn Hackworth

VIRTUALIZATION OF SERVERS

DESCRIPTION:	Virtualization of all servers with enough capacity to fail to another site with minimal, if any, disruptions of service.
ESTIMATED COST:	\$10,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	General Improvement Fund
PROJECT NECESSITY:	Allows the city to bring up new servers without the additional expense of new hardware purchases.
DEPARTMENT/DIRECTOR:	Information Technology Manager, Shawn Hackworth

PROJECT YEAR: 2019 - 2020

COMMUNITY DEVELOPMENT & INFRASTRUCTURE SOFTWARE

DESCRIPTION:	Continuance of maintenance subscription for community development & infrastructure software, including 15 users and 6 iPads for field use.
ESTIMATED COST:	\$30,450
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	General Improvement Fund
PROJECT NECESSITY:	Incode V9 no longer has available updates for Building Projects, Business License and Call Center; community development & infrastructure software is needed.
DEPARTMENT/DIRECTOR:	Information Technology Manager, Shawn Hackworth

HAWN PARK SKATEPARK RENOVATION

DESCRIPTION:	Renovate the current skatepark located at Hawn Park.
ESTIMATED COST:	\$200,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	General Improvement Fund
PROJECT NECESSITY:	Renovations to the skatepark are necessary to address aging equipment & park structures at Hawn Park.
DEPARTMENT/DIRECTOR:	Director of Public Services, Steve Ayers

PROJECT YEAR: 2019 - 2020

TRAILS MASTER PLAN IMPLEMENTATION

DESCRIPTION:	Continue implementation of Trails Master Plan, which included parks renovation and new construction.
ESTIMATED COST:	\$300,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	General Improvement Fund
PROJECT NECESSITY:	This project is consistent with the Trails Master Plan.
DEPARTMENT/DIRECTOR:	Director of Public Services, Steve Ayers

REPLACE FAIRVIEW PARK RESTROOMS

DESCRIPTION:	Construct a restroom/concession facility to replace the open-air restrooms at Fairview Park; Expand the north parking lot.
ESTIMATED COST:	\$850,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	General Improvement Fund
PROJECT NECESSITY:	Replacement and expansion of current park infrastructure is necessary to address increased growth and usage at Fairview Park.
DEPARTMENT/DIRECTOR:	Director of Public Services, Steve Ayers

PROJECT YEAR: 2019 - 2020

PECAN GROVE EAST - INSTALL RESTROOMS & TRAIL LIGHTING

DESCRIPTION:	Adding restroom and install trail lighting a Pecan Grove East Park.
ESTIMATED COST:	\$350,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	General Improvement Fund
PROJECT NECESSITY:	Expansion of current park infrastructure is necessary to address increasing usage of park facilities and public safety.
DEPARTMENT/DIRECTOR:	Director of Public Services, Steve Ayers

CITY RECREATION/COMMUNITY CENTER FEASIBILITY STUDY

DESCRIPTION:	Conduct a feasibility study on the development of a City Recreation/Community Center facility.
ESTIMATED COST:	\$50,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	General Improvement Fund
PROJECT NECESSITY:	This study will assist city staff in addressing growing public needs relating to expansion of recreational facilities.
DEPARTMENT/DIRECTOR:	Director of Public Services, Steve Ayers

PROJECT YEAR: 2019 - 2020

POLICE DEPARTMENT - REPLACE THREE ROOF A/C UNITS

DESCRIPTION:	Continuation of project to replace three (3) roof air conditioning units on the Police Department roof.
ESTIMATED COST:	\$25,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	General Improvement Fund
PROJECT NECESSITY:	These AC units are nearing their life expectancy. To maintain efficiency, replacements will be installed over a three-year period (FY 2019 thru 2021).
DEPARTMENT/DIRECTOR:	Police Chief, Zachary Flores

POLICE DEPARTMENT - REPLACE ROOF

DESCRIPTION:	Replace roof of the Police Station facility.
ESTIMATED COST:	\$75,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	General Improvement Fund
PROJECT NECESSITY:	Since the second-story addition thirty years ago, the roof has only been sporadically patched; Repeated leakages necessitate the replacement of the roof.
DEPARTMENT/DIRECTOR:	Police Chief, Zachary Flores

PROJECT YEAR: 2019 - 2020

LAMBERTH ROAD EXPANSION - SHADY OAKS TO FRIENDSHIP ROAD

DESCRIPTION:	Construction to expand and extend North Lamberth Road from Shady Oaks to Friendship Road.
ESTIMATED COST:	\$3,000,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	General Improvement Fund
PROJECT NECESSITY:	This road expansion will assist with development in the area. The 2016 updated Master Thoroughfare Plan recommended a major thoroughfare between FM 1417 and SH 289.
DEPARTMENT/DIRECTOR:	Director of Engineering, Clint Philpott

FRIENDSHIP ROAD - CONSTRUCTION FROM SH 56 TO LAMBERTH ROAD

DESCRIPTION:	Construction to expand and extend Friendship Road from Hwy 56 to Lamberth Road.
ESTIMATED COST:	\$2,000,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	General Improvement Fund
PROJECT NECESSITY:	This design will assist in the areas of development in West Sherman. The 2016 updated Master Thoroughfare Plan recommended a major thoroughfare between Hwy 56 and US 82.
DEPARTMENT/DIRECTOR:	Director of Engineering, Clint Philpott

PROJECT YEAR: 2019 - 2020

FM 1417 IMPROVEMENTS FROM US 56 TO WEST TRAVIS STREET

DESCRIPTION:	Cost share required for the \$25M FM 1417 expansion project.
ESTIMATED COST:	\$2,000,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	General Improvement Fund; TxDOT Funds
PROJECT NECESSITY:	Traffic volume on the thoroughfare has increased significantly and planning for improvements is required to account for growth. Failure to fund will result in the loss of \$25M in TxDOT funding.
DEPARTMENT/DIRECTOR:	Director of Engineering, Clint Philpott

2020-2021

PROJECT YEAR: 2020 - 2021

DOWNTOWN SIDEWALK REPAIRS

DESCRIPTION:	Repair of various sidewalks within the Central Business District.
ESTIMATED COST:	\$50,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	TIF #2 Construction Fund
PROJECT NECESSITY:	One of the highest priorities identified in the 2009 Comprehensive Master Plan is to encourage Downtown Development/Revitalization. Sidewalk improvements will encourage this behavior.
DEPARTMENT/DIRECTOR:	Director of Engineering, Clint Philpott

TAYLOR/WASHINGTON EXTENSION - PHASE III CONSTRUCTION

DESCRIPTION:	Construction of Taylor/Washington extension from Washington to SH 289.
ESTIMATED COST:	\$7,000,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	General Improvement Fund
PROJECT NECESSITY:	The 2016 updated Master Thoroughfare Plan recommended a major thoroughfare between FM 1417 and SH 289.
DEPARTMENT/DIRECTOR:	Director of Engineering, Clint Philpott

PROJECT YEAR: 2020 - 2021

FIRE STATION #5 RELOCATION

DESCRIPTION:	A new fire station site in the northeast quadrant of Sherman.
ESTIMATED COST:	\$4,500,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	General Improvement Fund
PROJECT NECESSITY:	The Fire Station Master Plan supports moving Fire Station #5 south and west approximately one (1) mile to better serve the Town Center, Woodmont and development along US 82.
DEPARTMENT/DIRECTOR:	Fire Chief, Danny Jones

BACKUP SERVERS & STORAGE (VARIOUS DEPARTMENTS)

DESCRIPTION:	Increase current storage capacity of backup servers.
ESTIMATED COST:	\$55,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	General Improvement Fund
PROJECT NECESSITY:	Increasing document management needs of the City and end users require additional servers and storage capacity to meet anticipated growth and protected against risk of data loss.
DEPARTMENT/DIRECTOR:	Information Technology Manager, Shawn Hackworth

PROJECT YEAR: 2020 - 2021

VIRTUALIZATION OF SERVERS

DESCRIPTION:	Virtualization of all servers with enough capacity to fail to another site with minimal, if any, disruptions of service.
ESTIMATED COST:	\$10,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	General Improvement Fund
PROJECT NECESSITY:	Allows the city to bring up new servers without the additional expense of new hardware purchases.
DEPARTMENT/DIRECTOR:	Information Technology Manager, Shawn Hackworth

COMMUNITY DEVELOPMENT & INFRASTRUCTURE SOFTWARE

DESCRIPTION:	Continuance of maintenance subscription for community development & infrastructure software, including 15 users and 6 iPads for field use.
ESTIMATED COST:	\$30,450
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	General Improvement Fund
PROJECT NECESSITY:	Incode V9 no longer has available updates for Building Projects, Business License and Call Center; community development & infrastructure software is needed.
DEPARTMENT/DIRECTOR:	Information Technology Manager, Shawn Hackworth

PROJECT YEAR: 2020 - 2021

TRAILS MASTER PLAN IMPLEMENTATION

DESCRIPTION:	Continue implementation of Trails Master Plan, which includes parks renovation and new construction.
ESTIMATED COST:	\$300,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	General Improvement Fund
PROJECT NECESSITY:	This project is consistent with the Trails Master Plan.
DEPARTMENT/DIRECTOR:	Director of Public Services, Steve Ayers

BAKER PARK - CREATE NATURE CENTER & TRAIL

DESCRIPTION:	Create a Nature Center and expand existing Natural Trail at Herman Baker Park.
ESTIMATED COST:	\$200,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	General Improvement Fund
PROJECT NECESSITY:	Increased public activities at Baker Park suggest the need for more improvements. This project is consistent with the Trails Master Plan.
DEPARTMENT/DIRECTOR:	Director of Public Services, Steve Ayers

PROJECT YEAR: 2020 - 2021

INSTALL WALKING TRAIL AROUND CHERRY STREET PARK

DESCRIPTION:	Install a walking trail around Cherry Street Park.
ESTIMATED COST:	\$150,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	General Improvement Fund
PROJECT NECESSITY:	Increased public activities at Cherry Street Park suggest the need for more improvements. This project is consistent with the Trails Master Plan.
DEPARTMENT/DIRECTOR:	Director of Public Services, Steve Ayers

ELY PARK - INSTALL WALKING TRAIL & UPGRADE PAVILION

DESCRIPTION:	Upgrade pavilion and create a walking trail at Ely Park.
ESTIMATED COST:	\$175,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	General Improvement Fund
PROJECT NECESSITY:	Increased public activities at Ely Park suggest the need for more improvements. This project is consistent with the Trails Master Plan.
DEPARTMENT/DIRECTOR:	Director of Public Services, Steve Ayers

PROJECT YEAR: 2020 - 2021

BINKLEY PARK - INSTALL WALKING TRAIL & UPGRADE PAVILION

DESCRIPTION:	Install play structure at Binkley Park, including shading.
ESTIMATED COST:	\$150,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	General Improvement Fund
PROJECT NECESSITY:	Increased public activities at Binkley Park suggest the need for more improvements. This project is consistent with the Trails Master Plan.
DEPARTMENT/DIRECTOR:	Director of Public Services, Steve Ayers

POLICE DEPARTMENT - REPLACE THREE ROOF A/C UNITS

DESCRIPTION:	Continuation of project to replace three (3) roof air conditioning units on the Police Department roof.
ESTIMATED COST:	\$25,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	General Improvement Fund
PROJECT NECESSITY:	These AC units are nearing their life expectancy. To maintain efficiency, replacements will be installed over a three-year period (FY 2019 thru 2021).
DEPARTMENT/DIRECTOR:	Police Chief, Zachary Flores

PROJECT YEAR: 2020 - 2021

SKY WATCH MOBILE SURVEILLANCE TOWER

DESCRIPTION:	Addition of a mobile sky unit structure will assist an area for a civilian and/or law enforcement employees.
ESTIMATED COST:	\$100,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	General Improvement Fund
PROJECT NECESSITY:	A sky unit will allow for a lasting police presence to document and monitor large crowds and parking areas.
DEPARTMENT/DIRECTOR:	Police Chief, Zachary Flores

FRIENDSHIP ROAD - CONSTRUCTION FROM SH 56 TO LAMBERTH ROAD

DESCRIPTION:	Continued construction to expand and extend Friendship Road from Hwy 56 to Lamberth Road.
ESTIMATED COST:	\$2,700,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	General Improvement Fund
PROJECT NECESSITY:	This design will assist in the areas of development in West Sherman. The 2016 updated Master Thoroughfare Plan recommended a major thoroughfare between Hwy 56 and US 82.
DEPARTMENT/DIRECTOR:	Director of Engineering, Clint Philpott

2021-2022

PROJECT YEAR: 2021 - 2022

DOWNTOWN SIDEWALK REPAIRS

DESCRIPTION:	Repair of various sidewalks within the Central Business District.
ESTIMATED COST:	\$50,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	TIF #2 Construction Fund
PROJECT NECESSITY:	One of the highest priorities identified in the 2009 Comprehensive Master Plan is to encourage Downtown Development/Revitalization. Sidewalk improvements will encourage this behavior.
DEPARTMENT/DIRECTOR:	Director of Engineering, Clint Philpott

FIRE STATION #8 CONSTRUCTION

DESCRIPTION:	Construction of a new fire station site in North Sherman.
ESTIMATED COST:	\$4,500,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	General Improvement Fund
PROJECT NECESSITY:	The Fire Station master plan supports adding new Fire Stations to accommodate growth and development in Sherman.
DEPARTMENT/DIRECTOR:	Fire Chief, Danny Jones

PROJECT YEAR: 2021 - 2022

BACKUP SERVERS & STORAGE (VARIOUS DEPARTMENTS)

DESCRIPTION:	Increase current storage capacity of backup servers.
ESTIMATED COST:	\$57,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	General Improvement Fund
PROJECT NECESSITY:	Increasing document management needs of the City and end users require additional servers and storage capacity to meet anticipated growth and protected against risk of data loss.
DEPARTMENT/DIRECTOR:	Information Technology Manager, Shawn Hackworth

VIRTUALIZATION OF SERVERS

DESCRIPTION:	Virtualization of all servers with enough capacity to fail to another site with minimal, if any, disruptions of service.
ESTIMATED COST:	\$10,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	General Improvement Fund
PROJECT NECESSITY:	Allows the city to bring up new servers without the additional expense of new hardware purchases.
DEPARTMENT/DIRECTOR:	Information Technology Manager, Shawn Hackworth

PROJECT YEAR: 2021 - 2022

COMMUNITY DEVELOPMENT & INFRASTRUCTURE SOFTWARE

DESCRIPTION:	Continuance of maintenance subscription for community development & infrastructure software, including 15 users and 6 iPads for field use.
ESTIMATED COST:	\$30,450
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	General Improvement Fund
PROJECT NECESSITY:	Incode V9 no longer has available updates for Building Projects, Business License and Call Center; community development & infrastructure software is needed.
DEPARTMENT/DIRECTOR:	Information Technology Manager, Shawn Hackworth

TRAILS MASTER PLAN IMPLEMENTATION

DESCRIPTION:	Continue implementation of Trails Master Plan, which includes parks renovation and new construction.
ESTIMATED COST:	\$300,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	General Improvement Fund
PROJECT NECESSITY:	This project is consistent with the Trails Master Plan.
DEPARTMENT/DIRECTOR:	Director of Public Services, Steve Ayers

PROJECT YEAR: 2021 - 2022

RECREATION/COMMUNITY CENTER CONSTRUCTION

DESCRIPTION:	Construct a new multi-use recreation/community center facility.
ESTIMATED COST:	\$10,000,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	General Improvement Fund
PROJECT NECESSITY:	Construction of a Recreation/Community Center based upon recommendations within the conducted Community Center feasibility study.
DEPARTMENT/DIRECTOR:	Director of Public Services, Steve Ayers

UPGRADE HAWN PARK PLAY STRUCTURE

DESCRIPTION:	Upgrade play structure facility at Hawn Park.
ESTIMATED COST:	\$150,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	General Improvement Fund
PROJECT NECESSITY:	Upgrades will accommodate growth and improve safety standards. This project is consistent with Trails Master Plan.
DEPARTMENT/DIRECTOR:	Director of Public Services, Steve Ayers

PROJECT YEAR: 2021 - 2022

FRIENDSHIP ROAD - CONSTRUCTION FROM SH 56 TO LAMBERTH ROAD

DESCRIPTION:	Continued construction to expand and extend Friendship Road from Hwy 56 to Lamberth Road.
ESTIMATED COST:	\$6,200,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	General Improvement Fund
PROJECT NECESSITY:	This design will assist in the areas of development in West Sherman. The 2016 updated Master Thoroughfare Plan recommended a major thoroughfare between Hwy 56 and US 82.
DEPARTMENT/DIRECTOR:	Director of Engineering, Clint Philpott

TRAFFIC SIGNALS

DESCRIPTION:	Purchase traffic signals from TxDOT.
ESTIMATED COST:	\$1,680,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	General Improvement Fund
PROJECT NECESSITY:	Acquiring traffic signals from TxDOT will allow the City to modernize the current signal system.
DEPARTMENT/DIRECTOR:	Director of Public Services, Steve Ayers

PROJECT YEAR: 2021 - 2022

SPLASH EXPANSION - DECKING, SEATING & SHADE STRUCTURES

DESCRIPTION:	Add sprayground and expand perimeter of the Splash to include a new/expanded deck, benches and shade structures.
ESTIMATED COST:	\$500,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	General Improvement Fund
PROJECT NECESSITY:	Frequent capacity limitations force many customers to wait in long line. This project would significantly increase capacity with little additional overhead.
DEPARTMENT/DIRECTOR:	Director of Public Services, Steve Ayers

UTILITY SERVICES 2017 - 2022

UTILITY SERVICES

CAPITAL BUDGET: 2017-2022

Within the Five-year Capital Improvement Program, the first year, or “activated” year is considered the Capital Budget. Careful analysis of financial ability has been made on all of these projects and fund balances are anticipated for all projects listed. The appropriation ordinance will give initial authorization for the staff to prepare and execute all projects listed for the coming year, barring unforeseen circumstances.

These are Utility Services Projects, being specifically related to the operation of a Water and Sewer System and having certain types of financing requirements different from those typically used for General Services.

2017-2018

PROJECT YEAR: 2017 - 2018

WTP AERATION BASIN UPGRADE - PHASE II

DESCRIPTION:	Wastewater Treatment Plan - Phase II. Modify the existing activated sludge aeration system to automate dissolved oxygen control and integrate in the SCADA system.
ESTIMATED COST:	\$3,970,000
ESTIMATED O&M COST:	\$250,000 of the above Estimate Cost will be Installation, Maintenance, and Hosting.
PROPOSED FINANCING:	Utility Improvement Fund; GTUA
PROJECT NECESSITY:	Upgrades are necessary to replace worn out equipment, improve operational efficiency, decrease consumption of energy and integrate portions of the aeration components with the SCADA system.
DEPARTMENT/DIRECTOR:	Director of Utilities, Mark Gibson

BIOLOGICAL CLARIFIER REHABILITATION (3 CLARIFIERS)

DESCRIPTION:	Rehabilitation of three (3) biological clarifiers at the Wastewater Treatment Plant.
ESTIMATED COST:	\$1,830,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	Utility Improvement Fund/GTUA
PROJECT NECESSITY:	Replacement of worn out components that are necessary for the removal of solids during the treatment process.
DEPARTMENT/DIRECTOR:	Director of Utilities, Mark Gibson

PROJECT YEAR: 2017 - 2018

WWTP CONTROL BUILDING UPGRADES

DESCRIPTION:	Expand staff work areas, restroom area remodeling, Lab area relocation, storage area addition, and ADA modifications to the WWTP control building.
ESTIMATED COST:	\$698,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	Utility Improvement Fund
PROJECT NECESSITY:	Existing facility doesn't meet current or future needs for safety, testing, or required staff/visitor facilities.
DEPARTMENT/DIRECTOR:	Director of Utilities, Mark Gibson

CANYON CREEK WASTEWATER LINE

DESCRIPTION:	Construction of a wastewater line along Canyon Creek Drive extension.
ESTIMATED COST:	\$50,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	GTUA
PROJECT NECESSITY:	Construction of additional wastewater line is needed to connect continuing development with City utilities.
DEPARTMENT/DIRECTOR:	Director of Utilities, Mark Gibson

PROJECT YEAR: 2017 - 2018

PRESTON CLUB WATER LINE

DESCRIPTION:	Construct a water line to connect utility infrastructure to the housing development at Preston Club.
ESTIMATED COST:	\$50,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	GTUA
PROJECT NECESSITY:	Construction of the water line is a central need to the inclusion of Preston Club to the City of Sherman.
DEPARTMENT/DIRECTOR:	Director of Utilities, Mark Gibson

NORTHWEST SEWER EXPANSION

DESCRIPTION:	Construct a lift station and sewer lines to connect utility infrastructure to expanding areas of development.
ESTIMATED COST:	\$2,300,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	GTUA
PROJECT NECESSITY:	Expansion of existing wastewater utilities is necessary to tie surrounding areas into the City sewer system.
DEPARTMENT/DIRECTOR:	Director of Utilities, Mark Gibson

PROJECT YEAR: 2017 - 2018

TAYLOR/WASHINGTON WATER LINE

DESCRIPTION:	Construct a water line along Taylor Street roundabout.
ESTIMATED COST:	\$70,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	GTUA
PROJECT NECESSITY:	Construction of water line coincides with the construction of a major thoroughfare addressed in the 2016 updated Master Thoroughfare Plan.
DEPARTMENT/DIRECTOR:	Director of Utilities, Mark Gibson

SWAN RIDGE WASTEWATER LINE

DESCRIPTION:	Extend wastewater line from SH 56 to Preserve subdivision.
ESTIMATED COST:	\$115,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	GTUA
PROJECT NECESSITY:	Extension of this wastewater line will provide utilities along construction of a roadway to connect Swan Ridge.
DEPARTMENT/DIRECTOR:	Director of Utilities, Mark Gibson

PROJECT YEAR: 2017 - 2018

GALLAGHER TANK REPAIR

DESCRIPTION:	The Gallagher elevated tank requires painting and repairs.
ESTIMATED COST:	\$778,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	Utility Improvement Fund
PROJECT NECESSITY:	The protective coatings on the interior and exterior of the Gallagher elevated tank are at the end of their useful life.
DEPARTMENT/DIRECTOR:	Director of Utilities, Mark Gibson

2018-2019

PROJECT YEAR: 2018 - 2019

AUTOMATED METER INFRASTRUCTURE (AMI) SYSTEM

DESCRIPTION:	Continue transition to a fixed network, automated meter infrastructure (AMI) system.
ESTIMATED COST:	\$230,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	Utility Improvement Fund
PROJECT NECESSITY:	Automation of daily meter readings will reduce the read-to-bill timeframe from two weeks to one week; thereby, expediting billing and revenue.
DEPARTMENT/DIRECTOR:	Customer & Utility Services Manager, Angela Gurley

CONSTRUCT BRINE DISPOSAL LINE FOR WTP EXPANSION

DESCRIPTION:	Construct pipeline to transport WTP reject water to existing life station.
ESTIMATED COST:	\$2,000,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	GTUA
PROJECT NECESSITY:	Necessary for operation of UF and RO units at WTP.
DEPARTMENT/DIRECTOR:	Director of Utilities, Mark Gibson

PROJECT YEAR: 2018 - 2019

REPLACE EXISTING DETERIORATED SEWER RELIEF (ROSEDALE TO FIRST)

DESCRIPTION:	Replace 3,600 feet of 12" and 15" relief sewer with single 27" pipe.
ESTIMATED COST:	\$800,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	Utility Improvement Fund/GTUA
PROJECT NECESSITY:	Existing sewer is deteriorated and has severe infiltration problems. Line needs to be up-sized due to capacity issues.
DEPARTMENT/DIRECTOR:	Director of Utilities, Mark Gibson

OVERFLOW RELIEF TO EXISTING SEWERS (SYCAMORE TO EVERGREEN)

DESCRIPTION:	Replace existing sewer segment to increase capacity.
ESTIMATED COST:	\$100,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	Utility Improvement Fund
PROJECT NECESSITY:	Existing sewers from Sycamore Street to Evergreen Street are at risk of overflowing.
DEPARTMENT/DIRECTOR:	Director of Utilities, Mark Gibson

PROJECT YEAR: 2018 - 2019

REPLACE WATER MAIN - TEXOMA PARKWAY

DESCRIPTION:	Replace 2,500 feet of 12" water main along the west side of Texoma Parkway, from Gallagher Road to US 82.
ESTIMATED COST:	\$250,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	Utility Improvement Fund
PROJECT NECESSITY:	Replacement of existing line is necessary due to main deterioration.
DEPARTMENT/DIRECTOR:	Director of Utilities, Mark Gibson

IDA ROAD GROUND STORAGE TANK REPAIRS

DESCRIPTION:	Repair and re-paint the Ida Road ground storage tank.
ESTIMATED COST:	\$1,500,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	Utility Improvement Fund
PROJECT NECESSITY:	The existing structure requires repairs and re-coating to extend its useful life.
DEPARTMENT/DIRECTOR:	Director of Utilities, Mark Gibson

PROJECT YEAR: 2018 - 2019

FAIRVIEW ELEVATED STORAGE TANK REPAIRS

DESCRIPTION:	Repair and re-paint the Fairview elevated storage tank.
ESTIMATED COST:	\$1,500,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	Utility Improvement Fund
PROJECT NECESSITY:	The existing structure requires repairs and re-coating to extend its useful life.
DEPARTMENT/DIRECTOR:	Director of Utilities, Mark Gibson

CONSTRUCT EFFLUENT LINE - INDUSTRIAL PARK

DESCRIPTION:	Construct a sewer line that will reclaim effluent to the Industrial Park.
ESTIMATED COST:	\$5,000,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	GTUA
PROJECT NECESSITY:	This project is necessary to maintain the water and sewer infrastructure needed for current and future growth.
DEPARTMENT/DIRECTOR:	Director of Utilities, Mark Gibson

PROJECT YEAR: 2018 - 2019

CONSTRUCT WATER MAIN - SOUTH US 75 CORRIDOR

DESCRIPTION:	Construct 5-6 mile water main for water transport to south Hwy 75 corridor.
ESTIMATED COST:	\$4,000,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	GTUA
PROJECT NECESSITY:	Project is necessary for sale of surplus water treatment capacity.
DEPARTMENT/DIRECTOR:	Director of Utilities, Mark Gibson

WATER & SEWER OVERSIZING COSTS - FY 2019

DESCRIPTION:	Provide funding for oversizing of water and sewer mains.
ESTIMATED COST:	\$50,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	Utility Improvement Fund
PROJECT NECESSITY:	City participation is necessary to meet oversizing costs.
DEPARTMENT/DIRECTOR:	Director of Utilities, Mark Gibson

PROJECT YEAR: 2018 - 2019

WATER SYSTEM IMPROVEMENTS - WATER QUALITY, ETC.

DESCRIPTION:	Propose improvements to water system components at five (5) critical sites with recurring water quality problems.
ESTIMATED COST:	\$100,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	Utility Improvement Fund
PROJECT NECESSITY:	Reduce risk of water quality issues, excessive water age, constant flushing during higher ambient temperatures, testing costs and meet TCEQ regulations.
DEPARTMENT/DIRECTOR:	Director of Utilities, Mark Gibson

WWTP MAIN ROAD - BASE REPLACEMENT & RE-SURFACING

DESCRIPTION:	Repair existing road by replacing base and re-surfacing.
ESTIMATED COST:	\$62,770
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	Utility Improvement Fund
PROJECT NECESSITY:	Deteriorating, existing road requires repair to handle heavy solid waste trucks transporting dewatered biosolids.
DEPARTMENT/DIRECTOR:	Director of Utilities, Mark Gibson

PROJECT YEAR: 2018 - 2019

REFURBISH CLAY LINERS ON SLUDGE STORAGE BASINS

DESCRIPTION:	Refurbish clay liners on sludge storage basins at the WWTP.
ESTIMATED COST:	\$300,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	Utility Improvement Fund
PROJECT NECESSITY:	Refurbish necessary to meet wastewater discharge permit requirement to certify integrity of liner.
DEPARTMENT/DIRECTOR:	Director of Utilities, Mark Gibson

PRIMARY CLARIFIER REHABILITATION

DESCRIPTION:	Primary clarifier #1 rehabilitation at the Wastewater Treatment Plant.
ESTIMATED COST:	\$250,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	Utility Improvement Fund/GTUA
PROJECT NECESSITY:	Components necessary for the removal of solids during treatment; Current components are at risk of failure due to age and corrosion.
DEPARTMENT/DIRECTOR:	Director of Utilities, Mark Gibson

PROJECT YEAR: 2018 - 2019

PRIMARY DIGESTER & COMPLEX PIPING REHABILITATION

DESCRIPTION:	Primary Digester #1 repairs include, interior wall liner, sparger and draft tubes, piping supports and interior piping and flanges.
ESTIMATED COST:	\$600,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	Utility Improvement Fund/GTUA
PROJECT NECESSITY:	Replacement of components necessary to prevent safety hazards and equipment failures, due to age and corrosion.
DEPARTMENT/DIRECTOR:	Director of Utilities, Mark Gibson

REPLACE PERIMETER FENCING & EXPAND FENCING AROUND LAB FACILITY

DESCRIPTION:	Repair/replace large portion of existing perimeter fencing and add fencing around laboratory facility.
ESTIMATED COST:	\$75,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	Utility Improvement Fund
PROJECT NECESSITY:	Necessary to maintain facility security.
DEPARTMENT/DIRECTOR:	Director of Utilities, Mark Gibson

PROJECT YEAR: 2018 - 2019

HWY 75 SOUTH WATER CROSSING REPLACEMENT

DESCRIPTION:	Replace water line crossing at Hwy 75.
ESTIMATED COST:	\$206,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	Utility Improvement Fund
PROJECT NECESSITY:	Replacement needed to address aging water lines.
DEPARTMENT/DIRECTOR:	Director of Utilities, Mark Gibson

LAMBERTH ROAD WATER LINE

DESCRIPTION:	Extend water lines to tie Carriage Estates into Canyon Creek road extension.
ESTIMATED COST:	\$100,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	Utility Improvement Fund
PROJECT NECESSITY:	Expansion of water lines will loop corresponding areas into existing water system.
DEPARTMENT/DIRECTOR:	Director of Utilities, Mark Gibson

PROJECT YEAR: 2018 - 2019

HIGH COUNTRY ESTATES WATER LINE

DESCRIPTION:	Extension of water line to provide water to High Country Estates development.
ESTIMATED COST:	\$175,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	Utility Improvement Fund
PROJECT NECESSITY:	A portion of the agreement to annex Preston Club included taking over of High Country Estates water system.
DEPARTMENT/DIRECTOR:	Director of Utilities, Mark Gibson

2019-2020

PROJECT YEAR: 2019 - 2020

AUTOMATED METER INFRASTRUCTURE (AMI) SYSTEM

DESCRIPTION:	Complete transition to a fixed network, automated meter infrastructure (AMI) system.
ESTIMATED COST:	\$232,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	Utility Fund
PROJECT NECESSITY:	Automation of daily meter readings will reduce the read-to-bill timeframe from two weeks to one week; thereby, expediting billing and revenue.
DEPARTMENT/DIRECTOR:	Customer and Utility Services Manager, Angela Gurley

WATER & SEWER OVERSIZING COSTS - FY 2020

DESCRIPTION:	Provide funding for oversizing of water and sewer mains as development occurs.
ESTIMATED COST:	\$50,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	Utility Improvement Fund
PROJECT NECESSITY:	City participation required to meet costs of oversizing water and sewer mains as development occurs.
DEPARTMENT/DIRECTOR:	Director of Utilities, Mark Gibson

PROJECT YEAR: 2019 - 2020

WASTEWATER TREATMENT PLANT SECURITY UPGRADE

DESCRIPTION:	Improve facility lighting and install additional security protection measures identified in the Wastewater Treatment Vulnerability Assessment.
ESTIMATED COST:	\$150,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	Utility Improvement Fund
PROJECT NECESSITY:	Federal rules will require implementation of security upgrade features identified in the Wastewater Treatment Plant Vulnerability Assessment.
DEPARTMENT/DIRECTOR:	Director of Utilities, Mark Gibson

DIGESTER UPGRADE STUDY & COST RECOVERY

DESCRIPTION:	Upgrading digester system to receive grease wastes from local waste haulers.
ESTIMATED COST:	\$220,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	Utility Improvement Fund
PROJECT NECESSITY:	Project provides the potential to reduce natural gas costs and generate revenue from fees paid by waste haulers.
DEPARTMENT/DIRECTOR:	Director of Utilities, Mark Gibson

2020-2021

PROJECT YEAR: 2020 - 2021

AUTOMATED METER INFRASTRUCTURE (AMI) SYSTEM

DESCRIPTION:	Complete transition to a fixed network, automated meter infrastructure (AMI) system.
ESTIMATED COST:	\$121,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	Utility Fund
PROJECT NECESSITY:	Automation of daily meter readings will reduce the read-to-bill timeframe from two weeks to one week; thereby, expediting billing and revenue.
DEPARTMENT/DIRECTOR:	Customer and Utility Services Manager, Angela Gurley

WATER & SEWER OVERSIZING COSTS - FY 2021

DESCRIPTION:	Provide funding for oversizing of water and sewer mains as development occurs.
ESTIMATED COST:	\$50,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	Utility Improvement Fund
PROJECT NECESSITY:	City participation required to meet costs of oversizing water and sewer mains as development occurs.
DEPARTMENT/DIRECTOR:	Director of Utilities, Mark Gibson

PROJECT YEAR: 2020 - 2021

NUTRIENT REMOVAL PROCESS (PHOSPHORUS ONLY)

DESCRIPTION:	Install treatment process to remove excessive phosphorus.
ESTIMATED COST:	\$810,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	Utility Improvement Fund
PROJECT NECESSITY:	Current treatment processes will not remove sufficient levels of phosphorus to meet expected nutrient standards.
DEPARTMENT/DIRECTOR:	Director of Utilities, Mark Gibson

ODOR ABATEMENT STUDY

DESCRIPTION:	Conduct study to evaluate control strategies for managing odors from treatment processes.
ESTIMATED COST:	\$200,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	Utility Improvement Fund
PROJECT NECESSITY:	Odor control will be necessary as future development occurs near the plant location.
DEPARTMENT/DIRECTOR:	Director of Utilities, Mark Gibson

2021-2022

PROJECT YEAR: 2021 - 2022

WATER & SEWER OVERSIZING COSTS - FY 2022

DESCRIPTION:	Provide funding for oversizing of water and sewer mains as development occurs.
ESTIMATED COST:	\$50,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	Utility Improvement Fund
PROJECT NECESSITY:	City participation required to meet costs of oversizing water and sewer mains as development occurs.
DEPARTMENT/DIRECTOR:	Director of Utilities, Mark Gibson

DEMOLISH SLUDGE DRYING BEDS

DESCRIPTION:	At the Wastewater Treatment Plant, remove sludge drying beds that are no longer part of the treatment process.
ESTIMATED COST:	\$250,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	Utility Improvement Fund
PROJECT NECESSITY:	Removal of these drying beds could be utilized for future expansions of treatment processes at the Wastewater Treatment Plant.
DEPARTMENT/DIRECTOR:	Director of Utilities, Mark Gibson

STORMWATER SERVICES

2017 - 2022

STORMWATER SERVICES

CAPITAL BUDGET: 2017-2022

Within the Five-year Capital Improvement Program, the first year, or “activated” year is considered the Capital Budget. Careful analysis of financial ability has been made on all of these projects and fund balances are anticipated for all projects listed. The appropriation ordinance will give initial authorization for the staff to prepare and execute all projects listed for the coming year, barring unforeseen circumstances.

These are Stormwater Services Projects, being specifically related to the operation of the Municipal Drainage Utility System and having certain types of financing requirements different from those typically used for General Services.

2017-2018

PROJECT YEAR: 2017 - 2018

FLOOD MAPS UPDATE & VARIOUS STREET STABILIZATIONS

DESCRIPTION:	Lump sum to be allocated towards the flood map update and material costs to stabilize West Lamberth Road, Kessler-Hunt, Overland Trail and Setting Suns.
ESTIMATED COST:	\$365,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	General Improvement Fund
PROJECT NECESSITY:	Expansion of the list of needed improvements put forth by the Post Oak Creek Flood Protection Plan is necessary for mitigation. Stabilization materials are necessary to address piping, roadway aggregates and other structural issues affecting proper stormwater drainage at these locations.
DEPARTMENT/DIRECTOR:	Director of Engineering, Clint Philpott

2018-2019

PROJECT YEAR: 2018 - 2019

INCREASE CULVERT CAPACITY - LAMBERTH ROAD

DESCRIPTION:	Increase capacity of culvert under Lamberth Road at T2 East Fork of Post Oak.
ESTIMATED COST:	\$241,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	Stormwater Fund
PROJECT NECESSITY:	Project is identified in the Post Oak Creek Flood Protection Plan and will decrease road closures during 100-year storms.
DEPARTMENT/DIRECTOR:	Director of Engineering, Clint Philpott

SAM RAYBURN FREEWAY & CONTEMPORARY DRIVE PROPERTY ACQUISITIONS

DESCRIPTION:	Acquisition of properties at Sam Rayburn Freeway and Contemporary Drive.
ESTIMATED COST:	\$105,284
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	Stormwater Fund
PROJECT NECESSITY:	Project is identified in the Post Oak Creek Flood Protection Plan and is necessary for flood damage mitigation.
DEPARTMENT/DIRECTOR:	Director of Engineering, Clint Philpott

PROJECT YEAR: 2018 - 2019

AYERS DRIVE PROPERTY ACQUISITIONS

DESCRIPTION:	Acquisition of properties on Ayers Drive.
ESTIMATED COST:	\$192,152
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	Stormwater Fund
PROJECT NECESSITY:	Project is identified in the Post Oak Creek Flood Protection Plan and is necessary for flood damage mitigation.
DEPARTMENT/DIRECTOR:	Director of Engineering, Clint Philpott

REGENCY DRIVE & WASHINGTON STREET PROPERTY ACQUISITIONS

DESCRIPTION:	Acquisition of properties at Regency Drive and Washington Street.
ESTIMATED COST:	\$1,150,305
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	Stormwater Fund
PROJECT NECESSITY:	Project is identified in the Post Oak Creek Flood Protection Plan and is necessary for flood damage mitigation.
DEPARTMENT/DIRECTOR:	Director of Engineering, Clint Philpott

PROJECT YEAR: 2018 - 2019

SAM RAYBURN FREEWAY & TRAVIS STREET PROPERTY ACQUISITIONS

DESCRIPTION:	Acquisition of properties at Sam Rayburn Freeway and Travis Street.
ESTIMATED COST:	\$489,003
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	Stormwater Fund
PROJECT NECESSITY:	Project is identified in the Post Oak Creek Flood Protection Plan and is necessary for flood damage mitigation.
DEPARTMENT/DIRECTOR:	Director of Engineering, Clint Philpott

REPETITIVE LOSS PROPERTY ACQUISITIONS FOR FLOOD MITIGATION

DESCRIPTION:	Property acquisitions within the flood plain that have had repetitive losses.
ESTIMATED COST:	\$1,268,086
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	Stormwater Fund/FEMA grant
PROJECT NECESSITY:	Project is identified in the Post Oak Creek Flood Protection Plan and is necessary for flood damage mitigation.
DEPARTMENT/DIRECTOR:	Director of Engineering, Clint Philpott

PROJECT YEAR: 2018 - 2019

PEYTON STREET PROPERTY ACQUISITION FOR DETENTION POND

DESCRIPTION:	Acquisition of property on Peyton Street for the future location of a detention pond.
ESTIMATED COST:	\$200,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	Stormwater Fund
PROJECT NECESSITY:	Project is identified in the Post Oak Creek Flood Protection Plan and is necessary for flood damage mitigation.
DEPARTMENT/DIRECTOR:	Director of Engineering, Clint Philpott

PEYTON STREET DETENTION POND - DESIGN PHASE

DESCRIPTION:	Designing of a detention pond on Post Oak Creek, near Peyton Street and Texoma Parkway.
ESTIMATED COST:	\$100,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	Stormwater Fund
PROJECT NECESSITY:	The construction of this detention pond is identified in the Post Oak Creek Flood Protection Plan as necessary to mitigate flooding.
DEPARTMENT/DIRECTOR:	Director of Engineering, Clint Philpott

PROJECT YEAR: 2018 - 2019

CONTEMPORARY DRIVE PROPERTY ACQUISITIONS

DESCRIPTION: Acquisition of properties on Contemporary Drive.

ESTIMATED COST: \$1,242,646

ESTIMATED O&M COST: N/A

PROPOSED FINANCING: Stormwater Fund

PROJECT NECESSITY: Project is identified in the Post Oak Creek Flood Protection Plan and is necessary for flood damage mitigation.

DEPARTMENT/DIRECTOR: Director of Engineering, Clint Philpott

PROPERTY ACQUISITION FOR PROPOSED DAM 9A

DESCRIPTION: Acquisition of property near Sand Creek along West Washington Street for a regional storm water detention facility.

ESTIMATED COST: \$1,000,000

ESTIMATED O&M COST: N/A

PROPOSED FINANCING: Stormwater Fund

PROJECT NECESSITY: The construction of this detention facility is identified in the Post Oak Creek Flood Protection Plan as needed in order to mitigate flooding.

DEPARTMENT/DIRECTOR: Director of Engineering, Clint Philpott

PROJECT YEAR: 2018 - 2019

CONSTRUCTION OF PROPOSED DAM 9A - DESIGN PHASE

DESCRIPTION:	Designing of a regional storm water detention facility on Sand Creek along West Washington Street.
ESTIMATED COST:	\$40,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	Stormwater Fund
PROJECT NECESSITY:	The construction of this detention facility is identified in the Post Oak Creek Flood Protection Plan as needed in order to mitigate flooding.
DEPARTMENT/DIRECTOR:	Director of Engineering, Clint Philpott

CANTERBURY DRIVE PROPERTY ACQUISITION FOR DETENTION POND

DESCRIPTION:	Acquisition of property on Post Oak Creek near Ricketts and Dover for the construction of a regional storm water detention facility.
ESTIMATED COST:	\$100,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	Stormwater Fund
PROJECT NECESSITY:	The construction of this detention facility is identified in the Post Oak Creek Flood Protection Plan as needed in order to mitigate flooding.
DEPARTMENT/DIRECTOR:	Director of Engineering, Clint Philpott

PROJECT YEAR: 2018 - 2019

CANTERBURY DRIVE DETENTION POND - DESIGN PHASE

DESCRIPTION:	Designing of a detention pond on Post Oak Creek, near Ricketts Street and Dover.
ESTIMATED COST:	\$50,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	Stormwater Fund
PROJECT NECESSITY:	The construction of this detention pond is identified in the Post Oak Creek Flood Protection Plan as necessary to mitigate flooding.
DEPARTMENT/DIRECTOR:	Director of Engineering, Clint Philpott

US 82 & POST OAK CROSSING PROPERTY ACQUISITION FOR DETENTION POND

DESCRIPTION:	Acquisition of property near US 82 and Post Oak Crossing for the construction of a regional storm water detention facility.
ESTIMATED COST:	\$300,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	Stormwater Fund
PROJECT NECESSITY:	The construction of this detention facility is identified in the Post Oak Creek Flood Protection Plan as needed in order to mitigate flooding.
DEPARTMENT/DIRECTOR:	Director of Engineering, Clint Philpott

PROJECT YEAR: 2018 - 2019

US 82/POST OAK CROSSING DETENTION POND - DESIGN PHASE

DESCRIPTION:	Designing of a detention pond on Post Oak Creek, near US 82 and Post Oak Crossing.
ESTIMATED COST:	\$150,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	Stormwater Fund
PROJECT NECESSITY:	The construction of this detention pond is identified in the Post Oak Creek Flood Protection Plan as necessary to mitigate flooding.
DEPARTMENT/DIRECTOR:	Director of Engineering, Clint Philpott

TAYLOR STREET PROPERTY ACQUISITIONS FOR DETENTION POND

DESCRIPTION:	Acquisition of property on Post Oak Creek near Taylor Street for the construction of a regional storm water detention facility.
ESTIMATED COST:	\$600,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	Stormwater Fund
PROJECT NECESSITY:	The construction of this detention facility is identified in the Post Oak Creek Flood Protection Plan as needed in order to mitigate flooding.
DEPARTMENT/DIRECTOR:	Director of Engineering, Clint Philpott

PROJECT YEAR: 2018 - 2019

TAYLOR STREET DETENTION POND - DESIGN PHASE

DESCRIPTION:	Designing of a detention pond on Post Oak Creek, near Taylor Street.
ESTIMATED COST:	\$300,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	Stormwater Fund
PROJECT NECESSITY:	The construction of this detention pond is identified in the Post Oak Creek Flood Protection Plan as necessary to mitigate flooding.
DEPARTMENT/DIRECTOR:	Director of Engineering, Clint Philpott

INCREASE CULVERT CAPACITY UNDER LAMBERTH ROAD

DESCRIPTION:	Increase capacity of the box culvert under Lamberth Road at the East Fork Post Oak culvert.
ESTIMATED COST:	\$793,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	Stormwater Fund
PROJECT NECESSITY:	Increasing culvert capacity is identified in the Post Oak Creek Flood Protection Plan as necessary to mitigate flooding and decrease road closures during 100-year storms.
DEPARTMENT/DIRECTOR:	Director of Engineering, Clint Philpott

PROJECT YEAR: 2018 - 2019

TAYLOR/WASHINGTON BRIDGES - EROSION & OVERLAY

DESCRIPTION:	Repair erosion damage and overlay the bridge deck on the West Taylor Street Bridge and West Washington Bridge at Post Oak Creek Bridge.
ESTIMATED COST:	\$92,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	Stormwater Fund
PROJECT NECESSITY:	These bridges were identified in the 2016 Bridge Inventory, Inspection, and Appraisal Program as in need of repair.
DEPARTMENT/DIRECTOR:	Director of Engineering, Clint Philpott

CENTER/MCGEE BRIDGES - EROSION & OVERLAY

DESCRIPTION:	Repair erosion damage and overlay the bridge deck on the Center Street and McGee Street bridges.
ESTIMATED COST:	\$300,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	Stormwater Fund
PROJECT NECESSITY:	These bridges were identified in the 2016 Bridge Inventory, Inspection, and Appraisal Program as in need of repair.
DEPARTMENT/DIRECTOR:	Director of Engineering, Clint Philpott

PROJECT YEAR: 2018 - 2019

CENTER/LAMBERTH BRIDGES - EROSION & OVERLAY

DESCRIPTION:	Repair erosion damage and overlay the bridge deck on Center Street at Sand Creek Bridge and Lamberth Road bridge.
ESTIMATED COST:	\$87,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	Stormwater Fund
PROJECT NECESSITY:	These bridges were identified in the 2016 Bridge Inventory, Inspection, and Appraisal Program as in need of repair.
DEPARTMENT/DIRECTOR:	Director of Engineering, Clint Philpott

2019-2020

PROJECT YEAR: 2019 - 2020

US 82/POST OAK CROSSING DETENTION POND - CONSTRUCTION

DESCRIPTION:	Construction of a detention pond on Post Oak Creek, near US 82 and Post Oak Crossing.
ESTIMATED COST:	\$1,036,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	Stormwater Fund
PROJECT NECESSITY:	Project is identified in the Post Oak Creek Flood Protection Plan and will decrease road closures during 100-year storms.
DEPARTMENT/DIRECTOR:	Director of Engineering, Clint Philpott

TAYLOR STREET DETENTION POND - CONSTRUCTION

DESCRIPTION:	Construction of a detention pond on Post Oak Creek, near Taylor Street.
ESTIMATED COST:	\$2,214,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	Stormwater Fund
PROJECT NECESSITY:	Project is identified in the Post Oak Creek Flood Protection Plan and will decrease road closures during 100-year storms.
DEPARTMENT/DIRECTOR:	Director of Engineering, Clint Philpott

PROJECT YEAR: 2019 - 2020

ARCHER DRIVE PROPERTY ACQUISITIONS FOR DETENTION POND

DESCRIPTION:	Acquisition of properties on Archer Drive for the future location of a regional storm water detention facility.
ESTIMATED COST:	\$4,238,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	Stormwater Fund
PROJECT NECESSITY:	Project is identified in the Post Oak Creek Flood Protection Plan and is necessary for flood damage mitigation.
DEPARTMENT/DIRECTOR:	Director of Engineering, Clint Philpott

ARCHER DRIVE DETENTION POND - DESIGN PHASE

DESCRIPTION:	Designing of a detention pond on Post Oak Creek, near the intersection of Archer Drive and Crescent Drive.
ESTIMATED COST:	\$100,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	Stormwater Fund
PROJECT NECESSITY:	The construction of this detention pond is identified in the Post Oak Creek Flood Protection Plan as necessary to mitigate flooding.
DEPARTMENT/DIRECTOR:	Director of Engineering, Clint Philpott

PROJECT YEAR: 2019 - 2020

CHOCTAW CREEK EASEMENT ACQUISITIONS

DESCRIPTION:	Acquisition of access easements for Choctaw Creek Site 8A and Choctaw Creek Site 10A (Pickens Dam).
ESTIMATED COST:	\$15,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	Stormwater Fund
PROJECT NECESSITY:	The Emergency Action Plan for these dams recommends acquiring easements in order to access the dams during emergency situations.
DEPARTMENT/DIRECTOR:	Director of Engineering, Clint Philpott

HILLCREST/WOOD BRIDGES - EROSION & OVERLAY

DESCRIPTION:	Repair erosion damage and overlay the bridge deck on Hillcrest Street and North Woods Street bridges.
ESTIMATED COST:	\$77,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	Stormwater Fund
PROJECT NECESSITY:	These bridges were identified in the 2016 Bridge Inventory, Inspection and Appraisal Program as in need of repair.
DEPARTMENT/DIRECTOR:	Director of Engineering, Clint Philpott

2020-2021

PROJECT YEAR: 2020 - 2021

PEYTON STREET DETENTION POND - CONSTRUCTION

DESCRIPTION:	Construction of a detention pond on Post Oak Creek, near the intersection of Peyton Street and Texoma Parkway
ESTIMATED COST:	\$757,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	Stormwater Fund
PROJECT NECESSITY:	Project is identified in the Post Oak Creek Flood Protection Plan and will decrease road closures during 100-year storms.
DEPARTMENT/DIRECTOR:	Director of Engineering, Clint Philpott

CANTERBURY DRIVE DETENTION POND - CONSTRUCTION

DESCRIPTION:	Construction of a detention pond on Post Oak Creek, near Ricketts and Dover.
ESTIMATED COST:	\$378,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	Stormwater Fund
PROJECT NECESSITY:	Project is identified in the Post Oak Creek Flood Protection Plan and will decrease road closures during 100-year storms.
DEPARTMENT/DIRECTOR:	Director of Engineering, Clint Philpott

PROJECT YEAR: 2020 - 2021

ARCHER DRIVE DETENTION POND - CONSTRUCTION

DESCRIPTION:	Construction of a regional storm water detention facility on Post Oak Creek, near Archer Drive and Crescent Drive.
ESTIMATED COST:	\$757,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	Stormwater Fund
PROJECT NECESSITY:	Project is identified in the Post Oak Creek Flood Protection Plan and is necessary for flood damage mitigation.
DEPARTMENT/DIRECTOR:	Director of Engineering, Clint Philpott

TOWN CENTER DETENTION POND - CONSTRUCTION

DESCRIPTION:	Construction of a regional storm water detention facility in Town Center.
ESTIMATED COST:	\$419,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	Stormwater Fund
PROJECT NECESSITY:	The construction of this detention pond is identified in the Post Oak Creek Flood Protection Plan as necessary to mitigate flooding.
DEPARTMENT/DIRECTOR:	Director of Engineering, Clint Philpott

PROJECT YEAR: 2020 - 2021

INCREASE CULVERT CAPACITY UNDER GRIBBLE STREET

DESCRIPTION:	Increase the capacity of Stream G box culvert under Gribble Street.
ESTIMATED COST:	\$275,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	Stormwater Fund
PROJECT NECESSITY:	This project is identified in the Post Oak Creek Flood Protection Plan as needed in order to mitigate flood damage and decrease road closures during 100-year storms.
DEPARTMENT/DIRECTOR:	Director of Engineering, Clint Philpott

INCREASE CHANNEL CAPACITY NEAR LAMAR STREET & US 75

DESCRIPTION:	Increase capacity of the channel near Lamar Street and US 75.
ESTIMATED COST:	\$1,437,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	Stormwater Fund
PROJECT NECESSITY:	This project is identified in the Post Oak Creek Flood Protection Plan as needed in order to mitigate flood damage.
DEPARTMENT/DIRECTOR:	Director of Engineering, Clint Philpott

PROJECT YEAR: 2020 - 2021

INCREASE CHANNEL CAPACITY NEAR CENTER STREET & POST OAK

DESCRIPTION:	Increase capacity of the channel near Center Street and Post Oak.
ESTIMATED COST:	\$2,698,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	Stormwater Fund
PROJECT NECESSITY:	This project is identified in the Post Oak Creek Flood Protection Plan as needed in order to mitigate flood damage.
DEPARTMENT/DIRECTOR:	Director of Engineering, Clint Philpott

RICKETTS/CENTENNIAL/ETC. BRIDGES - EROSION & OVERLAY

DESCRIPTION:	Repair erosion damage and overlay the bridge deck on North Ricketts Street, Centennial Street, West Pecan Street & Blue Flame Road bridges.
ESTIMATED COST:	\$68,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	Stormwater Fund
PROJECT NECESSITY:	These bridges were identified in the 2016 Bridge Inventory, Inspection, and Appraisal Program as in need of repair damage.
DEPARTMENT/DIRECTOR:	Director of Engineering, Clint Philpott

2021-2022

PROJECT YEAR: 2021 - 2022

CONSTRUCTION OF PROPOSED DAM 9A

DESCRIPTION:	Construction of a regional storm water detention facility on Sand Creek along West Washington Street.
ESTIMATED COST:	\$5,000,000
ESTIMATED O&M COST:	N/A
PROPOSED FINANCING:	Stormwater Fund
PROJECT NECESSITY:	Project is identified in the Post Oak Creek Flood Protection Plan as in need of flood mitigation.
DEPARTMENT/DIRECTOR:	Director of Engineering, Clint Philpott

CAPITAL FINANCING

CAPITAL FINANCING

In preparing a capital improvement program, care must be exercised to keep the proposed program within the financial capabilities of the City. To do this requires that consideration be given to existing revenue funds, as well as existing and proposed debt requirement. The main sources of revenue available to the City of Sherman for Capital Improvements at present are: (1) Ad Valorem Taxes, (2) General Fund Revenues, (3) segregated cash reserves, (4) segregated capital funds, (5) Texas Department of Transportation funds, (6) other governmental grants, and (7) private funds.

Ad Valorem Taxes: The form of revenue typically used for General Services Capital Financing is the Ad Valorem Tax. Most often this is used as a covenant of Debt Financing, and the tax is used to pay Debt Service requirements. Other uses of Ad Valorem Tax include the setting aside of a certain percent or amount of tax for "pay-as-you-go" capital financing. The City of Sherman does not currently do this. A history of property taxes for the City of Sherman is noted in Table I.

Debt Service: The City categorizes its debt as General Debt. General Debt is generally supported by Ad Valorem Taxes or Sales Taxes. Table II shows the General Debt Service Requirements. Due to favorable financing considerations, the majority of the city's long-term capital needs are addressed by issuing contractual debt through the Greater Texoma Utility Authority. Table III shows the debt service requirements for this obligation. Possible future bond issues must be considered in light of existing debt in order to minimize potential tax or rate increases.

Segregated Cash Reserves: In the past, unexpended balances of operating funds have been transferred into a segregated cash reserve for the purpose of future capital financing. The General Improvement Fund and the Utility Improvement Fund account for use of these resources.

Private Funds: Funding from developers.

TABLE I

**ANALYSIS OF ASSESSED VALUATION
FIVE YEAR PERIOD**

FISCAL YEAR ENDED	REAL PROPERTY ASSESSED VALUE	PERSONAL PROPERTY ASSESSED VALUE	TOTAL
2013	\$1,616,905,689	\$669,015,575	\$2,285,921,264
2014	\$1,610,876,929	\$646,220,653	\$2,257,097,582
2015	\$1,704,026,301	\$671,124,549	\$2,375,150,850
2016	\$1,823,350,651	\$706,697,730	\$2,530,048,381
2017	\$2,246,249,866	\$680,478,596	\$2,926,728,462

**ANALYSIS OF PROPERTY TAX LEVIES AND COLLECTIONS
FIVE YEAR PERIOD**

FISCAL YEAR ENDED	TAX LEVY	CURRENT COLLECTIONS	PERCENT COLLECTIONS	PRIOR YEAR COLLECTIONS	TOTAL COLLECTIONS
2013	\$7,314,948	\$7,139,474	97.60%	\$178,210	\$7,317,684
2014	\$7,854,700	\$7,737,469	98.51%	\$122,078	\$7,859,547
2015	\$8,835,561	\$8,631,000	97.68%	\$217,360	\$8,848,360
2016	\$9,411,780	\$9,141,412	97.13%	\$358,454	\$9,499,866
2017	\$11,540,090	\$10,538,745	91.32%	\$0	\$10,538,745

NOTE: 2017 COLLECTIONS ARE ESTIMATES AT 7-26-2017

TABLE II

**BOND DEBT SERVICE FUNDS
STATEMENT OF BONDED INDEBTEDNESS: 2016 - 2017**

DATE	TITLE & PURPOSE	TERM (YEARS)	ORIGINAL ISSUE AMOUNT	RETIRED IN PREVIOUS YEARS	DEBT BALANCE 10/01/2015
2004	COMBINATION TAX AND TAX INCREMENT REVENUE CERTIFICATES OF OBLIGATION FOR TAX INCREMENT FINANCING ZONE #1 IMPROVEMENTS	20	\$2,840,000	\$1,390,000	\$1,450,000
2006	GENERAL OBLIGATION REFUNDING BONDS FOR REFUNDING CAPITAL IMPROVEMENTS	25	\$1,605,000	\$395,000	\$1,210,000
2006	LAKE TEXOMA WATER RIGHTS	40	\$3,727,060	\$980,465	\$2,746,595
2008	TAX AND WATERWORKS AND SEWER SYSTEM (LIMITED PLEDGE) REVENUE CERTIFICATES OF OBLIGATION FOR STREET & PARK DEVELOPMENT	20	\$5,000,000	\$1,400,000	\$3,600,000
2009	TAX AND WATERWORKS AND SEWER SYSTEM (LIMITED PLEDGE) REVENUE CERTIFICATES OF OBLIGATION FOR STREET & PARK DEVELOPMENT	20	\$5,000,000	\$1,440,000	\$3,560,000
2009	TAX AND WATERWORKS AND SEWER SYSTEM (LIMITED PLEDGE) REVENUE CERTIFICATES OF OBLIGATION FOR STREET & PARK DEVELOPMENT	20	\$3,500,000	\$885,000	\$2,615,000
2016	LIMITED TAX NOTES FOR STREET IMPROVEMENTS	3	\$1,830,000	\$0	\$1,830,000
2016	TAX AND WATERWORKS AND SEWER SYSTEM (LIMITED PLEDGE) REVENUE CERTIFICATES OF OBLIGATION FOR STREET AND PARK DEVELOPMENT AND CITY FACILITIES	20	\$6,970,000	\$0	\$6,970,000

BOND DEBT SERVICE FUND
SCHEDULE OF REQUIREMENTS: 2017 - 2024

FISCAL YEAR ENDING 09/30	PRINCIPAL	INTEREST	TOTAL
2017	\$1,300,000	\$708,814	\$2,008,814
2018	\$1,680,000	\$1,551,965	\$3,231,965
2019	\$2,345,000	\$1,242,116	\$3,587,116
2020	\$2,425,000	\$1,173,614	\$3,598,614
2021	\$2,025,000	\$1,099,239	\$3,124,239
2022	\$2,105,000	\$1,029,693	\$3,134,693
2023	\$2,190,000	\$952,881	\$3,142,881
2024	\$2,020,000	\$868,525	\$2,888,525
TOTAL	\$14,070,000	\$7,758,321	\$21,828,321

TABLE III

**CONTRACTUAL DEBT
2017 - 2023**

YEAR	PRINCIPAL	INTEREST	TOTAL
2017	\$4,539,520	\$1,430,324	\$5,969,844
2018	\$4,949,920	\$1,448,567	\$6,398,487
2019	\$5,040,320	\$1,368,312	\$6,408,632
2020	\$5,155,720	\$1,268,082	\$6,423,802
2021	\$4,047,200	\$1,158,171	\$5,205,371
2022	\$3,902,600	\$1,088,502	\$4,991,102
2023	\$3,983,000	\$1,017,241	\$5,000,241
TOTAL	\$31,618,280	\$8,779,199	\$40,397,479



SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

E.4.

Meeting Date: 08/07/2017

Prepared By: Brandon Shelby, City Attorney

Approved By: Robby Hefton, City Manager

Caption:

OTHER BUSINESS

Consider Charter Amendments proposed by the Charter Review Commission for the November 7, 2017 Special Election

Issue:

Review and discuss the Charter amendments proposed by the Charter Review Commission for the November 7, 2017 Special Election

Background:

Only a home-rule city may have a city charter. By State law, a city charter, once adopted, is law that the city must follow in carrying out its duties, except as limited by state or federal law. As deficiencies appear in the charter, either new law must be added or old unusable law must be deleted. At the July 17th City Council meeting, the Mayor appointed, with the City Council's approval, Deputy Mayor Jason Sofey, Councilman Kevin Couch, and himself to the Charter Review Commission. This Commission has been working with the City Manager, Assistant City Manager and City Attorney on proposed amendments, which they are ready to submit to the City Council at this meeting.

Proposed Charter amendments will be provided at the Council meeting.

Origination:

Charter Review Commission
City Manager and staff

Financial Consideration:

There is no financial impact to be considered.

Staff Recommendation:

It is recommended that the Council deliberate and form a consensus on the proposed Charter amendments to be submitted to the voters at the November 7th Special Election.

Alternatives:

The Council could give the Charter Review Commission and City staff further direction on developing proposed Charter amendments.



SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

E.5.

Meeting Date: 08/07/2017

Prepared By: Pamela Cloer, Assistant to the City Manager

Approved By: Robby Hefton, City Manager

Caption:

*** OTHER BUSINESS**

Consider Calling a Special Meeting of the City Council for Tuesday, September 5, 2017, due to Conflict with a Federal Holiday

Issue:

To consider calling a special meeting of the City Council for 5:00 p.m. on Tuesday, September 5, 2017, to make up for the first regular meeting in September, which falls on the Federal Holiday of Labor Day

Background:

The City Charter provides that City Council regular meetings shall fall “on the first and third Mondays of each month, excluding holidays, at its discretion.” The regular date for the Council’s first meeting in September is Monday, September 4th, a Federal Holiday to celebrate Labor Day. This day is an officially recognized holiday for City of Sherman employees and is traditionally respected by not holding regular City Council meetings on this Federal Holiday. While the Charter provision does not require the City Council to meet on a Federal Holiday, neither does it establish a make up date, which would be done by a motion and order with a 72-hour public notice.

Origination:

City Manager's Office

Financial Consideration:

There is no financial impact to be considered.

Staff Recommendation:

It is recommended that the City Council call a special City Council meeting for 5:00 p.m. on Tuesday, September 5th.

Alternatives:

No alternative is recommended since the first meeting in September is necessary in the process to set the property tax rate.



SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

E.6.

Meeting Date: 08/07/2017

Prepared By: Pamela Cloer, Assistant to the City Manager

Approved By: Robby Hefton, City Manager

Caption:

*** 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 Monday, September 25, 2017, to Review and Approve 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 Monday, September 25, 2017, to review and approve 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 for the upcoming 2017-2018 fiscal year.

Origination:

SEDCO President John J. Plotnik, SIOR, CECd
City Manager Robby Hefton

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 Monday, September 25th in the City Council Chambers.

Alternatives:

An alternate date, if needed, is Tuesday, September 26, 2017.

Attachments

SEDCO's Joint Meeting Request dated June 28, 2017



SHERMAN

ECONOMIC DEVELOPMENT CORPORATION

June 28, 2017

Mr. David Plyler
Mayor, City of Sherman
220 W. Mulberry St.
Sherman, Texas 75090

Dear Mayor Plyler:

The Bylaws of the Sherman Economic Development Corporation (SEDCO) require the organization to present an annual program of work and budget to the Sherman City Council.

Sherman Economic Development Corporation requests a joint meeting of the SEDCO Board of Directors and Sherman City Council to be held at 12:00 noon on either Monday, September 25 or Tuesday, September 26, 2017 at Sherman City Hall.

At the meeting, SEDCO will present the results of the 2016-17 Program of Work, the proposed 2017-18 Program of Work and the proposed budget for 2017-18.

Thank you for your consideration of this request.

Best Regards,

John J. Plotnik, SIOR, CEcD
President, SEDCO



SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

E.7.

Meeting Date: 08/07/2017

Prepared By: Scott Shadden, Director of Developmental Services

Approved By: Robby Hefton, City Manager

Caption:

*** OTHER BUSINESS**

Replat Approval of Lot 16R, Block 11, W. Elliott's Addition, being a Replat of Lots 16-24, Block 11 of W. Elliott's Addition, being 0.725 acres in the G.B. Pilant Survey, Abstract No. 963, also being Lots 16 thru 24, Block 11, W. Elliott's Addition; Mendi Salejeski, Owner; BWG Architecture, Architect; and Underwood Drafting & Surveying, Surveyor (712 South Willow Street)

Issue:

To consider Replat approval of Lot 16R, Block 11, W. Elliott's Addition, being a Replat of Lots 16-24, Block 11 of W. Elliott's Addition, being 0.725 acres in the G.B. Pilant Survey, Abstract No. 963, also being Lots 16 thru 24, Block 11, W. Elliott's Addition, located at 712 South Willow Street

Background:

The property is located at 712 South Willow Street; the northwest corner of Willow and Odneal Streets. The property is zoned an R-1 (One Family Residential) District. The owner would like to replat nine lots into one lot for residential development.

Origination:

Mendi Salejeski (Owner)
BWG Architecture (Architect)
Underwood Drafting and Surveying (Surveyor)

Financial Consideration:

None

Staff Recommendation:

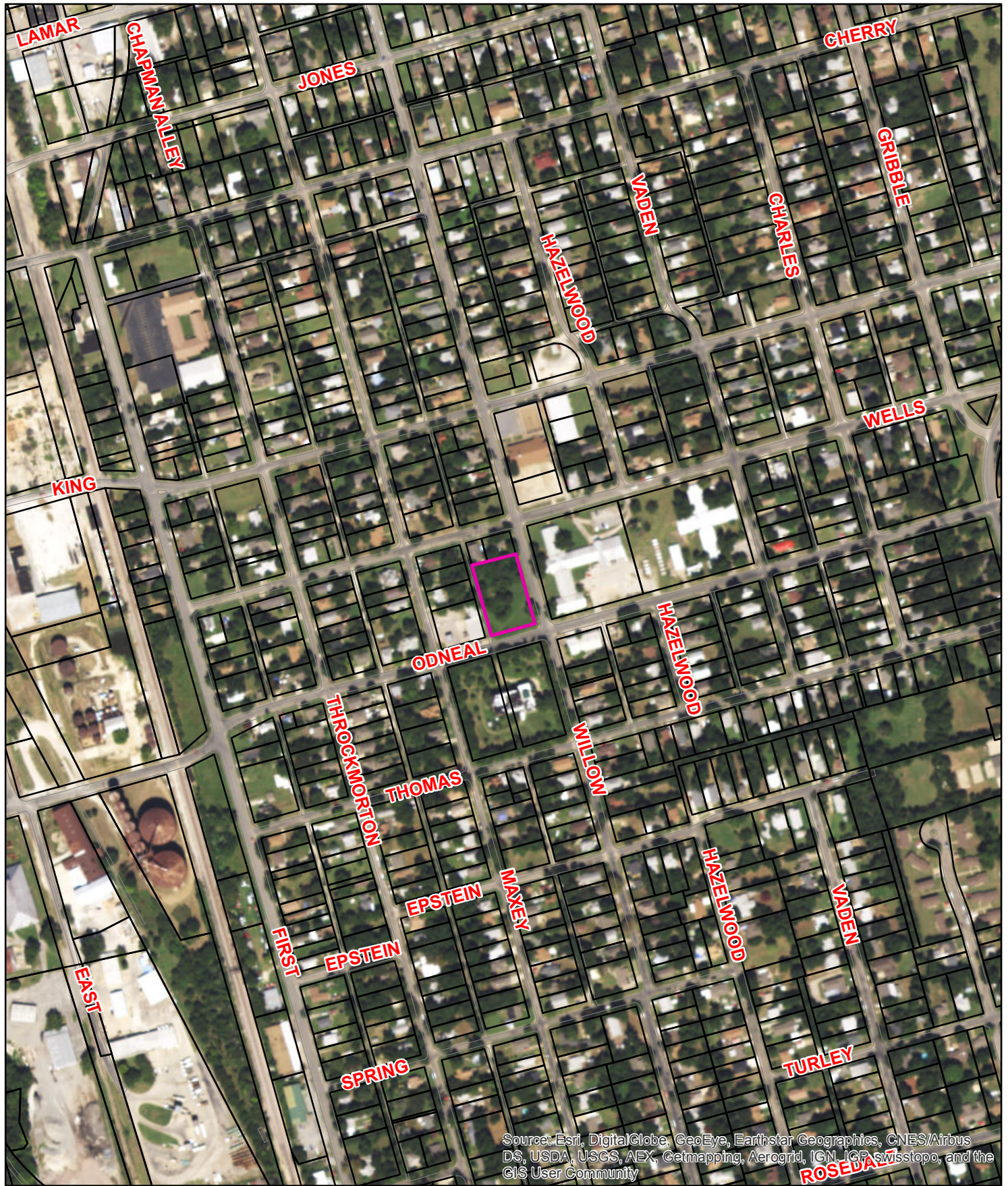
At the July 18, 2017 regular meeting, the Planning & Zoning Board voted unanimously to recommend to the City Council that the Replat be approved subject to the Staff Review Letter.

Alternatives:

None

Attachments

Location Map
Zoning Map
Zoning Sign Photo
Replat
Staff Review Letter
P&Z Communication

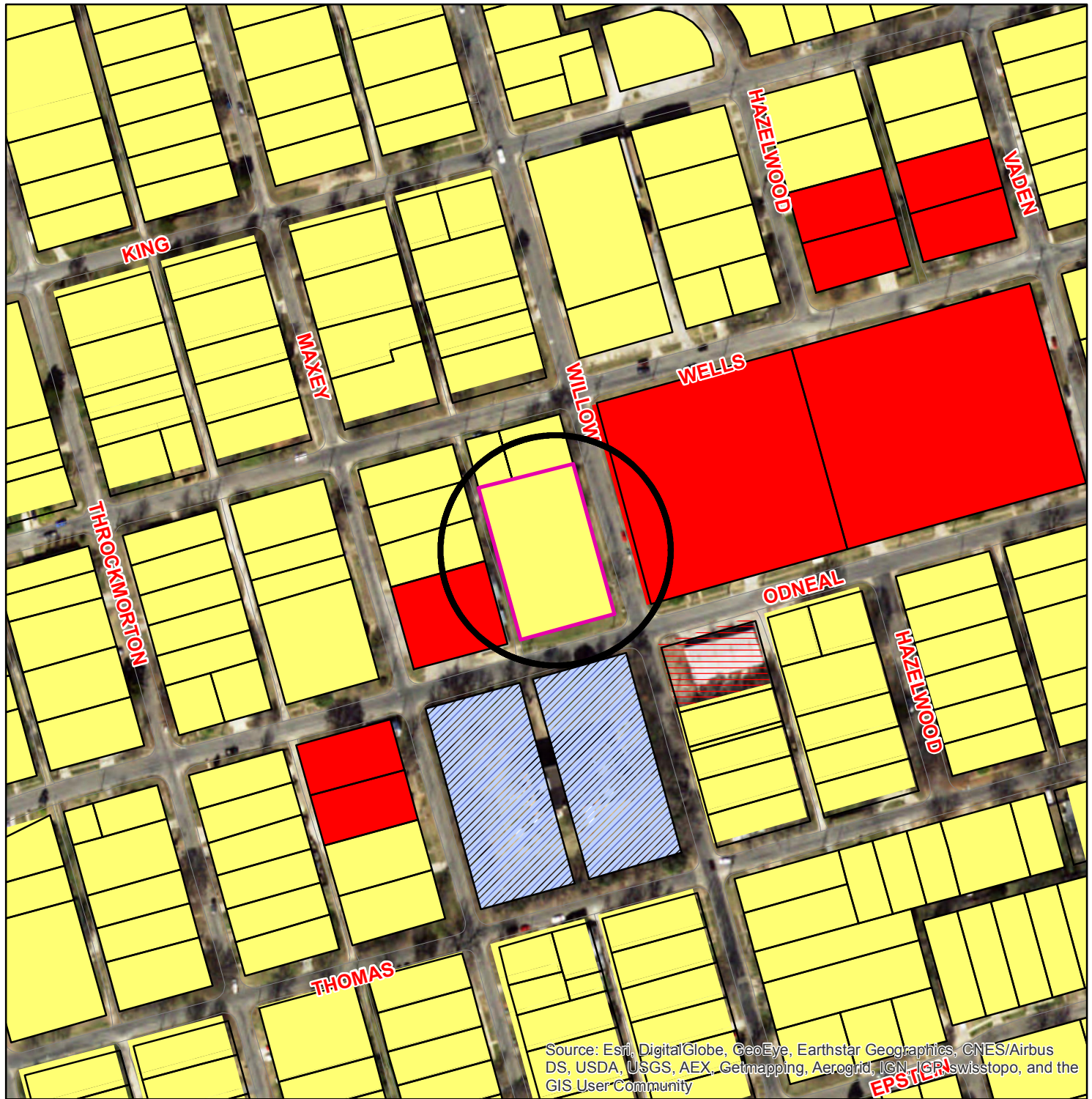


712 S. Willow Street



1 in = 400 ft

City of Sherman, Texas
Developmental Services Department



Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AEX, Getmapping, Aerogrid, IGN, IGP, Swisstopo, and the GIS User Community

Zoning - 712 S. Willow Street

Legend

Special Districts Overlay

- Arts and Cultural District
- Blalock Commercial Overlay District
- Central Business District
- College Park District
- Downtown Overlay District
- Historic Preservation District

Transportation Corridor

- FM 1417
- Sam Rayburn Freeway
- US Hwy 82 and 75
- SH 289
- FM 691

Zoning Districts

- Unknown
- BIP Blalock Industrial Park
- C-1 Retail Business District
- C-2 General Commercial District
- CO Office District
- Lakes
- M-1 Light Manufacturing District
- M-1.5 Medium Manufacturing District
- M-2 Heavy Manufacturing District
- MH Manufacturing Housing District
- R-1 One Family Residential District
- R-2 Multi-Family Residential District
- R-A Single Family Agricultural District
- SF-1 Single Family Residential District



City of Sherman, Texas
Developmental Services Department

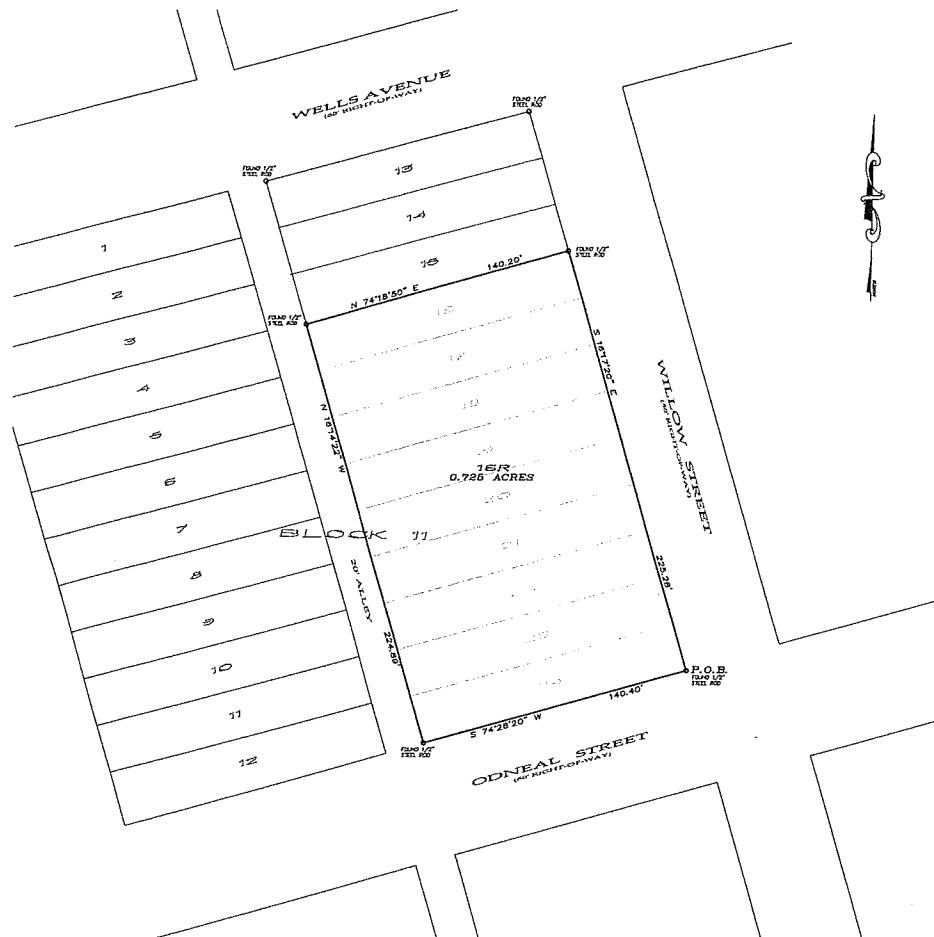


NOT TO SCALE

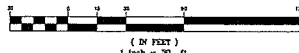
1 in = 202 ft

712 S. Willow St.





- BASE OF BEARINGS -
GRID NORTH, NAD 83
TEXAS STATE PLANE COORDINATE SYSTEM
NORTH CENTRAL ZONE



DRAFTING & SURVEYING
3404 INTERURBAN ROAD DENISON, TEXAS 75021 (903)465-2151

LEGAL DESCRIPTION

Situated in the City of Sherman, County of Grayson, State of Texas, being a part of the G.B. Plant Survey, Abstract No. 963, and being all of Lots 16, 17, 18, 19, 20, 21, 22, 23 & 24, Block 11 of W. Elliott's Addition an addition to the City of Sherman as shown by plat of record in Volume 101, Page 4 & 484, Deed Records, Grayson County, Texas and being more particularly described by metes and bounds as follows:

Beginning at a 1/2" steel rod found at the intersection of the North right-of-way line of Odessa Street and the West line to Willow Street said rod maintaining the southeast corner of said Block 11;

Thence South 74°28'20" West, along the north line of said Odneal Street and South line of said Lot 24, a distance of 140.40 feet to a 1/2" steel rod found maintaining the southwest corner of said Lot 24.

Thence North 16°14'22" West, along the west line of said Lots 24 thru 16, a distance of 224.89 feet to a 1/2" steel rod found maintaining the northwest corner of said Lot 16.

Thence North 74°18'50" East, along the north line of said Lot 16, a distance of 140.20 feet to a 1/2" steel rod found in the west line of said Willow Street maintaining the northeast corner of said Lot 16;

Thence South 16°17'20" East, along the west line of said Willow Street, a distance of 225.28 feet to the Point-of-Beginning and containing 0.725 acres of land.

KNOWN ALL MEN BY THESE PRESENTS:

That I, Douglas W. Underwood, Registered Professional Land Surveyor, do hereby certify that I prepared this plat from an actual and accurate survey of the land and that the corner monuments thereon were properly placed, under my personal supervision, in accordance with the subdivision regulations of the City of Sherman, Texas.

Douglas W. Underwood
Registered Professional
Land Surveyor, No. 4709

Date

NOW THEREFORE KNOWN ALL MEN BY THESE PRESENTS:

[illegible]

WITNESS MY HAND this _____ day of _____, 2017.

MENON SALJESKI

STATE OF TEXAS
COUNTY OF GRAYSON

BEFORE ME, the undersigned authority, a Notary Public in and for said County and State, on this day personally appeared MENDI SALASERU known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purpose and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this day of , 2017.

Notary Public in and for
the State of Texas
Commission Expires:

Approved this _____ day of _____ 2017, by the
City Planning Commission to the City of Sherman, Texas.

Chairman

Secretory

Accepted by the City Council of the City of Sherman

Mayor, City of Sherman, Texas

Data

The Undersigned, the City Clerk of the City of Sherman, hereby certifies that the foregoing, Final Plat of LOT 16R, BLOCK 11, W. ELWOTTS ADDITION, was submitted to the City of Sherman, Texas, was submitted to the City Council on the _____ day of _____, 1917, and the City Council, by formal action then and there accepted the dedication of streets, sidewalks, corners and public places, as shown and set forth in and upon said map or plat, and said City Council further authorized the Mayor to note the acceptance thereof by signing his name as herein above subscribed.

Witness my hand this _____ day of _____, 2017.

~ GENERAL NOTES ~

- [illegible]

Clerk, City of Sherman, Texas

Clerk, City of Sherman, Texas

5-15-1

DRAFTING & SURVEYING
3404 INTERURBAN ROAD DENISON, TEXAS 75021 (903)465-2151

STAFF REVIEW LETTER

July 10, 2017

Mendi Salijeski
220 Archer Drive
Sherman, TX 75092

Underwood Drafting & Surveying
3404 Interurban Road
Denison, TX 75021

Dear Applicants,

The request for approval of the Plat of Lot 16R, Block 11, W. Elliott's Addition has been scheduled to be heard by the Planning and Zoning Board on the day of Tuesday, July 18, 2017 at 5:00 p.m., in the City Council Chambers, City Hall at 220 W. Mulberry.

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

1. Letters from various utility providers are required verifying availability of service and when service will be available.
2. Original tax certificates shall be furnished for the purpose of recording the plat.
3. Drive approaches and sidewalks must conform to City of Sherman standards and a permit is required from City of Sherman Engineering Department.
4. The width of the right-of-way and pavement for streets shall be shown on the plat.
5. The City of Sherman does not maintain alleys.
6. Dedicate a 10' Utility Easement along street frontage.
7. Any other changes made to the plat prior to the final fulfillment of the conditions of the staff review, must be considered minor by staff, as to not require resubmission to the Planning & Zoning Commission.
8. 2 Mylars must be submitted in 24"x36" size for recording. 1 mylar must be split to be 2-12"x18" pages per Grayson County requirements. 1 page must have the legal description and the other page must have the image. Both mylars must look the same with the exception of the split line down the middle. Both split pages must include the Subdivision Name block. Submit digital image to the Engineering department for approval prior to printing mylars.

The Board will not consider a request unless it has representation. You are hereby notified to be present, either in person or by a legally authorized representative to present your case on the date and time stated above.

If additional information or clarification is needed, do not hesitate to contact Clint Philpott, at 903-892-7327 prior to the meeting.

Respectfully,



Clint A. Philpott, P.E.,
Director of Engineering

cc: Robby Hefton, City Manager
Brandon Shelby, City Attorney
Danny Fuller, Fire Marshal

Scott Shadden, Director of Development Services
Mark Gibson, Director of Utilities
Steve Ayers, Assistant City Manager



**Planning & Zoning Commission and Board of
Adjustments**

Agenda Item No. 5.

Meeting Date: 07/18/2017

Prepared by: Patsy Reeves, Developmental Services Admin Secretary
Scott Shadden, Director of Development Services

Clay Mahone, Chairman

Kyle Patterson, Vice-Chairman

Joe Gilbert, Commissioner

Eric Elliott, Commissioner

Sean Vanderveer, Commissioner

Shawn Davis, Commissioner

Jeff Adams, Commissioner

David Downtain, Commissioner

Trish Bridges, Commissioner

Requested Action/Proposed Use:

*** 712 S. WILLOW STREET**

The request of Mendi Salejeski (Owner), BWG Architecture (Architect) and Underwood Drafting and Surveying (Surveyor) concerning the property located at 712 South Willow Street, being 0.725 acres in the G.B. Pilant Survey, Abstract No. 963, also being Lots 16 thru 24, Block 11, W. Elliott's Addition, as follows:

Planning and Zoning Board

Replat approval of Lot 16R, Block 11, W. Elliott's Addition, Being a Replat of Lots 16-24, Block 11 of W. Elliott's Addition.

Background:

The property is located at 712 South Willow Street; the northwest corner of Willow and Odneal Streets and is zoned an R-1 (One Family Residential) District. The owner would like to replat nine lots into one lot, change the zoning on the property to an R-2 (Multi-Family Residential) District to construct an apartment complex on the lot.

Adjacent Zoning:

R-1 (One Family Residential) District

R-2 (Multi-Family Residential) District

C-1 (Retail Business) District

C-2 (General Commercial) District

Origination:

Mendi Salejeski (Owner)

BWG Architecture (Architect)

Underwood Drafting and Surveying (Surveyor)

Master Plan Designation:

Auto-Urban Single Family Residential – This character type is the single-family residential category with the greatest density and the shortest building setbacks. Most driveways will face the street as well as the garage. Sidewalks are available for pedestrians. Less lot area is devoted to open space and greenery.

Number of notices mailed:

157

Objections Received:

0

Attachments

Location Map

Zoning Map

Zoning Sign Photo

Replat

Staff Review Letter



SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

E.8.

Meeting Date: 08/07/2017

Prepared By: Scott Shadden, Director of Developmental Services

Approved By: Robby Hefton, City Manager

Caption:

*** OTHER BUSINESS**

Replat Approval of Lots 6 & 7 and a Portion of Lot 3, Block 5, G.W. Bond's Supplement No. 2 Addition, being 0.674 acres in the J.B. McAnair Survey, Abstract No. 763, also being All of Lots 6 and 7 and Part of Lot 3, Block 5, G.W. Bond's Supplement No. 2 Addition; Mack Broiles, Owner; J.C. Sild Holdings, Developer; and Helvey-Wagner Surveying, Surveyor (603 and 613 North Walnut Street)

Issue:

To consider Replat approval of Lots 6 & 7 and a portion of Lot 3, Block 5, G.W. Bond's Supplement No. 2 Addition, being 0.674 acres in the J.B. McAnair Survey, Abstract No. 763, also being all of Lots 6 and 7 and part of Lot 3, Block 5, G.W. Bond's Supplement No. 2 Addition, located at 603 and 613 North Walnut Street

Background:

The property is located at 603 and 613 North Walnut, the northwest corner of Pacific and Walnut Streets, and is zoned a C-1 (Retail Business) District. The owner would like to replat two lots and a portion of a lot into two lots.

Origination:

Mack Broiles (Owner)

J.C. Sild Holdings (Developer)

Helvey-Wagner Surveying, Inc. (Surveyor)

Financial Consideration:

None

Staff Recommendation:

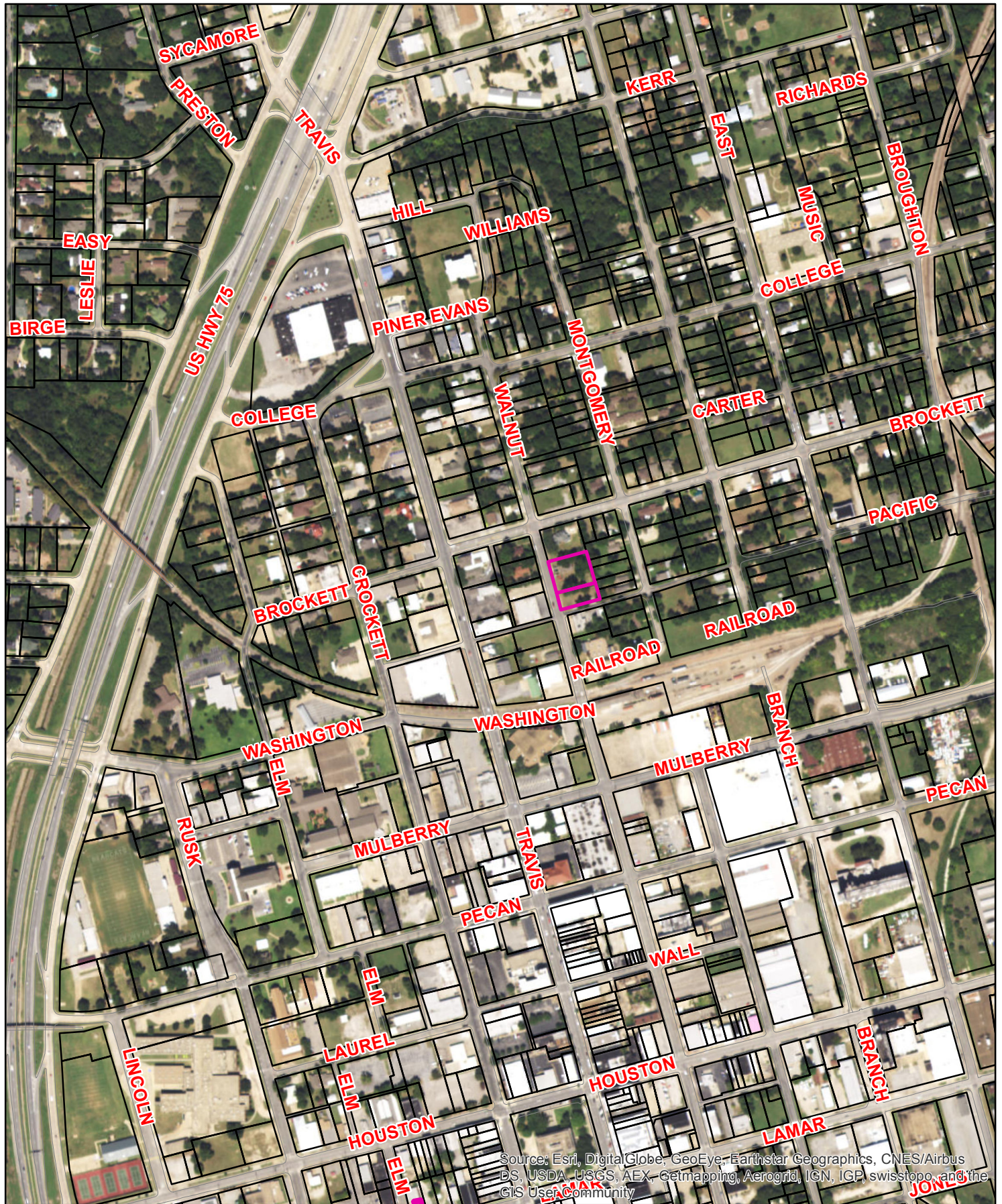
At the July 18, 2017 regular meeting, the Planning & Zoning Board voted unanimously to recommend to the City Council that the Replat be approved subject to the Staff Review Letter.

Alternatives:

None

Attachments

Location Map
Zoning Map
Zoning Sign Photo
Replat
Staff Review Letter
P&Z Communication



Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AEX, Getmapping, Aerogrid, IGN, IGP, swisstopo, and the GIS User Community



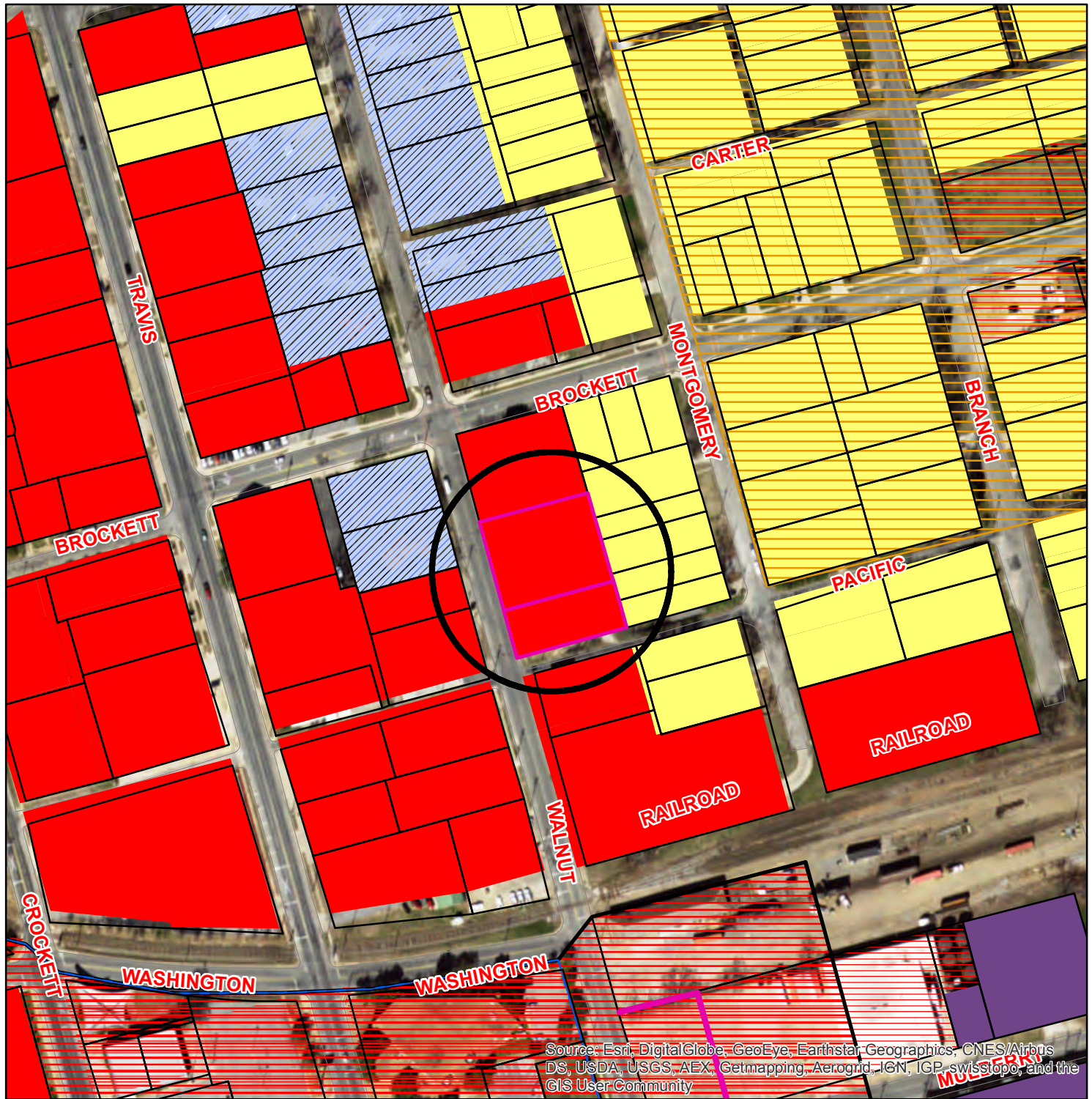
603 & 613 N Walnut



NOT TO SCALE

1 in = 500 ft

City of Sherman, Texas
Developmental Services Department



Zoning - 603 & 613 N. Walnut

Legend

Special Districts Overlay

- Arts and Cultural District
- Blalock Commercial Overlay District
- Central Business District
- College Park District
- Downtown Overlay District
- Historic Preservation District

Transportation Corridor Zoning Districts

- FM 1417
- Sam Rayburn Freeway
- US Hwy 82 and 75
- SH 289
- FM 691

Unknown

- BIP Blalock Industrial Park
- C-1 Retail Business District
- C-2 General Commercial District
- CO Office District
- Lakes
- M-1 Light Manufacturing District
- M-1.5 Medium Manufacturing District
- M-2 Heavy Manufacturing District
- MH Manufacturing Housing District
- R-1 One Family Residential District
- R-2 Multi-Family Residential District
- R-A Single Family Agricultural District
- SF-1 Single Family Residential District

Sherman
CLASSIC TOWN. BROAD HORIZON.

City of Sherman, Texas
Developmental Services Department



NOT TO SCALE

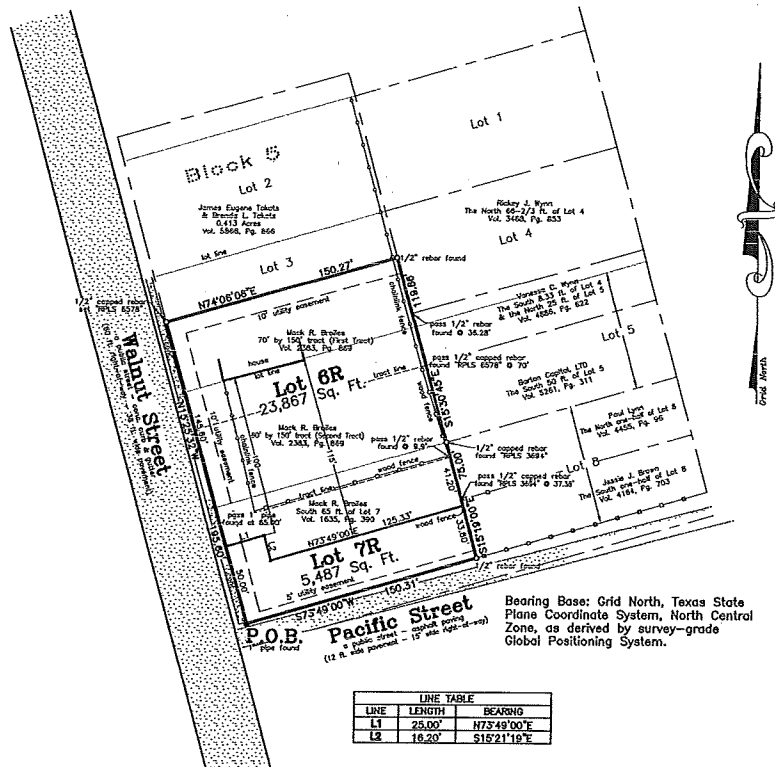
1 in = 194 ft

603 N. Walnut St.



613 N. Walnut St.





**Replat of Lots 6 & 7 and a portion of Lot 3,
Lot 5, G.W. Bond's Supplement No. 2 Addition
to
the City of Sherman, Texas
0.674 Acres
in the
J. B. McAnair Survey
Abstract No. 763**

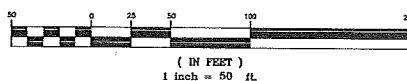
General Notes:

1. Water Supply to be provided by the City of Sherman.
2. Sewer service to be provided by the City of Sherman.
3. Electrical service is provided by Oncor Electric Delivery Co.
4. The property shown on the plat hereon lies within a Zone "X" (areas determined to be outside 500-year floodplain) Designation, as shown on the Flood Insurance Rate Map for Grayson County, Texas and Incorporated Areas, Map No. 4818100290 F, Revised Date: September 29, 2010.
5. Neither the City of Sherman nor the undersigned surveyor will be responsible for any damage, personal injury, or loss of life or property occasioned by flooding or flooding conditions.

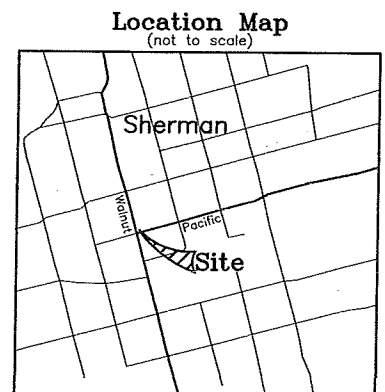
Helvey-Wagner Surveying, Inc.
222 W. Main St., Denison, Texas 75020
Ph (803) 463-6191 Fax (803) 463-4088
Email: helveysurvey@comcast.net
Texas Board of Professional Land Surveying
Firm Registration No. 10088100

Owner:
Mack R. Broiles
P.O. Box 3377
Sherman, Texas 75091

GRAPHIC SCALE



Job No. CGS36617



STAFF REVIEW LETTER

July 10, 2017

Mack R. Broiles
P.O. Box 3377
Sherman, TX 75091

Helvey-Wagner Surveying, Inc.
222 W. Main Street
Denison, TX 75020

Dear Applicants,

The request for approval of the Replat of Lots 6 & 7 and a portion of Lot 3, Block 5, G.W. Bond's Supplement No. 2 Addition has been scheduled to be heard by the Planning and Zoning Board on the day of Tuesday, July 18, 2017 at 5:00 p.m., in the City Council Chambers, City Hall at 220 W. Mulberry.

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

1. Letters from various utility providers are required verifying availability of service and when service will be available.
2. Original tax certificates shall be furnished for the purpose of recording the plat.
3. Drive approaches and sidewalks must conform to City of Sherman standards and a permit is required from City of Sherman Engineering Department.
4. The width of the right-of-way and pavement for streets shall be shown on the plat.
5. Show deed reference on Lot 2 as Volume 5866, Page 864, OPRGCT.
6. Correct Addition Name on Addition Name Block.
7. Show Addition Name block on both pages of plat.
8. Dedicate 10' Utility Easement along East side of subject property.
9. RPLS reference on passed capped rebar found at 70' on East side of property doesn't match metes and bounds. Please verify.
10. Any other changes made to the plat prior to the final fulfillment of the conditions of the staff review, must be considered minor by staff, as to not require resubmission to the Planning & Zoning Commission.
11. 2 Mylars must be submitted in 24"x36" size for recording. 1 mylar must be split to be 2-12"x18" pages per Grayson County requirements. 1 page must have the legal description and the other page must have the image. Both mylars must look the same with the exception of the split line down the middle. Both split pages must include the Subdivision Name block. Submit digital image to the Engineering department for approval prior to printing mylars.

The Board will not consider a request unless it has representation. You are hereby notified to be present, either in person or by a legally authorized representative to present your case on the date and time stated above.

If additional information or clarification is needed, do not hesitate to contact Clint Philpott, at 903-892-7327 prior to the meeting.

Respectfully,


Clint A. Philpott, P.E.,
Director of Engineering

cc: Robby Hefton, City Manager
Brandon Shelby, City Attorney
Danny Fuller, Fire Marshal

Scott Shadden, Director of Development Services
Mark Gibson, Director of Utilities
Steve Ayers, Assistant City Manager



**Planning & Zoning Commission and Board of
Adjustments**

Agenda Item No. 7.

Meeting Date: 07/18/2017

Prepared by: Patsy Reeves, Developmental Services Admin Secretary
Scott Shadden, Director of Development Services

Clay Mahone, Chairman

Kyle Patterson, Vice-Chairman

Joe Gilbert, Commissioner

Eric Elliott, Commissioner

Sean Vanderveer, Commissioner

Shawn Davis, Commissioner

Jeff Adams, Commissioner

David Downtain, Commissioner

Trish Bridges, Commissioner

Requested Action/Proposed Use:

*** 603 & 613 N. WALNUT STREET**

The request of Mack Broiles (Owner), J.C. Sild Holdings, (Developer) and Helvey-Wagner Surveying, Inc. (Surveyor) concerning the property located at 603 and 613 North Walnut Street, being 0.674 acres in the J.B. McAnair Survey, Abstract No. 763, also being all of Lots 6 and 7 and part of Lot 3, Block 5, G.W. Bond's Supplement No. 2 Addition, as follows:

Planning and Zoning Commission

Replat approval of Lots 6 & 7 and a portion of Lot 3, Block 5, G.W. Bond's Supplement No. 2 Addition.

Background:

The property is located at 603 and 613 North Walnut Street; the northwest corner of Pacific and Walnut Streets and is zoned a C-1 (Retail Business) District. The owner would like to replat two lots and a portion of a lot into two lots.

Adjacent Zoning:

R-1 (One Family Residential) District

R-2 (Multi-Family Residential) District

C-1 (Retail Business) District

Origination:

Mack Broiles (Owner)

J.C. Sild Holdings, (Developer)

Helvey-Wagner Surveying, Inc. (Surveyor)

Master Plan Designation:

Auto Urban Commercial – Require more land for parking than building floor area. Automobiles and parking are the most prominent features. Parking lots reduce building density and prevent any possibility of creating an enclosed space.

and

Auto-Urban Single Family Residential – This character type is the single-family residential category with the greatest density and the shortest building setbacks. Most driveways will face the street as well as the garage. Sidewalks are available for pedestrians. Less lot area is devoted to open space and greenery.

Number of notices mailed:

57

Objections Received:

0

Attachments

Location Map

Zoning Map

Zoning Sign Photo

Replat

Staff Review Letter



SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

Meeting Date: 08/07/2017

Prepared By: Pamela Cloer, Assistant to the City Manager

Approved By: Robby Hefton, City Manager

Caption:

COUNCIL CALENDAR

Attachments

2017 Council Calendar

2017

JANUARY						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

FEBRUARY						
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12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28				

MARCH						
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19	20	21	22	23	24	25
26	27	28	29	30	31	

APRIL						
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30						

MAY						
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14	15	16	17	18	19	20
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28	29	30	31			

JUNE						
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25	26	27	28	29	30	

JULY						
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23	24	25	26	27	28	29
30	31					

AUGUST						
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13	14	15	16	17	18	19
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27	28	29	30	31		

SEPTEMBER						
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10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

OCTOBER						
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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						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

DECEMBER						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

1/2/2017	New Years Day/Called Council Meeting on 1/3/2017 - Cancelled
3/21/2017	Called Joint Meeting with SISD Board of Trustees
4/21/2017	Called Budget Planning Mtg in Council Chambers
5/22/2017	Called Council Meeting for Introduction, PH and Adoption of Annexation Ordinance (459.6 acre tract on Preston Club Drive in ETJ)
6/15-16/2017	Called Budget Workshop in Council Chambers
7/3/2017	July 3rd Council Meeting Cancelled
7/31/2017	Called Council Meeting for 2nd PH of Annexation Ordinance (Kings Ridge on Norwood Street in ETJ)
9/4/2017	Labor Day/Called Council Meeting on 9/5/2017

[illegible]