CITY OF SHERMAN
CITY COUNCIL REGULAR MEETING AGENDA
COUNCIL CHAMBERS OF THE CITY HALL
220 WEST MULBERRY STREET
SHERMAN, TEXAS
MONDAY, AUGUST 4, 2008
5:00 P.M.

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

A.2 PLEDGE OF ALLEGIANCE

A.3 INVOCATION BY MAYOR BILL MAGERS

A.4 APPROVE MINUTES OF THE CALLED CITY COUNCIL (BUDGET WORKSHOP) MEETING OF JULY 17, 2008, AND THE REGULAR CITY COUNCIL MEETING OF JULY 21, 2008

Introduction and Public Hearing of Ordinances

B.1 INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 5550
Providing for Permanent "No Parking" Signs Restricting Parking along Portions of East College Street within the City Limits of the City of Sherman

Close Public Hearing and Consider Adoption of Ordinances

B.2 ADOPTION OF ORDINANCES
Consider Adoption of Ordinance Number: 5550

B.3 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. 5243*
Authorizing Execution of an Occupancy License Agreement with the Texas Northeastern Railroad, a Division of Mid-Michigan Railroad, Inc., for Replacement of the Travis Street Water Main

C.2 ** RESOLUTION NO. 5244*
Authorizing Execution of an Agreement with Barton Capital, LTD for the Abatement of Ad Valorem Property Taxes for the Construction of a New Single-Family Residence at 1606 South Montgomery Street

C.3 ***[* RESOLUTION NO. 5245]***
Authorizing Execution of an Agreement with Barton Capital, LTD for the Abatement of Ad Valorem Property Taxes for the Construction of a New Single-Family Residence at 1610 South Montgomery Street

Request to Advertise

D.1 ***[* REQUEST TO ADVERTISE]***
City of Sherman Employee and Retiree Health Insurance

Change Order

D.2 ***[* CHANGE ORDER NO. 1]***
Water Main Replacement on Texoma Parkway from U.S. Highway 82 to Frisco Road; $5,355.44, Increase

Other Business

D.3 OTHER BUSINESS
Consider Calling a Special Meeting of the City Council for Tuesday, September 2, 2008, due to Conflict with a Federal Holiday

D.4 OTHER BUSINESS
Review 2008-2009 Draft Budget

D.5 OTHER BUSINESS
Discussion of the Proposed Tax Rate for Fiscal Year 2008-2009 and Scheduling Public Hearings for Budget and Proposed Tax Rate

D.6 OTHER BUSINESS
Review Draft Capital Improvement Program (CIP) 2008-2013

D.7 ****** OTHER BUSINESS***
Set Public Hearing for Capital Improvement Program (CIP) 2008-2013 for Tuesday, September 2, 2008

D.8 ****** OTHER BUSINESS***
Approve Quarterly Investment Report for Period ending June 30, 2008

D.9 CITIZEN REQUESTS

D.10 MEDIA QUESTIONS

Consider Board/Commission Appointments

D.11 APPOINT/REMOVE OR CONSIDER QUALIFICATIONS TO BOARDS AND COMMISSIONS
Airport Advisory Board (1)

D.12 COUNCIL COMMENTS

Executive Session

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

Section 551.074 Consider the Qualifications, Appointment and Removal of Members to Boards and Commissions:
a) Texoma Mental Health Mental Retardation Board (1)

The Council reconvenes into General Session

F.1 OPEN MEETING
Reconvene into Open Meeting and consider action, if any, on items discussed in Executive Session

F.2 ADJOURNMENT

COUNCIL CALENDAR

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 8-4-2008

Subject: Agenda Item No. A.1

CALL TO ORDER, QUORUM DETERMINED, MEETING DECLARED OPEN

The Honorable Bill Magers, Mayor

SHERMAN CITY COUNCIL

Agenda Communication Form

From: The Office of the City Manager **Date:** 8-4-2008

Subject: Agenda Item No. A.2

PLEDGE OF ALLEGIANCE

The Honorable Bill Magers, Mayor

SHERMAN CITY COUNCIL

Agenda Communication Form

From: The Office of the City Manager **Date:** 8-4-2008

Subject: Agenda Item No. A.3

INVOCATION BY MAYOR BILL MAGERS

SHERMAN CITY COUNCIL

Agenda Communication Form

From: The Office of the City Manager **Date:** 8-4-2008

Subject: Agenda Item No. A.4

APPROVE MINUTES

THE CALLED CITY COUNCIL (BUDGET WORKSHOP) MEETING OF JULY 17, 2008, AND THE REGULAR CITY COUNCIL MEETING OF JULY 21, 2008

STATE OF TEXAS §

July 17, 2008

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 July 17, 2008.

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

MEMBERS ABSENT: None.

STAFF PRESENT: George Olson, City Manager; Robby Hefton, Assistant City Manager/CFO; Doreen McGookey, City Attorney; Tom Watt, Police Chief; Jeff Jones, Fire Chief; Jeff Miller, Director of Public Works; Mark Gibson, Director of Utilities and Engineering; Scott Shadden, Director of Developmental Services; Rita Gaither, Development Coordinator; Wayne Blackwell, Human Resources Administrator; Jackie Banfield, Library Services Administrator; Kevin Winkler, Engineering Technician Supervisor; Mary Lawrence, Controller; Tammy Davis, Grant Writer; Stephanie Sutton, Secretary; Tammy Biggar, Legal Assistant; Pam Cloer, Assistant to the City Manager; and Linda Ashby, City Clerk.

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

PUBLIC HEARING
CONDUCT THE FIRST PUBLIC HEARING CONCERNING THE ANNEXATION OF APPROXIMATELY 2.8 ACRES ALONG THE TRAVIS STREET RIGHT-OF-WAY SOUTH OF AUSTIN LANDING (F.M. 131) IN THE CITY OF SHERMAN'S EXTRA TERRITORIAL JURISDICTION

CONDUCT THE FIRST PUBLIC HEARING CONCERNING THE ANNEXATION OF APPROXIMATELY 3.72 ACRES AT 5003 TRAVIS STREET (F.M. 131) IN THE CITY OF SHERMAN'S EXTRA TERRITORIAL JURISDICTION

CONDUCT THE FIRST PUBLIC HEARING CONCERNING THE ANNEXATION OF APPROXIMATELY 858.774 ACRES ALONG U.S. HIGHWAY 75, BETWEEN LOY LAKE ROAD AND THE UNION PACIFIC RAILROAD SOUTH OF HIGHWAY 691, IN THE CITY OF SHERMAN'S EXTRA TERRITORIAL JURISDICTION

RESOLUTION 5235 – AUTHORIZING EXECUTION OF A PERMANENT STORM WATER DRAINAGE EASEMENT AT 402 NORTH HARRISON AVENUE TO REPLACE AN EXISTING STORM SEWER

2008-2009 BUDGET REVIEW

ADJOURNMENT

CALL TO ORDER, QUORUM DETERMINED, MEETING DECLARED OPEN
Mayor Magers called the meeting to order at 8:33 a.m. declared a quorum present, and opened the meeting.

PUBLIC HEARING
CONDUCT THE FIRST PUBLIC HEARING CONCERNING THE ANNEXATION OF APPROXIMATELY 2.8 ACRES ALONG THE TRAVIS STREET RIGHT-OF-WAY SOUTH OF AUSTIN LANDING (F.M. 131) IN THE CITY OF SHERMAN'S EXTRA TERRITORIAL JURISDICTION
Mayor Magers asked if any citizens would like to appear to discuss the proposed annexation of approximately 2.8 acres along the Travis Street Right-of-Way south of Austin Landing (F.M. 131) in the City of Sherman's Extra Territorial Jurisdiction.

No citizens appeared before the City Council to discuss the proposed annexation.

CONDUCT THE FIRST PUBLIC HEARING CONCERNING THE ANNEXATION OF APPROXIMATELY 3.72 ACRES AT 5003 TRAVIS STREET (F.M. 131) IN THE CITY OF SHERMAN'S EXTRA TERRITORIAL JURISDICTION
Mayor Magers asked if any citizens would like to appear to discuss the proposed annexation of approximately 3.72 acres at 5003 Travis Street (F.M. 131) in the City of Sherman's Extra Territorial Jurisdiction.

No citizens appeared before the City Council to discuss the proposed annexation.

CONDUCT THE FIRST PUBLIC HEARING CONCERNING THE ANNEXATION OF APPROXIMATELY 858.774 ACRES ALONG U.S. HIGHWAY 75, BETWEEN LOY LAKE ROAD AND THE UNION PACIFIC RAILROAD SOUTH OF HIGHWAY 691, IN THE CITY OF SHERMAN'S EXTRA TERRITORIAL JURISDICTION
Mayor Magers asked if any citizens would like to appear to discuss the proposed annexation of approximately 858.774 acres along U.S. Highway 75, between Loy Lake Road and the Union Pacific Railroad south of Highway 691, in the City of Sherman's Extra Territorial Jurisdiction.

No citizens appeared before the City Council to discuss the proposed annexation.

RESOLUTION 5235 – AUTHORIZING EXECUTION OF A PERMANENT STORM WATER DRAINAGE EASEMENT AT 402 NORTH HARRISON AVENUE TO REPLACE AN EXISTING STORM SEWER
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF A PERMANENT STORM WATER DRAINAGE EASEMENT AT 402 NORTH HARRISON AVENUE TO REPLACE AN EXISTING STORM SEWER

ACTION TAKEN.
Motion by Deputy Mayor Wacker to approve Resolution 5235, as presented. Second by Council Member Adami.
VOTING AYE: Adami, Howeth, Smith, Softly, Steele, Wacker.
VOTING NAY: None.
MOTION CARRIED.

2008-2009 BUDGET REVIEW
George Olson, City Manager, introduced the Budget Work Shop for the FY 2008-2009 Budget and outlined the agenda for the meeting. He added that the City of Sherman faces similar pressures and challenges that other cities, organizations, and even families are facing with the struggling economy and the rising fuel and energy costs. The chief function of City government is always to serve the best interest of all the citizens. The staff wants to be sure the proposed Budget accomplishes the City Council's objectives and also maintains the level of service expected by the citizens.

The proposed Budget is balanced and includes a $0.32 property tax rate, the bond projects that were identified and started last year, an additional $7 million in bonds for the next fiscal year, completing the park and street enhancements such as Pecan Grove and the thoroughfare enhancement plan, an effective 3% cost of living allowance with 2% in October and 2% in April, Texas Municipal Retirement System additional funding requirements, the employee health insurance shortfall, and ways to operate more efficiently and reduce the operating costs. The Budget also proposes rate increases in the Utility and Solid Waste Funds to recognize the increasing operating costs relating to fuel and energy and landfill disposal.

Brockett Street Update

Mr. Olson said the Brockett Street project will begin in the Fall. The $2 million project is on budget. The City's cost will be $1.6 million with Austin College contributing $400,000. The City is also clearing offsite drainage to help alleviate related drainage issues.

PARKS PRESENTATIONS

Pecan Grove Park – Phase II

Pecan Grove Park originally had a Master Plan in 2001 which indicated a $3 million project. Last year the City Council approved the update of the Master Plan which is almost complete. The current project includes two fishing piers, amphitheater, picnic pavilions, playground, restroom facilities, paved hike/bike trail, unpaved nature trail, and paved parking at a cost of $2.4 million.

Phase I of the project was advertised at the last City Council Meeting and is on the east side of Dean Gilbert Lake. The $400,000 budget for this part of the project includes parking lot, picnic pavilion, a small playground, and possibly some walking trails, which will get the park open to citizens.

Council Member Smith asked where Canyon Creek Drive will be extended to the park. Mr. Olson said the extension of Canyon Creek Drive is critical to Phase II of the project and must be completed. The street extension is listed in this year's bond proposal. Fencing and buoys will designate the property lines between the City's property and the private property.

Hike/Bike Trail – Fairview Park to Pecan Grove

Mr. Olson said the staff looked at possible solutions to connect Fairview Park to Pecan Grove Park. He outlined several possibilities but some are not feasible because of the street width requirements. He said currently the staff could add signage marking the hike/bike trail, but they could not add street markings. The staff will consider possible routes as determined by the construction of Canyon Creek Drive, and traffic patterns.

Center Street Athletic Complex Update

The specifications are being completed and expected completion of the entire project is Spring 2009. The project will include two lighted sports fields, walking trail, picnic pavilion, and restroom/concession at a projected cost of $1.5 million.

Other CIP Issues

Mr. Olson said other Capital Improvement Projects include stucco of the Cemetery Building at an estimated cost of $17,500 and bleacher replacement at Fairview Park and Old Settlers Park at an estimated cost of $200,000.

STREET ENHANCEMENT PROGRAM

Jeff Miller, Director of Public Works, presented an update of the City's Street Enhancement Program. He outlined projects that have been completed, those in the process, and future projects scheduled for FY 2008-2009.

Street enhancement projects began in 2006 with the Loy Lake Road project costing $1.8 million. The City completed the portion from Highway 82 south to Taylor Street and a private contractor completed the portion from Highway 75 south to Pecan Grove Road.

The Street Department also completed a small mill and overlay project on Washington Street from Rusk Street to Woods Street. While the City did a good job, Mr. Miller said they are not very efficient at that type of work.

Mr. Miller outlined the status of the FY 2007-2008 street projects. Ricketts Street from Taylor to Lamar Street is in process. Completed projects include Woods Street from Washington to Belden Street, Washington Street from Rusk to Travis Street, and North Travis Street from Taylor Street to Highway 75 (a TxDOT project). The project on South Travis Street from Highway 75 to Washington Street (Phase 1) should start in the Summer of 2008 and Ricketts Street from McGee to Washington Street, Taylor Street from Ricketts to Heritage Parkway and Brockett Street from Travis Street to Grand Avenue will start in the Fall of 2008.

Council Members verified that the water main is currently being replaced along Travis Street prior to the street repairs. Mr. Miller added that Phase II will be a more challenging project.

Council Member Adami asked if there was any way to "smooth out" the curve on Taylor Street near Girls, Inc. Mr. Miller said this phase of the project is mill and overlay only and does not deal with alignment. Council Member Smith asked if it was possible to straighten the street at some point. Mr. Miller said it would be difficult to do and require the City to acquire right-of-way.

Proposed projects for FY 2008-2009 include Washington Street from Heritage Parkway to Woods Street, Ricketts Street from Lamberth Road to Taylor Street, and the engineering on Taylor Street west of Travis Street.

The Taylor Street project is the location of street that utilizes valley gutters to move storm water across the street. The staff is proposing to redesign the streets and put in the correct storm water system and smooth the street out. The engineering is the first phase of that project.

Mr. Miller showed a map of street enhancements and emphasized that the City is getting the east-west connectivity that is desired.

STREET CIP'S FY 2009

Washington Street

Mr. Miller said a year ago, Washington Street was identified as a priority project. The section west of Heritage Parkway to the City limits is a rural road section with bar ditches, requiring a complete rebuild, including the rebuilding of an existing bridge. The estimated cost of the project is $4 million, of which 25% of the cost is the bridge. The project is proposed in the FY 2008-2009 Budget but the final design is waiting on the Master Plan recommendation that this is a road that should be upgraded and whether it should be upgraded as a rural road or a road with curb and gutter.

Mayor Magers asked about escrow on the land east of Little Lane and north of Washington Street. He asked if the developer of that property would be required to place money in escrow for Washington Street. Rita Gaither, Development Coordinator, said if the street is built first, they would not be required to place money in escrow for its construction. If the houses front on Little Lane they would be required to place money in escrow for the upgrade of Little Lane but not for Washington Street.

Lamberth Road

Mr. Miller said a bond project from a year ago included Lamberth Road from Heritage Parkway west to the City limits. The street was originally designed as a boulevard and the north half has been completed. The proposed project is for the construction of the south half of the boulevard at an estimated cost of $900,000. The project will require the acquisition of right-of-way.

Canyon Creek Drive

Canyon Creek Drive is a project to accommodate the improvement of Pecan Grove Park and would extend the street from its current west end through the new Pecan Grove Park. The estimated cost of the project is $1,225,000. Mayor Magers confirmed that the new road would fulfill the City's obligation to construct a road to the "County Farm."

Metropolitan Planning Organization

Mayor Magers asked for an update on the projects that were prioritized by the Metropolitan Planning Organization (MPO) recently for funding through the Texas Department of Transportation (TxDOT). Mr. Miller explained that the MPO is an organization that helps counties review highway and street projects and obtain allocated funds through TxDOT.

Mayor Magers said the MPO met recently to prioritize local projects. The extension of Highway 691 is the first project and TxDOT will fund the total amount of that project. The following seven or eight projects relate to opening Travis Street up and consist of small projects. If the money comes, Sherman might have a chance to get the smaller projects funded quicker than the big projects. Mr. Miller added that there are three planned projects to widen and improve Travis Street from Taylor Street to North Creek.

Deputy Mayor Wacker asked why Lamberth Road was designed as a boulevard west of Heritage Parkway and a collector street east of Heritage Parkway. Mark Gibson, Director of Utilities, said the street was being constructed to the standards in the current Master Plan.

Street Sweeping

Mr. Miller said the City has 200 miles of streets that are swept. They also provide special sweeping such as the downtown area twice per week, special events and incidents, citizen requests, and the Airport. Currently the City is swept completely every other month.

In March 2007 the City contracted with Great American Sweeping to prioritize the sweeping service. Under the contract, Great American Sweeping lost money and provided poor performance to the City. In March 2008 their contract was not renewed and the City took over sweeping.

The City currently has two regenerative air sweepers and one mechanical sweeper. One of the City's regenerative sweepers was scheduled to be replaced last year and the other has one to three years of life left. The average life of a street sweeper is 10 years and the cost of the vehicle is $175,000 to $190,000.

Mr. Miller said the contract price from Great American Sweeping was $69,234 annually. A quote for sweeping from another private contractor was $106,635. The City's cost to provide street sweeping is $75,609 annually. One full-time employee is dedicated to the sweeping project.

Council Member Steele asked if the City realizes a longer life on the streets if they are cleaned regularly. Mr. Miller said it really helps keep the storm water system draining properly and keeps water from standing on and deteriorating the base of streets. The City needs to get the water off the streets. Mr. Miller added that the streets are also swept to remove chat after the seal coating process has cured.

The staff recommended that the City retain the sweeping responsibility and continue a frequency of every other month sweeping, using the existing equipment through September 2009. The program will be evaluated for continuation in the FY 2009-2010 Budget.

Council Member Adami asked about financing options available now for the purchase of equipment since the rates are lower. Council Member Howeth asked if the new machines available a year from now might be more fuel efficient than the current ones the City has. Mr. Miller said he did not see any significant fuel savings in the newer equipment. The City is planning to get bids on biodiesel for next year so there might be some savings on that type of fuel.

WATER/WASTEWATER ISSUES

Biosolids Discussion

Mark Gibson, Director of Utilities, updated the Council on the biosolids issue. Biosolids are the byproduct of the wastewater treatment and they require disposal through incineration, land application or composting, or landfilling. Since 1997 the City has used land application at an annual cost of $400,000. The City's biosolids are mixed with lime making them a Class A substance.

The biosolids were placed alternately on 120 acres of City property and 146 acres from an adjoining property owner. The adjoining property has been sold and the new owner does not want the biosolids applied to his land. At the current time there are no incinerators in Texas, but the biosolids could be placed in the Texoma Area Solid Waste Authority Landfill (TASWA) at a cost of $700,000 annually.

Mr. Gibson said the staff plans to work with a consultant to evaluate the options for disposal of the biosolids and bring back a recommendation to the Council by January 2009.

Since the biosolids were usually cycled every other year on the property, the staff feels they can probably put about half of the substance on the City's property since that property was also used for disposal last year. The remainder of the biosolids would need to be sent to the TASWA Landfill at a cost of $700,000. TASWA charges a $10 special waste fee for disposal of biosolids.

Council Member Smith asked if it could be sold or given away. Mr. Gibson said it is essentially fertilizer however many landowners have a bad conception of the biosolids and don't want them on their property. Even if there are other property owners willing to accept the product, there is still a substantial cost for transporting it. Council Members discussed possible options including locations, transportation costs, and whether land could be condemned for the project.

Mr. Gibson said with the consultant, they would address questions such as is there a closer landfill that could be used or is it cheaper to buy land. Mayor Magers asked the staff to consider the cost if the biosolids were transported to Hillside Landfill. The adjoining 146 acres that was used for biosolids sold for $5,000 to $6,000 per acre. Mayor Magers asked if there was other adjoining property for sale. Council Members did not feel that using the TASWA Landfill was a good solution because of the transportation costs.

Mr. Hefton explained that the total costs for the biosolids project is $1.1 million annually. The $700,000 cost is just for the additional biosolids that need to be disposed of this year.

Mr. Olson added that there is also a permitting process with the State of Texas to use land for the application of biosolids. It would require a buffer zone around the area and a study would need to be completed first. Doreen McGookey, City Attorney, said she will also study the condemnation issue.

Mayor Magers asked the staff to review other City operations to see if there is anything that might cause a problem in the future so they can be pro-active about taking care of the issues.

Mr. Gibson said last month the City's Laboratory was certified by the National Environmental Accreditation Program (NELAP). That certification is required for a laboratory to submit results to the State for the City's water and sewer system, as well as other local water systems. Between Wichita Falls and Texarkana, and southward past the Metroplex, only three laboratories are NELAP certified, the City of Dallas, the City of Fort Worth, and the City of Sherman. Therefore the State will accept the results of the City of Sherman's Laboratory. Other smaller surrounding cities may begin using Sherman's Laboratory because the results they provide are recognized by the State.

Water/Sewer Along Highway 75

Mr. Gibson said plans are complete for the water line north on Highway 75. The staff is waiting on easements. Over half of the easements are complete, but the remainder must be done. They are also working to obtain all the rights-of-entry for the properties. The State also requires some environmental assessments. The project is progressing.

City Council Members took a break from 9:49 a.m. to 10:00 a.m.

COMPREHENSIVE MASTER PLAN UPDATE

Gary Mitchell, Principal with Kendig Keast, presented an update on the Comprehensive Master Plan. The planning process takes about a year and they are currently in the fifth month. Three sections of the report have been drafted and reviewed by the Comprehensive Plan Advisory Committee (CPAC).

They have also held a meeting with the various stakeholders and held community forums to meet with citizens and interested groups. CPAC also holds monthly meetings to move the project forward.

The estimated population for Sherman this year is 39,000. They estimate that Sherman will have 50,600 residents in 2030. Mr. Mitchell outlined several planning assumptions concerning population and growth, the age of the citizens, the number of residents commuting in or out of Sherman, and the number and type of housing units in Sherman, and discussed the way the specific chapters would be designed. He also presented opportunities and challenges that will face Sherman.

Mayor Magers said since Sherman is developing toward the west and will eventually include two school districts, will that create issues to address. Mr. Mitchell said that will definitely effect decisions on where people live. Mr. Mitchell said as Sherman moves west, it will also reach the drainage divide in typography.

Mr. Mitchell addressed the character in the different parts of town, including the natural area, the rural area, estates, suburban, auto-urban, and urban. He presented descriptions and examples of the various types of development.

Goals for the chapter on urban design and future land use include an enhanced community character in Sherman; expanded opportunities for redevelopment and economic growth in the Downtown while respecting the existing historic character; and the improved urban design and aesthetics along major corridors and at gateways.

Goals for the chapter on growth management and capacity include growth and development patterns that are consistent with the City’s infrastructure and public service capacities and desired community form and character; increased ability of natural and engineering systems to address stormwater runoff and drainage, both in existing neighborhoods and proposed developments; sufficient water and wastewater system capacity to accommodate growth expectations through 2030 and beyond; and adequate public safety facilities, equipment, and professional staffing to meet current needs and prepare for future service demands.

In Texas, cities can regulate subdivision regulations in their extra territorial jurisdiction and thus help direct future development. Mr. Mitchell discussed how one type of subdivision can be located adjacent to a completely different type of subdivision. As the City grows, these subdivisions must co-exist.

Mr. Mitchell said the completed Comprehensive Master Plan will be presented to the City Council in February 2009 for consideration.

HOTEL/MOTEL TAX FUND

Mr. Hefton addressed issues with two hotels/motels that were defaulting on their payment of the City’s portion of the Hotel/Motel Taxes. The City has now received collections on both of the accounts, significant collections on one of them. Both hotels/motels were in arrears a total of $80,000 and about $50,000 has been collected in the last six weeks. A penalty and interest is also being charged. Council Member Howeth wanted to be sure the City was not advertising or promoting the hotels that are in arrears.

In the past, the City gave money to the Red River Historical Museum and they in turn purchased the Carnegie Building. Also in FY 2005-2006 there was too munch money in reserves. The City Council decided to reduce the fund balance to where it should actually be. By the end of FY 2007-2008 the reserves should be at $80,000 which is a reasonable level.

Mr. Hefton said the discussion consists of budget requests from the Red River Historical Museum and the Sherman Council for the Arts and Humanities (SCAH). The City doesn't have much control over two of the budget items. The City is bound contractually for the Auditorium Debt Service which is about $115,000 to $120,000 for the next 14 years.

The staff did not propose budget amounts for Tourism and for Downtown Sherman Preservation and Revitalization. The budget does include $25,000 for the Downtown Building Incentive.

Tourism

Mr. Hefton said the staff has been working with the Council Tourism Sub-Committee about the future of the Tourism Department and how it is managed. The recommendation is to bring the tourism function in-house. There is not a detailed plan at this time, but if the Council does decide to bring the function in-house, then a plan will be prepared to present to the City Council in the Fall of 2008.

Mayor Magers felt the tax money needs the oversight of the City staff. Council Member Smith said he had asked last year if this would be a better use of money and staff. Mr. Hefton said the City has the infrastructure to provide the financing part of tourism in-house more efficiently than what is currently being done. The staff felt it would be more efficient to bring tourism in-house and give it the support it needs from the administration. Deputy Mayor Wacker and Council Member Smith are the Tourism Sub-Committee and they are in agreement with the proposal.

Council Member Adami felt this would be an opportunity to get more continuity and oversight for the Tourism Department. Staff would be in place and they wouldn't have to depend on volunteers that change more frequently. Council Members wanted to include the website and marketing of Kidd-Key Auditorium in the plan.

Mayor Magers verified that Council Members wanted to bring the administration of Hotel/Motel Tax in-house with the City staff. He felt if the City could reduce the administrative costs by bringing it in-house, it would free up additional money for operating expenses for the entities.

Downtown Sherman Preservation and Revitalization

Mr. Hefton said the staff has met with representatives from Downtown Sherman Preservation and Revitalization (DSP&R) to determine things that need to be done. The Tax Increment Financing Plan #2 was amended and debt will be issued “up front” probably in the first quarter of 2009.

The $450,000 will provide capital for many downtown improvements including lighting, maintenance of the planter boxes, and benches. This will allow the projects to be completed now instead of spreading them out over 20 years. Mr. Hefton added that by doing this, it will create some maintenance and operations expenses and the reallocation of funding to support on-going operations Downtown.

Plans have been underway to determine how the planter boxes will be maintained and DSP&R has asked that the City also participate in the project. Mr. Hefton said one operating efficiency for the City is to pool the entire contract mowing and landscaping for the City and try to obtain a better price than with multiple vendors. They are going to try to get the planter boxes covered under this contract mowing plan. Currently the City's budget for contract mowing is $100,000 with different vendors. Hopefully this consolidation will get the City an economy of scale.

Mayor Magers said the planter boxes are an asset that the City provides and some are being maintained very well while others are not. He felt if the City maintains the boxes it should be done as cost effectively as possible. Council Member Smith added that if the City maintains some of the planter boxes, they should maintain all of the planter boxes. Mr. Olson said the staff would establish some standards and be consistent with the project.

Council Member Howeth said businesses get additional customers when the planter boxes look nice, but what does the City get. Deputy Mayor Wacker said the City gets a nice image for Downtown.

Mayor Magers asked the staff to work with DSP&R to prepare a plan for minimum standards with cost estimates for the City Council to consider.

Other Funding Requests
Mr. Hefton said the City has also received a request for funding from the Sherman Symphony, which is already supported with Hotel/Motel Tax through the Sherman Council for the Arts and Humanities (SCAH). Money is currently not in the budget for the Symphony.

Council Members felt this should be an internal staff decision since the administration of Hotel/Motel Tax will be handled by the City staff. Council Member Smith verified that there should be additional money available with the efficiencies that have been discussed.

Mr. Hefton said the Symphony has requested $2,000 for the FY 2007-2008 Budget and $20,000 for the FY 2008-2009 Budget. Mayor Magers asked the staff to prepare a plan for Hotel/Motel Tax money to submit to the City Council. The plan should also determine whether or not the Symphony is included.

Council Member Adami said the Red River Historical Museum has requested $85,000 as they did last year. That amount was adjusted down last year to make the revenue flat and he recommended that the Council do that again. If they receive $85,000 their budget will show net revenue of $3,600.

Michael Mitchell, President of the Friends of the Red River Historical Museum, said they have many projects for which the money could be used. Since this budget year will be "tight" for the City of Sherman, Council Member Adami did not feel that the City should fund the Museum at an amount that would show a profit. He recommended reducing the budget amount to $82,500, the same amount as last year. He added that amount would still give the Museum additional money over expenses.

Mayor Magers reiterated that the staff should bring back a proposed budget for the Hotel/Motel Tax for consideration by the Council. Mr. Hefton said the staff will bring back a recommendation for the Tourism Department and for DSP&R, not the entire fund.

Council Member Adami clarified the activities that are funded through SCAH for $35,303. There are some organizations that are funded through SCAH and through the City.

Deputy Mayor Wacker agreed that the Museum should be funded at a balanced budget and not an excess, even though they need and can use the additional funding.

Mr. Hefton said there are no Charter requirements that the City provide a balanced budget in the Hotel/Motel Fund. That requirement only applies to the General Fund and the Debt Service Fund. The City did provide deficit spending last year to reduce the reserves to a more realistic amount.

City Council Members took a break from 11:14 a.m. to 11:24 a.m.

FINANCIAL PRESENTATION
Mr. Hefton said he was really proud of the Budget and the Council had some great projects included for the community. There are pressures in the Budget including rising fuel and energy costs. Revenues are essentially flat but there has been a modest growth in property tax values in both new property and in tax values. Even with all of the issues, including the debt service, the proposed Budget is balanced.

The sales tax election was passed last Fall and the City has started receiving funds for the street sales tax. The sales tax in lieu of property tax will begin being charged in October 2008, with receipts starting in December 2008. This Spring the City issued $5 million in bonds and is projected to issue another $7 million for 2009. Council Member Smith asked why the bond package increased by $2 million. Mr. Hefton said there are additional projects, such as Canyon Creek, and an increase in costs.

Mr. Hefton added that the City received an increase in the bond rating, to A+, with the recent Greater Texoma Utility Authority (GTUA) debt. The property tax rate is at $0.32 and is sustaining.

The City's priorities for funding are the health, safety, and welfare of the citizens; streets; and then administrative and community services.

Operating Efficiencies

Mr. Hefton presented some operating efficiencies that the staff proposed to save approximately $800,000 annually.

One efficiency is to reduce the Library's operation by five hours per week by cutting some hours when they seem to be underutilized. This change will result in the reduction of staff by one position.

Another efficiency in the Grounds Maintenance Department will be realized by purchasing equipment that will make them more efficient and by pursuing economies of scale by combining contract mowing jobs.

The staff plans to use a voice mail system to help relieve some administrative burdens, rotate some administrative support personnel, and reduce the management staff level by one employee.

Mr. Hefton said the staff is proposing to phase out the operation of the City's Day Care Center in the coming year. The Day Care Center is one of the best run departments, however the function itself is not something a City should be doing. No other cities are known to operate Day Care Centers and the City is actually duplicating services that are provided publically, privately, and in the non-profit sector.

The staff also plans to reduce the Fire Department's minimum staffing requirements from 20 to 19. This change should save about $180,000 annually in overtime. One medic unit will be removed from service, but medic runs will still be made by the fire engine. This will not result in the closing of any fire stations or the reduction of any employees. It strictly relates to staffing.

Major Fund Balancing

Mr. Hefton said expenses are about $1.1 million more than revenues in the projected Budget for 2009 for the General Fund, including some one-time transfers. On an ongoing basis, when the debt service is included the General Fund is balanced. Originally the staff had about $4.5 million in management reductions to sort through. These were good programs and some will still need to be reviewed in a future Budget. One program included the purchase of a ladder truck for the Fire Department at a cost of $1.1 million. The purchase was cut from the Budget, but the staff has made a grant application with the Federal Emergency Management Agency (FEMA) for reimbursement of funds that would pay for 50% to 70% of the purchase price of the truck. Mr. Hefton recommended that if grant funding is received the staff would propose a budget amendment to allow for the purchase of the truck.

Pressure points on the Utility Fund and Solid Waste Funds have already been discussed and the staff is proposing a 4% rate increase in both water and sewer rates for Utility Fund balancing. That leaves the Fund out of balance on an on-going basis, but the question is the biosolids issue.

Mayor Magers explained that in 2006, the City Council had a three year plan to increase water rates. Last year the Council did not increase the rates as planned because there was a surplus of funds. Mr. Hefton said water rates were last increased 1.5% in 2006. The reserves are now at $3 million, which is where it needs to be, so it is now time to increase water rates. Mayor Magers said a 4% rate increase now is really a 2% rate increase over last year and this year.

Mr. Hefton said the City has had no rate increase in the commercial solid waste rate since the program was begun. This was due to a large fund balance that was used and brought down to where it needs to be. Two years ago the fund balance was at $2.2 million and now it is at a little over $1 million, which is where it should be.

He added that it is time for an increase in the commercial solid waste rates due to an increase in the TASWA gate rates of 17% in 2009 and another 10% projected for 2010, and an increase in fuel costs. There is also an increase in the transfer out to the General Fund for franchise fees for the services. The

Solid Waste Fund is close to being balanced. The Utility Fund will be more manageable when the biosolids issue is decided.

Mayor Magers reiterated that the TASWA gate rate will increase again next year too, and he asked if the City should consider increasing the solid waste rate by 12% this year to help offset next year. Mr. Hefton felt it was better to increase 11% this year and consider a smaller increase next year, as needed. Council Member Adami felt that the City should have increased the rate some last year and not as much this year to even it out. He also felt that the proposed TASWA increase for next year should be considered in a long-range plan. Mr. Hefton added that landfill fees are the biggest single cost driver in the Solid Waste Fund.

Texas Municipal Retirement System (TMRS) Changes
Mr. Hefton said TMRS has made some changes to their actuarial assumptions that caused the City to budget over the next three years to phase in funds for these changes. Some of the items that were previously paid through unfunded liabilities now must be paid up front.

The City has also elected to update service credits for employees annually and this resets every employee's salary and compensation on which their benefits are calculated annually. Paying for updated service credits and for the annually repeating increases is now paid up-front instead of after the fact. That's the biggest cost driver.

The plan has also changed from an "open" 25-year amortization that is never actually paid off to a 25-year amortization that will actually be paid off in 25 years so there will be no unfunded liability.

Council Member Adami asked if the City could elect to pay the amount over a longer period of time than the three years. Mr. Hefton said the City could pay it off in no more than five or six years, but he felt it was delaying the inevitable. Council Member Adami felt it was a long-term liability and it should be spread out for a longer time period. Mr. Hefton said three to six years only saves $50,000 per year and would require the unfunded liability to be added to the City's balance sheet, which previously wasn't required. Mayor Magers said the City could change the payment method next year if the economy gets worse.

Council Member Adami asked how much the changes made to the retirement system two or three years ago impacted the City. Mr. Hefton said it cost in excess of $1 million annually to move from a one-to-one match to a two-to-one match.

City Council Members took a lunch break from 11:55 a.m. to 12:43 p.m.

General Fund
Mr. Hefton said the General Fund has a fund balance of about 76 days, which is probably a little higher than required. The fund is in good shape and the Budget includes all the things the Council has talked about, including a 3% cost-of-living increase, the TMRS changes, and the proposed efficiency changes.

He outlined the concept of using a fleet replacement fund. The fund would initially be funded through a one-time transfer of $1.2 million, with $1 million coming from the General Fund. The fund would then be funded from good budget performance on an on-going basis. Therefore fleet replacement would not be programmed in the Budget but would use good Budget performance for the funding. Some years a lot of money might be transferred in and some years not much would be transferred into the fund. Many cities have successfully used a fleet replacement fund.

Utility Fund
Mr. Hefton said the Utility Fund includes the 4% water and sewer rate increase and the effect of the biosolids issue. The fund balance is lower than Mr. Hefton would like, but for bond purposes they combine the Utility Fund and the Utility Improvement Fund. The Utility Improvement Fund has about 32 days of operating reserves and the Utility Fund has about 50, for a total of about 85 days for bond rating purposes and financial accounting purposes.

Mr. Hefton said the City is funding two years of biosolids projects in 2008 because the 2007 project was delayed because of the rain.

Mr. Hefton presented a comparison of water and sewer rates with other cities of similar size. The City of Sherman falls in the middle of these comparisons, even with the 4% proposed increase.

Solid Waste Fund

Mr. Hefton said the Solid Waste Fund has a fund balance of between 60 and 70 days and includes the effects of the TASWA rate increases and the fuel charges. It also includes the effects of an 11% increase in solid waste fees.

Municipal Airport Fund

On an on-going basis, the City spends $500,000 to $600,000 annually on the Airport, supported by fuel sales, hangar rentals, and oil and gas royalty interest. Through that income, the Airport Fund has accumulated almost one year's worth of reserves. The fund balance should be between $80,000 and $100,000. Therefore, there is about $400,000 in one-time money available to fund some projects. Mr. Hefton suggested that the Council reconsider the City's role in additional hangar construction. He added that the City could build the pad and let the market drive the actual hangar construction. A pad costs about $80,000.

Mr. Hefton did not feel that the Airport should be supported by tax dollars, but should be self-supporting. Council Member Smith said if the market drives hangar construction it will also drive the pad construction. Mayor Magers confirmed that there is currently no private entity that is interested in constructing hangars.

Council Member Adami said there is $75,000 in oil and gas royalty and he asked if that money could be assigned to the General Fund instead of the Airport Fund. He added that some various City expenses could be charged to the Airport such as mowing.

Mr. Hefton said moving the $75,000 oil and gas royalty revenue to the General Fund would help reduce the fund balance to a more reasonable level. Generally speaking, Mr. Hefton felt that money accounted for in a fund should stay where it's generated, except for franchise fees that are charged to a fund.

Council Member Steele verified that the expenditures for contractual services are the City's portion of grant projects.

Mayor Magers suggested using the extra money to pay down the grants and shorten the 20 year term of required maintenance on the Airport. Council Member Adami suggested moving the oil and gas royalty revenue to provide a better accounting of Airport expenses and revenue.

Mr. Hefton felt the two questions were what do you do with the oil and gas royalty revenue and what do you do with the excess $400,000 in the fund balance. By removing the oil and gas royalties, the fund balance would eventually be reduced to the desired level.

Council Member Howeth expressed concern that the City is facing some tough cuts this year and the Airport is funded for a few people, many of them not from Sherman.

Mayor Magers suggested moving the oil and gas royalties to the General Fund, finding someone interested in building hangars and the City will build the pads, and use the $500,000 in the excessive fund balance to invest in the City. Ms. McGookey expressed concern about revenues that are generated on the Airport property being moved to another fund. She will research the issue. The property could also be replatted.

CIP FUNDS
General Improvement Fund
Mr. Hefton said most of the projects have already been discussed. The General Improvement Fund has a projected ending fund balance of $1.4 million. The revenue reflects the net proceeds from the bonds. The issue for 2009 would generate $7,050,000.

Utility Improvement Fund
The Utility Improvement Fund fund balance has been reduced from $5.8 million in 2007 to $1.7 million for 2009. Most of the expensive projects are funded through Greater Texoma Utility Authority (GTUA) debt. The largest project is the upgrade of the Water Treatment Plant.

Debt Issues
Mr. Hefton presented an outline of the proposed debt for FY 2008-2009. The City will issue Certificates of Obligation in the amount of $7.1 million in the first quarter of 2009 for various street and parks projects.

The City is contractually obligated under a developer's agreement with NewQuest Properties to purchase infrastructure they built on an expansion of Phase I of the Tax Increment Finance (TIF) #1. Payment will be made to NewQuest Properties in the amount of $1,350,000. Mr. Hefton proposed to pay $500,000 of that amount from excess reserves in the TIF Fund, and issue debt for the remainder owed.

NewQuest Properties completed everything they agreed to do and more and they are now receiving reimbursement for that accomplishment. Mr. Hefton added that the income in revenue from their sales and property taxes generated from the TIF pay back in one year the debt for the infrastructure the City purchased.

The City also has indirect debt with GTUA of $4.9 million and for participation in CAPP negotiations for the purchase of guaranteed power at pre-defined rates.

Bond Projects – 2009
Mr. Hefton presented a list of the bond projects and the year they were initiated. The biggest change that increased the cost of the projects from $10 million to $12 million was the addition of Canyon Creek Drive

Council Members asked about the west frontage road reversal on U.S. Highway 75. Mr. Hefton explained that is the City's participation in TxDOT's ramp reversal for the west frontage road for the Sherman Town Center. Mr. Miller said TxDOT may decide to fund that project at 100% instead of requiring the City's portion. If TxDOT decides not to fund the project, the City will not fund the entire $3 million and the City's portion will go to fund balance.

Many of the Utility CIP projects are bonded through GTUA bonds. Mr. Olson added that the Water Treatment Plant and the Wastewater Treatment Plant will need more repairs as they get older. Mr. Hefton said most of the upgrades are very expensive. Mr. Gibson said the State is also increasing regulations so the product leaving the plant is higher quality.

Mayor Magers said on the TIF #3 for Woodmont, money was set aside to extend Loy Lake Road from Highway 82 to Highway 75 and for lighting enhancements at Pecan Grove and Loy Lake Road. Mr. Hefton said debt service has not been programmed for projects because there is not enough money in the fund for debt service at this time. The money was supposed to be used for all improvements in this TIF zone. Mayor Magers asked for an update from staff on the TIF fund.

Mr. Hefton said proceeds from a TIF can be used to either purchase infrastructure that someone else builds or for the City to build capital improvements themselves.

Council Member Adami verified that the stucco enhancements for the Cemetery Building are included in the proposed Budget.

Mayor Magers said the Budget has flat revenues with a 20% property tax cut and he commended the staff on a great proposed Budget and Budget presentation. He felt the Budget was based on the priorities and needs.

Council Members decided they did not want to review the recap list and wanted to move forward with the items as proposed by the staff. They were pleased that the Budget was balanced even with a 20% property tax cut.

Council Member Adami asked about the Insurance Fund and the health and dental claims at $3.6 million. Mr. Hefton said historically the level of claims has been at $3.2 million, but 2007 and 2008 were extremely high claim years.

The proposal actually reflects a $3.8 million claim year because the deductible for group health is also being increased from $500 to $1,000 for the individual and from $1,500 to $3,000 for the family. There is no increase in premiums to the employees, but the deductible change will shift some of the burden for major medical to the employees.

The transfer of $1 million into the Insurance Fund is to get the fund balance back up to where it should be. Mr. Hefton said the City can rebid the benefits when the timing is right. Normally the City has two to three catastrophic claims in a year. This year they had 10 but they budgeted for 6 in FY 2008-2009.

Mr. Hefton verified that the Council wants the staff to bring back a plan for the distribution of Hotel/Motel Tax for all entities.
Mayor Magers again thanked the staff for their hard work. The City Council outlined their priorities and the staff worked with that.

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 1:37 p.m. There was no need for the scheduled meeting on July 18, 2008 so it was cancelled. Documentation for the Budget Work Session is held in the General File "Budget Work Sessions FY 2008-2009" in the City Clerk's Office.

____
MAYOR

ATTEST

____
CITY CLERK

STATE OF TEXTS §

July 21, 2008

COUNTY OF GRAYSON §

BE IT REMEMBERED THAT A Regular Meeting of the City Council of the City of Sherman, Grayson County, Texas was begun and held in the Council Chambers of City Hall on July 21, 2008.

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

MEMBERS ABSENT: **NONE.**

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

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

<u>APPROVE MINUTES</u> — **APPROVE MINUTES**

The Council reviewed the Minutes of the Regular City Council Meeting of July 7, 2008. Council Member Adami moved to approve the Minutes as presented; Second by Council Member Smith. All present voted AYE.
MOTION CARRIED.

<u>PROCLAMATION</u>
<u>"GENERAL SIDNEY SHERMAN DAY" – JULY 23, 2008</u> — **GENERAL SIDNEY SHERMAN DAY JULY 23, 2008**

Council Member Howeth read a proclamation designating July 23, 2008 as "General Sidney Sherman Day" in the City of Sherman, Texas.

<u>SPECIAL PRESENTATION</u>
<u>ACCEPTING "CAUSE FOR PAWS" FUNDS FROM DILLINGHAM STUDENTS MADISON PARKER AND EMMA BOSWELL AND PINER STUDENT NISHA MISTRY TO BENEFIT THE SHERMAN ANIMAL SHELTER</u> — **CAUSE FOR PAWS**

Mayor Magers introduced Madison Parker, 754 S. Valentine, Emma Boswell, 1631 Crescent, and Nisha Mistry, 753 S. Valentine, for a presentation from "Cause for Paws."

The girls raised money for the Sherman Animal Shelter and presented the Mayor and City Council with a check for $150. The girls earned the money from a lemonade stand, the sale of homemade cookies, and babysitting.

<u>PUBLIC HEARING</u>
<u>CONDUCT THE SECOND PUBLIC HEARING CONCERNING THE ANNEXATION OF APPROXIMATELY 2.8 ACRES ALONG THE TRAVIS STREET RIGHT-OF-WAY SOUTH OF AUSTIN LANDING (F.M. 131) IN THE CITY OF SHERMAN'S EXTRA TERRITORIAL JURISDICTION</u> — **ANNEXATION TRAVIS STREET R-O-W SOUTH OF AUSTIN LANDING**

The Mayor asked if any citizens wanted to speak concerning the annexation of approximately 2.8 acres along the Travis Street right-of-way, south of Austin Landing (F.M. 131).

No citizens appeared before the City Council to discuss the proposed annexation of approximately 2.8 acres along the Travis Street right-of-way south of Austin Landing (F.M. 131) in the City's extra territorial jurisdiction.

<u>CONDUCT THE SECOND PUBLIC HEARING CONCERNING THE ANNEXATION OF APPROXIMATELY 3.72 ACRES AT 5003 TRAVIS STREET (F.M. 131) IN THE CITY OF SHERMAN'S EXTRA TERRITORIAL JURISDICTION</u>

ANNEXATION
5003 TRAVIS STREET

The Mayor asked if any citizens wanted to speak concerning the annexation of approximately 3.72 acres at 5003 Travis Street (F.M. 131).

No citizens appeared before the City Council to discuss the proposed annexation of approximately 3.72 acres at 5003 Travis Street (F.M. 131) in the City's extra territorial jurisdiction.

<u>CONDUCT THE SECOND PUBLIC HEARING CONCERNING THE ANNEXATION OF APPROXIMATELY 858.774 ACRES ALONG U.S. HIGHWAY 75, BETWEEN LOY LAKE ROAD AND THE UNION PACIFIC RAILROAD SOUTH OF HIGHWAY 691, IN THE CITY OF SHERMAN'S EXTRA TERRITORIAL JURISDICTION</u>

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

The Mayor asked if any citizens wanted to speak concerning the annexation of approximately 858.774 acres along U.S. Highway 75, between Loy Lake Road and the Union Pacific Railroad, south of Highway 691.

<u>Kathy Winstead</u>
Ms. Winstead appeared for her mother Paula Griffin, 2433 Blue Flame Road. She asked what annexation meant for the homeowners and would they be getting paved roads and City services such as water and fire service.

Mayor Magers said they would receive City services such as fire and ambulance service. George Olson, City Manager, said the road would be maintained by the City but would not immediately be paved. Mayor Magers explained that sewer and water service is being added along Highway 75 and the City is trying to "square off" the City boundaries in the extra territorial jurisdiction. He added that the staff will provide additional information to Ms. Winstead after the meeting.

Ms. Winstead asked about the timeline for the City taxes and for water service. Mayor Magers said City property taxes were reduced 20% by the City Council and water service will depend on development. The adoption of the annexation will be heard at the August 18, 2008 City Council Meeting.

No other citizens appeared before the City Council to discuss the proposed annexation of approximately 858.774 acres along the U.S. Highway 75, between Loy Lake Road and the Union Pacific Railroad south of Highway 691, in the City of Sherman's extra territorial jurisdiction.

INTRODUCTION AND PUBLIC HEARING OF ORDINANCES

Mayor Magers introduced Ordinance 5545 and called for a public hearing:
AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING CHAPTER 1 OF THE CODE OF ORDINANCES, "GENERAL PROVISIONS," AT ARTICLE 1.13, "UNCLAIMED AND SURPLUS PROPERTY." PROVIDING FOR INCLUSION IN THE CODE OF ORDINANCES. PROVIDING FOR SEVERABILITY. PROVIDING FOR A REPEALER.

ORD 5545
UNCLAIMED
PROPERTY

No citizens appeared before the City Council to discuss Ordinance 5545

Mayor Magers introduced Ordinance 5546 and called for a public hearing:
AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING ORDINANCE NO. 4871 TO PROVIDE FOR THE REMOVAL OF "NO PARKING" SIGNS RESTRICTING PARKING ALONG PORTIONS OF FAIRVIEW STREET, BETWEEN SHANNON STREET AND CROCKETT STREET, WITHIN THE CITY LIMITS OF THE CITY OF SHERMAN. PROVIDING FOR SEVERABILITY. PROVIDING FOR A REPEALER.

ORD 5546
NO PARKING SIGNS
FAIRVIEW ST.

No citizens appeared before the City Council to discuss Ordinance 5546

Mayor Magers introduced Ordinance 5547 and called for a public hearing:
AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, PROVIDING FOR PERMANENT "NO PARKING" SIGNS RESTRICTING PARKING ALONG PORTIONS OF PARK AVENUE WITHIN THE CITY LIMITS OF THE CITY OF SHERMAN. PROVIDING FOR SEVERABILITY. PROVIDING FOR A REPEALER.

ORD 5547
NO PARKING SIGNS
PARK AVE.

No citizens appeared before the City Council to discuss Ordinance 5547

Mayor Magers introduced Ordinance 5548 and called for a public hearing:
AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, PROVIDING FOR PERMANENT "NO PARKING" SIGNS RESTRICTING PARKING ALONG PORTIONS OF SOUTH MONTGOMERY STREET WITHIN THE CITY LIMITS OF THE CITY OF SHERMAN. PROVIDING FOR SEVERABILITY. PROVIDING FOR A REPEALER.

ORD 5548
NO PARKING SIGNS
S. MONTGOMERY ST.

No citizens appeared before the City Council to discuss Ordinance 5548.

Mayor Magers introduced Ordinance 5549 and called for a public hearing:
AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, PROVIDING FOR PERMANENT "NO

ORD 5549
NO PARKING SIGNS
N. BLEDSOE &
N. LUCKETT STS.

PARKING" SIGNS RESTRICTING PARKING ALONG PORTIONS OF NORTH BLEDSOE STREET AND NORTH LUCKETT STREET WITHIN THE CITY LIMITS OF THE CITY OF SHERMAN. PROVIDING FOR SEVERABILITY. PROVIDING FOR A REPEALER.

No citizens appeared before the City Council to discuss Ordinance 5549.

The Ordinances were introduced and the Public Hearing was closed.

CLOSE PUBLIC HEARING

ADOPTION OF ORDINANCES

Ordinance 5545

ORD 5545 UNCLAIMED PROPERTY

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING CHAPTER 1 OF THE CODE OF ORDINANCES, "GENERAL PROVISIONS," AT ARTICLE 1.13, "UNCLAIMED AND SURPLUS PROPERTY." PROVIDING FOR INCLUSION IN THE CODE OF ORDINANCES. PROVIDING FOR SEVERABILITY. PROVIDING FOR A REPEALER.

Ordinance 5546

ORD 5546 NO PARKING SIGNS FAIRVIEW ST.

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING ORDINANCE NO. 4871 TO PROVIDE FOR THE REMOVAL OF "NO PARKING" SIGNS RESTRICTING PARKING ALONG PORTIONS OF FAIRVIEW STREET, BETWEEN SHANNON STREET AND CROCKETT STREET, WITHIN THE CITY LIMITS OF THE CITY OF SHERMAN. PROVIDING FOR SEVERABILITY. PROVIDING FOR A REPEALER.

Ordinance 5547

ORD 5547 NO PARKING SIGNS PARK AVE.

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, PROVIDING FOR PERMANENT "NO PARKING" SIGNS RESTRICTING PARKING ALONG PORTIONS OF PARK AVENUE WITHIN THE CITY LIMITS OF THE CITY OF SHERMAN. PROVIDING FOR SEVERABILITY. PROVIDING FOR A REPEALER.

Ordinance 5548

ORD 5548 NO PARKING SIGNS S. MONTGOMERY ST.

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, PROVIDING FOR PERMANENT "NO PARKING" SIGNS RESTRICTING PARKING ALONG PORTIONS OF SOUTH MONTGOMERY STREET WITHIN THE CITY LIMITS OF THE CITY OF SHERMAN. PROVIDING FOR SEVERABILITY. PROVIDING FOR A REPALER.

Ordinance 5549

ORD 5549 NO PARKING SIGNS N. BLEDSOE & N. LUCKETT STS.

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, PROVIDING FOR PERMANENT "NO PARKING" SIGNS RESTRICTING PARKING ALONG PORTIONS OF NORTH BLEDSOE STREET AND NORTH LUCKETT STREET WITHIN THE CITY LIMITS OF THE CITY OF SHERMAN. PROVIDING FOR SEVERABILITY. PROVIDING FOR A REPEALER.

ACTION TAKEN.

Motion by Council Member Smith to approve Ordinance Nos. 5545, 5546, 5547, 5548, and 5549, as presented. Second by Deputy Mayor Wacker.

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

<u>CONSENT AGENDA</u> — **CONSENT AGENDA**

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

<u>RESOLUTIONS</u>

<u>RESOLUTION NO. 5236 – AUTHORIZING EXECUTION OF AN INTERLOCAL COOPERATION AGREEMENT WITH THE CITY OF VAN ALSTYNE FOR NON-EMERGENCY AMBULANCE TRANSFER SERVICES</u> — **RES 5236 NON-EMERGENCY AMBULANCE TRANSFER**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF AN INTERLOCAL COOPERATION AGREEMENT WITH THE CITY OF VAN ALSTYNE FOR NON-EMERGENCY AMBULANCE TRANSFER SERVICES.

ACTION TAKEN.

Motion by Council Member Steele to approve Resolution No. 5236, as presented. Second by Deputy Mayor Wacker.

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

<u>RESOLUTION NO. 5237 – AWARDING A BID TO AND AUTHORIZING EXECUTION OF A CONTRACT WITH SABER DEVELOPMENT CORP. FOR REPLACEMENT OF THE HIGHLAND AVENUE WATER MAIN BETWEEN McGEE STREET AND TAYLOR STREET</u> — **RES 5237 HIGHLAND WATER MAIN**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AWARDING A BID TO AND AUTHORIZING EXECUTION OF A CONTRACT WITH SABER DEVELOPMENT CORP. FOR REPLACEMENT OF THE HIGHLAND AVENUE WATER MAIN BETWEEN McGEE STREET AND TAYLOR STREET.
CONSENT AGENDA.

<u>RESOLUTION NO. 5238 – AWARDING A BID TO AND AUTHORIZING EXECUTION OF A CONTRACT WITH R.K. HALL CONSTRUCTION, LTD. FOR THE 2007-2008 STREET MILL AND OVERLAY PROGRAM</u> — **RES 5238 MILL & OVERLAY PROGRAM**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AWARDING A BID TO AND AUTHORIZING EXECUTION OF A CONTRACT WITH R.K. HALL CONSTRUCTION LTD. FOR THE 2007-2008 STREET MILL AND OVERLAY PROGRAM.
CONSENT AGENDA.

<u>RESOLUTION NO. 5239 – AUTHORIZING EXECUTION OF AN AGREEMENT WITH BARTON CAPITAL, LTD FOR THE ABATEMENT OF AD VALOREM PROPERTY TAXES FOR THE CONSTRUCTION OF A NEW SINGLE-FAMILY RESIDENCE AT 1614 SOUTH MONTGOMERY STREET</u>

RES 5239 RESIDENTIAL TAX ABATEMENT (1614 S. MONTGOMERY)

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF AN AGREEMENT WITH BARTON CAPITAL, LTD FOR THE ABATEMENT OF AD VALOREM PROPERTY TAXES FOR THE CONSTRUCTION OF A NEW SINGLE-FAMILY RESIDENCE AT 1614 SOUTH MONTGOMERY STREET.
CONSENT AGENDA.

<u>RESOLUTION NO. 5240 – AUTHORIZING EXECUTION OF AN AGREEMENT WITH BARTON CAPITAL, LTD FOR THE ABATEMENT OF AD VALOREM PROPERTY TAXES FOR THE CONSTRUCTION OF A NEW SINGLE-FAMILY RESIDENCE AT 416 WEST STAPLES STREET</u>

RES 5240 RESIDENTIAL TAX ABATEMENT (416 W. STAPLES)

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF AN AGREEMENT WITH BARTON CAPITAL, LTD FOR THE ABATEMENT OF AD VALOREM PROPERTY TAXES FOR THE CONSTRUCTION OF A NEW SINGLE-FAMILY RESIDENCE AT 416 WEST STAPLES STREET.
CONSENT AGENDA.

<u>RESOLUTION NO. 5241 – AUTHORIZING EXECUTION OF AN AGREEMENT WITH JOSE AND CRISALIDAD TORRES FOR THE ABATEMENT OF AD VALOREM PROPERTY TAXES FOR THE CONSTRUCTION OF A NEW SINGLE-FAMILY RESIDENCE AT 1817 EAST ALMA AVENUE</u>

RES 5241 RESIDENTIAL TAX ABATEMENT (1817 E. ALMA)

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF AN AGREEMENT WITH JOSE AND CRISALIDAD TORRES FOR THE ABATEMENT OF AD VALOREM PROPERTY TAXES FOR THE CONSTRUCTION OF A NEW SINGLE-FAMILY RESIDENCE AT 1817 EAST ALMA AVENUE.
CONSENT AGENDA.

<u>RESOLUTION NO. 5242 – AUTHORIZING EXECUTION OF A FIFTH AMENDMENT TO THE ORIGINAL SOFTWARE LICENSE AND SERVICE AGREEMENT WITH SUNGARD OSSI, HEREINAFTER SUNGARD PUBLIC SECTOR INCORPORATED, RELATING TO THE DELETION OF CERTAIN UNUSED IMPLEMENTATION SERVICES</u>

RES 5242 SUNGARD CONTRACT AMENDMENT

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF A FIFTH AMENDMENT TO THE ORIGINAL SOFTWARE LICENSE AND SERVICE AGREEMENT WITH SUNGARD OSSI, HEREINAFTER SUNGARD PUBLIC SECTOR INCORPORATED, RELATING TO THE DELETION OF CERTAIN UNUSED IMPLEMENTATION SERVICES.
CONSENT AGENDA.

REQUEST TO ADVERTISE
ANNUAL BID FOR CITY FLEET AND EQUIPMENT FUEL

REQUEST TO ADV FLEET / EQUIPMENT FUEL

The City Council approved the request to advertise for bids for the 2008-2009 annual supply of gasoline and diesel fuel to support the City's fleet and equipment. This year, the bid document will request a price for biodiesel so the staff can determine if any significant savings can be gained from its use.
CONSENT AGENDA.

PAYMENT APPROVAL
APPROVE PAYMENT TO A-S 71 SHERMAN-PHASE III, L.P., A TEXAS LIMITED PARTNERSHIP (NEWQUEST PROPERTIES) IN RELATION TO THE PURCHASE OF INFRASTRUCTURE AT THE SHERMAN TOWN CENTER

PURCHASE OF INFRASTRUCTURE

Mayor Magers said NewQuest Properties at Sherman Town Center has reached the threshold of their Tax Increment Financing agreement and have completed everything they agreed to do, in a timely manner. The development is booming and the City of Sherman is generating tax revenues from the Town Center.

Robby Hefton, Assistant City Manager/CFO, said one of the components of the developer's agreement called for reimbursement for their expenses on their cost basis up to $1.25 million, plus an interest component. At the time the Agenda Communication Form was written, the interest component did not take into consideration the length of time it had been in service. The net effect is that the payout will be $1.4 million instead of $1.35 million.

Mayor Magers asked if the money was escrowed. Mr. Hefton said a portion of the money is available from TIF funds, and bonds will be issued for the remainder. The revenues generated in the TIF district will be used to fund the debt service payments on the improvements that the City is purchasing.

Mayor Magers verified that the reimbursement will not effect the City's budget for FY 2008-2009.

Steve Alvis, NewQuest Properties Managing Partner, said the City of Sherman was a partner with NewQuest Properties and had the vision in 2003 of making Sherman a regional destination for retail shopping. The result is a great success story and was a team effort.

NewQuest builds about four million square feet annually and are in many communities, but the Sherman executive staff, City Council, mayors, and attorney have been some of the best they have ever worked with.

Mr. Alvis said Sherman Town Center has increased the total collection of taxes in Sherman by 37% and are the largest tax payer at the time. Retail sales tax was approximately $8 million annually before Sherman Town Center came and is about $11 million now. That's a good return on investment.

He added that Chipotle is currently under construction, Taco Bell is almost under construction, and plans are in for a new Courtyard Marriott. Construction will began soon on the Courtyard Marriott which will be located next to J.C. Penney. Mr. Alvis said they have room to build another 30,000 square feet, but the project has exceeded their expectations.

He also presented the City with a new aerial photograph of Sherman for Mr. Olson's conference room. He thanked the City Council for their help on the project.

Mayor Magers said the respect is mutual. NewQuest Properties did what they said they would do, when they said they would do it. Their project transformed the City.

ACTION TAKEN.

> **Motion by Council Member Adami to approve the payment to A-S 71 Sherman-Phase III, L.P. for the purchase of infrastructure at the Sherman Town Center. Second by Council Member Smith.**

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

OTHER BUSINESS

RECEIVE QUARTERLY PROGRESS REPORT FROM SHERMAN ECONOMIC DEVELOPMENT CORPORATION BOARD CHAIRMAN JOE FALLON, JR. AND SEDCO PRESIDENT JOHN BOSWELL

SEDCO QUARTERLY REPORT

Greg Kirkpatrick, Sherman Economic Development Corporation Board Member, appeared representing SEDCO. He said with the current economic conditions, recent prospect activity has been slow.

SEDCO recently announced a deal with Capio Partners for the creation of 168 new jobs for a call center in the old K-Mart building, which was previously occupied by Cigna.

They are currently working on the FY 2008-2009 Budget and will meet with the City Council in September to consider the issue.

SEDCO continues to work with County officials to attract MD Helicopters to the North Texas Regional Airport at Perrin Field. They also continue to work with existing employers to address their needs.

REPLAT APPROVAL OF LOTS 1 AND 2, BLOCK A OF THE REPLAT OF O'HANLON RANCH ADDITION, PHASE 1A; RANDY AND LETA WILLIAMS AND FISCHER & MATA

APPROVE REPLAT O'HANLON RANCH ADDITION

<u>CONSTRUCTION, OWNERS (2900 AND 2904 CANYON CREEK DRIVE)</u>
The City Council approved the Replat of Lots 1 and 2, Block A of the Replat of O'Hanlon Ranch Addition, Phase 1A, located at 2900 and 2904 Canyon Creek Drive in the O'Hanlon Ranch Subdivision off of F.M. 1417 North (Heritage Parkway). The Planning and Zoning Commission recommended approval of the Replat.
CONSENT AGENDA.

APPROVE REPLAT J.C. LINNSTAEDT'S ADDITION

<u>REPLAT APPROVAL OF THE REPLAT OF LOT 19, BLOCK 3 AND A PORTION OF HARRISON STREET BETWEEN BLOCKS 3 AND 4 OF J.C. LINNSTAEDT'S ADDITION; RON BARTON, OWNER (1624 EAST KING STREET)</u>
The City Council approved the Replat of Lot 19, Block 3 and a portion of Harrison Street between Blocks 3 and 4 of J.C. Linnstaedt's Addition, located at 1624 E. King Street.

The property contains a portion of the Harrison Street right-of-way that was never built and a residential lot that was combined into one tract for residential development. The City sold the property in May through sealed bids. The Replat divides an existing tract into two lots for residential development. The Planning and Zoning Commission recommended approval of the Replat.
CONSENT AGENDA.

<u>CITIZENS REQUESTS</u>

CLOSURE OF THE CITY'S DAY CARE CENTER

<u>CLOSURE OF THE CITY'S DAY CARE</u>
Laqueta Wilson, 1010 N. East Street, appeard to address the proposed closure of the City's Day Care Center. Ms. Wilson said she was a child that grew up in the City's Day Care Center and now has a daughter that goes there. Her Mother, who was a single parent, received assistance through the facility.

She has purchased a home across the street from the Day Care Center and the workers are like family. She feels safe leaving her daughter at the facility. The Day Care Center is a "special place" to her.

Ms. Wilson has started circulating a petition and has over 100 signatures of citizens that have used the facility or know the need for the facility. She said the care and early training the children get is a valuable asset to the community and to the neighborhood.

She urged the City Council to reconsider the decision to close the Day Care Center.

Mayor Magers said the public hearing for the Budget is scheduled for August 18, 2008. Since the item is not on the current agenda, the City Council cannot respond to their concerns tonight.

MEDIA QUESTIONS — MEDIA QUESTIONS

There were no media questions.

COUNCIL COMMENTS

TAX INCREMENT FINANCING PAYMENT TO NEWQUEST PROPERTIES — TIF PAYMENT TO NEWQUEST PROPERTIES

Council Member Adami said it had been a pleasure to work with NewQuest Properties on the Sherman Town Center. They did everything they said they would do and the Council is very glad to have them in Sherman.

FY 2008-2009 BUDGET — FY 2008-2009 BUDGET

Mayor Magers commended the staff on the City's Budget planning this year and said the Budget will be reviewed at the August 18, 2008 City Council Meeting.

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

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

SECTION 551.071 --	CONSULTATION WITH CITY ATTORNEY CONCERNING LEGAL MATTERS: PANDA ENERGY
SECTION 551.074 --	CONSIDER THE QUALIFICATIONS, APPOINTMENT OR REMOVAL OF MEMBERS TO BOARDS AND COMMISSIONS: PLANNING AND ZONING COMMISSION (CHAIRMAN)
SECTION 551.087 --	DELIBERATION REGARDING ECONOMIC DEVELOPMENT NEGOTIATIONS: DELIBERATE REGARDING COMMERCIAL OR FINANCIAL INFORMATION THAT THE CITY HAS RECEIVED FROM BUSINESS PROSPECTS AND DELIBERATE ANY OFFERS OR INCENTIVES TO THE BUSINESS PROSPECTS, INCLUDING THE FOLLOWING: PANDA ENERGY

On Motion duly made and carried, the Open Meeting recessed and reconvened in Executive Session at 5:33 p.m.

On Motion duly made and carried, the Executive Session recessed at 5:54 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

CONSIDER THE QUALIFICATIONS, APPOINTMENT AND REMOVAL OF MEMBERS TO BOARDS AND COMMISSIONS: PLANNING AND ZONING COMMISSION (CHAIRMAN)

PLANNING & ZONING COMMISSION

ACTION TAKEN.

> **Motion by Council Member Adami to reappoint Jason Sofey, as Chairman of the Planning and Zoning Commission for a term from August 1, 2008 to August 1, 2009. Second by Council Member Smith.**

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

ADJOURNMENT

On Motion duly made and carried, the meeting adjourned at 5:56 p.m.

ADJOURNMENT

____

MAYOR

____

CITY CLERK

COURTYARD
Marriott

CONCEPTUAL RENDERING

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 8-4-2008

Subject: Agenda Item No. B.1

INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 5550
Providing for Permanent "No Parking" Signs Restricting Parking along Portions of East College Street within the City Limits of the City of Sherman

Issue
To introduce an ordinance and seek public input concerning the establishment of parking restrictions in the 1600 block of East College Street

Background
Residents around the intersection of East College and North Cleveland experience street congestion during times when Austin College students park on the streets during the regular school year. The resident at 903 North Cleveland requested that the City not allow parking on the south side of the 1600 block of East College. Although their home fronts on Cleveland Street, their driveway is on the College Street side. Due to the street being narrow, backing out of their driveway was nearly impossible when cars were parked across the street. The "No Parking" signs have been up for over 90 days; and no complaints have been received.

Origination
Public Works Department and resident of 903 North Cleveland

Financial Consideration
A total of three signs were installed. Material and labor to install these signs was $204.00.

Staff Recommendation
Adopt the proposed ordinance to provide for the enforcement of "No Parking" along the south side of the 1600 block of East College Street, between North Cleveland and North Harrison.

Alternatives
Those as may be recommended by the City Council

Attachments
Ordinance No. 5550
Location Map

Prepared by:
Jeff Miller, Director of Public Works

Approved by:
George Olson, City Manager

ORDINANCE NO. 5550

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, PROVIDING FOR PERMANENT "NO PARKING" SIGNS RESTRICTING PARKING ALONG PORTIONS OF EAST COLLEGE STREET WITHIN THE CITY LIMITS OF 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.

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

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

> along the south side of the 1600 block of East College Street, between North Cleveland Street and North Harrison Street, as shown by Exhibit "A" attached hereto and incorporated herein for all purposes.

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

SECTION 3. That, from and after the erection of the "NO PARKING" signs herein authorized, it shall be unlawful for any motorist to park a vehicle in such area designated as a "NO PARKING" zone, as provided in Sec. 12.04.020 of the Code of Ordinances of the City of Sherman, Texas. Violators of this ordinance shall be subject to fine as provided in Section 1.01.009 of the Code of Ordinances of the City of Sherman, Texas.

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

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

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

INTRODUCED on this the _____________ day of _________________, 2008.

ADOPTED on this the ________________ day of _________________, 2008.

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

CITY OF SHERMAN, TEXAS

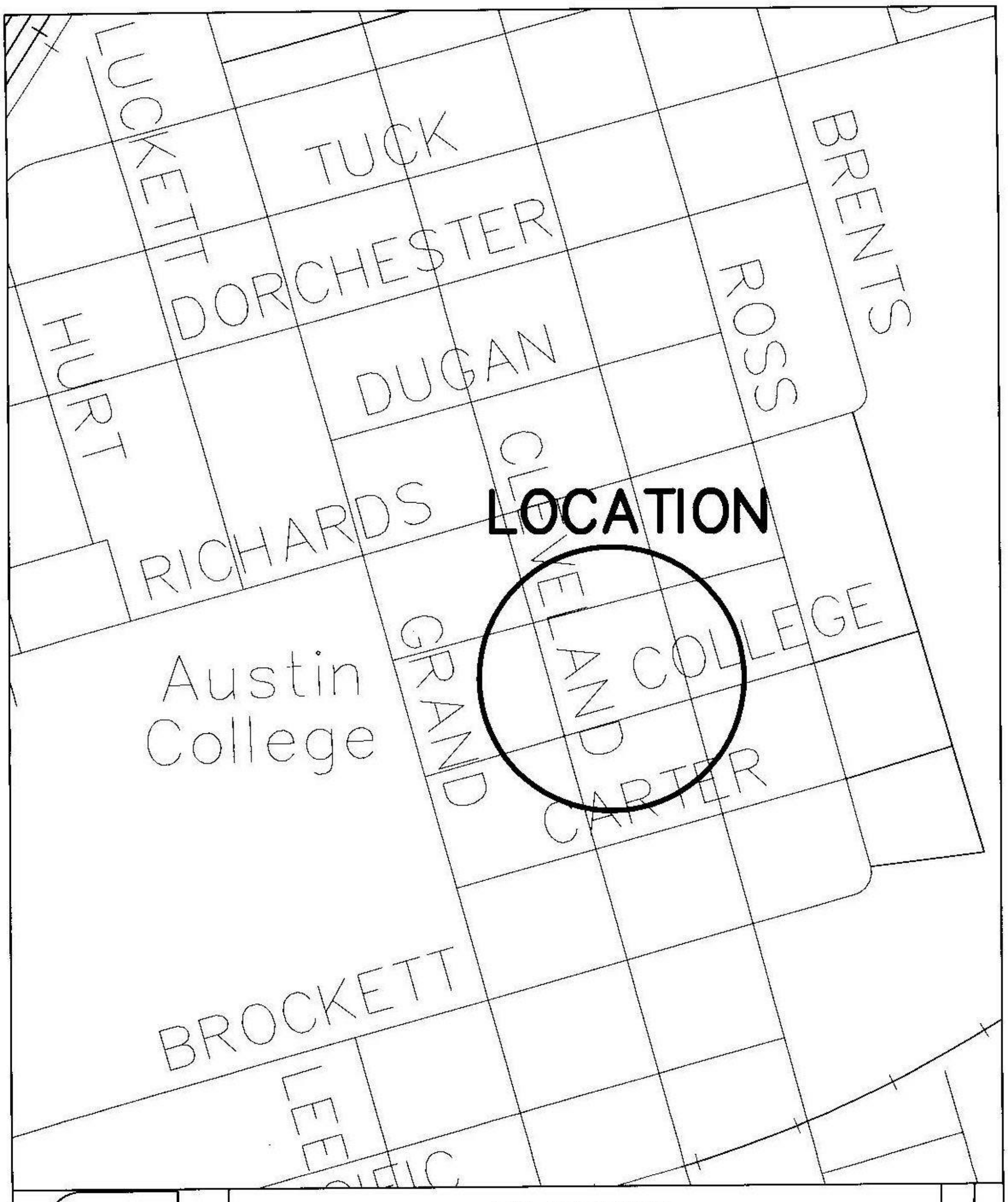
BY: ______________________________
BILL MAGERS, MAYOR

ATTEST:

BY: ______________________________
LINDA ASHBY, CITY CLERK

APPROVED AS TO FORM AND CONTENT:

BY: ______________________________
DOREEN E. MCGOOKEY,
CITY ATTORNEY



NO PARKING
1600 BLOCK EAST COLLEGE

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 8-4-2008

Subject: Agenda Item No. B.2

ADOPTION OF ORDINANCES
Consider Adoption of Ordinance Number: 5550

B.1 INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 5550
Providing for Permanent "No Parking" Signs Restricting Parking along Portions of East College Street within the City Limits of the City of Sherman

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 8-4-2008

Subject: Agenda Item No. B.3

CONSENT AGENDA

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

C.1 **** RESOLUTION NO. 5243***
Authorizing Execution of an Occupancy License Agreement with the Texas Northeastern Railroad, a Division of Mid-Michigan Railroad, Inc., for Replacement of the Travis Street Water Main

C.2 **** RESOLUTION NO. 5244***
Authorizing Execution of an Agreement with Barton Capital, LTD for the Abatement of Ad Valorem Property Taxes for the Construction of a New Single-Family Residence at 1606 South Montgomery Street

C.3 **** RESOLUTION NO. 5245***
Authorizing Execution of an Agreement with Barton Capital, LTD for the Abatement of Ad Valorem Property Taxes for the Construction of a New Single-Family Residence at 1610 South Montgomery Street

D.1 **** REQUEST TO ADVERTISE***
City of Sherman Employee and Retiree Health Insurance

D.2 **** CHANGE ORDER NO. 1***
Water Main Replacement on Texoma Parkway from U.S. Highway 82 to Frisco Road; $5,355.44, Increase

D.7 **** OTHER BUSINESS***
Set Public Hearing for Capital Improvement Program (CIP) 2008-2013 for Tuesday, September 2, 2008

D.8 **** OTHER BUSINESS***
Approve Quarterly Investment Report for Period ending June 30, 2008

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 8-4-2008

Subject: Agenda Item No. C.1

**** RESOLUTION NO. 5243***
Authorizing Execution of an Occupancy License Agreement with the Texas Northeastern Railroad, a Division of Mid-Michigan Railroad, Inc., for Replacement of the Travis Street Water Main

Issue
To consider approval of an Occupancy License Agreement with the Texas Northeastern Railroad, a Division of Mid-Michigan Railroad, Inc., allowing the City to move forward with the replacement of a water main on Travis Street

Background
The attached Occupancy License Agreement will allow the City to cross the Railroad's right of way to install a replacement water main along Travis Street.

Origination
Director of Utilities and Engineering

Financial Consideration
An annual fee of $841.00 is required. Funds are available in the current budget for this fee.

Staff Recommendation
It is recommended that the Occupancy License Agreement be approved.

Alternatives
As may be directed by the Council

Attachments
Resolution No. 5243
Occupancy License Agreement
Location Map

Prepared by:
Mark Gibson, Director of Utilities and Engineering

Approved by:
George Olson, City Manager

RESOLUTION NO. 5243

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF AN OCCUPANCY LICENSE AGREEMENT WITH THE TEXAS NORTHEASTERN RAILROAD, A DIVISION OF MID-MICHIGAN RAILROAD, INC., FOR REPLACEMENT OF THE TRAVIS STREET WATER MAIN; FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS RESOLUTION IS PASSED WAS NOTICED AND IS OPEN TO THE PUBLIC AS REQUIRED BY LAW.

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

SECTION 1. That the City Manager be and is hereby authorized and directed, subject to all contract documents being properly completed and approved as to form by the City Attorney, to execute an Occupancy License Agreement with the Texas Northeastern Railroad, a Division of Mid-Michigan Railroad, Inc., for replacement of the Travis Street Water Main, in accordance with all contract documents attached hereto and made a part hereof for all purposes.

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

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

CITY OF SHERMAN, TEXAS

BY: ______________________________
BILL MAGERS, MAYOR

ATTEST:

BY: ______________________________
LINDA ASHBY, CITY CLERK

APPROVED AS TO FORM AND CONTENT:

BY: ______________________________
DOREEN E. MCGOOKEY,
CITY ATTORNEY

OCCUPANCY LICENSE AGREEMENT

This Agreement (hereinafter "Agreement") made this **June 25, 2008,** by and between **TEXAS NORTHEASTERN RAILROAD, A DIVISION OF MID-MICHIGAN RAILROAD INC.,** its successors, assigns or affiliated companies (hereinafter "LICENSOR"), whose address is **C/O DGNO RAILROAD, 403 INTERNATIONAL PKWY - SUITE 500, Richardson, TX 75081**, and **CITY OF SHERMAN** (hereinafter "LICENSEE"), whose address is **220 W. Mulberry, , Sherman, TX 75091**

For valuable consideration as outlined herein, the receipt of which is hereby acknowledged, LICENSOR hereby conveys to LICENSEE a license (hereinafter "Occupancy") to operate upon, along or across LICENSOR'S property as indicated below:

A. ( ) above ground (x) below ground
B. (x) water pipeline ( ) sewer pipeline ( ) gas pipeline ( ) oil pipeline

Including necessary appurtenances and other related fixtures, equipment, marker posts or electric power which are in, under, upon, over or across LICENSORS property located at or near Mile Post **155 105'E** at or near **Sherman**, County of **Grayson**, State of **Texas.**

Said Occupancy to be located and described as follows:

UNDERGROUND 10" WATER PIPELINE including necessary appurtenances and other related fixtures, equipment, marker posts or electric power **("LICENSEE'S Facilities"), placed as shown on LICENSEE'S "Exhibit A" attach hereto and made a part hereof. LICENSEE'S Facilities are subordinated to all matters of record. LICENSOR reserves the right to use the area three (3) feet below ground level and to enter LICENSEE'S Facilities for construction and maintenance of LICENSORS property.**

THE UNDERSIGNED AGREES that the continuation of the Occupancy and use herein shall be subject to the following conditions, the default upon same could cause LICENSOR, its successors or assigns, to terminate this Agreement and to order the removal of LICENSEE'S Facilities and Occupancy. The conditions are as follows:

1. Said Agreement and Occupancy is granted contingent upon payment to LICENSOR of a **ANNUAL** fee of **$841.00.** LICENSEE shall also submit a **one-time agreement-processing fee** of **$1,000. 00, engineering observation fee** of **$1,500.00** and a contractor **right of entry fee** of **$1,500.00,** which is covered by a separate agreement known as CONTRACTOR OCCUPANCY/ACCESS LICENSE AGREEMENT, **TNER 080421A**. LICENSOR reserves the right to adjust the annual fee on each anniversary date of this Agreement, or at such other times as conditions warrants. Billing or acceptance by LICENSOR of any annual fee shall not imply a definite term or otherwise restrict either party from canceling this Agreement as herein provided.

2. In the event that the use as set forth above is (1) materially changed, (2) terminated or (3) LICENSEE'S Facilities are removed, this Agreement shall automatically terminate.

3. This Agreement or Occupancy herein granted may not be transferred, assigned or sublet to another party not signatory hereto without the prior written approval of LICENSOR. Said approval by LICENSOR, subject to LICENSEE'S satisfaction of applicable transfer of rights or assignment fees in effect at that time, shall not be unreasonably withheld.

4. LICENSOR shall not be responsible for any damage to LICENSEE'S Facilities at any time while this Agreement is in effect.

5.
   a. TO THE EXTENT PERMITTED BY LAW LICENSEE HEREBY AGREES TO INDEMNIFY, SAVE AND HOLD HARMLESS AND DEFEND LICENSOR, AND RAILAMERICA, INC., THEIR RESPECTIVE OFFICERS, DIRECTORS AND EMPLOYEES FROM ANY AND ALL ACTIONS AT LAW, CLAIMS, DEMANDS, LOSSES, DAMAGES, SUITS, FINES, PENALTIES, BY LICENSEE OR ANY OTHER PARTY TO RECOVER ACTUAL OR PUNITIVE DAMAGES FOR DEATH, BODILY INJURY, PERSONAL INJURY OR PROPERTY DAMAGE, WHICH MAY RESULT DIRECTLY OR INDIRECTLY FROM LICENSEE'S ACTIVITIES HEREUNDER, INCLUDING BUT NOT LIMITED TO THE SUBSEQUENT USE

AND OCCUPANCY OF LICENSEE'S FACILITIES BY LICENSEE, ITS PERMITTEES, INVITEES OR ANY OTHER PERSON.

b. TO THE EXTENT PERMITTED BY LAW THE PARTIES ACKNOWLEDGE THAT THE USE OF LICENSOR'S PREMISES IS FOR THE SOLE CONVENIENCE OF LICENSEE AND THAT LICENSOR SHALL HAVE NO DUTY TO LICENSEE, ITS OFFICERS, EMPLOYEES, AGENTS OR CONTRACTORS TO PROVIDE A REASONABLY SAFE PLACE IN WHICH TO WORK, TO PROVIDE ADEQUATE OR SAFE METHODS AND EQUIPMENT FOR THEIR WORK OR TO INSPECT OR MAINTAIN LICENSEE'S FACILITIES FOR SAID SAFE METHODS AND WORK EQUIPMENT NOR TO GIVE ANY WARNINGS OR OTHER NOTICES TO LICENSEE'S EMPLOYEES OR INVITEES REGARDING SAFETY EITHER OF LICENSEE'S FACILITIES AND RELATED WORKPLACE OR LICENSOR'S PROXIMATE RAILROAD OPERATIONS AND THAT ALL SUCH DUTIES SHALL BE ASSUMED BY LICENSEE WHO FURTHER AGREES TO DEFEND AND HOLD HARMLESS LICENSOR FROM ANY AND ALL CLAIMS ALLEGING ANY FAILURE TO PERFORM SAID DUTIES.

6. LICENSEE shall name LICENSOR, and RAILAMERICA, INC., their respective officers, directors and employees, as additional insured for all risks, (including, if applicable, fire and explosion due to LICENSEE'S crossing(s), in an amount not less than Two million and no/100 dollars ($2,000,000.00) per occurrence, Four million and no/100 dollars ($4,000,000.00) aggregate liability and, prior to any construction project, a policy of Railroad Protective Liability Insurance in the amount of Two million and no/100 dollars ($2,000,000.00) per occurrence, Four million and no/100 dollars ($4,000,000.00) aggregate. Each policy shall be endorsed to provide a minimum of 10 days advance notice of cancellation to said additional insured. LICENSEE shall furnish a certified policy of insurance prior to the construction period. Said coverage shall remain in force for the duration of this Agreement. Provided, however, LICENSOR may require increases in liability coverage to equal or exceed LICENSOR'S own level of liability coverage, having regard for the circumstances. LICENSOR shall further have the right to approve the Carrier furnishing such coverage. Evidence satisfactory to LICENSOR'S General Counsel of LICENSEE'S authorized self-insurance program capable of providing for such limits, will be accepted in lieu of a policy from a commercial carrier. This clause shall not serve in any way to limit LICENSEE'S liability to the amounts of insurance required.

7. If required by LICENSOR, LICENSEE at its sole cost and expense, shall, upon completion of the construction and installation of said LICENSEE'S Facilities, furnish LICENSOR with a **survey drawing**, showing the final exact location of said Occupancy as constructed. The survey drawing shall indicate LICENSOR'S survey valuation station, which said installation is located, and/or the position of LICENSEE'S Facilities in relation to the centerline of the track and/or the centerline of the closest public street crossing said track(s). Said survey drawing to be attached to this Agreement as **Licensee's Exhibit "B"** and made a part hereof.

8. LICENSEE'S Facilities shall be installed to the satisfaction and approval of LICENSOR'S Engineer and all costs of LICENSOR'S Engineer and other technicians or professional consultants as may be required from time to time shall be borne by LICENSEE.

9. LICENSEE hereby agrees to reimburse LICENSOR for any and all expenses LICENSOR may incur or be subjected to, or in consequence of, the planning, negotiation, installation, construction, location, changing, alteration, relocation, operation or renewal of said Facilities, within thirty (30) days after receipt of LICENSOR'S invoice for payment.

10. In the event LICENSEE shall at any time desire to make changes in the physical or operational characteristics of said Occupancy, LICENSEE shall first secure in writing, the consent and approval of LICENSOR. All renewals, changes or additional construction after LICENSEE'S Facilities have initially been constructed, shall be authorized only after an additional CONTRACTOR OCCUPANCY/ACCESS LICENSE AGREEMENT is approved and executed by LICENSOR. LICENSEE agrees that such changes shall be made at LICENSEE'S sole risk, cost and expense and subject to all the terms, covenants conditions and limitation of this Agreement.

11. No other use shall be made by anyone under, across, upon and/or over the Occupancy herein described, without obtaining the prior written permission of LICENSEE, its successors or assigns; except, LICENSOR shall have access as it deems appropriate from time to time, to operate on LICENSOR property.

12. This Agreement shall continue in force indefinitely from and after the date hereof, subject, however, to the right of either party to terminate this Agreement as to the Occupancy or LICENSEE'S Facilities, or any part of LICENSEE'S Facilities, at any time, upon giving the other party thirty (30) days' notice in writing of its desire to terminate this Agreement, and

indicating in said notice the extent of said facilities and facilities to which such termination shall apply. When this Agreement shall be terminated as to LICENSEE'S Facilities, or as to any part thereof, LICENSEE within thirty (30) days' after the expiration of the time stated in said termination notice, agrees at LICENSEE'S own risk and expense to remove LICENSEE'S Facilities from the property of LICENSOR, or such portion thereof as LICENSOR shall require removed, and to restore LICENSOR premises and property to a neat and safe condition, and if LICENSEE shall fail to do so within said time, LICENSOR shall have the right, but not the duty, to remove and restore the same, at the risk and expense of LICENSEE. Said restoration shall include, but not be limited to, any and all harm, damage or injury done to LICENSOR'S property and/or to any other public or private property by acts or occurrences subject to Federal, State or local environmental enforcement or regulatory jurisdiction, and shall include necessary and appropriate testing and cleanup. Nothing herein contained shall be construed as conferring any property right on LICENSEE.

13. Upon termination of this Agreement and Occupancy for any reason, all structures and alterations shall be removed from LICENSOR'S property and said property shall be returned to a physically and environmentally whole condition to the satisfaction of LICENSOR'S designated Officer or Representative, all at the sole cost and expense of LICENSEE. LICENSOR may, at LICENSOR'S sole discretion, during the removal of LICENSEE'S Facilities, require LICENSEE to conduct an environmental appraisal and report of the property formerly occupied by LICENSEE'S Facilities, All reports shall be prepared by a LICENSOR approved environmental consultant, to determine if LICENSOR'S property has been environmentally impacted by said Occupancy. All environmental reports, which are prepared subject to this clause, shall be immediately available to LICENSOR by LICENSEE. This clause shall survive termination of this Agreement.

14. LICENSEE agrees that any installation, maintenance, renewing or removal provisions referenced in this Agreement, covers only the requirements and/or specifications of installation, maintenance, renewing or removal. Any said reference shall not be construed as LICENSOR'S permission or authority for LICENSEE to enter LICENSOR'S property without first obtaining a CONTRACTOR OCCUPANCY/ACCESS LICENSE AGREEMENT from LICENSOR, and fulfilling the requirements contained therein.

15. Execution of this Agreement shall supersede and/or cancel, as of the date first above written, any and all previous agreements, if any, related to the Occupancy and use herein described, which may exist between the parties or their predecessors.

THIS AGREEMENT IS hereby declared to be binding upon the parties hereto.

IN WITNESS WHEREOF, the undersigned have hereunto set their hand and seals this __________ day of ____________20____.

WITNESS

LICENSOR

TEXAS NORTHEASTERN RAILROAD, A DIVISION OF MID-MICHIGAN RAILROAD INC.

____

by: Wayne F. Angel, Director Rail Properties

as: Contractor for Railamerica, Inc. & its affiliate Railroads

Signed: ______________________________

WITNESS

LICENSEE

CITY OF SHERMAN

____

by: ______________________________

its: ______________________________

Signed: ______________________________

City of Sherman, Texas

TRAVIS STREET between HWY 75 and WASHINGTON

PROJECT LOCATION MAP

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 8-4-2008

Subject: Agenda Item No. C.2

***RESOLUTION NO. 5244**
Authorizing Execution of an Agreement with Barton Capital, LTD for the Abatement of Ad Valorem Property Taxes for the Construction of a New Single-Family Residence at 1606 South Montgomery Street

Issue
This item is to consider property tax abatement for the construction of a new single-family residence at 1606 South Montgomery Street.

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

Origination
Barton Capital, LTD, Applicant

Financial Consideration
A $75.00 application fee has been received for this residential lot. If granted, the initial abatement for this lot will be approximately $289.00 annually.

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

Alternatives
The City Council could decide against granting this abatement.

Attachments
Resolution No. 5244
Residential Tax Abatement Agreement
Application
Building Permit Application
Survey
Location Map

Prepared by:
Scott Shadden, Director of Development Services

Approved by:
George Olson, City Manager

RESOLUTION NO. 5244

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF AN AGREEMENT WITH BARTON CAPITAL, LTD FOR THE ABATEMENT OF AD VALOREM PROPERTY TAXES FOR THE CONSTRUCTION OF A NEW SINGLE-FAMILY RESIDENCE AT 1606 SOUTH MONTGOMERY STREET; FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS RESOLUTION IS PASSED WAS NOTICED AND IS OPEN TO THE PUBLIC AS REQUIRED BY LAW.

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

SECTION 1. That the City Manager be and is hereby authorized and directed, subject to receipt of a fully-executed agreement from Barton Capital, LTD and subject to all contract documents being properly completed and approved by the City Attorney, to execute an agreement with Barton Capital, LTD for the abatement of ad valorem property taxes for a period of ten (10) years, for the construction of one (1) new single-family residence at 1606 South Montgomery Street, lying within the City of Sherman's Residential Tax Reinvestment Zone, in accordance with the City's policies and procedures established for this purpose.

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

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

CITY OF SHERMAN, TEXAS

BY: ______________________________
BILL MAGERS, MAYOR

ATTEST:

BY: ______________________________
LINDA ASHBY, CITY CLERK

APPROVED AS TO FORM AND CONTENT:

____
DOREEN E. MCGOOKEY,
CITY ATTORNEY

THE STATE OF TEXAS §
§
COUNTY OF GRAYSON §

AGREEMENT

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

WITNESSETH:

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

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

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

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

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

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

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

I.

1.01 To the extent authorized by the Texas Constitution and by the Tax Code, CITY hereby agrees to exempt from City of Sherman taxation a portion of the increase in value of taxable real property of OWNER in the CITY over the same real property and its value as calculated by the Grayson Appraisal District for ad valorem property tax purposes in accordance with the following schedule. Such tax exemption shall be in effect for tax years beginning January 1, 2008, and continuing for tax years 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016 and 2017 with same constituting ten (10) tax years. However, nothing contained herein shall be construed to grant an abatement of taxes to be assessed based on the change of use of the property from an agricultural use to another use, sometimes referred to as rollback taxes, penalties or interest. In the event rollback taxes are applicable for the real property utilized by OWNER, then such increase in value of taxable property resulting from such rollback shall be used as the tax value for such property for the tax year 2008, sometimes referred to herein as the Base Tax Year.

SCHEDULE OF TAXES ASSESSED

TAX YEAR	ABATEMENT
2008	100%
2009	100%
2010	100%
2011	100%
2012	100%
2013	100%
2014	80%
2015	60%
2016	40%
2017	20%

II.

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

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

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

III.

3.01 The term of this Agreement shall be for tax years 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015 and 2016, and 2017 as indicated above in paragraph 1.01.

IV.

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

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

Being the Lot 10, Block 1 of J.P. Geren's South Montgomery Addition in the City of Sherman, Grayson County, Texas, and being more commonly known as 1606 South Montgomery Street.

V.

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

VI.

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

VII.

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

VIII.

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

IX.

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

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

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

X.

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

XI.

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

XII.

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

City of Sherman
P.O. Box 1106
Sherman, Texas 75091-1106
(903) 892-7200

Barton Capital, LTD
715 S. Sam Rayburn Frwy.
Sherman, Texas 75090
(903) 868-4201

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

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

_____ day of __________________________, 2008.

CITY: **CITY OF SHERMAN, TEXAS**	**OWNER:** **BARTON CAPITAL, LTD**
BY: __________________________	**BY:** __________________________
GEORGE OLSON	**NAME:** ______________________
CITY MANAGER	**TITLE:** ______________________
ATTEST:	**(CORPORATE SEAL)**

BY: __________________________

LINDA ASHBY
CITY CLERK

APPROVED AS TO FORM:

____
DOREEN E. MCGOOKEY
CITY ATTORNEY

THE STATE OF TEXAS §
COUNTY OF GRAYSON §

BEFORE ME, the undersigned authority, on this day personally appeared Ron Barton, Barton Capital, LTD, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein express.

GIVEN UNDER MY HAND and seal of office this _____day of _________, 2008 A.D.

____
Tammy Biggar
Notary Public

CITY OF SHERMAN
APPLICATION FOR RESIDENTIAL TAX ABATEMENT

Property Owner:

Name: BARTON CAPITAL

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

Telephone Number: 903 - 868 - 4201

Contact (if different than owner):

Name: Ron Barton

Mailing Address: SAME

Telephone Number: SAME

Property:

Physical Address: 1606 S. MONTGOMERY

Summary Legal Description: Lot: 10 Block: 1 Addition: J.P. GREENS ADD

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

Improvements:

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

Estimated Value of Improvements: 72,360

Estimated Date of Start of Construction: 7-21-08

Estimated Date of Completion of Project: 9-21-08

Description of Project: NEW SINGLE FAMILY DWELLING

Applicant(s): [signature] Date: 7-17-08

70 2008 00010977

Wilma Blackshear Bush
County Clerk
Sherman, Texas 75090

5481

Instrument Number: 2008-00010977

As

Recorded On: May 08, 2008 Recordings

Parties: W DOUGLAS DISTRIBUTING LTD Billable Pages: 3

To BARTON CAPITAL LTD Number of Pages: 5

Comment: WD/VL

(Parties listed above are for Clerks reference only)

** Examined and Charged as Follows: **

Recordings	24.00
Total Recording:	24.00

************ DO NOT REMOVE THIS PAGE IS PART OF THE INSTRUMENT ************

Any provision herein which restricts the Sale, Rental or use of the described REAL PROPERTY because of color or race is invalid and unenforceable under federal law.

File Information:

Document Number: 2008-00010977
Receipt Number: 265853
Recorded Date/Time: May 08, 2008 10:20:32A
Book-Vol/Pg: BK-OR VL-4451 PG-730
User / Station: G WHITE - Cashiering Station 1

Record and Return To:

RED RIVER TITLE CO
421 N. CROCKETT ST
SHERMAN TX 75090

COUNTY COURT OF GRAYSON COUNTY, TEXAS

THE STATE OF TEXAS
COUNTY OF GRAYSON
I hereby certify that this instrument was FILED in the File Number sequence on the date/time printed hereon, and was duly RECORDED in the Official Records of Grayson County, Texas.

Wilma Blackshear Bush

Wilma Blackshear Bush, Grayson County Clerk

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

GENERAL WARRANTY DEED WITH VENDOR'S LIEN

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

That **W. DOUGLAS DISTRIBUTING, LTD.**, for and in consideration of the sum of TEN AND NO/100THS ($10.00) DOLLARS and other valuable consideration to the undersigned paid by the Grantee herein named, the receipt of which is hereby acknowledged herein, and the further consideration of the execution and delivery by Grantee of one certain promissory note of even date herewith, in the principal sum of **EIGHTY-ONE THOUSAND FIVE HUNDRED SIX AND NO/100THS ($81,506.00) DOLLARS,** payable to the order of **AMERISTATE BANK** , as therein specified and bearing interest as therein provided, containing the usual clauses providing for acceleration of maturity and for attorney's fees; the payment of which note is secured by the vendor's lien herein retained, and is additionally secured by a Deed of Trust of even date herewith to **CHARLES A. MCCALL, Trustee,** has GRANTED, SOLD AND CONVEYED, and by these presents does GRANT, SELL AND CONVEY unto **BARTON CAPITAL, LTD.**, all of the following described real property in Grayson County, Texas, to-wit:

> BEING Lots 1 through 14 of the J.P. GEREN'S SOUTH MONTGOMERY ADDITION to the City of Sherman, Texas, as shown by plat of record in Vol. 341, Page 13, Deed Records, Grayson County, Texas, being more particularly described on the attached Exhibit "A"...............................
>
> SAVE AND EXCEPT and there is hereby excepted from the warranties herein conveyed all prior reservations of any oil, gas, and other minerals, easements, and restrictive covenants and conditions of record in the County Clerk's Office, Grayson County, Texas.

TO HAVE AND TO HOLD the above described premises, together with all and singular the rights and appurtenances thereto in anywise belonging unto the said Grantee, Grantee's successors or assigns forever; and Grantor does hereby bind Grantor, Grantor's successors or assigns, to WARRANT AND FOREVER DEFEND all and singular the said premises unto the said Grantee, Grantee's successors or assigns against every person whomsoever lawfully claiming or to claim the same or any part thereof.

AMERISTATE BANK, at the instance and request of the Grantee herein, having advanced and paid in cash to the Grantor herein that portion of the purchase price of the hereinbefore described **$81,506.00** Note, the vendor's lien, together with the superior title to said property is retained herein for the benefit of **AMERISTATE BANK,** and the same is hereby transferred and assigned to **AMERISTATE BANK.**

But it is expressly agreed that the Vendor's Lien, as well as the Superior title in and to the above described premises, is retained against the above described property, premises and improvements until the above described note and all interest thereon are fully paid according to the face, tenor, effect and reading thereof, when this Deed shall become absolute.

EXECUTED this 8 day of May, 2008.

W. DOUGLAS DISTRIBUTING, LTD.

BY: William P. Douglas
NAME PRINTED: William P. Douglas
TITLE: CEO

GRANTEE'S MAILING ADDRESS:

Barton Capital, Ltd.
715 S. Hwy 75
Sherman TX 75090

ACKNOWLEDGMENT

STATE OF TEXAS *
COUNTY OF Grays *

This instrument was acknowledged before me on the 8 day of May, 2008, by William P. Douglas in the capacity of CEO for **W. DOUGLAS DISTRIBUTING, LTD.**, on its behalf and in the capacity therein stated.

DORIS C. CASTON
Notary Public
STATE OF TEXAS
My Commission
Expires 02/06/2009

Notary Public, State of Texas

EXHIBIT A

SITUATED in the City of Sherman, County of Grayson, State of Texas, being a part of the Samuel Blagg Survey, Abstract No. 56, being all of J. P. Geren's South Montgomery Addition, to the City of Sherman, Texas, recorded in Volume 341, Page 13, Deed Records, Grayson County, Texas, said Geren's Addition being the 2.272 acre tract of land described as Parcel One, conveyed in the Warranty Deed from Keystone Consolidated Industries, Inc., to DSO Acquisition Corporation, on September 27, 1996, recorded in Volume 2497, Page 797, Official Public Records, Grayson County, Texas, and being more particularly described by metes and bounds as follows, to-wit:

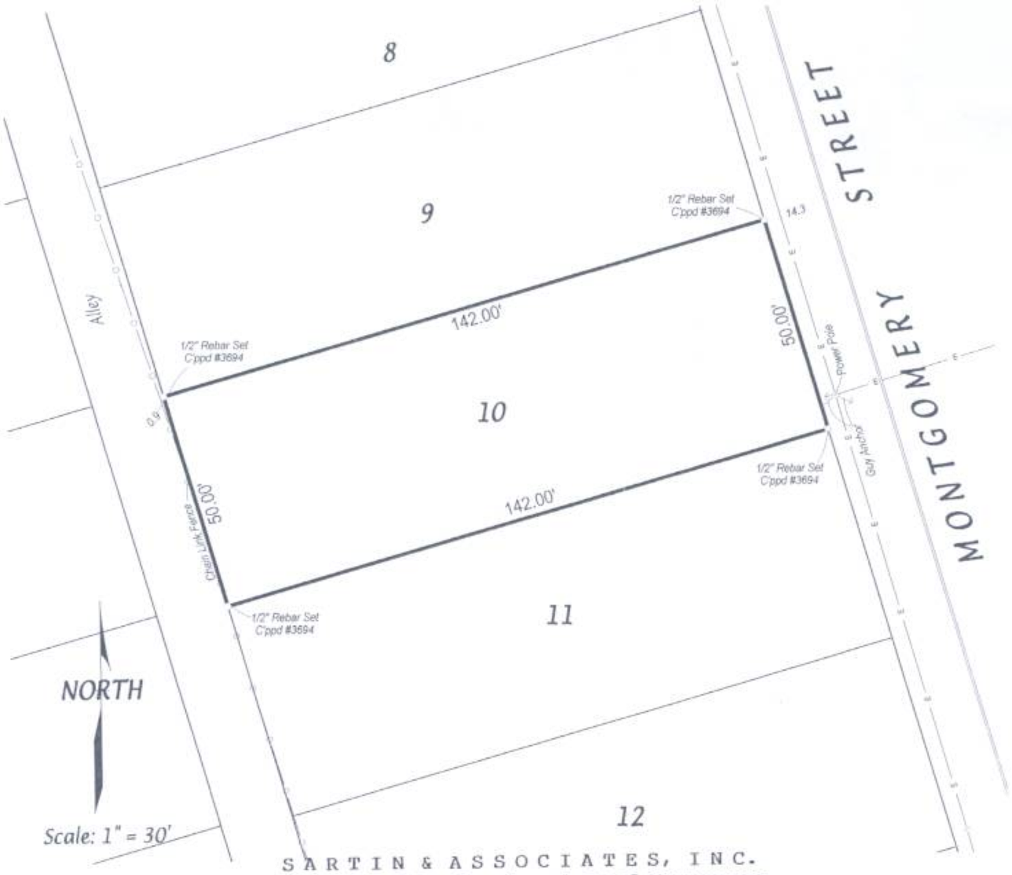
BEGINNING at 1/2 inch rebar found in the North line of Lake Avenue and the East line of an alley, at the Southwest corner of said Geren's Addition and said DSO 2.272 acres;

THENCE North 16 deg. 00 min. 00 sec. West, with the East line of said alley, a distance of 697.00 ft. to a 1/2 inch rebar found in the South line of Olive Street, at the Northwest corner of said Geren's Addition and said DSO 2.272 acres;

THENCE North 74 deg. 00 min. 00 sec. East, with the South line of Olive Street, a distance of 142.00 ft. to a 1/2 inch rebar found in the West line of Montgomery Street, at the Northeast corner of said Geren's Addition and said DSO 2.272 acres;

THENCE South 16 deg. 00 min. 00 sec. East, with the West line of Montgomery Street, a distance of 697.00 ft. to a 1/2 inch rebar found in the North line of Lake Avenue, at the Southeast corner of said Geren's Addition and said DSO 2.272 acres;

THENCE South 74 deg. 00 min. 00 sec. West, with the North line of Lake Avenue, a distance of 142.00 ft. to the **PLACE OF BEGINNING** and containing **2.272 ACRES** of land.



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

SURVEY FOR: ______________________________

I, Marshall Sartin, Registered Professional Land Surveyor, hereby certify that a survey of the property shown hereon was made on the ground on the 21 st day of May, 2008 of the following described property:

Lot TEN (10) of J. P. GEREN'S SOUTH MONTGOMERY ADDITION to the City of Sherman, Texas as shown by plat of record in Volume 341, Page 13, Deed Records, Grayson County, Texas.

That the improvements located on said property are known as 1606 S. MONTGOMERY STREET, SHERMAN, TEXAS, and that this survey substantially complies with the current Minimum Standards for Professional Land Surveyors as adopted by the Texas Board of Professional Land Surveying, and is subject to all easements of record or as shown on recorded plat that may affect said property.

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

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

STATE OF TEXAS REGISTERED MARSHALL SARTIN 3694 PROFESSIONAL LAND SURVEYOR

GEREN-10.pcs

CITY OF SHERMAN

RESIDENTIAL BUILDING PERMIT

PERMIT #: 81334

SUBCONTRACTOR: CUPID INVESTMENTS

DATE ISSUED: 7/17/2008

PROJECT ADDRESS:	1606 S MONTGOMERY	LOT #:	
PARCEL ID:		BLK #:	
SUBDIVISION:		ZONE ORD:	
ISSUED TO:	CUPID INVESTMENTS	CONTRACTOR:	CUPID INVESTMENTS
ADDRESS:	715 S US HIGHWAY 75	ADDRESS:	715 S US HIGHWAY 75
CITY, ST ZIP:	SHERMAN TX 75090-7260	CITY, ST ZIP:	SHERMAN TX 75090-7260
PHONE:		PHONE:	
PROP.USE:	SINGLE FAMILY RESIDENTIAL	SQ FT:	1,206.00
WORK:	NEW RESIDENTIAL CONSTRUCTION	BEDROOMS:	3
VALUATION:	$ 72,360.00	BATHROOMS:	2
OCCP TYPE:	SINGLE FAMILY DWELLING	STORIES:	ONE
CNST TYPE:	WOOD FRAME		

FEE CODE	DESCRIPTION	AMOUNT
BLD10	RESIDENTIAL STORMWATER MGMT	$ 25.00
	TOTAL	$ 25.00

NOTES:

NOTICE

THIS PERMIT BECOMES NULL AND VOID IF WORK OR CONSTRUCTION AUTHORIZED IS NOT COMMENCED WITHIN 6 MONTHS, OR IF CONSTRUCTION OR WORK IS SUSPENDED OR ABANDONED FOR A PERIOD OF 6 MONTHS AT ANY TIME AFTER WORK IS STARTED.

I HEREBY CERTIFY THAT I HAVE READ AND EXAMINED THIS DOCUMENT AND KNOW THE SAME TO BE TRUE AND CORRECT. ALL PROVISIONS OF LAWS AND ORDINANCES GOVERNING THIS TYPE OF WORK WILL BE COMPLIED WITH WHETHER SPECIFIED HEREIN OR NOT. GRANTING OF A PERMIT DOES NOT PRESUME TO GIVE AUTHORITY TO VIOLATE OR CANCEL THE PROVISION OF ANY OTHER STATE OR LOCAL LAW REGULATING CONSTRUCTION OR THE PERFORMANCE OF CONSTRUCTION.

________________________   ___/___/___

(SIGNATURE OF CONTRACTOR OR AUTHORIZED AGENT   DATE

________________________   ___/___/___

(APPROVED BY)   DATE

City of Sherman, Texas

1606 SOUTH MOTGOMERY

PROJECT LOCATION MAP

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 8-4-2008

Subject: Agenda Item No. C.3

**** RESOLUTION NO. 5245***

Authorizing Execution of an Agreement with Barton Capital, LTD for the Abatement of Ad Valorem Property Taxes for the Construction of a New Single-Family Residence at 1610 South Montgomery Street

Issue

This item is to consider property tax abatement for the construction of a new single-family residence at 1610 South Montgomery Street.

Background

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

Origination

Barton Capital, LTD, Applicant

Financial Consideration

A $75.00 application fee has been received for this residential lot. If granted, the initial abatement for this lot will be approximately $256.00 annually.

Staff Recommendation

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

Alternatives

The City Council could decide against granting this abatement.

Attachments

Resolution No. 5245
Residential Tax Abatement Agreement
Application
Building Permit Application
Survey
Location Map

Prepared by:
Scott Shadden, Director of Development Services

Approved by:
George Olson, City Manager

RESOLUTION NO. 5245

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF AN AGREEMENT WITH BARTON CAPITAL, LTD FOR THE ABATEMENT OF AD VALOREM PROPERTY TAXES FOR THE CONSTRUCTION OF A NEW SINGLE-FAMILY RESIDENCE AT 1610 SOUTH MONTGOMERY STREET; FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS RESOLUTION IS PASSED WAS NOTICED AND IS OPEN TO THE PUBLIC AS REQUIRED BY LAW.

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

SECTION 1. That the City Manager be and is hereby authorized and directed, subject to receipt of a fully-executed agreement from Barton Capital, LTD and subject to all contract documents being properly completed and approved by the City Attorney, to execute an agreement with Barton Capital, LTD for the abatement of ad valorem property taxes for a period of ten (10) years, for the construction of one (1) new single-family residence at 1610 South Montgomery Street, lying within the City of Sherman's Residential Tax Reinvestment Zone, in accordance with the City's policies and procedures established for this purpose.

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

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

CITY OF SHERMAN, TEXAS

BY: ______________________________
BILL MAGERS, MAYOR

ATTEST:

BY: ______________________________
LINDA ASHBY, CITY CLERK

APPROVED AS TO FORM AND CONTENT:

____
DOREEN E. MCGOOKEY,
CITY ATTORNEY

THE STATE OF TEXAS §
§
COUNTY OF GRAYSON §

AGREEMENT

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

WITNESSETH:

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

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

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

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

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

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

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

I.

1.01 To the extent authorized by the Texas Constitution and by the Tax Code, CITY hereby agrees to exempt from City of Sherman taxation a portion of the increase in value of taxable real property of OWNER in the CITY over the same real property and its value as calculated by the Grayson Appraisal District for ad valorem property tax purposes in accordance with the following schedule. Such tax exemption shall be in effect for tax years beginning January 1, 2008, and continuing for tax years 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016 and 2017 with same constituting ten (10) tax years. However, nothing contained herein shall be construed to grant an abatement of taxes to be assessed based on the change of use of the property from an agricultural use to another use, sometimes referred to as rollback taxes, penalties or interest. In the event rollback taxes are applicable for the real property utilized by OWNER, then such increase in value of taxable property resulting from such rollback shall be used as the tax value for such property for the tax year 2008, sometimes referred to herein as the Base Tax Year.

SCHEDULE OF TAXES ASSESSED

TAX YEAR	ABATEMENT
2008	100%
2009	100%
2010	100%
2011	100%
2012	100%
2013	100%
2014	80%
2015	60%
2016	40%
2017	20%

II.

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

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

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

III.

3.01 The term of this Agreement shall be for tax years 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015 and 2016, and 2017 as indicated above in paragraph 1.01.

IV.

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

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

Being the Lot 11, Block 1 of J.P. Geren's South Montgomery Addition in the City of Sherman, Grayson County, Texas, and being more commonly known as 1610 South Montgomery Street.

V.

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

VI.

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

VII.

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

VIII.

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

IX.

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

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

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

X.

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

XI.

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

XII.

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

City of Sherman
P.O. Box 1106
Sherman, Texas 75091-1106
(903) 892-7200

Barton Capital, LTD
715 S. Sam Rayburn Frwy.
Sherman, Texas 75090
(903) 868-4201

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

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

_____ day of __________________________, 2008.

CITY:
CITY OF SHERMAN, TEXAS

BY: ___________________________

GEORGE OLSON

CITY MANAGER

ATTEST:

BY: ___________________________

LINDA ASHBY
CITY CLERK

OWNER:
BARTON CAPITAL, LTD

BY: ___________________________

NAME: ________________________

TITLE: ________________________

(CORPORATE SEAL)

APPROVED AS TO FORM:

____
DOREEN E. MCGOOKEY
CITY ATTORNEY

THE STATE OF TEXAS §
COUNTY OF GRAYSON §

BEFORE ME, the undersigned authority, on this day personally appeared Ron Barton, Barton Capital, LTD, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein express.

GIVEN UNDER MY HAND and seal of office this _____day of _________, 2008 A.D.

____
Tammy Biggar
Notary Public

CITY OF SHERMAN
APPLICATION FOR RESIDENTIAL TAX ABATEMENT

Property Owner:

Name: BARTON CAPITAL

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

Telephone Number: 903 - 868 - 4201

Contact (if different than owner):

Name: Ron Barton

Mailing Address: SAME

Telephone Number: SAME

Property:

Physical Address: 1610 S. MONTGOMERY

Summary Legal Description: Lot: 11 Block: 1 Addition: J.P. Lewis S. MONT

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

Improvements:

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

Estimated Value of Improvements: 63,960

Estimated Date of Start of Construction: 7-21-08

Estimated Date of Completion of Project: 9-21-08

Description of Project: NEW SINGLE FAMILY DWELLING

Applicant(s): [signature] Date: 7-17-08

Wilma Blackshear Bush
County Clerk
Sherman, Texas 75090

70 2008 00010977

5481

Instrument Number: 2008-00010977

As

Recorded On: May 08, 2008 Recordings

Parties: W DOUGLAS DISTRIBUTING LTD

To BARTON CAPITAL LTD

Billable Pages: 3

Number of Pages: 5

Comment: WD/VL

(Parties listed above are for Clerks reference only)

** Examined and Charged as Follows: **

Recordings	24.00
Total Recording:	24.00

************ DO NOT REMOVE THIS PAGE IS PART OF THE INSTRUMENT ************

Any provision herein which restricts the Sale, Rental or use of the described REAL PROPERTY because of color or race is invalid and unenforceable under federal law.

File Information:

Document Number: 2008-00010977

Receipt Number: 265853

Recorded Date/Time: May 08, 2008 10:20:32A

Book-Vol/Pg: BK-OR VL-4451 PG-730

User / Station: G WHITE - Cashiering Station 1

Record and Return To:

RED RIVER TITLE CO

421 N. CROCKETT ST

SHERMAN TX 75090

COUNTY COURT OF GRAYSON COUNTY, TEXAS

THE STATE OF TEXAS
COUNTY OF GRAYSON
I hereby certify that this instrument was FILED in the File Number sequence on the date/time printed hereon, and was duly RECORDED in the Official Records of Grayson County, Texas.

Wilma Blackshear Bush

Wilma Blackshear Bush, Grayson County Clerk

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

GENERAL WARRANTY DEED WITH VENDOR'S LIEN

THE STATE OF TEXAS *

KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF GRAYSON *

That **W. DOUGLAS DISTRIBUTING, LTD.**, for and in consideration of the sum of TEN AND NO/100THS ($10.00) DOLLARS and other valuable consideration to the undersigned paid by the Grantee herein named, the receipt of which is hereby acknowledged herein, and the further consideration of the execution and delivery by Grantee of one certain promissory note of even date herewith, in the principal sum of **EIGHTY-ONE THOUSAND FIVE HUNDRED SIX AND NO/100THS ($81,506.00) DOLLARS,** payable to the order of **AMERISTATE BANK ,** as therein specified and bearing interest as therein provided, containing the usual clauses providing for acceleration of maturity and for attorney's fees; the payment of which note is secured by the vendor's lien herein retained, and is additionally secured by a Deed of Trust of even date herewith to **CHARLES A. MCCALL, Trustee,** has GRANTED, SOLD AND CONVEYED, and by these presents does GRANT, SELL AND CONVEY unto **BARTON CAPITAL, LTD.,** all of the following described real property in Grayson County, Texas, to-wit:

> BEING Lots 1 through 14 of the J.P. GEREN'S SOUTH MONTGOMERY ADDITION to the City of Sherman, Texas, as shown by plat of record in Vol. 341, Page 13, Deed Records, Grayson County, Texas, being more particularly described on the attached Exhibit "A"...............................
>
> SAVE AND EXCEPT and there is hereby excepted from the warranties herein conveyed all prior reservations of any oil, gas, and other minerals, easements, and restrictive covenants and conditions of record in the County Clerk's Office, Grayson County, Texas.

TO HAVE AND TO HOLD the above described premises, together with all and singular the rights and appurtenances thereto in anywise belonging unto the said Grantee, Grantee's successors or assigns forever; and Grantor does hereby bind Grantor, Grantor's successors or assigns, to WARRANT AND FOREVER DEFEND all and singular the said premises unto the said Grantee, Grantee's successors or assigns against every person whomsoever lawfully claiming or to claim the same or any part thereof.

AMERISTATE BANK, at the instance and request of the Grantee herein, having advanced and paid in cash to the Grantor herein that portion of the purchase price of the hereinbefore described **$81,506.00** Note, the vendor's lien, together with the superior title to said property is retained herein for the benefit of **AMERISTATE BANK,** and the same is hereby transferred and assigned to **AMERISTATE BANK.**

But it is expressly agreed that the Vendor's Lien, as well as the Superior title in and to the above described premises, is retained against the above described property, premises and improvements until the above described note and all interest thereon are fully paid according to the face, tenor, effect and reading thereof, when this Deed shall become absolute.

EXECUTED this 8 day of May, 2008.

W. DOUGLAS DISTRIBUTING, LTD.

BY: William P. Douglas
NAME PRINTED: William P. Douglas
TITLE: CEO

GRANTEE'S MAILING ADDRESS:

Barton Capital, Ltd.
715 S. Hwy 75
Sherman TX 75090

ACKNOWLEDGMENT

STATE OF TEXAS *

COUNTY OF Grays *

This instrument was acknowledged before me on the 8 day of May, 2008, by William P. Douglas in the capacity of CEO for **W. DOUGLAS DISTRIBUTING, LTD.**, on its behalf and in the capacity therein stated.

DORIS C. CASTON
Notary Public
STATE OF TEXAS
My Commission
Expires 02/06/2009

Notary Public, State of Texas

EXHIBIT A

SITUATED in the City of Sherman, County of Grayson, State of Texas, being a part of the Samuel Blagg Survey, Abstract No. 56, being all of J. P. Geren's South Montgomery Addition, to the City of Sherman, Texas, recorded in Volume 341, Page 13, Deed Records, Grayson County, Texas, said Geren's Addition being the 2.272 acre tract of land described as Parcel One, conveyed in the Warranty Deed from Keystone Consolidated Industries, Inc., to DSO Acquisition Corporation, on September 27, 1996, recorded in Volume 2497, Page 797, Official Public Records, Grayson County, Texas, and being more particularly described by metes and bounds as follows, to-wit:

BEGINNING at 1/2 inch rebar found in the North line of Lake Avenue and the East line of an alley, at the Southwest corner of said Geren's Addition and said DSO 2.272 acres;

THENCE North 16 deg. 00 min. 00 sec. West, with the East line of said alley, a distance of 697.00 ft. to a 1/2 inch rebar found in the South line of Olive Street, at the Northwest corner of said Geren's Addition and said DSO 2.272 acres;

THENCE North 74 deg. 00 min. 00 sec. East, with the South line of Olive Street, a distance of 142.00 ft. to a 1/2 inch rebar found in the West line of Montgomery Street, at the Northeast corner of said Geren's Addition and said DSO 2.272 acres;

THENCE South 16 deg. 00 min. 00 sec. East, with the West line of Montgomery Street, a distance of 697.00 ft. to a 1/2 inch rebar found in the North line of Lake Avenue, at the Southeast corner of said Geren's Addition and said DSO 2.272 acres;

THENCE South 74 deg. 00 min. 00 sec. West, with the North line of Lake Avenue, a distance of 142.00 ft. to the **PLACE OF BEGINNING** and containing **2.272 ACRES** of land.

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

SURVEY FOR: ______________________________

I, Marshall Sartin, Registered Professional Land Surveyor, hereby certify that a survey of the property shown hereon was made on the ground on the 21 st day of May, 2008 of the following described property:

Lot ELEVEN (11) of J. P. GEREN'S SOUTH MONTGOMERY ADDITION to the City of Sherman, Texas as shown by plat of record in Volume 341, Page 13, Deed Records, Grayson County, Texas.

That the improvements located on said property are known as 1610 **S. MONTGOMERY STREET, SHERMAN, TEXAS,** and that this survey substantially complies with the current Minimum Standards for Professional Land Surveyors as adopted by the Texas Board of Professional Land Surveying, and is subject to all easements of record or as shown on recorded plat that may affect said property.

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

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

STATE OF TEXAS
REGISTERED
MARSHALL SARTIN
3694
PROFESSIONAL
LAND SURVEYOR

GEREN-11.pcs

CITY OF SHERMAN

RESIDENTIAL BUILDING PERMIT

PERMIT #: 81335

SUBCONTRACTOR: CUPID INVESTMENTS

DATE ISSUED: 7/17/2008

PROJECT ADDRESS:	1610 S MONTGOMERY	LOT #:	11
PARCEL ID:		BLK #:	1
SUBDIVISION:	JP GERENS S MONTGOMERY ADDN	ZONE ORD:	
ISSUED TO:	CUPID INVESTMENTS	CONTRACTOR:	CUPID INVESTMENTS
ADDRESS:	715 S US HIGHWAY 75	ADDRESS:	715 S US HIGHWAY 75
CITY, ST ZIP:	SHERMAN TX 75090-7260	CITY, ST ZIP:	SHERMAN TX 75090-7260
PHONE:		PHONE:	
PROP.USE:	SINGLE FAMILY RESIDENCE	SQ FT:	1,056.00
WORK:	NEW RESIDENTIAL CONSTRUCTION	BEDROOMS:	3
VALUATION:	$ 63,960.00	BATHROOMS:	2
OCCP TYPE:	SINGLE FAMILY RESIDENTIAL	STORIES:	SINGLE
CNST TYPE:	WOOD FRAME		

FEE CODE	DESCRIPTION		AMOUNT
BLD10	RESIDENTIAL STORMWATER MGMT		$ 25.00
		TOTAL	$ 25.00

NOTES:

NOTICE

THIS PERMIT BECOMES NULL AND VOID IF WORK OR CONSTRUCTION AUTHORIZED IS NOT COMMENCED WITHIN 6 MONTHS, OR IF CONSTRUCTION OR WORK IS SUSPENDED OR ABANDONED FOR A PERIOD OF 6 MONTHS AT ANY TIME AFTER WORK IS STARTED.

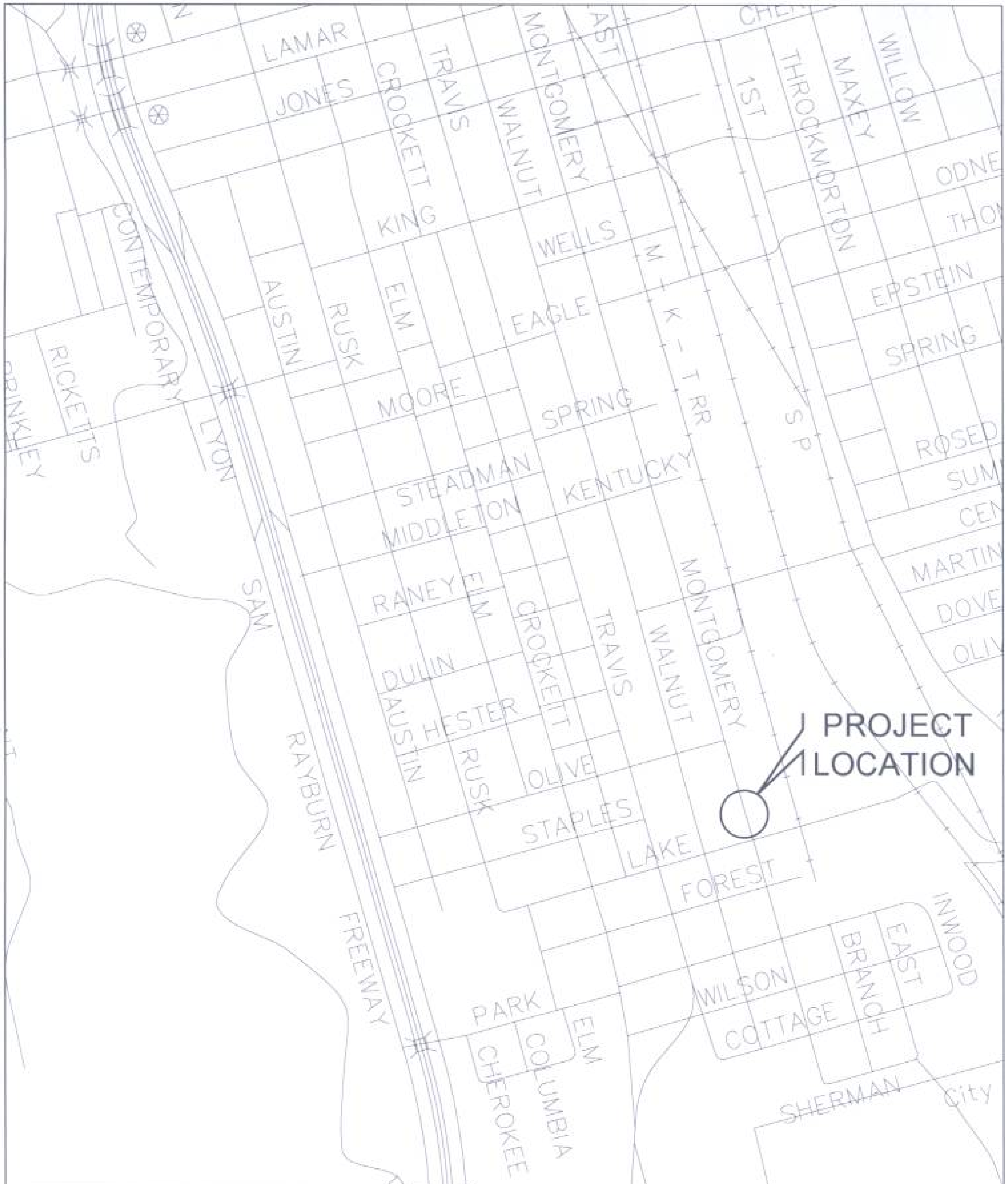
I HEREBY CERTIFY THAT I HAVE READ AND EXAMINED THIS DOCUMENT AND KNOW THE SAME TO BE TRUE AND CORRECT. ALL PROVISIONS OF LAWS AND ORDINANCES GOVERNING THIS TYPE OF WORK WILL BE COMPLIED WITH WHETHER SPECIFIED HEREIN OR NOT. GRANTING OF A PERMIT DOES NOT PRESUME TO GIVE AUTHORITY TO VIOLATE OR CANCEL THE PROVISION OF ANY OTHER STATE OR LOCAL LAW REGULATING CONSTRUCTION OR THE PERFORMANCE OF CONSTRUCTION.

(SIGNATURE OF CONTRACTOR OR AUTHORIZED AGENT

___/___/___
DATE

(APPROVED BY)

___/___/___
DATE



City of Sherman, Texas

1610 SOUTH MOTGOMERY

PROJECT LOCATION MAP

N

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 8-4-2008

Subject: Agenda Item No. D.1

**** REQUEST TO ADVERTISE***
City of Sherman Employee and Retiree Health Insurance

Issue
Request to advertise bidding for group health plan coverage for employees, dependents and retirees

Background
As has been previously reported to the Council, the City's partially self-funded group health plan has experienced an historically unusual claim year the past couple of years. As part of our consulting arrangement with Fidelity Benefits, they can provide services to bid our coverage to the market. Our consultant recommends that we bid these services to ensure that we have the best deal available to us with our current provider. Staff will come back to the Council in September with a recommendation for providers for these services. The City already has a commitment for renewal from the current providers, Group & Pension Administrators (GPA) and ING.

Origination
Assistant City Manager/CFO

Financial Consideration
The cost of advertising is expected to be about $200.

Staff Recommendation
The staff recommends advertising for these services.

Alternatives
The Council could choose to stay with our current vendors, GPA and ING, instead of seeking bids from various providers.

Prepared by:
Robby Hefton, Assistant City Manager/CFO

Approved by:
George Olson, City Manager

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 8-4-2008

Subject: Agenda Item No. D.2

**** CHANGE ORDER NO. 1***
Water Main Replacement on Texoma Parkway from U.S. Highway 82 to Frisco Road; $5,355.44, Increase

Issue
To consider approval of a change order for the Texoma Parkway Water Main Replacement, Phase II

Background
Change Order No. 1 is a final reconciliatory change order to adjust the final project quantities for the Texoma Parkway Water Main Replacement, Phase II (U.S. Highway 82 to Frisco Road).

Origination
Department of Utility Administration

Financial Consideration
The change order results in a $5,355.44 increase in the contract amount, yielding a final contract price of $271,789.44. This project was funded through the Greater Texoma Utility Authority (GTUA); and funds are available through GTUA for this change order.

Staff Recommendation
It is recommended that Change Order No. 1 be approved.

Alternatives
As may be directed by the City Council

Attachments
Change Order No. 1
Location Map

Prepared by:
Mark Gibson, Director of Engineering & Utilities

Approved by:
George Olson, City Manager

CHANGE ORDER

No. 1

PROJECT Texoma Parkway Waterline – Hwy 82 to Frisco Road in the City of Sherman, Texas

DATE OF ISSUANCE 7/10/08 EFFECTIVE DATE ____________

OWNER Greater Texoma Utility Authority

OWNER's Contract No. ____________

CONTRACTOR Howard Construction, Inc. ENGINEER Morris Engineers

You are directed to make the following changes in the Contract Documents:

Description: Close-out change order

Reason for Change Order: Reconcile contract price to final quantities of work

Attachments: Spreadsheet

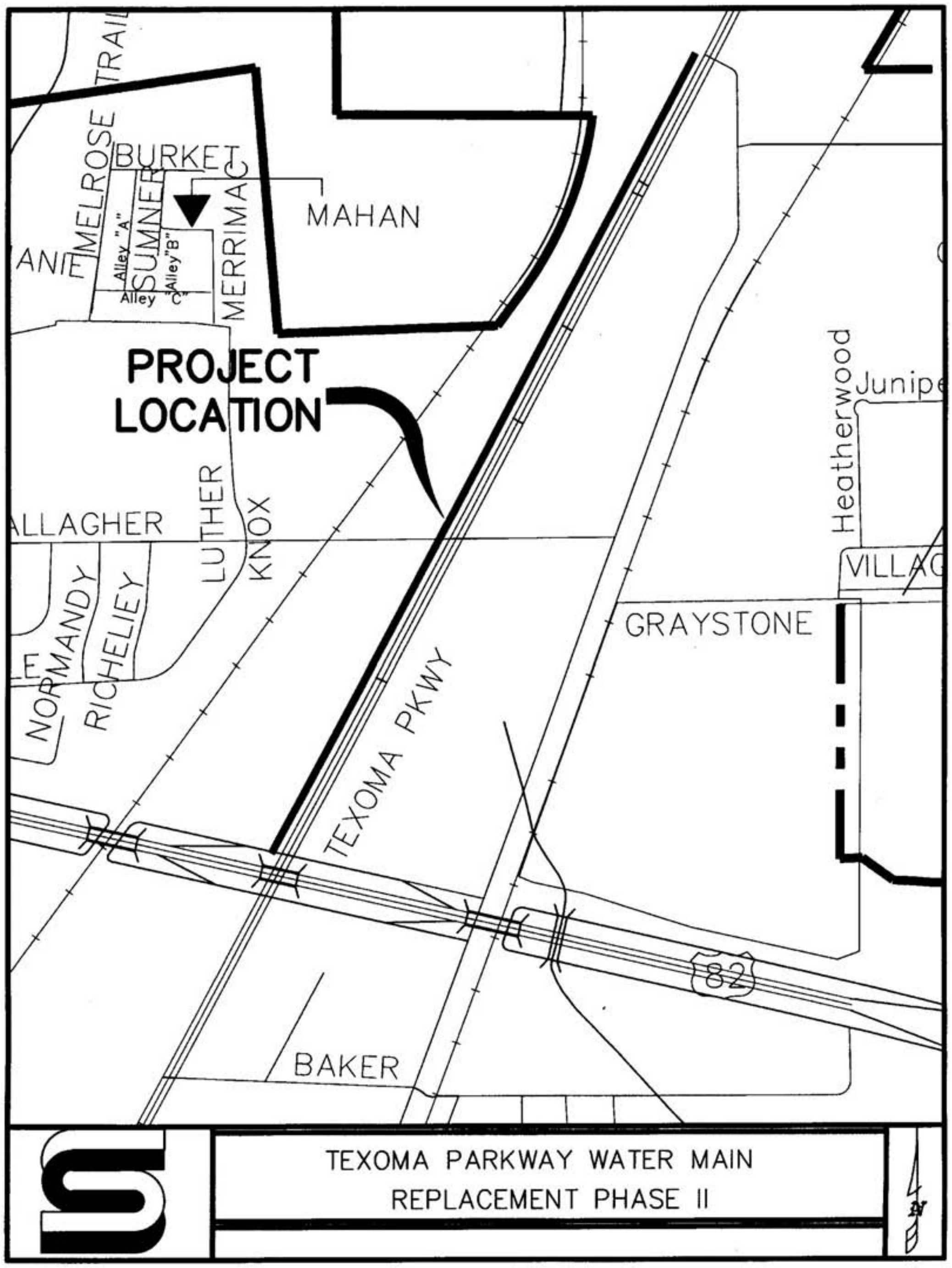
CHANGE IN CONTRACT PRICE:	**CHANGE IN CONTRACT TIMES:**
Original Contract Price $ 266,434.00	Original Contract Times Substantial Completion: Ready for Final Payment:
Net changes from previous Change Orders No. _ to _. $ -0-	Net change from previous Change Orders No. _ to _. Days
Contract Price prior to this Change Order $ 266,434.00	Contract times prior to this Change Order Substantial Completion: Ready for Final Payment:
Net Increase (~~Decrease~~) of this Change Order $ 5,355.44	Net Increase (Decrease) of this Change Order Days
Contract Price with all approved Change Orders $ 271,789.44	Contract Times with all approved Change Orders Substantial Completion: Ready for Final Payment:

RECOMMENDED: Morris Engineers	APPROVED: Greater Texoma Utility Authority	APPROVED: City of Sherman	ACCEPTED: Howard Construction, Inc.
By: [signature] Engineer (Auth. Signature)	By: ____________ Owner (Auth. Signature)	By: ____________ City (Auth. Signature)	By: ____________ Contractor (Auth. Signature)
Date: 7/10/08	Date: ____________	Date: ____________	Date: ____________

GREATER TEXOMA UTILITY AUTHORITY
CONSTRUCTION OF TEXOMA PARKWAY WATERLINE - HWY 82 TO FRISCO RD.
FOR THE CITY OF SHERMAN, TEXAS
HOWARD CONSTRUCTION, INC.

7/10/08

ITEM NO	ITEM DESCRIPTION	EST. QTY.	UNIT	UNIT PRICE	ORIGINAL CONTRACT	CHANGE ORDER NO. 1			FINAL QTY.	CONTRACT TOTAL
						ADD	DEDUCT	TOTAL		
1	F&I 12" DIA. WATER PIPELINE	5135	LF	32.00	$ 164,320.00		-62	$ (1,984.00)	5073	$ 162,336.00
2	F&I 12" DIA. GATE VALVES	11	EA	1,600.00	$ 17,600.00			$ -	11	$ 17,600.00
3	F&I 8" DIA. GATE VALVES	2	2	1,100.00	$ 2,200.00			$ -	2	$ 2,200.00
4	F&I 4" DIA. GATE VALVES	1	1	440.00	$ 440.00		-1	$ (440.00)	0	$ -
5	F&I FIRE HYDRANT ASSEMBLY	7	7	3,000.00	$ 21,000.00			$ -	7	$ 21,000.00
6	F&I CEMENT LINED D.I. FITTINGS	3.40	TONS	3,500.00	$ 11,900.00		-0.4	$ (1,400.00)	3	$ 10,500.00
7	F&I ASPHALT STREET & DRVWY REPAIR	1222	LF	19.00	$ 23,218.00	29		$ 551.00	1251	$ 23,769.00
8	F&I CONCRETE DRIVEWAY REPAIR	234	LF	35.00	$ 8,190.00			$ -	234	$ 8,190.00
9	F&I GRAVEL DRIVEWAY REPAIR	52	LF	18.00	$ 936.00		-7	$ (126.00)	45	$ 810.00
10	F&I SERVICE CONNECTIONS	29	EA	470.00	$ 13,630.00			$ -	29	$ 13,630.00
11	PROVIDE TxDOT TRAFFIC CONTROLS	1	JOB	3,000.00	$ 3,000.00			$ -	1	$ 3,000.00
CO	12X12" TAPPING SLEEVES		EA	4,440.00		3		$ 13,320.00	3	$ 13,320.00
CO	MISC. MATERIALS FURNISHED BY CITY		LS					$ (4,565.56)	0	$ (4,565.56)
	TOTAL				$ 266,434.00			$ 5,355.44		$ 271,789.44


TRAIL
MELROSE
BURKET
SUMNER
MERRIMAC
MAHAN
Alley "A"
Alley "B"
Alley "C"
ANIE
PROJECT LOCATION
Heatherwood
Junipe
ALLAGHER
LUTHER
KNOX
VILLAG
GRAYSTONE
NORMANDY
RICHELIEY
LE
NORMANDY
RICHELIEY
TEXOMA PKWY
82
BAKER
TEXOMA PARKWAY WATER MAIN
REPLACEMENT PHASE II
N

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 8-4-2008

Subject: Agenda Item No. D.3

OTHER BUSINESS
Consider Calling a Special Meeting of the City Council for Tuesday, September 2, 2008, 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 2, 2008, to make up for the first regular meeting in September, which falls on the Federal Holiday, 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 1st, 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 2nd.

Alternatives
No alternative is recommended, since the first meeting in September is necessary in the process to set the property tax rate.

Attachments
None

Prepared and Approved by:
George Olson, City Manager

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 8-4-2008

Subject: Agenda Item No. D.4

OTHER BUSINESS
Review 2008-2009 Draft Budget

Issue
Reviewing the draft budget for the 2008-2009 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 recent budget workshop held during July 17, 2008. The budget contains $74.0 million in appropriations, which represents an approximate 14% increase from the prior year's original budget, the increase of which relates primarily to capital improvements. In accordance with the discussions at the budget workshop, the draft budget maintains the property tax rate at $.32/$100; and increases in water/sewer rates and solid waste rates of about 4% and 11%, respectively, are included. More detailed information is available on the attachments.

Origination
Assistant City Manager/Chief Financial Officer

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

Staff Recommendation
The staff recommends that the budget ordinance be prepared using the draft budget as presented herein. If the draft meets with the Council's approval, the staff will present the budget ordinance at the August 18, 2008 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
Memo to City Council, summary budget text, summary budget schedule, individual fund statements

Prepared by:
Robby Hefton, Assistant City Manager/CFO

Approved by:
George Olson, City Manager

DRAFT BUDGET FOR THE CITY OF SHERMAN
FOR FISCAL YEAR 2008-2009
August 4, 2008

SUMMARY:

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

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

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

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

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

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

The Utility Fund is unbalanced on an on-going basis, caused primarily by a significant cost increase relating to disposal of biosolids from the Wastewater Treatment Plant operations. The budget includes a rate increase of about 4% overall, which is expected to generate an additional $.7 million in revenues. The need for additional rate increases in future years will be assessed based on the outcome of the study on long-term biosolids disposal alternatives. The staff is committed to ensuring that ongoing rates support the operations of this fund. A net loss for 2008-2009 is budgeted at about $.6 million, caused by the biosolids disposal issue. Remaining fund balances are projected to be about $2.9 million, or about 53 days of ongoing operating expenses.

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

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

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

DETAILED INFORMATION:

Additional information on major components of the 2008-2009 draft budget follows.

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

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

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

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

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

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

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

SUMMARY SCHEDULES, DETAILED FUND STATEMENTS, AND OTHER INFORMATION

The following pages include a schedule that summarizes the draft 2008-2009 budget, eliminating double counting for internal service funds and inter-fund transfers. Also included are statements of revenues and expenditures/expenses for each fund, and a debt schedule.

Summary of Receipts and Expenditures/Expenses
Fiscal Year 2008-2009

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

General Fund
Summary of Revenues & Expenditures (Budget Basis)

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

Utility Fund
Summary of Revenues & Expenses (Budget Basis)

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

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

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

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

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

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

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

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

Public Charities Fund
Summary of Receipts & Expenditures

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

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

Land Transaction Fund
Summary of Receipts & Expenditures

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

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

Street Revolving Fund
Summary of Receipts & Expenditures

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

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

TIF #1 Construction Fund
Summary of Receipts & Expenditures

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

TIF #2 Fund
Summary of Receipts & Expenditures

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

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

Auditorium Debt Service Fund
Summary of Receipts & Expenditures

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

TIF #1 Debt Service Fund
Summary of Receipts & Expenditures

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

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

TIF #2 Debt Service Fund
Summary of Receipts & Expenditures

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

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

TIF #3 Fund
Summary of Receipts & Expenditures

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

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

CO Debt Service Fund
Summary of Receipts & Expenditures

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

Auditorium & Ballroom Fund
Summary of Receipts & Expenditures

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

Police Programs Fund
Summary of Receipts & Expenditures

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

Parks Pride Fund
Summary of Receipts & Expenditures

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

Police Pride Fund
Summary of Receipts & Expenditures

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

Donations Fund
Summary of Receipts & Expenditures

This fund includes donations for Holiday Decorating & Library.

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

Hotel/Motel Tax Fund
Summary of Receipts & Expenses

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

Drug Enforcement Fund
Summary of Receipts & Expenditures

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

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

Municipal Airport Fund
Summary of Receipts & Expenditures

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

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

Street Sales Tax
Summary of Receipts & Expenditures

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

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

Insurance Fund
Summary of Receipts & Expenditures

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

Computer Service Fund
Summary of Receipts & Expenditures

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

Equipment Service Fund
Summary of Receipts & Expenditures

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

Fleet Replacement Fund
Summary of Receipts & Expenditures

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

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

Water Customer Deposits
Summary of Receipts and Expenses

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

Water & Sewer Pro Rata Fund
Summary of Receipts and Expenses

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

TRANSFERS SCHEDULE

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

City of Sherman, Texas

Bonded Debt as of 7/31/2008

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

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

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

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

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

City of Sherman, Texas

Bonded Debt as of 7/31/2008

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

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

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

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

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

City of Sherman

Property Tax Historical Summary

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

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 8-4-2008

Subject: Agenda Item No. D.5

OTHER BUSINESS
Discussion of the Proposed Tax Rate for Fiscal Year 2008-2009 and Scheduling Public Hearings for Budget and Proposed Tax Rate

Issue
Discussing the tax rate proposed for the upcoming fiscal year and scheduling public hearing dates for the budget and the proposed tax rate

Background
The requirements for due process regarding budget and tax rate adoption have become very cumbersome in recent years. However, since the Council is proposing to reduce the tax rate below the effective rate, and since the total property tax revenues for the City are decreasing due to the property tax rate decrease to $.32/$100, many of the State law requirements do not apply this year. Accordingly, attached is a schedule that outlines the applicable requirements for advertising and public hearings regarding budget adoption and setting the tax rate. In summary, the required Council action is as follows:

- August 18th: Public Hearing on Budget; Introduce Budget Ordinance
- September 2nd: Adopt Budget Ordinance
- September 15th: Adopt Tax Rate

Origination
Finance

Financial Consideration
Failure to follow the law allows a taxpayer to sue in district court to stop the City of Sherman from adopting a tax rate until it complies with the law.

Staff Recommendation
The staff recommends following the schedule shown above, which meets the requirements of State law.

Alternatives
As these requirements are set by State law, no alternatives can be offered.

Attachments
Budget and Tax Calendar

Prepared by:
Robby Hefton, Assistant City Manager/CFO

Approved by:
George Olson, City Manager

Budget and Tax Calendar

	Budget	Tax Rate	Meeting or Advertisement	Notes
Budget Filed with City Clerk	08/01/08		N/A	Must be filed with Clerk over 15 days from date of public hearing on budget, and 30 days before tax rate is adopted; budget must be posted on internal website
Draft Budget Presented to Council	08/04/08		Meeting	If tax revenue increase, must include a statement prescribed by HB 3195: "This budget will raise more total property taxes than last year's budget by $_______ and ___%, and of that amount $_______ is tax revenue to be raised from new property added to the roll this year".
Publish Effective and Rollback Rate in Newspaper, Website		08/04/08	Ad	
Notice of Public Hearing on Budget	08/06/08		Ad	No less than 10 days before the budget hearing; must include the statement from HB 3195 if applicable
Notice of Public Hearing on Tax Rate Increase		N/A	Ad	No later than 7 days prior to first Public Hearing on Tax Rate Increase; also must put on Website and Gov't Access Channel
Public Hearing on Budget if there's an increase in property tax revenues	N/A		Meeting	Hearing must be at a date before the date of the Tax Adoption; must be after 15th day the proposed budget is filed with City Clerk; the Council is required to take some action (vote) on the budget at the conclusion of the hearing, even if it is to postpone final vote on budget until another meeting
Introduce Budget Ordinance	08/18/08		Meeting	
Public Hearing on Tax Rate Increase-1st		N/A	Meeting	At least 3 days before 2nd Public Hearing on Tax Rate Increase
Notice of Final Budget Adoption	8/27/2008		Ad	Per Charter - at least 5 days prior to final adoption
Adopt Budget Ordinance	09/02/08		Meeting	
Ratification of Property Tax Revenue Increase by Council - separate vote than adoption of budget ordinance	N/A		Meeting	
Public Hearing on Tax Rate Increase - 2nd		N/A	Meeting	At least 3 days before Adopt Tax Rate, no more than 14 days before Adopt Tax Rate
Publish Notice of Vote on Tax Increase		N/A	Ad	Must be done after 2nd hearing on Tax Rate Increase
Adopt Tax Rate		09/15/08	Meeting	

Advertisements
August 4 Meeting
August 18 Meeting
September 2 Meeting
September 15 Meeting

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 8-4-2008

Subject: Agenda Item No. D.6

OTHER BUSINESS
Review Draft Capital Improvement Program (CIP) 2008-2013

Issue
To review the final draft of the City's Capital Improvement Program (CIP) 2008-2013

Background
Article V, Section 10 of the City Charter requires that the City Council, by resolution, adopt a capital program. As required, before consideration of the resolution, the City will publish a summary of the program and give notice of a public hearing in a newspaper of general circulation in the city. Prior to public notice, the City Council is given an opportunity to review the final draft of the Capital Improvement Program.

Origination
Department of Engineering & Utility Services

Financial Consideration

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

Staff Recommendation
It is recommended that the City Council review the final draft of the Capital Improvement Program 2008-2013.

Attachments
Summary of the Capital Improvement Program 2008-2013

Prepared by:
Mark Gibson, Director of Utilities & Engineering

Approved by:
George Olson, City Manager

GENERAL SERVICES

2008-2009

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

2009-2010

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

2010-2011

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

2011-2012

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

2012-2013

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

UTILITY SERVICES

2008-2009

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

* Bonded

2009-2010

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

* Bonded

2010-2011

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

* Bonded

2011-2012

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

* Bonded

2012-2013

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

* Bonded

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

GENERAL SERVICES 2008-2013

CAPITAL IMPROVEMENT PROGRAM

GENERAL SERVICES

2008-2009

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

CAPITAL IMPROVEMENT PROGRAM

GENERAL SERVICES

2009-2010

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

CAPITAL IMPROVEMENT PROGRAM
GENERAL IMPROVEMENT
2010-2011

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

CAPITAL IMPROVEMENT PROGRAM

GENERAL IMPROVEMENT

2011-2012

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

CAPITAL IMPROVEMENT PROGRAM
GENERAL IMPROVEMENTS
2012-2013

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

UTILITIES SERVICES 2008-2013

CAPITAL IMPROVEMENT PROGRAM
UTILITY IMPROVEMENTS
2008-2009

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

* Bonded

CAPITAL IMPROVEMENT PROGRAM
UTILITY IMPROVEMENTS
2009-2010

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

*Bonded

CAPITAL IMPROVEMENT PROGRAM
UTILITY IMPROVEMENTS
2010-2011

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

* Bonded

CAPITAL IMPROVEMENT PROGRAM
UTILITY IMPROVEMENTS
2011-2012

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

* Bonded

CAPITAL IMPROVEMENT PROGRAM
UTILITY IMPROVEMENTS
2012-2013

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

*Bonded

SHERMAN CITY COUNCIL

Agenda Communication Form

From: The Office of the City Manager **Date:** 8-4-2008

Subject: Agenda Item No. D.7

**** OTHER BUSINESS***

Set Public Hearing for Capital Improvement Program (CIP) 2008-2013 for Tuesday, September 2, 2008

Issue

To set the public hearing for the City's Capital Improvement Program (CIP) 2008-2013 for Tuesday, September 2, 2008

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.

Origination

Department of Utilities and Engineering

Financial Consideration

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

Staff Recommendation

It is recommended that the City Council set the public hearing for the Capital Improvement Program 2008-2013 for Tuesday, September 2, 2008.

Attachments

None

Prepared by:
Mark Gibson, Director of Utilities and Engineering

Approved by:
George Olson, City Manager

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 8-4-2008

Subject: Agenda Item No. D.8

**** OTHER BUSINESS***
Approve Quarterly Investment Report for Period ending June 30, 2008

Issue
To approve the Investment Report for the quarterly period ending June 30, 2008

Background
By law, the Council is required to receive and accept an investment report from the City's investment officer. This report is first submitted to the Investment Committee for their review prior to its presentation to the Council. The Investment Committee has received the report. The report reflects a portfolio position for the Operating Funds of about $27.4 million. As of June 30, 2008, the City was in compliance with all applicable state laws and the provisions of the City's internal Investment Policy. The portfolio remains adequately liquid; and its yield of 2.69% for the quarter is higher than the benchmark yield of 2.14%. The market value of the overall portfolio was 100.07% of the book value.

Also included is a report for the Certificate of Obligation (CO) Debt Proceeds. This report accounts for the investment of proceeds from the $5 million CO Bonds, investments of which are governed by their own policy limits and targets. As with the Operating Funds, the CO Debt Proceeds report reflects compliance with all applicable state laws and the provisions of the City's internal Investment Policy. The portfolio is invested 100% in an investment pool that for the quarter yielded 2.3%.

Origination
Finance Department

Financial Consideration
None

Staff Recommendation
It is recommended that the Council accept the report as presented.

Alternatives
The Council could request disclosures in addition to those required by law.

Attachments
Memo to Investment Committee
Investment Report and Related Schedules

Prepared by:
Robby Hefton, Assistant City Manager/CFO

Approved by:
George Olson, City Manager

memorandum

DATE: Tuesday, July 29, 2008

TO: The Investment Committee
Council Members Willie Steele and Robert G. Softly
City Manager George Olson

FROM: Robby Hefton, Assistant City Manager/CFO

SUBJECT: Investment Report for Quarter ended June 30, 2008

Enclosed is a copy of the quarterly investment report for the quarter ended June 30, 2008. This report reflects that, as of that date, the City was in compliance with all applicable laws, including the City's Investment Policy. The total portfolio balance of about $27.4 million had a weighted-average maturity of about 80 days, up from last quarter due to the investment purchases made during the current quarter. The portfolio yield of 2.69% was higher than our benchmark 180-day T-Bill yield, which was 2.14%.

As of June 30, 2008, all of the CO Debt Proceeds were invested in TexStar, a pooled investment yielding 2.30%, higher than the benchmark 180-day T-Bill rate of 2.14%.

This investment report will be on the August 4, 2008 City Council Agenda for their review. Please call me if you have any questions about this item.

RH:pc

attachment (as stated above)

Sherman

CITY OF SHERMAN, TX
Investment Report Summary
June 30, 2008

This report complies with the requirements of the public funds investment law and covers all the funds of the City of Sherman that are subject to that law. At June 30, 2008, investment book value was about $27.4 million and had decreased by approximately $5.0 million from three months prior. Decreases in investment balances are customary during this quarter each year due to slowing property tax collections. The City's investment portfolio includes interest-bearing demand deposits, repurchase agreements through the depository, bank time deposits, investment pools that strive to maintain a 100% net asset value, U.S. Treasury securities, and U.S. Agency securities.

The City was in compliance with all provisions of the investment policy and the Public Funds Investment Act as of June 30, 2008. The weighted-average maturity of the portfolio was about 80 days at June 30, 2008 compared to about 39 days at March 31, 2008. The increase in weighted-average maturity occurred because of investment purchases during the period.

The market value of the portfolio was 100.07% of book value as of June 30, 2008. The portfolio yield of 2.69% at June 30, 2008 was higher than the benchmark yield on the 180-day T-Bill, which was 2.14%.

Two securities matured during the quarter with a par value totaling $2,000,000. Two new securities were purchased during the quarter with a par value totaling $2,000,000. The City also invested in two bank time deposits totaling $4,000,000. All other transactions were routine.

The following schedules are also a part of this investment report.

Robby Hefton

Robby Hefton, Assistant City Manager/CFO
and City of Sherman Investment Officer

Mary Lawrence

Mary Lawrence, Controller and City of
Sherman Investment Officer

CITY OF SHERMAN, TX
Detailed Investment Report
As of June 30, 2008

Investment	Par	VALUES - March 31, 2008		Book Increase/(Decrease)		Market Increase/(Decrease)		VALUES - June 30, 2008	
		Book	Market	Purchases/ (Withdrawals)	Accruals/ Amortizations	Purchases & (Withdrawals)	Change In Market Price	Book	Market
DEMAND DEPOSITS									
Depository Bank-Chase		$ 1,593,190	$ 1,593,190	$ (93,189)	$ -	$ (93,189)	$ -	$ 1,500,001	$ 1,500,001
Depository Bank-Landmark		1,530,335	$ 1,530,335	$ (487,736)		$ (487,736)		1,042,599	1,042,599
Depository Bank-Repos		9,046,904	9,046,904	(8,453,311)	-	(8,453,311)		593,593	593,593
		12,170,429	12,170,429	(9,034,236)	-	(9,034,236)	-	3,136,193	3,136,193
BANK TIME DEPOSITS									
Certificate of Deposit 2.97% 4/29/09		-	-	2,500,000	-	2,500,000	-	2,500,000	2,500,000
Certificate of Deposit 2.47% 1/29/09		-	-	1,500,000	-	1,500,000		1,500,000	1,500,000
		-	-	4,000,000	-	4,000,000	-	4,000,000	4,000,000
INVESTMENT POOLS									
Tex-Pool		5,932,471	5,934,191	-	34,529	-	32,033	5,967,000	5,966,224
TexStar		6,252,701	6,254,277	-	35,938	-	32,111	6,288,639	6,286,388
		12,185,172	12,188,468	-	70,467	-	64,144	12,255,639	12,252,612
SECURITY INVESTMENTS									
FHLB 4.48% 4/18/08	1,000,000	999,979	1,000,940	(1,000,000)	21	(1,000,000)	(940)	-	-
FHLB 4.875% 6/4/08	1,000,000	1,000,830	1,004,380	(1,000,000)	(830)	(1,000,000)	(4,380)	-	-
Treasury Note 5% 7/31/08	1,000,000	1,003,113	1,011,800	-	(2,322)	-	(9,300)	1,000,791	1,002,500
FNMA 3.25% 8/15/08	1,000,000	995,108	1,003,130	-	2,910	-	(2,190)	998,018	1,000,940
FHLB 4.25% 9/12/08	1,000,000	999,105	1,008,130	-	445	-	(5,000)	999,550	1,003,130
Treasury Note 4.875% 10/31/08	1,000,000	1,005,253	1,020,080	-	(2,234)	-	(10,630)	1,003,019	1,009,450
FNMA 3.875% 11/17/08	1,000,000	996,815	1,009,380	-	1,188	-	(4,690)	998,003	1,004,690
FHLMC 3.875% 1/12/09	1,000,000	996,417	1,012,190	-	1,066	-	(6,250)	997,483	1,005,940
FHLB 2.35% 1/28/09	1,000,000	-	-	1,000,720	(161)	1,000,720	(3,220)	1,000,559	997,500
FHLB 2.3% 4/15/2009	1,000,000	-	-	999,580	73	999,580	(3,950)	999,653	995,630
		7,996,620	8,070,030	300	156	300	(50,550)	7,997,076	8,019,780
		32,352,221	**32,428,927**	**(5,033,936)**	**70,623**	**(5,033,936)**	**13,594**	**27,388,908**	**27,408,585**

CITY OF SHERMAN, TX
Comparison of Portfolio to Policy Limits
As of June 30, 2008

LIMITS ON TYPES OF SECURITIES	Target Investment Level	Portfolio Cap	Actual Percentage of Portfolio	% Variance Policy Limits
Demand Deposits	100%	100%	11.45%	**88.55%**
Bank Time Deposits	25%	30%	14.60%	**15.40%**
U. S. Treasury Securities	80%	85%	7.32%	**77.68%**
U. S. Agency Securities	45%	50%	21.88%	**28.12%**
Investment Pools	45%	50%	44.75%	**5.25%**

LIMITS ON MATURITIES	Minimum Allowable Percentage of Portfolio	Actual Percentage of Portfolio	% Variance Policy Limits
Available within 1 month	25%	59.85%	**34.85%**
Available within 3 months	33%	67.14%	**34.14%**
Available within 6 months	45%	74.45%	**29.45%**
Available within 1 year	60%	100.00%	**40.00%**
Available within 2 years	70%	100.00%	**30.00%**
Available within 3 years	80%	100.00%	**20.00%**
Available within 4 years	90%	100.00%	**10.00%**
Available within 5 years	100%	100.00%	**0.00%**

	Maximum Allowable	Actual Average Maturity	Policy Limit Days Available
Weighted Average Days to Maturity	500	80.32	**419.68**

CITY OF SHERMAN, TX
Calculation of Weighted Average Maturity and Yield
As of June 30, 2008

	Market Value	Book Value	# of Days To Maturity	Original Yield to Maturity	Percent of Portfolio
Demand Deposits					
Depository Bank - Chase	1,500,001	1,500,001	0	0.00%	5.48%
Depository Bank - Landmark	1,042,599	1,042,599	0	1.80%	3.81%
Depository Bank - Repos	593,593	593,593	0	1.97%	2.17%
	3,136,193	3,136,193			11.45%
Bank Time Deposits					
Certificate of Deposit 2.97% 4/29/09	2,500,000	2,500,000	303	3.00%	9.13%
Certificate of Deposit 2.47% 1/29/09	1,500,000	1,500,000	213	2.49%	5.48%
	4,000,000	4,000,000			14.60%
Investment Pools					
Tex-Pool	5,966,224	5,967,000	1	2.49%	21.79%
TexStar	6,286,388	6,288,639	1	2.30%	22.96%
	12,252,612	12,255,639			44.75%
Federal Securities and Notes					
Treasury Note 5% 7/31/08	1,002,500	1,000,791	31	4.04%	3.65%
FNMA 3.25% 8/15/08	1,000,940	998,018	46	4.45%	3.64%
FHLB 4.25% 9/12/08	1,003,130	999,550	74	4.43%	3.65%
Treasury Note 4.875% 10/31/08	1,009,450	1,003,019	123	3.95%	3.66%
FNMA 3.875% 11/17/08	1,004,690	998,003	140	4.37%	3.64%
FHLMC 3.875% 1/12/09	1,005,940	997,483	196	4.32%	3.64%
FHLB 2.35% 1/28/09	997,500	1,000,559	212	2.25%	3.65%
FHLB 2.3% 4/15/2009	995,630	999,653	289	2.34%	3.65%
	8,019,780	7,997,076			29.20%
TOTAL	**$27,408,585**	**$27,388,908**			**100.00%**

Weighted Average Maturity	
Weighted Average Days to Maturity	80.32
Weighted Average Days to Maturity-Operating (ex.depository bank-checking)	90.70

Weighted Average Yield	
Weighted Average Yield	2.69%
Weighted Average Yield - Operating (excluding depository bank-checking)	2.89%
Yield to Maturity of 180 day T-Bill at June 30, 2008	2.14%

CITY OF SHERMAN, TX
Market Value Analysis
As of June 30, 2008

CHANGES IN MARKET VALUE:

BEGINNING VALUE - March 31, 2008		32,428,927
INVESTMENT ACTIVITY:		
Purchases	6,000,300	
Maturities	(2,000,000)	
Net Changes in Market Price	(50,550)	
		3,949,750
Bank and Pooled Investment Deposits/(Withdrawals) - Net		(8,970,092)
ENDING VALUE - June 30, 2008		**$27,408,585**

COMPARISON OF BOOK VALUE TO MARKET VALUE:

BEGINNING VALUE - March 31, 2008			
	Market Value	$32,428,927	
	Book Value	$32,352,221	
	Ratio of Market Value to Book Value		100.24%
ENDING VALUE - June 30, 2008			
	Market Value	$27,408,585	
	Book Value	$27,388,908	
	Ratio of Market Value to Book Value		100.07%

CITY OF SHERMAN, TX
Quarter to Date Investment Transaction Report
As of June 30, 2008

PURCHASES

Date	Type	Principal Purchase Price	Par Value	Yield/Int. Discount Rate	Maturity Date
4/29/2008	Certificate of Deposit 2.97%	$2,500,000	$2,500,000	3.00%	4/29/2009
4/29/2008	Certificate of Deposit 2.47%	$1,500,000	$1,500,000	2.49%	1/29/2009
5/1/2008	Federal Home Loan 2.3%	$999,580	$1,000,000	2.34%	4/15/2009
5/1/2008	Federal Home Loan 2.35%	$1,000,720	$1,000,000	2.25%	1/28/2009
	Total Purchases	**$6,000,300**	**$6,000,000**		

MATURITIES

Date	Type	Par Value	Yield/Int. Discount Rate
4/18/2008	Federal Home Loan 4.48%	$1,000,000	4.50%
6/4/2008	Federal Home Loan 4.875%	$1,000,000	4.53%
	Total Maturities	**$2,000,000**	

CITY OF SHERMAN, TX
CO Debt Proceeds
Investment Report Summary
June 30, 2008

This report complies with the requirements of the public funds investment law and covers Certificate of Obligation Debt Proceeds of the City of Sherman that is subject to that law. At June 30, 2008, investment book value was about $5.0 million and had increased by approximately $28 thousand consisting entirely of interest income. The City's investment portfolio includes an investment pool that strives to maintain a 100% net asset value.

The City was in compliance with all provisions of the investment policy and the Public Funds Investment Act as of June 30, 2008. The weighted-average maturity of the portfolio was 1 day at June 30, 2008.

The market value of the portfolio was 99.96% of book value as of June 30, 2008.

The portfolio yield of 2.30% at June 30, 2008 was higher than the benchmark yield on the 180-day T-Bill, which was 2.14%.

There were no other transactions during the quarter.

The following schedules are also a part of this investment report.

Robby Hefton

Robby Hefton, Assistant City Manager/CFO
and City of Sherman Investment Officer

Mary Lawrence

Mary Lawrence, Controller and City of
Sherman Investment Officer

CITY OF SHERMAN, TX
CO Debt Proceeds
Detailed Investment Report - Debt Proceeds
As of June 30, 2008

Investment	VALUES - March 31, 2008		Book Increase/(Decrease)		Market Increase/(Decrease)		VALUES - June 30, 2008	
	Book	Market	Purchases/ (Withdrawals)	Accruals/ Amortizations	Purchases & (Withdrawals)	Change In Market Price	Book	Market
TEX-STAR	$ 4,952,294	$ 4,953,542	$ 28,465	-	$ 25,434	-	$ 4,980,759	$ 4,978,976

CITY OF SHERMAN, TX
CO Debt Proceeds
Comparison of Portfolio to Policy Limits
As of June 30, 2008

LIMITS ON MATURITIES	Minimum Allowable Percentage of Portfolio	Actual Percentage of Portfolio	% Variance Policy Limits
Cash Demands within 1 month	10%	100.00%	**90.00%**
Cash Demands within 3 months	14%	100.00%	**85.96%**
Cash Demands within 6 months	40%	100.00%	**59.70%**
Cash Demands within 1 year	77%	100.00%	**23.34%**
Cash Demands within 2 years	100%	100.00%	**0.00%**

	Maximum Allowable	Actual Average Maturity	Policy Limit Days Available
Weighted Average Days to Maturity	500	1.00	**499.00**

CITY OF SHERMAN, TX
CO Debt Proceeds
Calculation of Weighted Average Maturity and Yield
As of June 30, 2008

Investment Pool

	Market Value	Book Value	# of Days To Maturity	Original Yield to Maturity	Percent of Portfolio
Tex-Star	$ 4,978,976	$ 4,980,759	1	2.30%	100.00%

Weighted Average Maturity

Weighted Average Days to Maturity	1

Weighted Average Yield

Weighted Average Yield	2.30%
Yield to Maturity of 180 day T-Bill at March 31, 2008	2.14%

CITY OF SHERMAN, TX
CO Debt Proceeds
Market Value Analysis
As of June 30, 2008

CHANGES IN MARKET VALUE:

BEGINNING VALUE - March 31, 2007		$4,953,542
INVESTMENT ACTIVITY:		
Purchases	25,434	
Maturities	-	
Net Changes in Market Price	-	
		25,434
Pooled Investment Deposits/(Withdrawals) - Net		-
ENDING VALUE - June 30, 2008		**$4,978,976**

COMPARISON OF BOOK VALUE TO MARKET VALUE:

BEGINNING VALUE - March 31, 2007			
	Market Value	$4,953,542	
	Book Value	$4,952,294	
	Ratio of Market Value to Book Value		100.03%
ENDING VALUE - June 30, 2008			
	Market Value	$4,978,976	
	Book Value	$4,980,759	
	Ratio of Market Value to Book Value		99.96%

CITY OF SHERMAN, TX
CO Debt Proceeds
Quarter To Date Investment Transaction Report
As of June 30, 2008

PURCHASES

There were no purchases during the period.

MATURITIES

There were no maturities during the period.

SHERMAN CITY COUNCIL

Agenda Communication Form

From: The Office of the City Manager **Date:** 8-4-2008

Subject: Agenda Item No. D.9

CITIZEN REQUESTS

The Honorable Bill Magers, Mayor

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 8-4-2008

Subject: Agenda Item No. D.10

MEDIA QUESTIONS

The Honorable Bill Magers, Mayor

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 8-4-2008

Subject: Agenda Item No. D.11

APPOINT/REMOVE OR CONSIDER QUALIFICATIONS
TO BOARDS AND COMMISSIONS
Airport Advisory Board (1)

Issue
Currently there is one vacancy on the Airport Advisory Board. We have an application from Carlos E. Rivas.

Background
The Airport Advisory Board makes recommendations to the City Council on changes in current fees; charges for Airport T-hanger rentals and related Airport services; and Airport rules, regulations and operations for the Sherman Municipal Airport.

Origination
The appointment originated with the City Clerk's Office.

Financial Consideration
There is no financial consideration.

Staff Recommendation
It is recommended that the City Council consider an appointment to the Airport Advisory Board.

Alternatives
The alternative is to delay appointment of a member.

Attachments
A roster, fact sheet, applicant list, and application are attached for examination.

Prepared by:
Linda Ashby, City Clerk

Approved by:
George Olson, City Manager

MEMBERSHIP ROSTER

AIRPORT ADVISORY BOARD

LENGTH OF TERMS: TWO YEARS
Ord. 3729 Consecutive Term Limit Two Terms effective 3/26/84

MEMBER	DISTRICT	TERM BEGINS	TERM EXPIRES	TERMS	MEMBERSHIP REQUIREMENTS
Ross Richardson	1	A 1/18/2005 R 1/18/2007	1/18/2007 1/18/2009	1 2	Commercial Pilot
Donald Makinson	4	A 2/21/2007	2/21/2009	1	
Luke Motley IV	1	A 2/21/2007	2/21/2009	1	
Robert G. "Bob" Nunn	1	A 1/18/2005 R 1/18/2007	1/18/2007 1/18/2009	1 2	Private Pilot's License (current)
W. Cody Stapp	2	A 2/21/2007	2/21/2009	1	
Vacant					
Doug Millsap	3	A 7/17/2007	7/17/2009	1	Pilot's License

NOTE: Ord. 3729 Section 4-14(a) Not more than (3) members shall be elected from among those who hold a "current private pilots license,"

11/14/2002 – Determination by City Attorney:

Based on the language contained in Section 1 of Ordinance 3729 referring to Section 4-14(a) of the Code of Ordinances, mere possession of a pilots license does not make an individual a pilot. The ordinance requires a "current" pilots license, which means that every two years an individual must take and pass a bi-annual flight review and have that fact noted in the pilots log book. Therefore, the Board may consist of as many individuals as desired holding non-current pilots licenses.

Note:

Chairman –

CITY STAFF: Jeff Miller, Director of Public Services
Revised 11/6/2007

FACT SHEET

AIRPORT ADVISORY BOARD

Established by ORDINANCE 3729 - MARCH 26, 1984

1. Number of Members SEVEN
2. Term of Appointment TWO YEARS
3. Consecutive Term Rule ORDINANCE 3729 - TERM LIMIT - MAXIMUM OF TWO SUCCESSIVE TERMS
4. Qualifications for Membership NOT MORE THAN THREE MEMBERS TO BE SELECTED FROM THOSE WHO HOLD A CURRENT PRIVATE PILOTS LICENSE (SEE ORDINANCE SECTION 4-14(a)
5. Appointed by CITY COUNCIL
6. Board Organization

   CHAIRPERSON _E_ VICE CHAIRPERSON __ SECRETARY _E_

   ELECTED _E_ APPOINTED ___
7. Departmental Responsibility CITY MANAGER'S OFFICE
8. Meeting Date NO SET DATE - MEET AS CALLED BY CHAIRMAN
9. Attendance Requirements NO RULE

==

PURPOSE:
It shall provide such other airport advisory functions as may be directed by the City Council.

RESPONSIBILITIES:
This committee shall advise City Council as to recommend changes in current fees and charges for airport T-hanger rentals and related airport services, in airport rules, regulations and operations of Sherman Municipal Airport.

APPLICANT LIST
AIRPORT ADVISORY BOARD

Positions Vacant __1__

Applicant	Address	District	Qualifications
Carlos E. Rivas	603 N. Harrison	2	

COMMENTS:

CITY OF SHERMAN
APPLICATION FOR BOARD OR COMMISSION MEMBERSHIP

Return completed application to:
City Clerk's Office
220 W. Mulberry
P.O. Box 1106
Sherman, TX 75091
Fax: (903) 892-7394

Please type or use black ink
Please complete one application for each board or commission membership
Please limit attachments to two pages
For questions or additional information, call the City Clerk's Office, (903) 892-7206

Name: Carlos E. Rivas
(Please print legal name and your name as you wish it to appear, if different.)

Name of Board or Commission: Sherman Airport Board

☑ Yes, I would be interesting in serving on subcommittees that may be formed.

Personal Information

Home Address: 603 N. Harrison Ave. 75090
Mailing Address: 718 US Highway 82 E #101 75090
Telephone: 9034369329 Fax:
E-Mail: carlos.e.rivas@gmail.com
Sherman Resident for 1 years County: Grayson
Drivers License No.: 05726568
*Voter Registration No.: 1027455293 ✓

Occupational Information

Business Name:
Occupation:
Address:
Telephone: Fax:
E-Mail:

Which Council District do you live in? *(see attached map)* #2 ✓

Prior work experience: *(please include dates)*
L-3 Communications - Financial Analyst 2007-2008
Merrill Lynch - Financial Advisor 2006-2007
CitiFinancial Mortgage - Business Analyst 2004-2006

Educational Achievement:

High School Graduate? ☑ Yes ☐ No Year Graduated/Left School? 2000
Business College, Correspondence School, Adult Education, Other?
Name of College/University: University of Texas at Dallas ☑ Bachelor's ☐ Master's ☐ PhD

Volunteer Work: *(please include dates)*
Juliet Fowler Homes - 1999
Habitat for Humanity - 1999
Peer Assistant Leadership - 1998-2000

Have you ever been convicted of a crime (except for minor traffic offenses that resulted only in a fine)? ☐ Yes ☑ No

If yes, please explain in complete detail. State the nature and approximate date of the conviction, the sentence imposed, whether the sentence has been completed, and any other information you consider to be relevant.

Taxes - No

Application held for 12 months from date received

Are you presently serving on a City board or commission? ☐ Yes ☑ No

If so, which one? ______________________

Why do you want to become a member of this particular board or commission *(how would you use this experience to benefit the City)*?
I recently moved back to city and would like to become involved in the community. I believe the Airport has great economic potential and I would enjoy being a part of its growth.

Briefly explain what you believe are the three most important issues facing this board or commission and how you believe this board or commission should address each issue?

1) Construction of new hangers: I believe the board should continue to lay out in further detail the options the city has in how to go about building new hangers. Whether they are to be built and maintained by the city or privatized.

2) Fuel Prices / Consumption: Continue to monitor area airports for fuel prices to remain competetive and continue to look for ways to save money on fuel purchasing/delivery.

3) Parking: Contine to seek guidance from the city regarding the options available to deal with vehicles being parked by hangers. Warnings and fines could be implemented for violators.

List any abilities, skills, licenses, certificates, specialized training, or interests you have which are applicable to this board or commission:
Insurance license, Series 7 & 66 licence. Experience working with computers; repairs / networking. Interested in aviation.

Please specify any business or personal relationships with the City or other activities, which might create a serious conflict of interest or affect your ability to serve if you should be appointed to this board or commission:
____

Have you attended a meeting of the board/commission you are applying to or talked to anyone currently on the board? ☑ Yes ☐ No
Comments: It was a very interesting meeting. It sparked my interest in joining.

Statement of Intent

I am aware of the requirements of the City regarding conflicts of interest of appointees to the City of Sherman Boards and Commissions, as noted in the overview. I am aware of meeting dates and times of the Board/Commission for which I have applied, and that Board/Commission members are expected to attend a minimum of 75 percent of regularly scheduled meetings annually of their Board/Commission. If appointed, I agree to serve on the Board/Commission for which I have applied. Applications, including those received after the posted deadline, will remain on file for one year from the date of receipt.

**I affirm that I am qualified to vote.*

Signature: ______________________ *Date:* 7-14-2008

In compliance with Chapter 552, Vernon's Texas Codes Annotated (Open Records Law), information provided on this application may be available to the public, upon request.

Carlos E. Rivas

718 US Highway 82 E, #101 • Sherman, Texas 75090
903-436-2093 • carlos.e.rivas@gmail.com

EDUCATION

University of Texas at Dallas, Richardson, TX — August 2004
Bachelor of Science in Business Administration
Concentration in Management Information Systems

SKILLS

Languages: Bilingual (English and Spanish)
Licenses: NASD Series 7, NASD Series 66, CFP Investments Module and Texas General Lines Agent
Software: SAP, MPM, FCCA, Adobe Acrobat, Photoshop, Microsoft Office, Visio and Project
Operating Systems: Mac OS X, Windows 2000, XP and Vista

EXPERIENCE

L-3 Communications, Waco, TX — June 2007 – May 2008
Program Control Analyst
Perform analysis and prepare reports to ensure that aerospace / DOD contracts are within parameters.
Prepare, analyze and review internal and external financial reports.
Set up Earned Value tracking and report earned value status to customer and management.
Development of Work Breakdown Structures and preparation of work authorization documents.

Merrill Lynch, Waco, TX — March 2006 – May 2007
Financial Advisor
Provided financial advisory services to high net worth individuals and businesses.
Developed financial plans to meet financial objectives.
Structured and managed investment portfolios.
Advised clients on retirement and estate planning, tax strategies, mutual funds, managed investments.
Analyzed data on market conditions, specific securities and tax/legal considerations to match client needs.

Citigroup – CitiFinancial Mortgage, Coppell, TX — October 2004 – March 2006
Business Analyst
Business Technology Management unit—supports the Default Asset Management Operations.
Planned, implemented, supported projects and initiatives.
Maintained project statuses and schedule by coordinating between business units.

Intern / Business Analyst — June 2004 – September 2004
Assisted the default mortgage servicing operations in project management.
Presented status updates to senior management.
Coordinated meetings with the business members and vendors.
Analyzed current processes and recommended solutions.

Intern / Collections Manager — June 2003 – August 2003
Supported default mortgage 25-30 X-Day department by handling collection calls.
Assisted customers with default mortgage payments.
Attended manager quality assurance calibration meetings.
Assisted the manager in collector performance tracking and evaluation.
Analyzed development and maintenance of computer automation based on Script Master.

HONORS

INROADS Intern	2003 - 2004
Hispanic Scholarship Fund / Lilly Endowment Inc. Scholarship	2003
GEICO Direct Scholarship	2002
University of Texas at Dallas Academic Recognition Scholarship	2000 - 2004
University of Texas at Dallas Academic Bridge Scholarship	2000
Ronald McDonald House Charities / HACER Hispanic Scholarship	2000
Rotary Club of Dallas Camp Enterprise	2000

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 8-4-2008

Subject: Agenda Item No. D.12

COUNCIL COMMENTS

The Honorable Bill Magers, Mayor

SHERMAN CITY COUNCIL

Agenda Communication Form

From: The Office of the City Manager **Date:** 8-4-2008

Subject: Agenda Item No. E.1

EXECUTIVE SESSION

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

Section 551.074 **Consider the Qualifications, Appointment and Removal of Members to Boards and Commissions:**

a) Texoma Mental Health Mental Retardation Board (1)

The Honorable Bill Magers, Mayor

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 8-4-2008

Subject: Agenda Item No. F.1

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

The Honorable Bill Magers, Mayor

SHERMAN CITY COUNCIL

Agenda Communication Form

From: The Office of the City Manager **Date:** 8-4-2008

Subject: Agenda Item No. F.2

ADJOURNMENT

The Honorable Bill Magers, Mayor

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 8-4-2008

Subject: Agenda Item No. N/A

COUNCIL CALENDAR

2008
CITY COUNCIL MEETINGS

JANUARY

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

FEBRUARY

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

MARCH

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

APRIL

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

MAY

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

JUNE

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

JULY

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

AUGUST

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

SEPTEMBER

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

OCTOBER

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

NOVEMBER

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

DECEMBER

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

01/21/08 - M.L.K., Jr. Birthday - Called Council Meeting on 01/22/08
02/29/08 - 12:00 Noon Called Meeting with Chamber Board
05/10/08 - City Council Election
05/13/08 - 12:00 Noon Called Meeting to Canvass Election Results
05/22/08 - 6:00 PM Called Meeting for Comprehensive Plan Community Forum
05/29/08 - 6:00 PM Called Meeting for Comprehensive Plan Community Forum
06/10/08 - 12:00 Noon Budget Planning Meeting in Council Chambers
07/17-18/08 - Budget Workshop in Council Chambers (adjourned on 07/17/08)
09/01/08 - Labor Day - Called Council Meeting on 09/02/08