

**CITY OF SHERMAN
CITY COUNCIL REGULAR MEETING AGENDA
COUNCIL CHAMBERS OF THE CITY HALL
220 WEST MULBERRY STREET
SHERMAN, TEXAS
MONDAY, AUGUST 3, 2015
5:00 P.M.**

- A. 1. CALL TO ORDER, QUORUM DETERMINED, MEETING DECLARED OPEN**
- A. 2. PLEDGE OF ALLEGIANCE LED BY COUNCIL MEMBER RYAN JOHNSON**
- A. 3. INVOCATION BY COUNCIL MEMBER RYAN JOHNSON**
- A. 4. APPROVE MINUTES OF THE CALLED CITY COUNCIL (BUDGET WORKSHOP) MEETING OF JUNE 25, 2015 AND THE REGULAR CITY COUNCIL MEETING OF JULY 20, 2015**

Public Hearing

- B. 1. PUBLIC HEARING**
Proposed Tax Abatement Agreement with Panda Sherman Power II, LLC for Improvements to Property in Industrial Reinvestment Zone No. 072015-1
- B. 2. PUBLIC HEARING**
Charter Amendments proposed by the Charter Review Commission for the November 3, 2015 Special Election
- B. 3. INTRODUCTION AND FIRST PUBLIC HEARING OF ORDINANCE NO. 5888**
Providing for the Appropriation of Funds for Operating and Capital Expenditures for the Fiscal Year beginning October 1, 2015, and ending September 30, 2016
- B. 4. INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 5889**
Amending Chapter 4 of the Code of Ordinances, entitled "Business Regulations", Article 4.14, entitled "Alcoholic Beverages", at Division 2, entitled "Lawful Consumption", Section 4.14.034, entitled "Hours of Operation", and at Division 3, entitled "Unlawful Consumption", Section 4.14.066, entitled "Sale of Alcoholic Beverages During Extended Hours by Private Club Permittee", to Provide for Extended Hours for the Sale of Alcohol pursuant to the Texas Alcoholic Beverage Code

- B. 5. INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 5890**
Amending Chapter 12 of the Code of Ordinances, entitled "Traffic and Vehicles", Article 12.02, entitled "Operation of Vehicles Generally", to Provide for a New Section 12.02.010 to be entitled "Engine Braking"; Providing for Exceptions; Providing for Penalties

Close Public Hearing and Consider Adoption of Ordinances

- B. 6. ADOPTION OF ORDINANCES**
Consider Adoption of Ordinance Numbers: 5889 and 5890

- B. 7. 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. 5989**
Authorizing Execution of an Agreement with Panda Sherman Power II, LLC for the Abatement of Ad Valorem Property Taxes within Industrial Reinvestment Zone No. 072015-1
- C. 2. RESOLUTION NO. 5990**
Authorizing Execution of an Economic Development Program Agreement with Panda Sherman Power II, LLC for the Grant of Incentives Pursuant to Chapter 380 of the Texas Local Government Code
- C. 3. RESOLUTION NO. 5991**
Authorizing Execution of an Economic Development Program Agreement with Panda Sherman Power, LLC for the Grant of Incentives Pursuant to Chapter 380 of the Texas Local Government Code
- C. 4. RESOLUTION NO. 5992**
Awarding a Bid to and Authorizing Execution of a Contract with East Valley Golf, LTD. dba Revegetation Services based on an Invitation to Bid for Construction of the Erosion Protection for Hunt Street
- C. 5. RESOLUTION NO. 5993**
Authorizing Approval and Execution of an Interlocal Agreement with the Texoma Council of Governments regarding the Sharing and Remote Hosting of Emergency Communications E911 Systems

- C. 6. **RESOLUTION NO. 5994**
Authorizing Execution of an Agreement with AT&T for the Purchase of a New Vesta E911 System
- C. 7. *** RESOLUTION NO. 5995**
Appointing and Authorizing the Execution of an Agreement with Adami, Lindsey & Company, L.L.P. to Perform the Fiscal Year 2015 Audit
- C. 8. *** RESOLUTION NO. 5996**
Declaring the City of Sherman's Eligibility and Intention to Renew its Tax Abatement Program to Promote Development/Redevelopment in the Central Business District of the City; Establishing Guidelines and Criteria

Other Business

- D. 1. **OTHER BUSINESS**
Receiving Police Chief Otis Henry's Update on New Recruiting Initiatives
- D. 2. **OTHER BUSINESS**
Consider Scheduling a Joint Meeting of the City Council and the Sherman Economic Development Corporation Board of Directors for 12:00 noon on Tuesday, September 15, 2015, to Review and Approve SEDCO's Annual Budget and Work Plan
- D. 3. **OTHER BUSINESS**
Review Draft Capital Improvement Program (CIP) 2015-2020 and Set Public Hearing for Tuesday, September 8, 2015
- D. 4. *** OTHER BUSINESS**
Approve Quarterly Investment Report for Quarter Ended June 30, 2015
- D. 5. *** OTHER BUSINESS**
Consider Calling a Special Meeting of the City Council for Tuesday, September 8, 2015, due to Conflict with a Federal Holiday
- E. **CITIZEN REQUESTS**
- F. **MEDIA QUESTIONS**
- G. **COUNCIL COMMENTS**
- H. **ADJOURNMENT**

COUNCIL CALENDAR

CERTIFICATION

I, the undersigned authority, do hereby certify that the above Notice of Regular Meeting of the City Council of the City of Sherman is a true and correct copy of said Notice and that I posted a true and correct copy of said Notice on the bulletin board at City Hall of said City of Sherman, Texas, a place convenient to the public, and said notice was posted on July 30, 2015 at 4:00 p.m., and said time of posting was 72 hours before said meeting was convened or called to order.

Dated this 30th day of July, 2015
City of Sherman, Texas

City Clerk

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

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

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

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

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

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

Mayor

Carolyn S. Wacker

Deputy Mayor

David Plyler

Council Members

Ryan Johnson, Council-At-Large, PL #1

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

Lawrence Davis, Council – District #1

Terrence R. Steele, Council – District #2

Tom Watt, Council – District #3

David Plyler, Council – District #4



SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

Agenda Item No. A. 4.

Meeting Date: 08/03/2015

Prepared By: Linda Ashby, City Clerk

Approved By: Robby Hefton, City Manager

Caption:

APPROVE MINUTES OF THE CALLED CITY COUNCIL (BUDGET WORKSHOP) MEETING OF JUNE 25, 2015 AND THE REGULAR CITY COUNCIL MEETING OF JULY 20, 2015

Attachments

June 25, 2015 Budget Work Session

Budget Presentation

July 20, 2015 Meeting

Kay Kamm Presentation

J.R. Neans Presentation

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and all things related to that. The City is still repairing the damage caused by the flooding and many of the projects and normal operations are either on hold or deferred until next year. Street maintenance is one of those. Normally by this time, after several months of preparation, the staff would be in the middle of the chip seal program.

The City has not even been able to prepare the surface because of all the water. Only a selected amount of the project will be completed this year, even though this is a very high priority of the City. He said that in addition to the routine street maintenance items, the City has sink holes, potholes, and roads that are failing, and has really been a challenge this year.

There is a tremendous amount of development activity in all areas of town. For example, on the July 6, 2015 City Council Agenda, the Panda Water Agreement will be listed for their second phase. The Tax Abatement Committee will also meet soon to discuss a tax abatement for Panda Energy for their second phase.

Discussions are being held for the development of the northwest corner of US Hwy 75 and FM 1417. Construction has also begun on the new Wal-Mart Market on FM 1417. Mr. Hefton said there is “hundreds of millions of dollars” in new investment that is in the pipeline now for Sherman.

The City is in the process of expanding the Water Treatment Plant and Mr. Hefton said he has a meeting to discuss the treatment and transportation of water to high growth communities in north Collin and south Grayson Counties. He said there is interest from the cities as well as the North Texas Municipal Water District who serves those cities.

The City is wrapping up the street sales tax program for the current cycle and will include the reauthorization of the tax on the November 2015 ballot. Mr. Hefton said the staff is also making some changes for space utilization, which will be discussed later in the meeting.

Mr. Hefton said the City is also planning for the growth management and development along FM 1417, including development, transportation, and planning the path of the corridors. Residential development continues to grow in O’Hanlon, Austin Landing, and various infill areas. Lots are being purchased and cleared, with new investment taking place.

The staff is also working on various ordinance updates, such as for livestock, smoking, liquefied petroleum gas, and development. The Water Treatment Plant expansion is moving forward and is one of many utility projects. The City will be adding a new elevated storage tank and there are various Wastewater Treatment Plant and sewer projects.

Mr. Hefton also addressed staffing changes saying the new management team has been constructed. He said there is an amazing group of staff members and he is humbled to be a part of it.

2015-2016 BUDGET REVIEW

Development Planning

Clay Barnett, Director of Public Works and Engineering, discussed development planning with the City Council. One of the tools for development planning is the Comprehensive Master Plan. After numerous meetings, discussions, and public forums, the Master Plan was approved by the City Council in July of 2009.

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The purpose of a Master Plan is to lay out the “big picture” and consider how the Council would like development of the entire City to proceed. It assesses the near and long term goals for development. There were nine essential goals that were determined from the study.

The first goal of the Master Plan was to update and enhance development regulations. The first steps were approving the Blalock Overlay District, irrigation ordinance, and updating the oil and gas specific use permit requirements. This current year the staff is looking to update and enhance the flood plain and subdivision ordinances, create engineering standards, update the transportation plan, and complete the Heritage Parkway Corridor Study.

There are two future goals that the staff will focus on in the future. These are updating and enhancing the zoning ordinances and the creation of a Hwy 289 Overlay District.

Kimley-Horn has started collecting information for the FM 1417 Corridor Study. They are looking at how to connect from Taylor Street to SH 289. Major thoroughfares are generally on one to one-and-a-half mile segments. There is approximately two to three miles between SH 56 and US Hwy 82. Therefore another major thoroughfare is needed between those roadways and Taylor Street is the “break even” point.

Kimley-Horn is also studying the FM 1417 Overlay District. The staff has asked them to review this District and make sure there is nothing that needs to be brought up to City standards. They will also address the boundary of the District, what buildings should look like in the District, landscaping, and signage. As soon as the study is complete, it will be presented to the City Council.

The third highest priority in the Master Plan was storm drainage studies and planning, which were in part, a result of the 2007 flooding. The Post Oak Creek Flood Protection Planning Project was completed. The City had a chance to partner with the City of Denison on large erosion problems with the Ellsworth Branch Flood Study. The majority of the drainage area is inside the City of Sherman and actually goes under the Fallon Drive Bridge. This item will be included in the Capital Improvement Program that will be presented later in the meeting.

Another project is to update the subdivision and floodplain ordinances. This project was identified in the Master Plan and was also included as a goal in the Storm Drainage Design Protection Plan. The other project is to create engineering standards.

Future projects are to update and enhance the zoning ordinances, implement a creek maintenance program, participate in the community rating system, and update floodplain mapping.

The project to update the floodplain mapping is a project that is needed to correct what the City can limit from building in the floodplain. Currently there are areas where homes could be built in the creek and there is no ordinance to prevent it. Mr. Barnett said the City is not able to include any of the structural projects in this year's CIP.

With the recent presidential declaration, the City is looking at FEMA grants to acquire some floodplain property at no cost to the City.

Mr. Barnett said one of the funding sources that was identified last year for these projects was the stormwater utility fee. The staff is not recommending that the fee be implemented at this time, but will review that possibility next year. Many of the drainage improvements could be funded out of a stormwater utility fee as opposed to the general budget.

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The revitalization of older neighborhoods is mainly accomplished from ad valorem property tax abatements. This is a good program where an owner obtains a tax abatement on a piece of property that generally doesn't have a house on it. The investment drives the neighbors to bring their homes up to code and creates a nice environment for revitalization.

The staff also completed street enhancements on Brockett, Taylor, and Travis Streets. This encourages citizens to take better care of their homes. A neighborhood revitalization pilot program was also completed a couple of years ago where Fielder Park was upgraded, streets were chip-sealed, and signs were updated, which in turn encouraged citizens to upgrade the homes in that area.

Current goals include substandard structures and street enhancements at Walnut and Willow Streets. Mr. Barnett said Walnut and Willow Streets were in this year's CIP, but with the damage from the weather, they would probably be delayed until next year. The street sales tax is also a current goal and will be discussed later in the meeting.

Another goal from the Master Plan was the maintenance and enhancement initiative for existing parks. The past accomplishments include the Old Settlers Park improvements, Martin Luther King Park improvements, the construction of Pecan Grove Park, and the upgrade of Fielder Park. The current goal is the Taylor Street Sports Complex.

Annexations are completed as warranted and the main goal of the Master Plan was the SH 289 and Washington Street annexation.

The City continues to invest in the downtown development and revitalization and the Travis Street water line was replaced several years ago. A downtown district was also created, but the most recent investment was the Downtown Sherman Streetscape Project. The project included "islands" at the corners and changed the traffic flow to make it easier to move around. Illuminated street name signs were also installed.

For this year, the downtown goals include the next phase of the Downtown Sherman Streetscape Project and downtown sidewalk improvements. By making the City's infrastructure look better, it incentivizes private property owners to make their property look better too.

In conjunction with the Sherman-Denison Metropolitan Planning Organization, the City was able to incorporate a bike and pedestrian plan. This is one way to use strategic partnerships to accomplish the City's goals as well.

The City has applied for a grant from the Texas Department of Transportation for bike lanes. Cost of the project is approximately \$600,000, with Sherman's out-of-pocket being \$150,000. The project would add off-road bike lanes on SH 56 as concrete paths so residents could walk or bike to Austin College and to Sherman High School from the west side of town. The project is dependent on receiving the TxDOT grant.

Mr. Hefton informed the City Council that, with all the rain, the City has several areas of street where the underlying area has washed away and a sinkhole has developed. The sinkhole on Travis Street will actually be repaired in-house.

He explained that bids were sent out on an emergency basis, and until recently only one response was received from the six bid packets. The bid was \$400,000, mainly because the fill underneath was sand and would be hard to work with. Mr. Hefton said the staff has decided to

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complete the repair in-house with crews from the Street Department and the Utility Maintenance Department.

The staff feels like it can complete the project more timely and more cost efficiently than an outside contractor and could coordinate better for protection, movement, and repair of the water and sewer lines. Since there are a number of projects that have been contracted out, the City may expand the line crew and tackle some of those in-house. The City does not want to be in the construction business, but they can install water and sewer lines, and storm drainage lines, where possible. He said the effluent line might be another example of a project that could be completed in-house. The City crews installed an 18-inch water line last year to Panda Energy for a secondary source for water.

Mr. Hefton said if the City can save money by doing some projects in-house and can use that savings to purchase some heavy equipment that could be used for the projects as well as other larger projects, it would be a cost savings to the City.

From a financial standpoint, Mr. Hefton said the City did not budget for sinkholes or for Kessler Street “falling off” into the creek. Fund balance can be used for these types of projects. However, he said, at this time the staff doesn’t know what the extent of the damage will be. Hopefully there will be some funding by FEMA or by the State of Texas. There is a challenge for this budget as to how these projects will be paid for, and he said it could easily be in excess of \$1 million. Some of the projects maybe partially funded or zero funded by outside sources. These quickly “eat up” fund balances. Mr. Hefton said we aren’t in any financial danger because the City does have healthy fund balances.

As the budget is developed, and in the next year perhaps, the City will need to look at a stormwater utility fee that would help fund projects such as this. It is possible that the damage from this flooding will not surface for several months. The damage that is seen today, won’t be all that the City will have to deal with. There are some uncertainties, but the staff will present a plan for Council consideration at a later date.

Code Enforcement / Substandard Structures

Mr. Hefton addressed the substandard structure program, which is designed to promote a cleaner, safer Sherman. The staff hopes to partner with property owners, especially on vacant property. The goal is not to relocate people, but to work with property owners for vacant property. Hopefully the program will promote infill development, increase the surrounding property values, and enhance the health and safety of the community.

He outlined the goals of the program especially for a cleaner City and to promote infill development. He said the voluntary nature of the program would be more timely and efficient. The old process was very lengthy and was a compliance and legal situation, before the work was actually completed.

The City of Gainesville had a lot of success with a voluntary program and reduced the lengthy timeframe from months to a week. The proposed program is voluntary from property owners. The City will use salvage vendors to lower the cost where possible. Community Development Block Grant funding will be leveraged with General Fund money. The residential tax abatement program can also be used to encourage redevelopment.

Council Member Watt asked if the process in Gainesville was reduced for property owners not wanting to use the voluntary program. Mr. Hefton said they have, but so many property owners are taking advantage of the program, they haven’t had to deal with the other yet. They have all they can handle.

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Mr. Hefton said he is still trying to work with the salvage vendor, but the program is not dependent on using him. That would just “stretch” the City’s dollars for the program. He said there is money in the 2016 Budget that they are proposing to use, and additional funding is available through the CDBG program. Using CDBG money dictates that the program must be used in a low-to-moderate income area, which is typically east of US Hwy 75. Additional money is in the General Fund for properties that are not in the target areas.

Council Member Davis asked about the process. Mr. Hefton said the City would get a release from the property owner to demolish the structure. The property owner would keep the property and there would be no liens placed on the property. They get a developable lot that already has water and sewer available. Even if the property owner doesn’t rebuild or reinvest, they are able to sell it to a developer. The City will get a cleaner lot and in many cases new development.

Council Member Steele asked about a property that might have asbestos. Council Member Sofey said that’s only on commercial property. There are no asbestos requirements on residential property for Federal or State. Mr. Hefton said the City plans to begin with residential property.

Council Member Steele asked if they did remove a commercial building and there was asbestos, would the City pay for the abatement. Mr. Hefton said it would probably be a shared responsibility. He said it would significantly increase the cost of the removal if asbestos abatement was required. He hoped this would be the first year of a several year project.

Mr. Hefton said the City typically tears down four or five houses in a year, but with this program they might be able to remove 15 to 20 houses. Council Member Sofey verified that through the Gainesville program, the cost of removal of one house is between \$800 and \$1,000. Mayor Wacker said the cost is so low because they are salvaging the materials from the house. Mr. Hefton said if they salvage some of the architectural items they could demolish even more houses. He said currently the City pays \$3,000 to \$4,000 per house to demolish today.

After the demolition, Mr. Hefton said the City could continue to promote the residential tax abatement program to encourage redevelopment. He outlined the benefits of the voluntary compliance program, adding that he felt it would be better received by the community.

He said the program also supports the stormwater management initiatives by the purchase of properties in the floodplain. He felt there would be some opportunities for the City to purchase these properties that flood.

Mayor Wacker thanked the staff for the SH 56 clean-up initiative, which was in line with the Keep Sherman Beautiful Commission’s Great Sherman Trash-Off. That is a major corridor through the downtown area and to the high school.

Council Member Watt asked if the City had to wait until the new fiscal year in October to begin this program. Mr. Hefton said it would be no problem to begin early, especially with marketing and promotion of the program. The City Council was interested in moving forward now with the initiative for the voluntary substandard structure program.

Mr. Hefton said the program is not dependent on working with this one salvage vendor. Mayor Wacker said she wanted to roll the program out “well branded” and with everything in place. She wanted a successful kick-off to the program. Mr. Hefton agreed that marketing would be a key to the success of the story.

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Mr. Hefton discussed ways to identify a substandard structure, adding that these would be “drive-by assessments,” which staff are doing now. Inactive utility accounts could be vacant lots instead of substandard structures.

He outlined the timeline for the program, adding that the staff has already been identifying potential candidate properties. This works well since the Council wants to begin the program now. They will develop a list of target properties to work over the next few years. He said occupied properties in the floodway may need to be dealt with differently and some City money might need to be used to purchase them.

Mr. Hefton said the staff goal is to be done with the list by the end of the summer. Council Member Watt felt it would be good to do the “front-end leg work” prior to October 2015, when the money is there to remove the structures. Then the staff would be ready to remove structures when the money becomes available.

Geographic Information System (GIS)

Mr. Barnett presented information on the Geographic Information System, which is mapping software with a database behind it for any geographic information desired. He discussed the various applications of GIS, saying that the Sherman Economic Development Corporation is their biggest customer. The system is used for things such as locating water and sewer lines, for sex offender restriction maps, for 911 service, and for road condition maps, sign location and conditions. He said the City gets approximately 8,000 “hits” per year on the website for GIS information. This amounts to 21 citizens per day that use the GIS website to locate something in the City.

Mr. Barnett said in 2008 a consultant helped the City develop a seven year GIS plan that they are still working through. They purchased the software, set up a control network, completed aerial photographs and contours, and began scanning the water, sewer, and storm drainage plans to enter them into the GIS. He demonstrated the information that could be obtained from the GIS system in a development scenario.

In the 2009 Comprehensive Master Plan, the GIS system was identified as priority #2. Auto CAD upgrades were completed and a large format plotter was purchased. The staff also began storm water mapping. In 2010, GPS equipment was purchased, zoning maps were completed and an Arc Enterprise Server was purchased, which allows the City to “push” the information out to the website. In 2012 a plan scanning project was completed.

From 2013 to 2015, the Sherman Economic Development Corporation gave \$200,000 for three years for the development of the GIS system. This helped pay for projects such as configuring the GIS system, data cleanup, a GIS software upgrade, GPS equipment upgrade, and setting up the web map and making the GIS available on mobile devices.

Mr. Barnett said one problem is that there is currently no one on staff that can handle the technology side of the GIS. The database is very intricate and hard to explain. It has its own server and has special attributes that are required. The City needs to have someone on staff to provide support so the system will function as it should. Up to now, the services were provided by contracting out the jobs. Many things are beyond the staff's capabilities.

He said the staff hoped to also use the mapping system for in-house design projects such as the sinkhole on Travis Street. He demonstrated the Internet version of the GIS system on the City's

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website. Many layers that are available to specific City departments are not available to the general public on the Internet.

The current GIS contracts include the sanitary sewer mapping, the water system mapping, and the drainage system mapping. To date, the total investment is approximately \$932,000.

He outlined the future contract needs including updated aerial photography with better resolution, a crime mapping application used to predict crime in an area, and route design and optimization, which was requested by the Utility Billing and Solid Waste Departments.

Mr. Barnett said the staff recommendation is to hire a GIS Manager to oversee the completion of the programs in progress, to oversee completion of future programs, and to manage and maintain the data. He discussed the specific projects in each category. Current programs in progress include adding property attributes, annexations, traffic control inventory, water meter locations, and 911 address services for the Police Department. He said more data will be added as Sherman grows and the proposed GIS Manager would be involved in the future development. He also thanked SEDCO for their \$600,000 contribution to the GIS system.

Mr. Hefton said the request for the proposed GIS Manager is funded and included in the 2016 Budget.

City Council Members took a break from 10:17 a.m. to 10:36 a.m.

Utilities

Mark Gibson, Director of Utilities, briefed the City Council on utility projects, saying that the City was in a good position for the future. He outlined the upcoming projects.

The City replaced the UV Disinfection System at the Wastewater Treatment Plant and no longer uses chlorine. The new system has been installed and kills the bacteria in the water with ultraviolet lights. In the old system, an operator would need to clean each tube by hand, but the new system features a “squeegee” to clean the tubes. The operators are continually upgrading themselves to keep up with changes in the equipment.

A new sewer line, the Sand Creek Sewer, North Branch, is being installed from Washington Street to SH 289. The project is four miles long and is requiring the contractor to chisel through seven or eight foot of solid rock. They are also dealing with the wet weather, erosion, and clearing “a jungle” to complete the work. The project is very slow and has suffered delays.

The Eastside Outfall Return Sewer is on the east side of Sherman and is a gravity sewer line coming out of a force main. A portion of the project was completed with City workers, but the rest will be completed through a contractor. The project is located east of the Municipal Airport.

The South Sherman Relief Sewer is related to the Eastside Outfall project and is a major trunk sewer to the Wastewater Treatment Plant. There was a cave-in or failure at the Wastewater Treatment Plant on that major trunk line, which is one reason the City is proceeding with the project. Mr. Hefton said the bids received for the project were in the \$1.6 million range.

Another project is for the Sears Lift Station Relief Sewer that enters the El Dorado Mobile Home Park on Texoma Parkway. All sewer from Texoma Parkway enters this lift station and is pumped back to the Eastside Outfall. The plan is to eliminate this old lift station. A sewer line will be laid from the lift station to US Hwy 75 and FM 691, where the new lift station is located and pumped back to the Wastewater Treatment Plant.

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The Sears Lift Station was constructed in the 1960's and is old, unsafe, and a very confined space. A wall surrounding the lift station had to be constructed to keep the creek out when it overflows. Mr. Gibson said the lift station needs to be replaced.

The next project is the industrial sewer in south Sherman that will be financed by SEDCO. He showed a map of the existing sewer, which runs in a route back to the Wastewater Treatment Plant. Tyson is having problems when they clean their plant and put a lot of water into the system at one time. It is backing up on them. The City met with SEDCO and created a project to relieve the problems at Tyson and some other problems along the line. It will also create additional capacity for SEDCO to use and bring in additional industry into the industrial park.

The project will include rebuilding a trunk line and using a sewer line going to MEMC rather than using the deteriorated sewer line. The older line will be abandoned in place. Plans have been completed and the staff will begin working on easements. Once that's done they will be ready to bid the project.

There is also a project to replace the Wastewater Treatment Plant Headworks Lift Station and complete an electrical upgrade. All sewage in the City goes to a pump station at the plant and is lifted up to begin the gravity flow through the plant. There are six pumps that pump the waste up. This is a very corrosive environment. Since the pumps cannot be shut down, the project will replace the headworks structure and pumps, and install a new electric substation to meet the increased power demand.

The biosolids is the sludge left after the wastewater is treated at the plant. In the past, the biosolids were stored in four huge basins at the plant. Every couple of years a contractor was hired to remove the sludge from the basins. Over the years, the Texas Commission on Environmental Quality has decided they don't want a large volume of sludge left onsite. Oscar Renda is currently treating the sludge at the plant. Mr. Gibson explained the process used to treat the sludge. The equipment is hard to keep running. At certain times the sludge is land applied to property owned by the City and leased to a farmer.

Mr. Hefton verified that the engineering on the biosolids project has been completed and they are starting to put everything together. There are several options to remove the biosolids with the new process.

He said in the past the City had accumulated years of sludge into the basins and had to spend over \$2 million to get the sludge removed. He said the City can either pay now or pay later and the new process would remove sludge on a continuous basis and avoid the years of accumulation.

Mr. Gibson said the Council previously discussed the location of the proposed elevated storage tank. The staff looked at five locations and considered infrastructure, access, location in a growth corridor, and ownership of land. The site selected was at the Southwest Booster Pump Station, which is an open site and not near homes. The pump station and a ground storage tank are already located on the site.

The new elevated tank will be 1.5 million gallons and will be a composite tank with a concrete base and a steel tank on top. It should be completed in approximately one year and should be in service by the end of 2016. This will allow the Gallagher tank to be "taken down" for repair and maintenance.

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The Water Treatment Plant Pilot Testing continues with four vendors testing the microfiltration/reverse osmosis system. Mr. Gibson discussed the changes to the plant to allow installation of the new system. The four vendors installed their systems to allow testing of their equipment to determine which system would be best for Sherman. They are testing both the membranes and the RO system.

He said currently the plant is a conventional treatment plant and it works well. One reason the City is changing to an RO plant is that if they expand the plant they would only be able to expand to 25 mgd. By changing to an RO system with microfiltration, the ultimate site capacity is 70 mgd.

Other reasons for the change is that the RO system is not proprietary and there are several sources for the equipment; both are barrier processes which allows for purer, cleaner water; and the plant has a smaller footprint than the conventional expansion.

Mr. Hefton said the ultimate capacity for the site will be 70 mgd and the City has about 35 mgd of storage in Lake Texoma. This is expected to last Sherman for many generations, which means the City has many millions of gallons per day that they could use to treat someone else's water. He did not feel that the City needs to be selling their water to anyone else long-term. However, if the cities to the south can buy or lease water from some other entity that has water rights in Lake Texoma, Sherman can get the water from Texoma to our plant and have a lot of excess capacity to treat the water and ship it down south.

The reason that the 70 mgd is important is not only for the treatment of Sherman's water but is about the City's ability to be the regional purveyor, that is called for in the Region C Water Plan, and to help have someone else pay for Sherman's plant. There is a great economy of scale and building a larger plant costs only a little more than a smaller plant.

Mr. Hefton said the City would not be treating and transporting water before the plant is up and running, which is two to two-and-a-half years away. It will take that long to work through the details, get contracts in place, and work out pipelines. There is a lot of ability to expand the Water Treatment Plant beyond what is actually needed for Sherman.

Mr. Gibson reiterated that Sherman is included in the Region C Water Plan for the State, as a regional water purveyor. Other cities will be required to comply with the Water Plan which recognizes Sherman as the water purveyor. Mayor Wacker said great policy decisions during the past decades have positioned Sherman for the future in regards to water.

Mr. Gibson discussed the actual process of the RO units in the plant and how the water is actually treated. He said they plan to keep using the EDR units as long as they last and then replace them as they wear out with the RO units. He said it would essentially be two plants in one. They will keep the old plant running to allow more options on the treatment process. The expansion will include a 10 mgd upgrade on the building but it will be constructed where it can take another 5 mgd without building a new facility.

Mr. Hefton verified that the City is currently using approximately 6 mgd, of water but can go as high as 8 mgd. Now, without any expansion, the City can treat 10 mgd, but they are about to add another 10 mgd, allowing for a lot of excess capacity to treat water for other cities. The rates that are being discussed are at, or lower than what these cities are paying to North Texas Municipal Water District.

Mr. Gibson said he receives requests from SEDCO about industries that are coming in that need a guaranteed amount of water. This might be available in the winter during low use times, but

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during the summer, with higher usage, it would have to be supplemented with well water. He said the expansion will buy the City the capacity for future development. Mayor Wacker agreed that the water is one of Sherman's greatest assets.

Mr. Gibson said in the past, the Lake Texoma water entering the plant was clearer than most plants see at the end of the treatment process. But with the recent flooding, the water has been very muddy and has been a good test for the four different RO systems. He said the incoming water is the worst he has ever seen.

As for the implementation schedule, Mr. Gibson said the pilot testing is essentially done, but there are two vendors that have been allowed to run a little longer. They have requested permission to award the bid for the membrane, and proposals will be received on July 14, 2015. Selection of the membranes must be secured prior to construction of the plant. Design of the plant will take about a year, and construction should begin in May 2016. Construction should also take about a year and will be followed by pilot testing. The plant should be up and running by August 2017.

Mr. Hefton addressed financing saying it is approximately a \$20 million plant. The City will be issuing bonds in the last calendar quarter of 2015 through the Texas Water Development Drinking Water Fund. If the bonds were issued today, the rates would be about 1.5%. Through the Drinking Water Fund, the rates are subsidized to help bring them down. The debt service for this project is already built into the budget for 2016. The staff will be coming back to the Council, starting in August 2015, with approval for various steps in the process. The project should fund this calendar year and the City will begin paying it back in 2016. He said the rates now are great for this type of project and if it was 10 years ago, the rates would be in the 4% range.

City Council Members took a lunch break from 11:32 a.m. to 11:52 a.m.

Police Personnel

Bob Fair, Assistant Police Chief, said they realize the citizens are their customers and they strive to get them involved in everything they do. He said his daughter is a Chair at Grayson County College in the Communications Department. A company was hired to make a "Safe Shopping" video to release to assist citizens in staying safe while shopping. His daughter saw the video and said their students could make similar videos as class projects.

Students submitted four videos and the first one that was put on the Police Department's website has had over 70,000 "hits." Chief Fair said it is a good program and they would like to continue the project in the future. He showed the videos to the Council.

Otis Henry, Police Chief, discussed the recruiting of new officers, adding that marketing has helped with the recruitment. Over the last year and a half, law enforcement has been portrayed badly. He said as a whole, law enforcement is not bad, but there are a few "bad apples." He said that recruiting is more than just "filling slots." They need to select the best applicant that they can or the citizens lose faith in the Police Department. He said it is critical to recruit the right people.

He displayed the numbers of people that have applied for, tested, and then been hired since March 2013. Out of 411 that applied, 213 actually tested and only 12 were hired. Chief Henry said recruitment is a nationwide problem.

He said after an officer is hired, it still takes 10 to 12 months to complete the field training if they haven't been through the Police Academy first. It is a "grueling" process for the recruits.

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Officer Henry discussed with the City Council what it actually takes to wear the badge. He outlined the core competencies, adding that it is a lot to ask of 21 or 22 year olds. He listed the tests that applicants must go through to determine whether or not they have these core competencies.

Council Member Steele verified that if a new hire goes through the Police Academy, their probationary period is extended because the probationary period should be time on the street and not in a classroom. After the training, they are put out on the street, but the oversight continues under their supervisors.

Chief Henry said these core competencies are important because of customer service. Their ability to deliver good customer service depends on leadership, procedural justice, and police legitimacy. He discussed several programs to help teach leadership to the officers and discussed the importance of treating citizens with respect and having the ability to interact with the community. He also said an officer must have “police legitimacy,” which is the consent of the public to do their job. People want an opportunity to tell their side of the story and they want to see evidence that the police are neutral and that decisions are made on legal principles and facts and not opinions and biases.

Council Member Watt asked everyone to note the difference in the numbers of applicants after the recruiting efforts were started by Chief Henry and his staff. The numbers dramatically increased. Unfortunately, national events that have recently taken place are curtailing those numbers.

Tourism / Hotel Occupancy Tax / Auditorium & Ballroom Updates / Public Information Officer

Lauren Roth, Tourism Director, presented the proposed budget for the Tourism Department for FY 2015-2016.

This year no money was budgeted for the supply line item because many of the items, such as computers and furniture, were not needed this year. Some of the money saved went to advertising. Money was budgeted this coming year for the Main Street Program. Ms. Roth said Sherman was a Main Street City from 1993 until 1998. They applied again in 2006, but Sherman was not selected. She said there is no direct financial support from the Main Street Program but they help with development programs and applying for grants.

Ms. Roth said the budget for Hot Summer Nights will be increased from \$12,000 to \$18,000 and will include Lights on the Lake. The deficit in the past two or three years has ranged from \$23,000 and \$28,000. She said they entered into a contract with CBC Creative to design some advertisements.

Items that they plan to focus on for next year include growing events to attract outside visitors to Sherman. They also plan to work with other entities and other City department to bring events such as softball tournaments. Ms. Roth said they also plan to work with surrounding cities to bring in area-wide events. The final work plan initiative is to increase their social media and website presence.

Mayor Wacker said she was excited about the concept of community collaboration and they are looking at other partnerships to develop the cultural district. The City should hear in July 2015 whether or not they received the out of town grant. The hope is to include more of these partnerships and make every organization more sustainable.

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Mary Lawrence, Director of Finance, presented the financials for the Hotel/Motel Tax Fund. The ending fund balance is \$218,484. The Chamber of Commerce contract for tourism is \$240,000. The budget also includes improvements to the Kidd-Key Auditorium and the Municipal Ballroom.

Mr. Hefton said a portion of the budget for the Communications Manager is also included in the Hotel/Motel Tax Budget under the administration line item. The other portion will be paid from the General Fund. He said there is room in the fund balance if there are some changes that the Council would like to make to the program.

Council Member Steele asked what the Ballroom and Auditorium line items included. Mr. Hefton said some is for improvements and some is for ongoing costs, such as utilities and janitorial. There are also some transfers out to the 30 year debt for the Auditorium improvements. The debt was originally incurred in 2006 and was about \$2 million.

Steve Ayers, Director of Community and Support Services, discussed the proposed position of Public Information and Communications Manager. He said Sherman has a good story to tell and a good message to share. Earlier, Council Members discussed the importance of getting information out to the public about the substandard structure ordinance and the program to abate those problem areas.

There are many great things going on in Sherman and a lot of great programs that people need to know about. The City needs to work on getting that information out to citizens. The stories need to come from a central source and have a consistency of message.

Mr. Ayers said the proposed position will be a team member with all departments, with the Tourism Department, SEDCO, and the Chamber. The employee would also be expected to build close relationships with the local media and would manage the website content and social media. They would also be expected to develop a "State of the City" annual report, handle some crisis management, and join the community conversation.

Mr. Hefton said the City could actually use this position today and said if Council Members are not opposed, he could put someone to work as soon as they could hire them, prior to October 1, 2015. Permanent funding for the position would be included in the 2016 Budget, but they could move forward earlier if possible. He said there are many stories that could be publicized now such as the Panda expansion, being a regional water purveyor, and the substandard structure program.

Council Member Steele asked about the salary. Mr. Hefton said the salary would probably be in the \$40,000 range with benefits. Mayor Wacker said she was excited about the position and felt it would be a key position with everything that is coming up for Sherman.

Deputy Mayor Plyler asked who the authority for the position would lie with. Mr. Hefton said the position would be a City employee and would report to Mr. Ayers for all departments, except the Police Department. Deputy Mayor Plyler wanted to be sure that with the salary, they need to be sure that the person hired had a good education level with good language skills. Mr. Hefton agreed saying they need to be well written, well spoken, and portray the City well. He verified that the Council was in favor of adding the position.

Council Member Watt said the Police Department and Fire Department already have their own public information officer in place. He asked who would cover a situation such as the bus crash. Mr. Hefton said there would be some times when the communications manager would work hand-

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in-hand with the public safety departments. He did not want to get into a situation during an emergency, about who has authority. If there is an emergency of that nature, Mr. Hefton said he wanted the emergency management people to take the lead. The communications manager would probably have a role in the situation, but probably more working alongside the emergency management team.

Council Member Watt said he felt this was an issue that needed to be addressed for a long time and he was in favor of hiring a communications manager.

Council Member Davis asked if it would include all forms of communication. Mr. Hefton said it would be using all realms of social media and written communication. He said the position would be partially funded from the Hotel/Motel Tax Fund. He said he would be moving ahead with that position prior to implementation of the budget.

Mr. Ayers discussed the proposed Kidd-Key Auditorium and Municipal Ballroom improvements. In the Ballroom, the staff proposed to remodel the kitchen at a cost of \$50,000, upgrade the appliances for \$10,000, add new window blinds for \$5,603, and add an overhead projector and screen for \$12,000. Total cost of the improvements is estimated at \$77,603.

Last year there were over 200 events in the Auditorium and Ballroom, with most in the Ballroom. Proposed improvements for the Auditorium include replacing the window drapes and hardware for \$30,000, sound system improvements for \$9,000, and plaster repair at \$5,200, for a total cost of \$44,200. He said there is currently a “dead space” with the south system that needs to be addressed. The system is currently an analog system and the plan is to replace the system next year with a digital sound board.

Mr. Ayers said there is money set aside this budget year to begin work on the improvements. Mr. Hefton said cost of the repairs for both facilities is estimated at \$120,000. There is available fund balance in the Hotel/Motel Tax Fund this year and these improvements would help move the facilities into the 21st Century and allow the City to be more competitive in the amenities offered in the Ballroom kitchen.

Council Member Steele asked if the City had seen a reduction in use of the City facilities since the new event center was opened. Mr. Hefton said use of the Ballroom is still very robust with 150 events per year, that’s nearly one event every other day. He said there has not been a significant decrease in usage. The goal is to keep the costs reasonable.

City Council Members took a break from 1:19 p.m. to 1:30 p.m.

Space Utilization

Don Keene, Director of Administration and Finance, said he is blessed to be a part of a group that wants to serve the citizens of Sherman, and he said it starts with the City Council. The staff works hard to utilize what we have. Sherman has one of the lowest property tax rates in Texas, and one reason why is that the staff “makes do” with what they have. A great example of that is the way space is used at the City.

For example, the City took an old post office and now it’s used as City Hall. The Taylor Street Complex was originally the Girls, Inc. facility, but is now a gymnasium for the City. The Service Center where the City’s fleet maintenance is housed was an old automotive dealership. There are many ways the City has worked to utilize what they have.

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During the next year, the City will see a number of moves to better utilize space. The Police Department is driving the need to do this because they need additional space for the Emergency Communication Center and evidence storage. After discussing options, the staff found a way to use existing space in the Municipal Building to meet this need.

The Police Department Evidence Storage and Emergency Dispatch will move to the current Municipal Court Office. Municipal Court will move to the Municipal Building into the current Human Resources Office. The Human Resources Office will move to the second floor of the Municipal Building where the Community and Support Services Office was formally located. He said this will put six City Departments and Municipal Court in the Municipal Building, as well as the Ballroom and the Auditorium.

Court payments will actually be taken through the existing windows in the Municipal Building and minimal remodeling will be required to make space for the Court. The second floor space will also need remodeling to accommodate the Human Resources Office.

Mr. Keene said approximately \$115,000 has been budgeted for remodeling and moving the offices. The projects will be a combination of in-house work with the Building Maintenance Department and work that is contracted out.

Council Member Watt asked about the timeline for the project. Mr. Keene said they have already started some of the demolition in the new Human Resources Office. Once approved by the Council, the staff will finalize a timeline. He felt the projects would probably be complete in the second or third quarter of 2016. Mr. Hefton said the projects will begin immediately, but it is a domino effect. He added that, ideally the Communications Director would be located in City Hall, but there may not be room for that office immediately. That person maybe located in the Municipal Building for now, but the long term vision is for that person to be located in City Hall.

Council Member Davis asked about hiring a person for the Taylor Street Gym. Mr. Hefton said the budget does include hiring a full-time person so the City can begin using the Taylor Street Gym forty plus hours per week. The staff believes that person could be fully funded with the incremental charges for the programs offered. Financially there would be minimal financial impact to the City. That will add one additional employee, but will allow the City to make more use of that space, beginning October 1, 2015.

Council Member Davis asked if the staff hoped to rent the facility out for use to other leagues that weren't City sponsored. Mr. Hefton said there could be some open gym time, but a balance will need to be struck with the demand for league play. He said the City could fill the schedule up now with league play, but they can't because they don't have the staff to support the facility. He didn't want it to become a rental place for birthday parties.

Streets

Mr. Barnett updated the City Council on the status of streets in Sherman, saying the goal is to provide a safe and efficient movement of traffic and storm water throughout the City. He showed a video of the Street Maintenance program.

He outlined the responsibilities of the Street Department for the Council, saying Sherman has 199 miles of asphalt streets and 24 miles of concrete streets, there are 326 drainage inlets, 15 traffic control lights, 19 school zone flashers, 16 warning beacons, and over 4,500 traffic signs. He also listed what was maintained by the Street Department last year, including the chip sealing of 29 lane miles of streets, repairing over 116 utility crossings, replacing 752 feet of curb and gutter, replacing 213 feet of drain pipe, and filling over 250 pot holes.

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Mr. Barnett said, in a typical year, the City fills 500 pot holes. As of March 2015, the staff has already filled 500 pot holes. Since March 2015, the staff has filled another 600 pot holes. That means, so far for 2015, the City has filled 1,100 pot holes, or twice what is normally filled in an average year. This is an indication of how bad this year's weather has been on the streets. From the ice to the rain, the weather has really taken a toll on the roads.

Two years ago a survey was completed to make sure Sherman was doing everything they could to protect the streets and to see if things needed to be done differently. One thing found was that Sherman was the only City not doing crack sealing on asphalt and one of two cities that was not doing crack sealing on concrete. In last year's budget, the staff requested a router and crack sealer and the City can now route and fill cracks. The main objective of this program is to make sure that water doesn't penetrate the pavement.

When water does penetrate the pavement, it softens the dirt underneath and turns it into mud. When another car goes over it, it pushes the mud out through the cracks and leaves a void under the roadway. Eventually the pavement will break up and water will penetrate the street.

After much research, Mr. Barnett said the staff found that the chip seal program is still the most cost efficient way to maintain City streets. They did find that they might not be using the best combination of materials to give them the most effective product. Last year they purchased some different types and sizes of materials, including granite. In the past they have only used limestone. They performed a test on East Street, which gets a lot of major truck traffic. They patched the street with five different types and size of rock, and different amounts of oil.

The test street was reviewed this year and the staff found that the best product was 5/8 inch granite with a shot rate of 0.40. This was a bigger rock than has been used in the past, with more oil and applying more rock. The staff will continue to monitor the test street to see how it performs and make adjustments as needed.

The research also showed that on high volume roads, you need to do more than just chip seal. In the past, the City has used the emulsion CRS-2 and CRS-2h. They have found that CRS-2p has a polymer and does a better job of gripping onto the rock. They will try this on some of the higher volume streets such as Taylor or Brockett Streets. They'll then monitor the streets to see how it performs over the next few years.

Last year the City purchased a DuraPatcher to help fill potholes or small patches. This allows the City to repair potholes or utility cuts on their own schedule and not wait until the asphalt plant "fires up." In small volumes, the DuraPatcher is more cost effective than driving to Durant or Pottsville to pick up asphalt.

They also purchased a Skid Steer Loader with multiple attachments. In the past, it took a crew of eight people and a bucket truck about a week to remove vegetation from an alley or street. With the new tool the same alley can be cut in about two hours. It also has other tools such as a power broom, jack hammer, auger, and forks.

Mr. Barnett said he is requesting two pieces of equipment this year. One is to replace a 1996 GMC pickup and the other is two portable, changeable message signs. He said he is really stressing safety to the crews and since people have a tendency to ignore traffic control devices, these signs should make drivers more aware and keep the guys safer. He said the signs could also be used if the City is sponsoring some type of event or has a road closure.

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The staff has also installed a new GIS based work order system that tracks repairs to streets, the cost of the repair, materials used, equipment used, labor used, and what was done. This helps track where money is being spent on streets and will alert staff if they continue to provide the same repairs on the same streets. The information gained will be used to prepare the next five-year chip seal program. It will also help with budget forecasting for future street repairs.

Mr. Barnett said the City also maintains all street signs and signals in Sherman. He displayed an example of the new street signs that are still being placed. Signs in the downtown area are also lighted.

Mr. Barnett said the City doesn't often report on disaster response, but with the recent flooding there are some damages, and in fact has two additional ones to add today that aren't included in the list presented. Lake Street has been closed since about mid May because water has eroded underneath the roadway at two nine foot diameter culverts. He said they continue to have problems with people driving around barricades. He showed erosion on Hickory Street where the road looked safe. But because of the erosion, there was nothing underneath the pavement past the centerline of the roadway. Repairs to Lake Street are estimated at \$30,000 and it will be repaired in-house. Hickory Street has been repaired in-house at a cost of \$5,300.

Plans and specifications are complete for the Hunt Street project and bids will be opened in mid July. The curb and the roadway has failed and continues to get worse. Estimated cost of the project is \$190,000. A portion of the repair had already been identified and budgeted in the Capital Improvement Program.

The slope failure on Kessler Street was more of a surprise and also continues to get worse. Estimated cost on this project is \$360,000 and is currently in the design phase.

Mr. Barnett addressed the sinkholes on Travis Street. The first one was about seven foot by three foot deep and the second one was about eight foot by four foot deep. The street has been closed except for one northbound lane. One bid was received for the repair at a cost of \$400,000. They also stipulated that they could not start the project for a month. The staff has decided to proceed with the project in-house and are trying to secure the pipe needed for the project. Since May 7, 2015 to the end of May, the City spent \$52,200 in labor to place and remove barricades and to clean debris during the storm.

There has been extensive damage to infrastructure including "alligator cracking" and bar ditches that have eroded, failed, or are inoperable. Two private dams have also failed, including the one on Lamberth Road and the one in the Dos Lagos Addition.

Two more areas were not included in the presentation because they have developed since that time. There is a drainage system with a creek running through a pipe at 205 W. McGee that has failed. There has been another slope failure on Kessler Street at Hunt Street. Damages are still being assessed on this project. He added that almost all of the problems except the street repair could be funded out of a stormwater utility fee. As the Council looks at that fee next year, it could be a good source of funding for emergency situations such as these.

He addressed the 2015 CIP program that was promised during the last tax election, adding that the City won't be able to get to it this year. The contractors are several months behind on projects, as the City staff is. Project costs would be huge to get the projects completed this year. The projects will be delayed and the staff can determine what the best solution will be. Plans were to mill and overlay the streets.

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The staff did do an assessment on the streets to determine what they had and gather information about the best way to repair the streets. Two of the sections have concrete and Willow Street is almost entirely concrete. The only asphalt is about one-half inch at the top. This street is almost cost-prohibitive to mill and overlay. The staff will determine the best way to maintain these roads.

Mr. Barnett addressed the 2016 Capital Improvement Program and listed several projects. The program includes \$60,000 for the Grand Avenue Pedestrian Improvements, \$20,000 for the Downtown Sidewalk Improvements, and the Downtown Sherman Streetscape, Phase II, which is grant driven. The estimated cost of the Streetscape project, if the City receives the grant, is \$600,000 with the City's portion at \$150,000.

He said the "crown jewel" of the CIP is the Loy Lake Road improvements which would complete a four lane median divided section between the US Hwy 82 frontage road and the Loy Lake Bridge. It would also address the Gallagher Drive intersection and the Sam's Club entrance. Estimated cost of the project is \$2.5 million.

The City elected to use Kimley-Horn for the project, mostly because of the relationship they have with Wal-Mart. They design all of Wal-Mart's infrastructure all over the United States. Their most recent project is the new Wal-Mart Market on FM 1417. He said they are currently working on an agreement and it will say that the City will pay for one driveway and Sam's Club will need to pay for the other one. They might elect to remove one driveway from the project. They would also be responsible for everything on their private property. Mr. Hefton clarified that the project would include a median divided street with an entrance at Gallagher Drive. Mayor Wacker verified that the driveway would be a right in, right out driveway and that the median could be landscaped if the Council wished.

Mr. Hefton said if the Council chooses, the Street Sales Tax would be placed on the ballot for reauthorization in November. The City is "maxed out" on sales tax and there is currently 1/8 of one cent for street sales tax, which generates about \$1.1 million annually. That money can be used for the maintenance and repair of City streets. It can be used to repair the sinkholes or for chip seal, but it can't be used to extend a street. It can only be used for the maintenance and repair of streets that existed at the time the tax was passed. It expires after four years. If approved again, the sales tax for streets would be in effect starting April 2016.

He said the sales tax is needed because it is a dedicated source of funding for existing streets and allows the City to complete some of the projects that would not otherwise be considered. It also places the burden for street maintenance on the people that actually use the streets, which is not only Sherman citizens. Visitors that shop, go to the parks, or visit the library, all use the streets. Mr. Hefton said the tax is about as fair as it can be because it spreads the burden to everyone using the service.

The street sales tax can be put into place by petition, but the Council can also give the staff authority to put it on the ballot. The Election can be held on either the May or November uniform Election date, and would be added to the November 3, 2015 ballot. Specific ballot wording is required by the State Comptroller. If the Election fails, the City would have to wait one year before resubmitting it to the voters.

The street sales tax was originally passed in November 2007 by a margin of three to one, and was effective from April 2008 through March 2012. During that cycle, the City completed 25 lane miles of street mill and overlay and 60 miles of chip seal.

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In November 2011, the second round of street sales tax passed by a margin of nine to one, and was effective from April 2012 through March 2016. During this cycle, the City has completed 10 lane miles of mill and overlay and 60 miles of chip seal. He said some of the planned street reconstruction projects have not been completed because the plan was to complete them this year, but the weather has caused delays.

The third round of street sales tax would be considered on the November 2015 ballot and, if passed, would be effective from April 2016 through March 2020. He outlined the schedule to add the measure to the ballot. He estimated that the sales tax would provide an estimated \$4.3 million or \$4.4 million annually.

Potential uses of the sales tax would be to help complete 60 miles of chip seal and maybe another street reconstruction project such as the Loy Lake reconstruction from US Hwy 82 to Sara Swamy Drive.

Mr. Hefton verified that the City Council did want to move forward with the street sales tax reauthorization.

Unfunded Critical CIP / Long Term Issues

Mr. Hefton said there are some critical issues in FY 2017 and beyond that could have immediate impact over the next few months. The staff still doesn't know what the impact will be from the recent flood damage. He said he did not know what the number would be, nor how it will be paid. He said the staff will have to come back to the Council with suggestions on how to pay the costs.

He said the City is looking at a potential bond issue in 2017. There are some critical things that will need to be funded either through debt or through reserves. There is not enough money in reserves to fund some of the issues. One project is the purchase of the right-of-way for Taylor Street, west to SH 289. The City needs to purchase the right-of-way so citizens don't build where a road is planned.

There are also structural issues with the Library and a portion of it is falling in. The project has been put off, but at some point it will need to be addressed. He said, at a minimum, it might consist of tearing off the south portion that has sunk. There is no estimate for the cost at this time.

There are other potential FM 1417 enhancements that will be needed. TxDOT has said that the City's chances of funding a project and scheduling it sooner, will increase if the City will agree to pay for a portion of the project, such as the expansion of FM 1417. The City might need \$1 million to \$1.5 million to complete the engineering and right-of-way acquisition on that two mile stretch of road.

Another issue would be a regional detention structure, which would need to be built prior to the development. Land would need to be purchased to construct the detention structure. He said 2017 would be critical and the staff will start planning for discussions on a future bond. The staff is currently working with FEMA to understand their timeframe for purchasing property in the floodway.

City Council Members took a break from 2:42 p.m. to 2:51 p.m.

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Financial Presentation / CIP

Ms. Lawrence presented the financial highlights for 2015. The General Fund, at the end of FY 2015, had ending reserves of \$1.2 million above budget. Revenues were above budget by about \$150,000, due to some great sales tax performance. The City also saved about \$800,000 on expenses, due to open positions, primarily in the Police Department. There were some other savings in street materials and in vehicle usage, because of the low fuel costs. The projected ending reserves for 2015 should be at \$7.7 million or 85 days.

In the Utility Fund, the staff is projecting ending reserves at \$1.8 million above budget. Revenues are about in line with the budget, however expenses are down, especially due to the Water Treatment Debt Service. It was originally thought the debt service would be in 2015, but the bulk of it starts in 2016. About \$1.1 million of the \$1.3 million was due to the debt service that will be seen in 2016. The staff predicts ending reserves to be at \$5.8 million or 102 days.

Ms. Lawrence said those are healthy fund balances to end the year and will help out in the 2016 budget.

Ending reserves in the Solid Waste Fund are projected to be about \$1.3 million or 75 days, which is where they need to be. The revenues and expenses are close to budget. The projected ending fund balance in the CIP General Fund is \$338,000 and in the CIP Utility Fund is \$1.7 million.

She presented financial highlights from the 2016 budget. All fund balances are between 60 and 90 days, in the target area. In the General Fund, the staff is projecting that the sales tax revenue will be up again and they have built in a 1% growth in the sales tax base.

There is also some repayment relief. About 10 years ago, the Comptroller notified the City of an overpayment of sales tax by a single taxpayer of about \$1.9 million. The City had to repay that amount over a 10 year period, which is up this December. In 2016, there will be about \$150,000 in relief because that will have been repaid. Property tax increased about \$200,000 from Panda and there are a couple of other additions to the tax roll. Increases from new value are still unknown.

In the Utility Fund, water and sewer revenues are expected to be flat and the debt service will increase \$1.1 million for the Water Treatment Plant Expansion. The full debt service will appear in 2017 and should be about \$1.3 million. The Solid Waste Fund includes major fleet purchases and a 5% rate increase.

The increased funding levels for group health will be an ongoing situation no matter what plan the City is on. It has been built into the budget. The proposed budget also includes some pay adjustments and a 2% across-the-board increase, to help ensure that Sherman is in line with market and the peer cities. She said there are some "compression issues" in the Police Department and the budget addresses this to give more room between the ranks. The budget also includes some limited funding for one-time capital improvements.

Ms. Lawrence addressed the ongoing balancing in the funds. Mr. Hefton added that the difference in climate and moisture in any given year affects the Utility Fund. The staff doesn't know what the impact will be, but the revenue might be down because of the rain received. He said there have been some years where it has made over a \$1 million difference in the revenue for one year. He said the proposed fund balances represent a normal year.

COUNCIL MINUTES – JUNE 25, 2015

Council Member Davis asked if the capital and operating costs for the utilities were “fixed” to adjust for the fluctuations. Mr. Hefton said the staff is about to build the fixed costs back to a normal level. The fixed costs have been down the last few years, which has allowed the City to transfer cash to help other areas, like the General Fund. He said the rates are designed to see the City through a normal year, so the “ups” and “downs” are taken care of through fund balance. He felt that today, the rates are appropriately set for the expected ongoing expenses.

He said that the \$700,000 to \$800,000 that comes in each year from Panda Energy has helped to keep the rates stable. Mayor Wacker said it is good to keep the rates stable, but unanticipated things can cause changes.

Council Member Davis said the fixed rate might need to be higher because citizens aren't watering their yard. Mr. Hefton said in the years where the weather is normal, the City would be generating more cash than needed to fund the operation, so the rates would be high overall. He said the staff tries to build the rates, based on a normal summer. Over time it works well.

Ms. Lawrence presented a list of items that were ongoing expenses funded in FY 2016. This includes the proposed Public Information Officer and the full-time employee for the Fairview Gym. It also includes the second and third shift operator at the Wastewater Treatment Plant. She also presented a list of items that are non-recurring expenses and will be purchased from the one-time Panda money.

In the General Fund, property tax includes the money from Panda, as well as new property and new value. She said values have increased some, but they don't have the final numbers yet.

She explained a new budget procedure used this year. Instead of starting with what the departments requested, the staff determined an average of what is usually spent to manage the department. The managers were given this amount, and were given more autonomy over their budget. This freed up money in the budget, because managers are budgeting for the average and not for the “worse case” scenario. Ms. Lawrence said this helped with the on-going balancing and with the proposed budget for this year. She also presented a five-year dashboard with projections and showing different scenarios.

In the Utility Fund, debt service and personnel will be increasing. The maintenance line item has decreased but the staff doesn't build every possible problem into the budget. She presented the five-year dashboard for the Utility Fund. Some additional revenue maybe realized from the sale of capacity at the Water Treatment Plant to other cities. There will also be significant revenue from the Panda II Project, as well as the sale of the effluent. In 2021, the projected debt service drops by about \$1 million per year.

In the Solid Waste Fund, the commercial revenue was up, however tipping fees were increased too. Mr. Hefton said there is a 5% rate increase included in the projected revenue for 2016. It is for commercial and residential solid waste, but not for recycling. Mr. Hefton said recycling basically pays for itself. The five-year dashboard shows a stable fund balance.

Ms. Lawrence said the General Improvement Fund might increase because of flood damage and projects that need to be funded. In the Utility Improvement Fund, the Blalock Industrial Sewer was funded by SEDCO.

Mr. Hefton said the funding for CIPs is critical each year. The fund balances are being drawn down, which is appropriate. CIPs take care of the general infrastructure.

COUNCIL MINUTES – JUNE 25, 2015

Council Direction

Mr. Hefton asked for Council direction on the proposed initiatives.

- **Water Treatment Plant Expansion**
- **Compensation and Staffing** – 2% across-the-board; public information officer; GIS manager; Parks and Recreation position; two employees in the Wastewater Treatment Plant
- **Stormwater Management and Planning** – no fee this year; projects; purchase of property
- **FM 1417 Development Management** – Kimley-Horn Study; transportation, code development; regional detention
- **Code Enforcement and Substandard Structures** – no new positions; add dollars
- **Downtown Sidewalks** – TxDOT matching program to extend and widen hike and bike trails on Houston and Lamar going east; Downtown TIF
- **Loy Lake Rebuild (Street Sales Tax, TIF, Bond)**
- **Optimized Space Utilization** – \$100,000 +
- **Utility Issues – Water and Wastewater Improvements** – most done through GTUA; effluent line for Panda
- **Southwest Elevated Water Storage Tank** – engineering now; funding probably through GTUA; \$3.3 million project
- **Solid Waste Rate Adjustment** – keep up with costs
- **Downtown Incentives**
- **Stepped Up Code Enforcement / Cleanup Along US Hwy 56** – in conjunction with substandard structure program; possible purchase of property in floodway
- **Improvement to Ballroom / Kitchen** – \$120,000 improvements; Hotel/Motel Tax fund balance
- **Improved Safety Along Grand Avenue** – \$60,000 for either activated crosswalk or something to help improve traffic safety
- **Development Ordinance Improvements** – continue improvements of north and west Sherman; FM 1417 area
- **Pursue Street Sales Tax** – reauthorization

Council Member Steele asked when the last Solid Waste rate increase was. Mr. Hefton said there was a small 1% increase a couple of years ago. In 2000, the City began the commercial solid waste program but rates were not increased for about 10 years. About five or six years ago there was a larger increase. Since that time there have been smaller, incremental increases.

COUNCIL MINUTES – JUNE 25, 2015

This year the staff is proposing a 5% increase for residential and commercial. He felt the rates should be reviewed every year, but said the City has not been consistent with the solid waste rate adjustments.

Mayor Wacker said it is a forward thinking budget that continues to push Sherman down the road toward more success. Everything is not ideal yet and there are still some challenges, such as the weather. She said it's nice to be thinking about what's on the horizon and not just hanging on.

Mr. Hefton said from a staff perspective, it "feels busy." With the development that's going on and the weird weather, it is a busy time. The staff is excited about everything that's going on.

The draft budget will be presented on July 20, 2015 and will be similar to what has been presented today. If property taxes change significantly, there might be adjustments.

ADJOURNMENT

There being no further business to come before the City Council today, motion was duly made and approved to adjourn the Called meeting at 3:38 p.m. Documentation for the Budget Work Session is held in the General File "Budget Work Session FY 2015-2016" in the City Clerk's Office.

ATTEST

MAYOR

CITY CLERK

2015 – 2016 City of Sherman Budget Planning Workshop



BUDGET WORKSHOP AGENDA

TIME	SUBJECT	PRESENTER	PAGE
08:30 – 08:45	Opening Comments & Highlights	Hefton	3
08:45 – 09:35	Development Planning	Hefton/Barnett	6
09:35 – 09:55	Code Enforcement/Substandard Structures	Hefton	20
09:55 – 10:30	Geographic Information System (GIS)	Barnett	29
10:30 – 10:40	Break		
10:40 – 11:30	Utilities	Gibson	44
11:30 – 11:45	Lunch		
11:45 – 12:15	Police Personnel	Henry	112
12:15 – 12:45	Tourism / Hotel Occupancy Tax / Auditorium & Ballroom Updates / Public Information Officer	Roth/Ayers	133
12:45 – 01:05	Space Utilization	Keene	147
01:05 – 01:15	Break		
01:15 – 02:00	Streets	Barnett/Hefton	155
02:00 – 02:20	Unfunded Critical CIP / Long Term Issues	Keene/Hefton	180
02:20 – 02:30	Break		
02:30 – 03:30	Financial Presentation/CIP	Lawrence	183
03:30	Council Direction	Hefton/Council	207

OPENING COMMENTS & HIGHLIGHTS

- Doin' what we do...plus
- FEMA/Emergency management recovery
- Treat and transport discussions with high growth communities in N. Collin and S. Grayson counties
- Possible sale of effluent for industrial & irrigation uses
- Street sales tax – wrapping up current program, planning for new
- Space utilization changes w/in City Hall and other
- Growth management and development along FM 1417 N (Hwy 56 – 82) and South (Hwy 75)

- Residential development (e.g., O'Hanlon, Austin Landing, infill in various areas)
- Various ordinance updates (livestock, smoking, panhandling, noise, LPG, various development)
- Water Treatment Plant expansion
- Elevated storage tank engineering
- Various WWTP/sewer projects
- Staffing changes

DEVELOPMENT PLANNING



Sherman Introduction

CLASSIC TOWN. BROAD HORIZON.

- Summary
- History
 - 8 Meetings of the Comprehensive Plan Advisory Committee (CPAC):
 - 19 Community Leaders/Business Owners
 - Staff
 - 2 City Council Members
 - 2 Public Forums
 - Approved by the City Council in July, 2009
- Purpose
 - Lays Out a “Big Picture”
 - Considers At Once the Entire City
 - Assesses Near & Long Term Goals



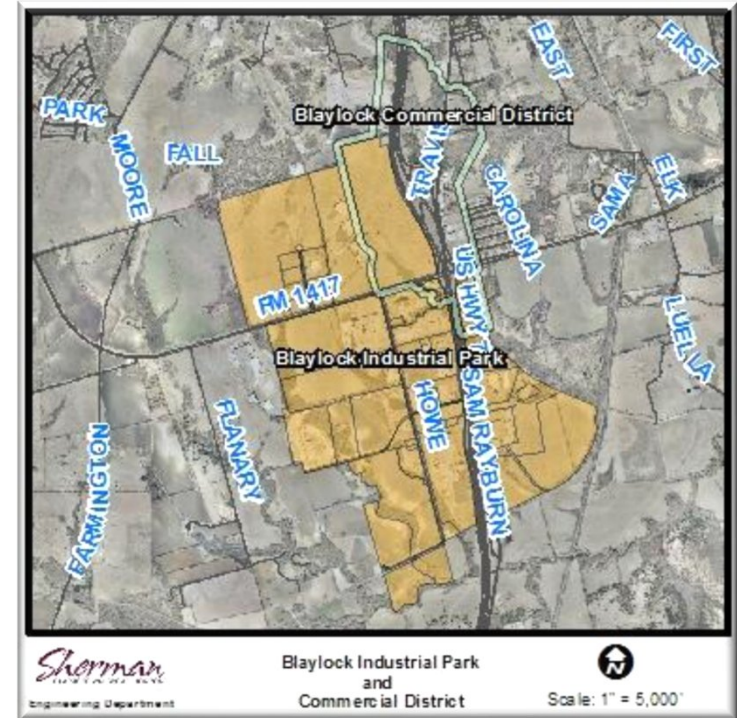
Action Agenda – Highest Priorities

1. Update & Enhance Development Regulations
2. City Geographic Information System (GIS) Enhancements (Later Today)
3. Storm Drainage Studies & Planning
4. Revitalization of Older Neighborhoods
5. Maintenance & Enhancement Initiative for Existing Parks
6. Strategic Annexation Planning
7. Downtown Development/Revitalization
8. Trail, Bikeway & Greenway Master Plan & Initial Trail Network Development
9. Roadway System Maintenance, Upgrades & Safety Improvements (Later Today)



Updated & Enhanced Development Regulations

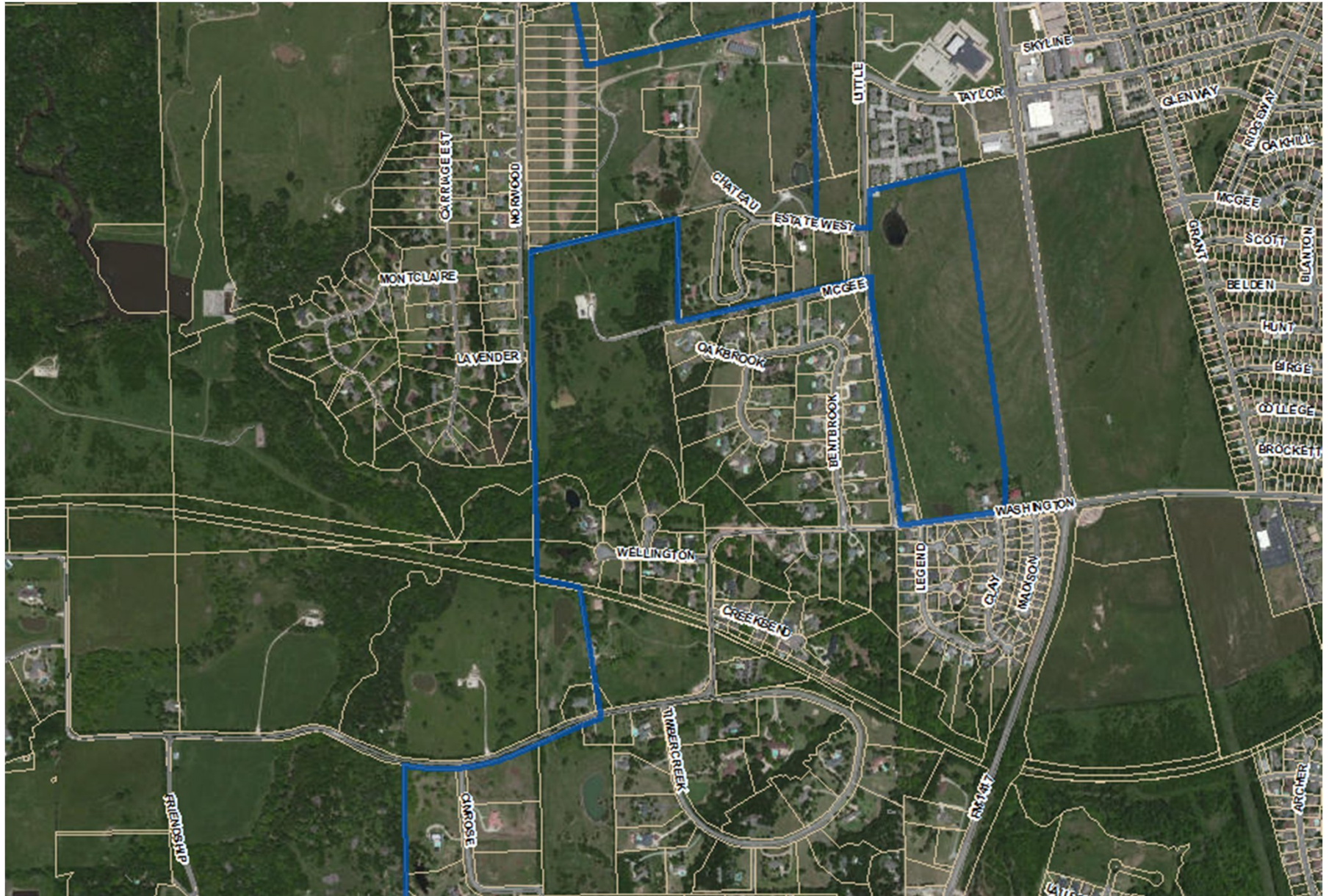
- Past Accomplishments:
 - Blalock Commercial Overlay District
 - Irrigation Ordinance
 - Updated Oil/Gas Specific Use Permit



GIS Map

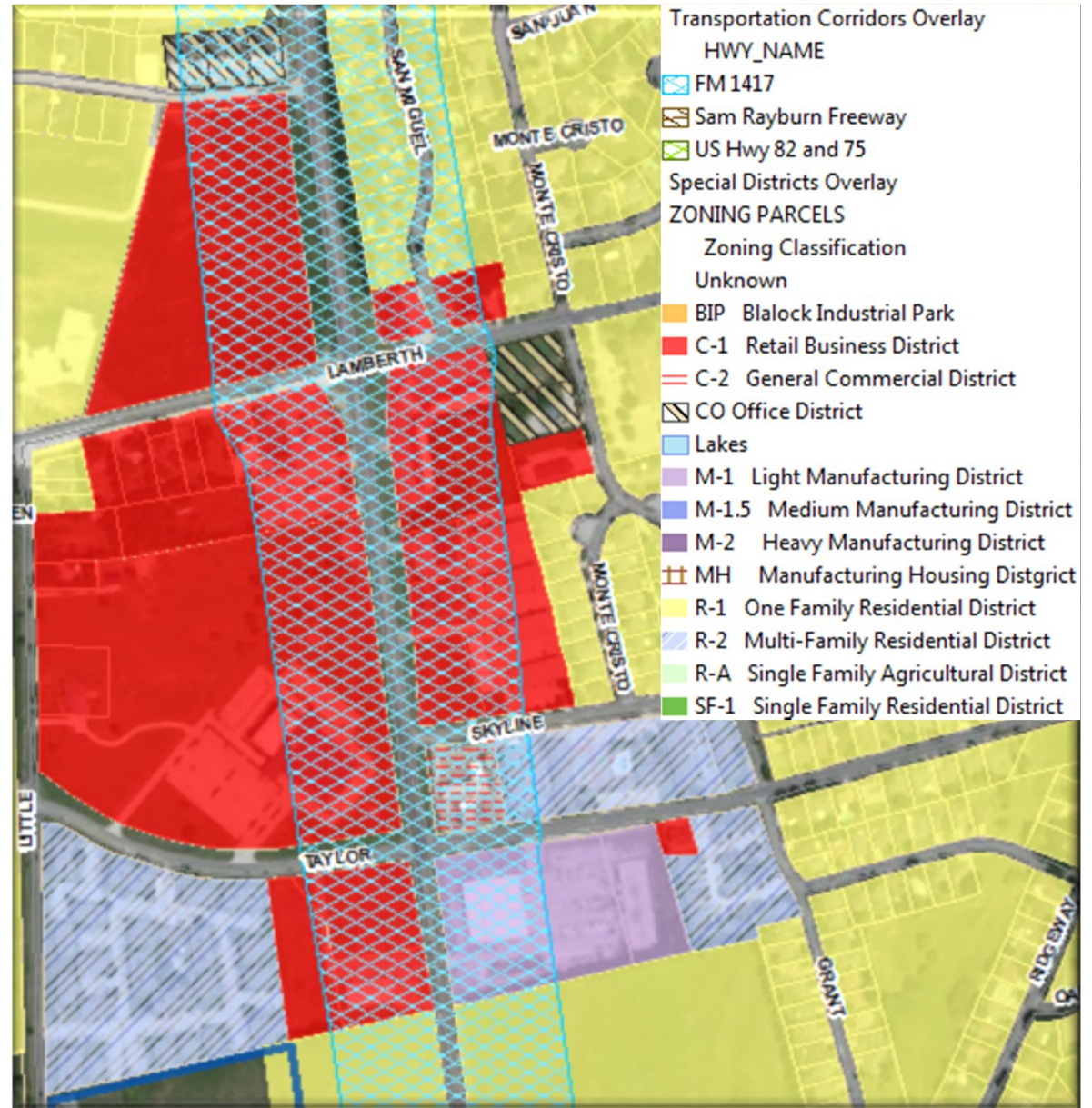
- Current Goals:
 - Update & Enhance Subdivision and Floodplain Ordinances
 - Create Engineering Standards
 - Updating the Transportation Plan
 - Heritage Parkway Corridor Study
- Future Goals:
 - Update & Enhance Zoning Ordinances
 - Highway 289 Overlay District

Heritage Parkway Corridor Study



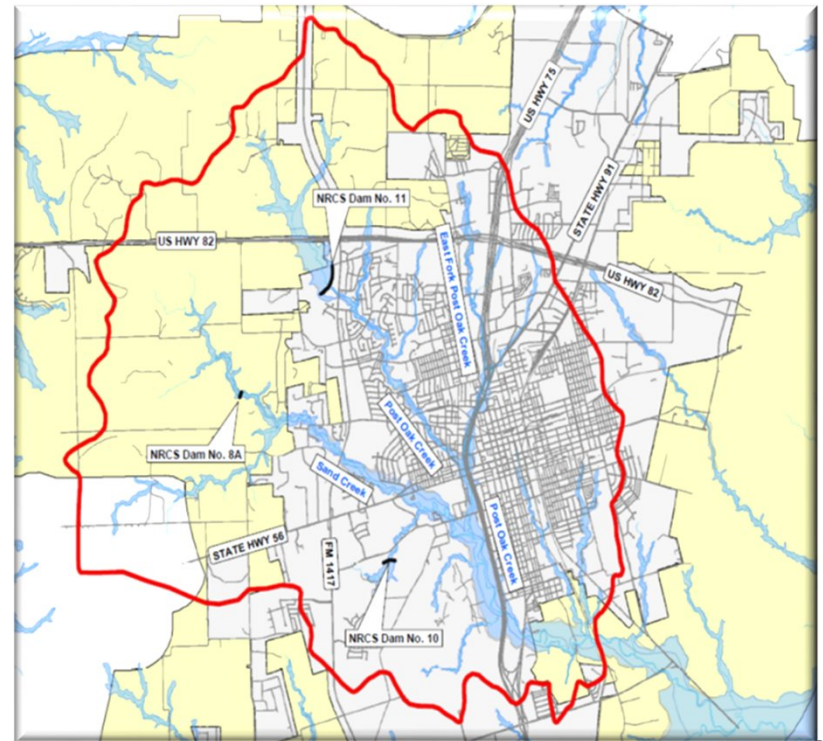
Heritage Parkway Corridor Study

- Heritage Parkway Overlay
 - Boundary
 - Building Design
 - Landscaping
 - Signs



Storm Drainage Studies & Planning

- Past Accomplishments:
 - Post Oak Creek Flood Protection Planning Project
- Current Projects:
 - Ellsworth Branch Flood Study
 - Update & Enhance Subdivision and Floodplain Ordinances
 - Create Engineering Standards



Storm Drainage Studies & Planning

- Future Projects:
 - Update & Enhance Zoning Ordinances
 - Implement a Creek Maintenance Program
 - Participate in the Community Rating System
 - Update Floodplain Mapping



Project Type	Project Cost	Grant Eligible
Floodplain Land Acquisition	\$ 8,354,000	\$ 5,333,250
Storage	\$13,855,000	\$ 5,438,250
Channel Improvements	\$18,337,000	
Bridge/Culvert Improvements	\$13,947,000	
TOTAL	\$54,493,000	\$10,771,500

Revitalization of older neighborhoods

- Past Accomplishments:
 - Ad Valorem Property Tax Abatements
 - Street Enhancements (Brockett, Taylor & Travis Streets)
 - Neighborhood Revitalization Pilot Program
- Current Goals
 - Substandard Structures
 - Street Enhancements (Walnut & Willow Streets)
 - Street Sales Tax



- Past Accomplishments:
 - Old Settlers Park Improvements
 - MLK Park Improvements
 - Construction of Pecan Grove Park
 - Fielder Park



- Current Goals
 - Taylor Street Sports Complex

Strategic Annexation Planning

Annexation GIS Map Legend:

Red – Original City Limits

Green – SH82/289 Annexation

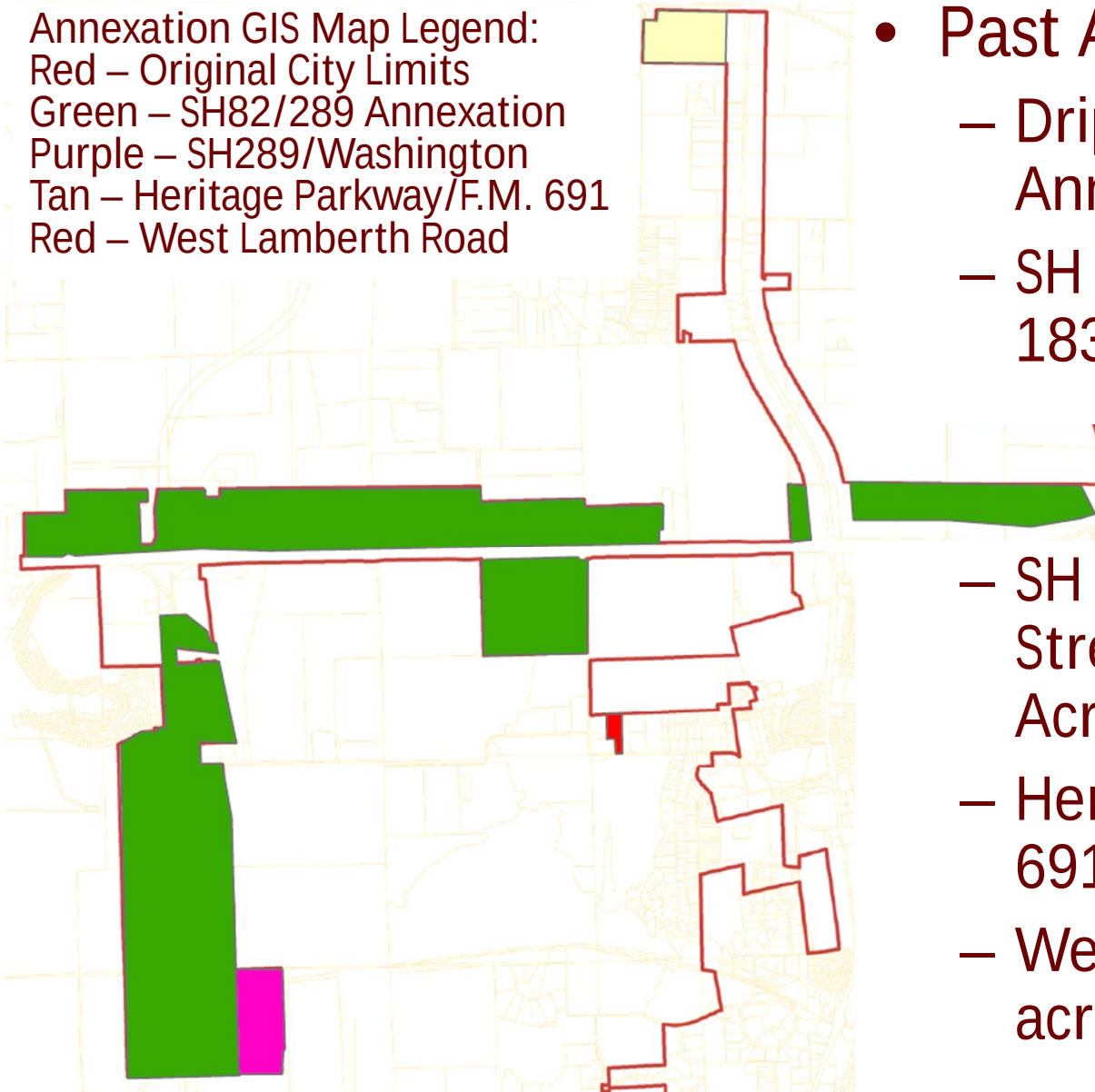
Purple – SH289/Washington

Tan – Heritage Parkway/F.M. 691

Red – West Lamberth Road

• Past Accomplishments:

- Dripping Springs Annexation – 23 Acres
- SH 82/289 Annexation – 1837 Acres
- SH 289/Washington Street Annexation – 72 Acres
- Heritage Parkway/F.M. 691 – 64 Acres
- West Lamberth Road – 7 acres



Downtown Development/Revitalization

- Past Accomplishments:
 - Travis Street Water Line Replacement & Overlay
 - Downtown District
 - Downtown Sherman Streetscape Project
 - Illuminated Street Name Signs



- Current Goals:
 - Downtown Sherman Streetscape Project, Ph II
 - Downtown Sidewalk Improvements

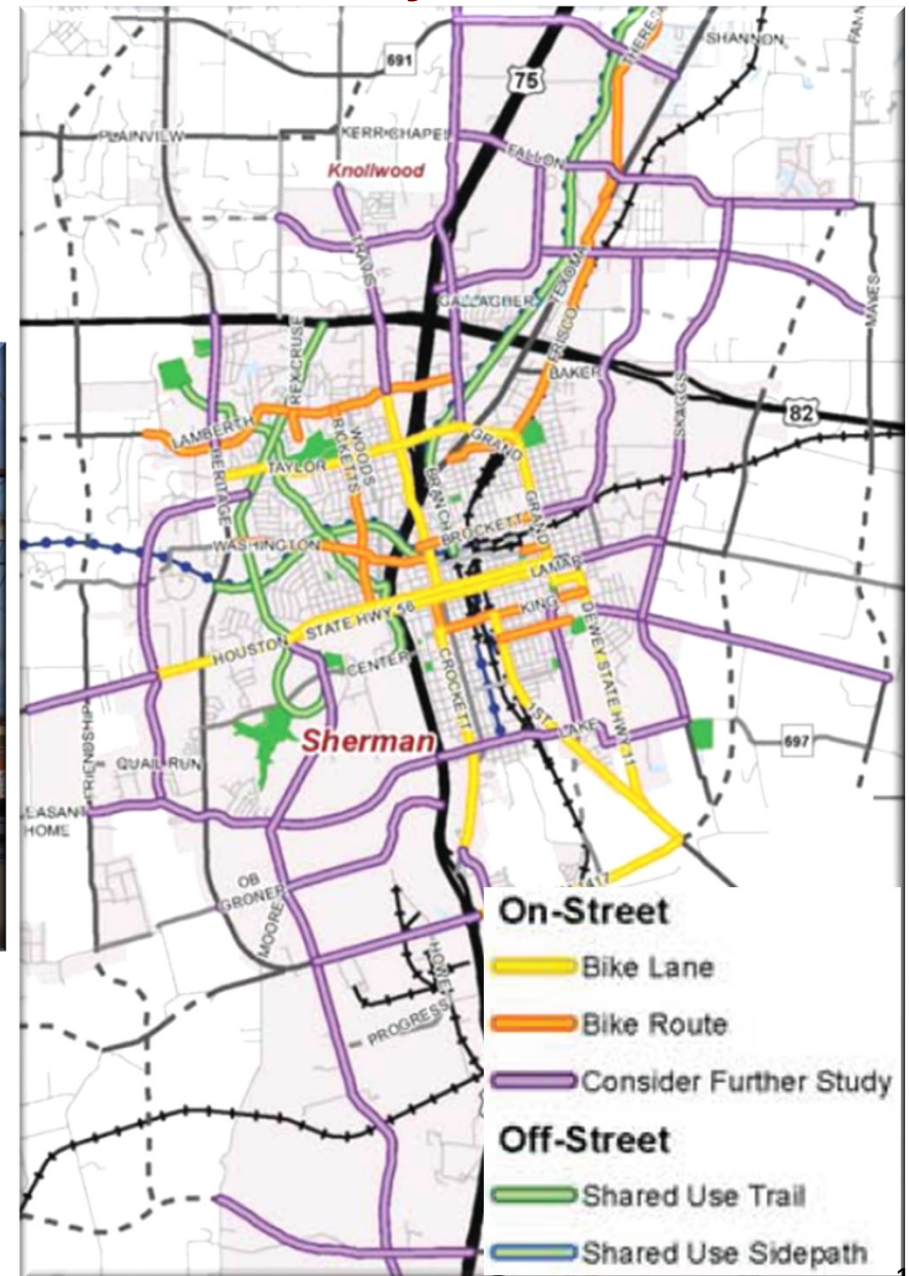


Trail, Bikeway & Greenway Master Plan

- Past Accomplishments:
 - Bicycle and Pedestrian Plan



- Current Goals
 - Downtown Sherman Streetscape Project, Ph II



Questions

“Good fortune is what happens when opportunity meets with planning.”

- Thomas A. Edison



CODE ENFORCEMENT & SUBSTANDARD STRUCTURES



Substandard Structures Program

Program Description – This program is designed to promote a cleaner and safer Sherman by partnering with property owners to abate and demolish substandard structures. This will encourage infill development, increase surrounding neighborhood property values, and enhance the health and safety of the community.

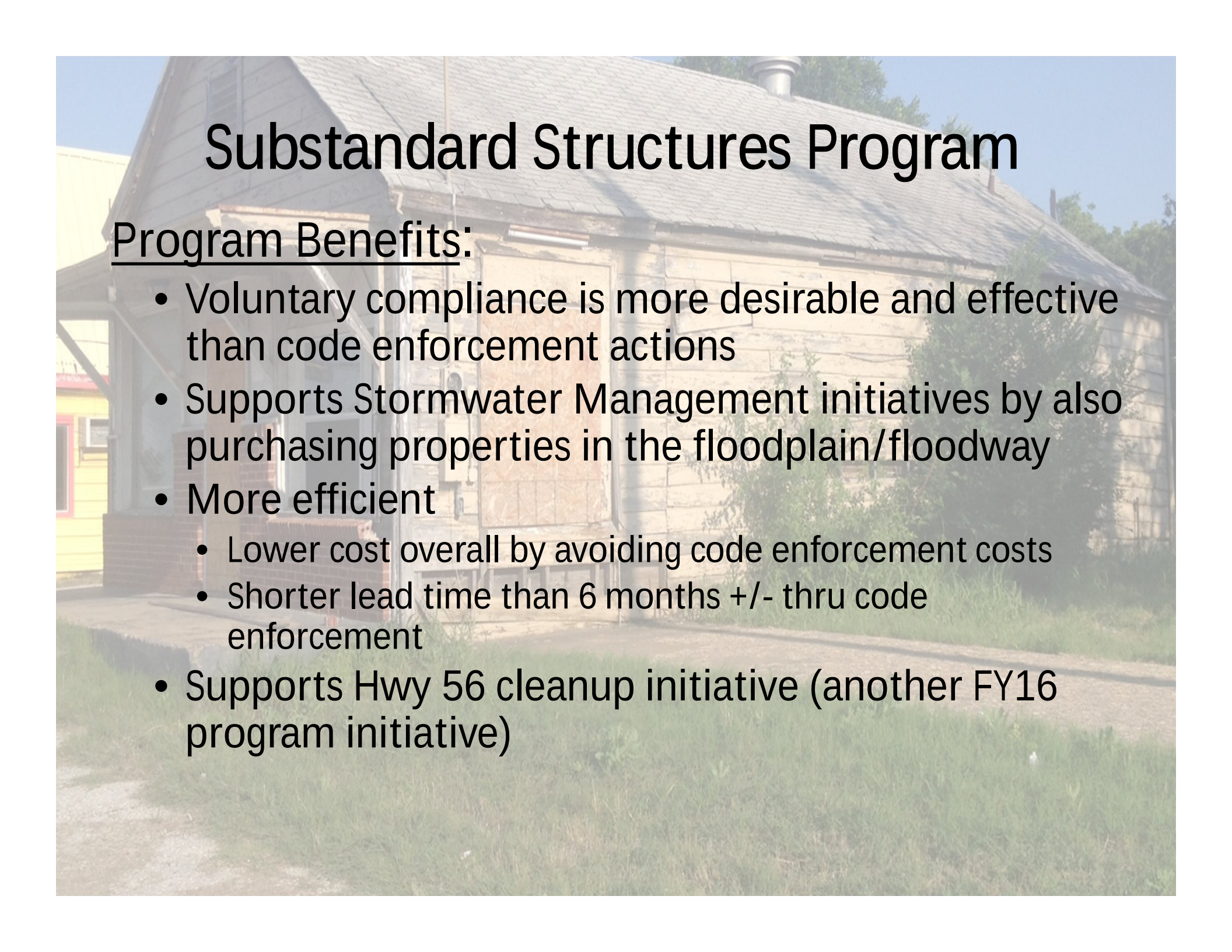
Substandard Structures Program

- Program Goals:
 - Cleaner City
 - Community buy-in and participation through voluntary participation
 - Reduce and eliminate blight
 - Promote infill development
 - Reduce possibility of crime, fire hazards, health and safety hazards
 - Improve neighborhood property values
 - More timely process to make changes

Substandard Structures Program

Program Tactics:

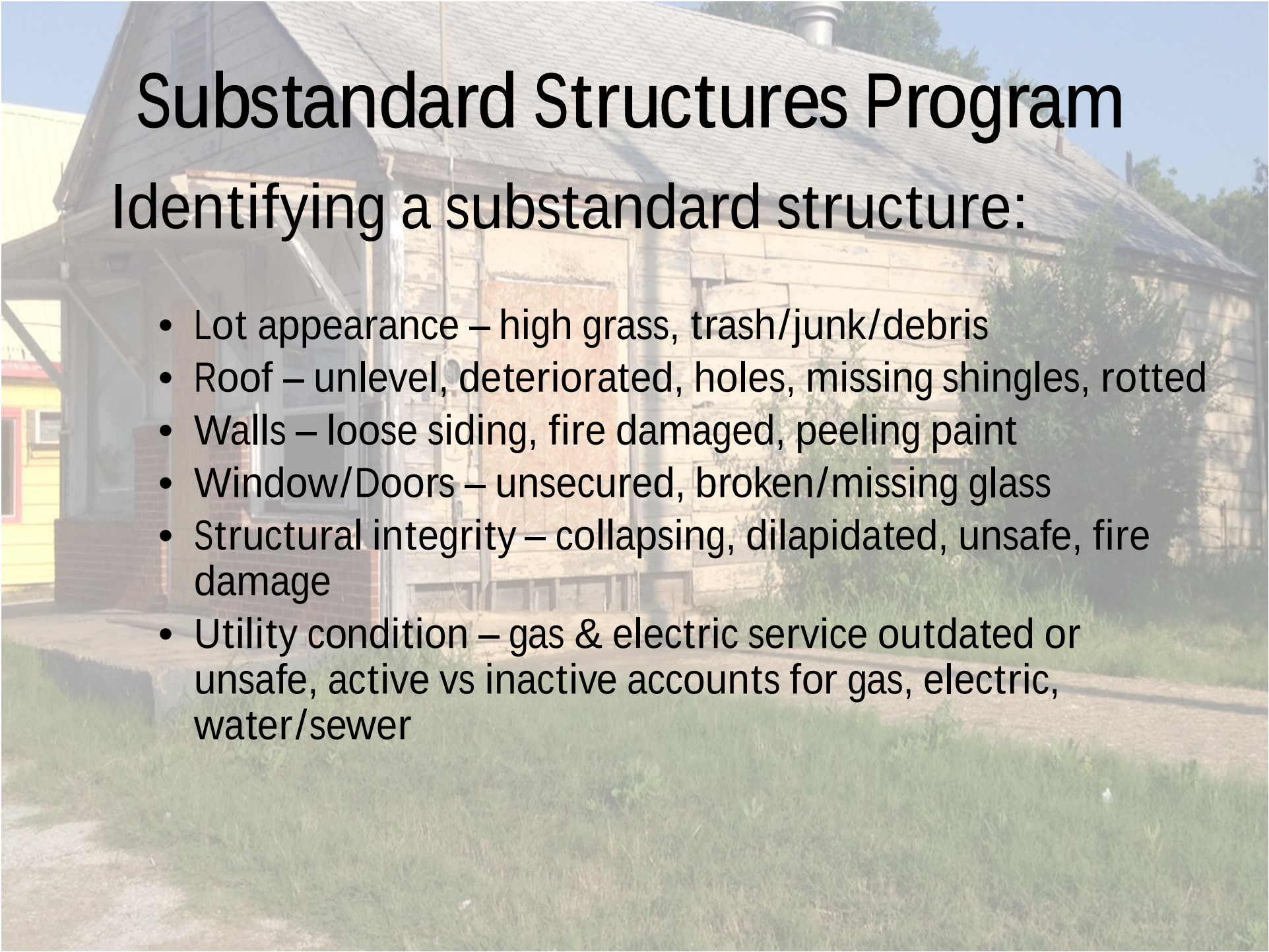
- Voluntary participation from property owners
- Advertise in Herald Democrat, feature article in Herald Democrat, advertise on City website/social media
- Target vacant properties
- Utilize salvage vendor(s) to lower cost where possible
- Leverage Community Development Block Grant (CDBG) program \$\$ (\$30k) and General Fund \$\$ (\$30k)
- Leverage residential tax abatement program to encourage redevelopment



Substandard Structures Program

Program Benefits:

- Voluntary compliance is more desirable and effective than code enforcement actions
- Supports Stormwater Management initiatives by also purchasing properties in the floodplain/floodway
- More efficient
 - Lower cost overall by avoiding code enforcement costs
 - Shorter lead time than 6 months +/- thru code enforcement
- Supports Hwy 56 cleanup initiative (another FY16 program initiative)



Substandard Structures Program

Identifying a substandard structure:

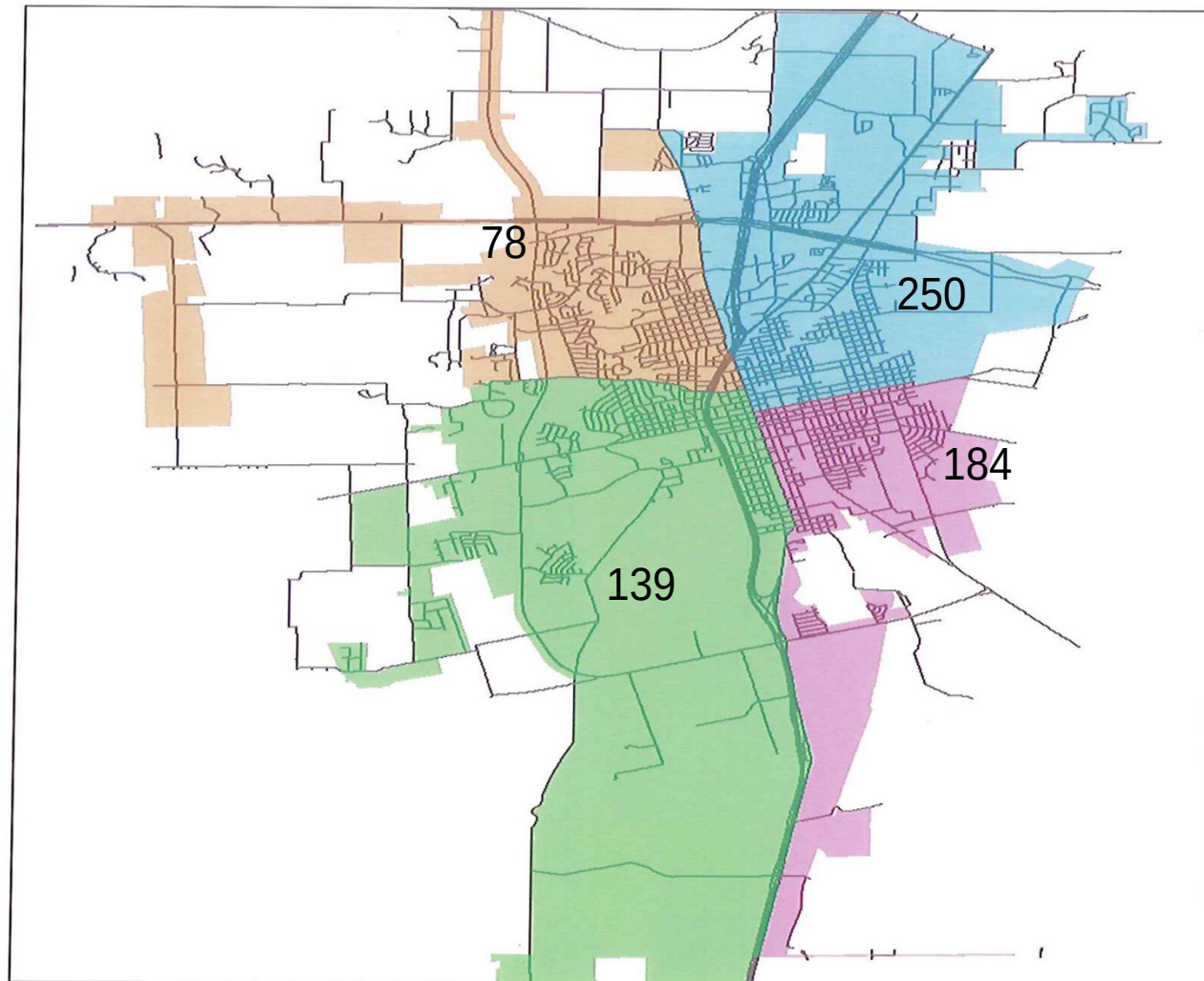
- Lot appearance – high grass, trash/junk/debris
- Roof – unlevel, deteriorated, holes, missing shingles, rotted
- Walls – loose siding, fire damaged, peeling paint
- Window/Doors – unsecured, broken/missing glass
- Structural integrity – collapsing, dilapidated, unsafe, fire damage
- Utility condition – gas & electric service outdated or unsafe, active vs inactive accounts for gas, electric, water/sewer

Substandard Structures Program

Program plan and timeline:

- Identify potential candidate properties (Summer/Fall 2015)
 - Inactive/Idle meter listing via Utility Customer Service Office
 - Advertise and market program locally
 - Word of mouth (important part of Gainesville's program)
 - Focus primarily on residential properties
- Budget \$\$ set aside through FY16 budget
- Work w/salvage vendor to reduce costs

Inactive Utility Accounts by Zone





Property in Floodway



Property in Floodway



Substandard candidate?



Substandard candidate?

Geographic Information System Update

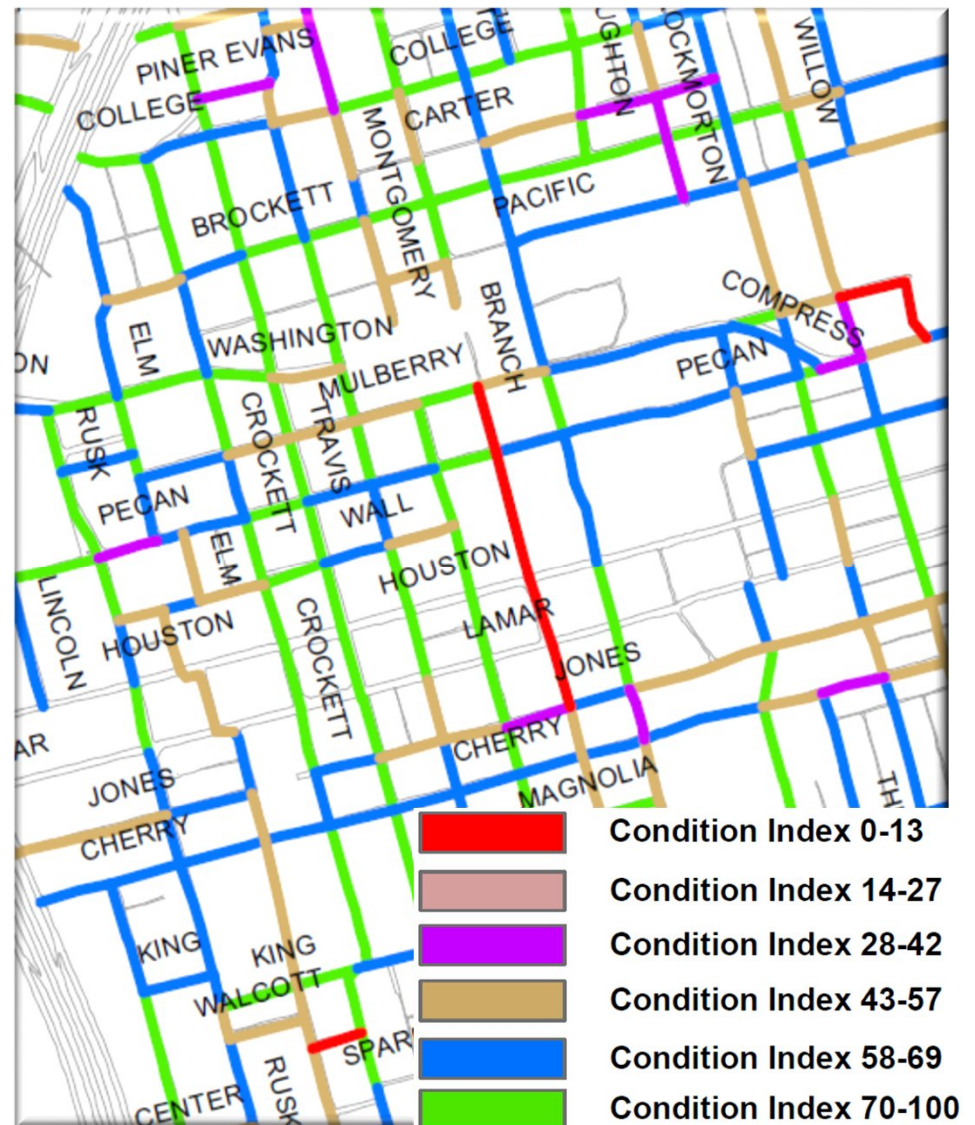


A geographic information system (GIS) is a system designed to capture, store, manipulate, analyze, manage, and present all types of spatial or geographical data.

June 25, 2015

Applications of GIS

- SEDCO
- Realtors & Developers
- Engineering & Planning Consultants
- Distribution Services
- Police Department
 - Sex offender restriction maps
 - 911 Service
- Fire Department
 - Response radii
- Street Maintenance
 - Road condition maps
 - Sign location & condition



Applications of GIS (Cont)



- Parks Department
 - Cemetery Maps
- Development Services
 - Zoning Maps
- Engineering Department
 - Maps for the CIP
- Environmental Code Compliance
 - Property research
- City Council
 - Maps for presentations
 - Maps for council agenda items
- General Public
 - 1,593 hits per year

- 2008
 - 7 year GIS plan developed (\$19,300)
 - GIS Software purchased (\$24,486)
 - Survey control network completed (\$24,500)
 - Aerial photography and contours completed (\$170,000)
 - Plan scanning project began



- 2009
 - Development of the City's GIS was identified as Priority #2 in the Comprehensive Master Plan
 - AutoCAD Upgrade (\$12,350)
 - Large format plotter purchased (\$7,350)
 - Storm water mapping began (\$150,000)



Completed to Date (Cont)

- **2010**
 - GPS Equipment purchased (\$15,000)
 - Zoning maps completed (\$20,000)
 - Arc Enterprise Server (\$30,000)
- **2012**
 - Plan scanning project completed

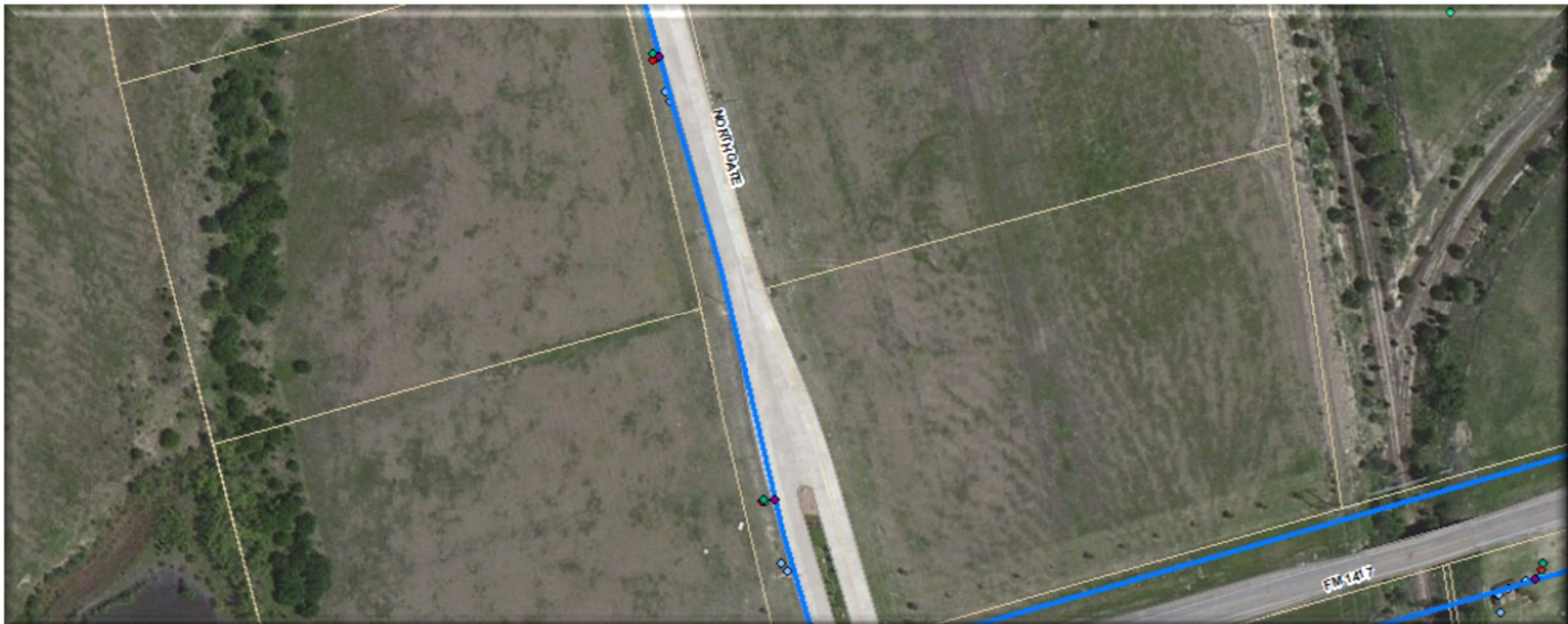


- ☒ Transportation Corridors Overlay
 - HWY_NAME
 - ☒ FM 1417
 - ☒ Sam Rayburn Freeway
 - ☒ US Hwy 82 and 75
- ☒ Special Districts Overlay
 - DISTRICT_NAME
 - ☒ Arts and Cultural District
 - ☒ Blalock Commercial Overlay District
 - ☒ Central Business District
 - ☒ College Park District
 - ☒ Downtown Overlay District
 - ☒ Historic Preservation District
- ☒ ZONING PARCELS
 - Zoning Classification
 - Unknown
 - ☒ BIP Blalock Industrial Park
 - ☒ C-1 Retail Business District
 - ☒ C-2 General Commercial District
 - ☒ CO Office District
 - ☒ Lakes
 - ☒ M-1 Light Manufacturing District
 - ☒ M-1.5 Medium Manufacturing District
 - ☒ M-2 Heavy Manufacturing District
 - ☒ MH Manufacturing Housing Distgrict
 - ☒ R-1 One Family Residential District
 - ☒ R-2 Multi-Family Residential District
 - ☒ R-A Single Family Agricultural District
 - ☒ SF-1 Single Family Residential District

- 2013 – 2015
 - \$200,000 for 3 years from SEDCO for the development of the GIS budgeted
 - Configuring the GIS system (\$27,000)
 - Data cleanup (\$40,000)
 - GIS software upgrade (\$13,500)
 - GPS equipment upgrade (\$43,576.59)
 - Setting up the web map & making the GIS available on mobile devices (\$48,000)
 - <http://maps.ci.sherman.tx.us/flexviewers/general/>

Current GIS Contracts

- Sanitary sewer mapping (\$62,750 with Freeman-Millican; \$90,000 with NTB)
- Water system mapping (\$79,600)
- Drainage system mapping (\$55,000)
- Total Investment to-date: **approx \$932,000**



Future Contract Needs

- 3" resolution 4-band aerial photography/contours (\$110,000)
- Crime mapping application (\$50,000)
 - Used to predict crime in an area
- Route design & optimization (\$250,000)
 - Requested by Utility Billing and Solid Waste



- Oversee completion of programs in progress
 - Adding property attributes (30% Complete)
 - Annexations (10% Complete)
 - Traffic control inventory (80% Complete)
 - Water meter locations (10% Complete)
 - 911 address services for the Police Department
- Oversee completion of future programs
 - Finalize completion of the website information and mobile app
 - Public park maintenance maps
 - Cemetery management maps
 - Mapping of sensitive materials, production facilities, SOBs and specialized pharmacies (\$30,000)
 - Linking civil and site plans to properties (\$63,500)
 - Future programs not yet identified
- Manage & maintain data

Questions

- Thank you to SEDCO for their financial investment in the City of Sherman Geographic Information System.



"I still can't see our house!"



"The bird in front must have the map."



"Daddy, are you lost or are we going for a ride?"

Layer List (other info – not presented)

- City Clerk
 - Alcohol Dry Areas
 - Oil Drilling Blocks
 - Voting
 - Local Districts
 - County Voting Precincts
- Development
 - Annexations (in progress)
 - Street / Alley Closings
 - City Property
 - General
 - Cemetery
 - Landfill
 - Library
 - Parking Lot Structure/Garage
 - WWTP
 - WTP
 - Emergency Services
 - Parks
 - South Plant
 - ROW
 - Easements
 - Flood Plain
- Engineering
 - Geodetic Control
 - City Monuments
 - USGS Monuments
- FEMA Digital FIRM
 - Flood Hazard Areas
 - 100 yr
 - 500 yr
 - Flood Study area with Elevations
- RPS/ Espey Flood Data Study
- Finance
 - TIF Zones
 - Enterprise Zones
 - Reinvestment Zones
- Municipal Boundaries
 - City Limits
 - ETJ
 - Surrounding Communities Limits
- Planimetrics
 - Parking /Sidewalks
- Points of Interest
 - Sherman
 - Grayson County
 - State and Federal
 - Misc

Layer List (other info – not presented)

- Police
 - Sex Offender 1500 ft Buffer Zone
 - School Public
 - School Private
 - Preschool/Daycare
 - City Owned Buildings
 - Private Licensed Facilities
- Public Safety
 - Emergency Zones
 - Police
 - Law Beats
 - Fire
 - Emergency Zones
 - Grayson County Fire Grid
 - Fire Hydrants
- Public Works
 - Monthly Brush Schedule
 - Weekly Sanitation Schedule
 - Storm Water Management Structures
- Parks and Recreation
 - City Parks
- Planning and Zoning
 - Future Land Use
 - Zoning Map
 - Transportation Corridor Overlays
 - Special Districts Overlay
 - Zoning Classifications
- Sherman ISD
 - Schools
 - School Attendance Zones
 - Surrounding ISD Boundaries
- Utilities
 - Water Distribution
 - Fire Hydrants
 - Water Valves
 - Water Meters
 - Manholes (Freeman -Millican)
 - Water Network Structures
 - Sewer Network Structures
 - Water Test Stations
 - CCN
 - WWTP
 - WTP

Layer List (other info – not presented)

- Base Layers
 - Survey Abstracts
 - Aerial Topo Grid
 - Airports
 - Building Footprints
 - Hospitals
 - Street Centerlines
 - Pavement
 - Street Names
 - Railroads
- Parcels
- Contours
 - 10 FT
 - 2FT
 - Spot Elevations
- TX RR Commission Wells and Pipelines
- Population Density
- USGS Topo
- ESRI Topo
- Grayson County Aerials
- Sherman Aerials
- ESRI Aerials



BREAK



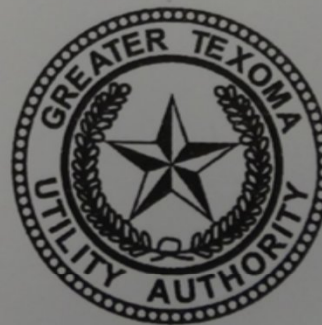
UTILITIES UPDATE

2015

GREATER TEXOMA UTILITY AUTHORITY
FOR
CITY OF SHERMAN

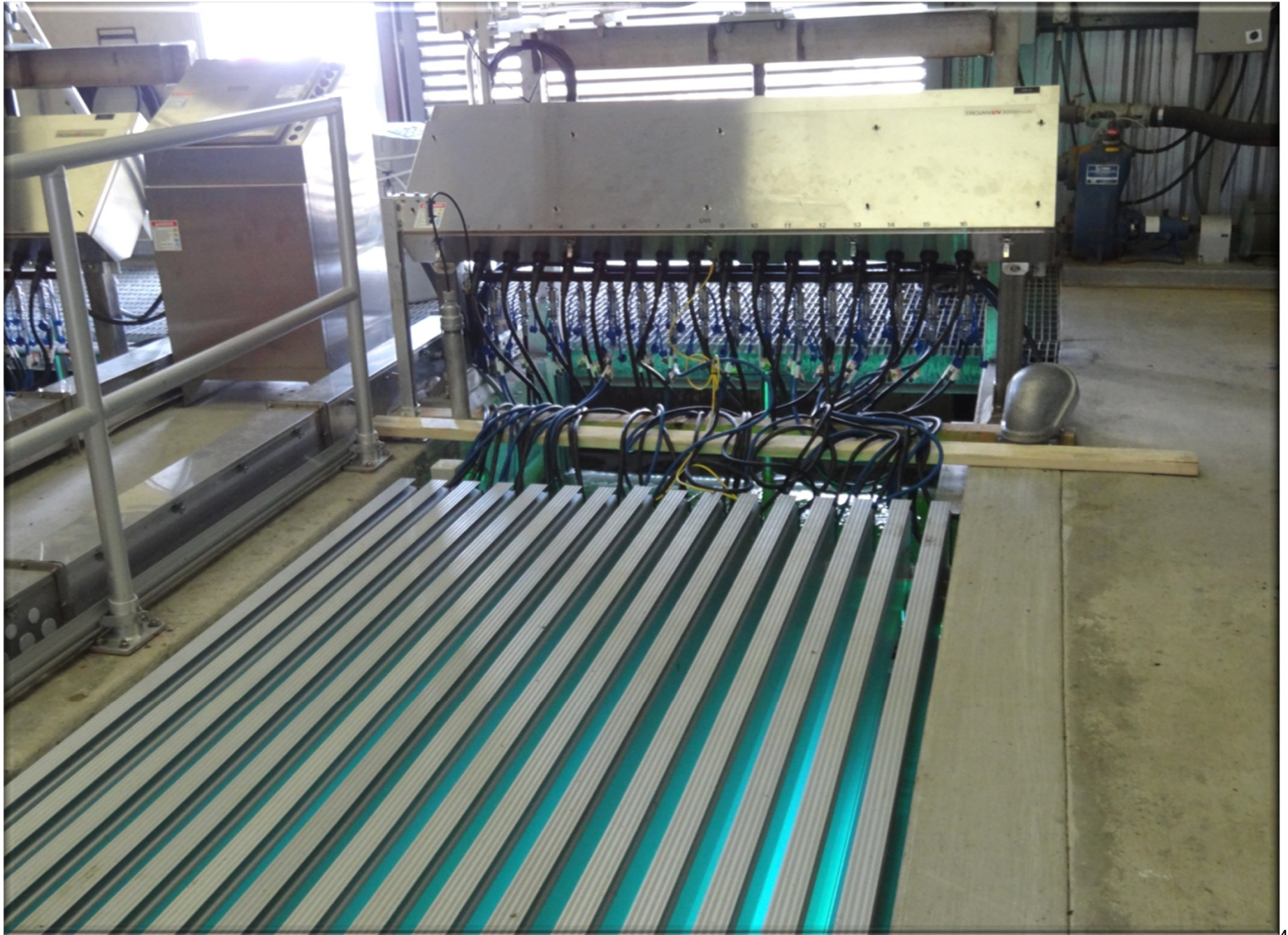
UV DISINFECTION SYSTEM REPLACEMENT
GENERAL CONTRACT

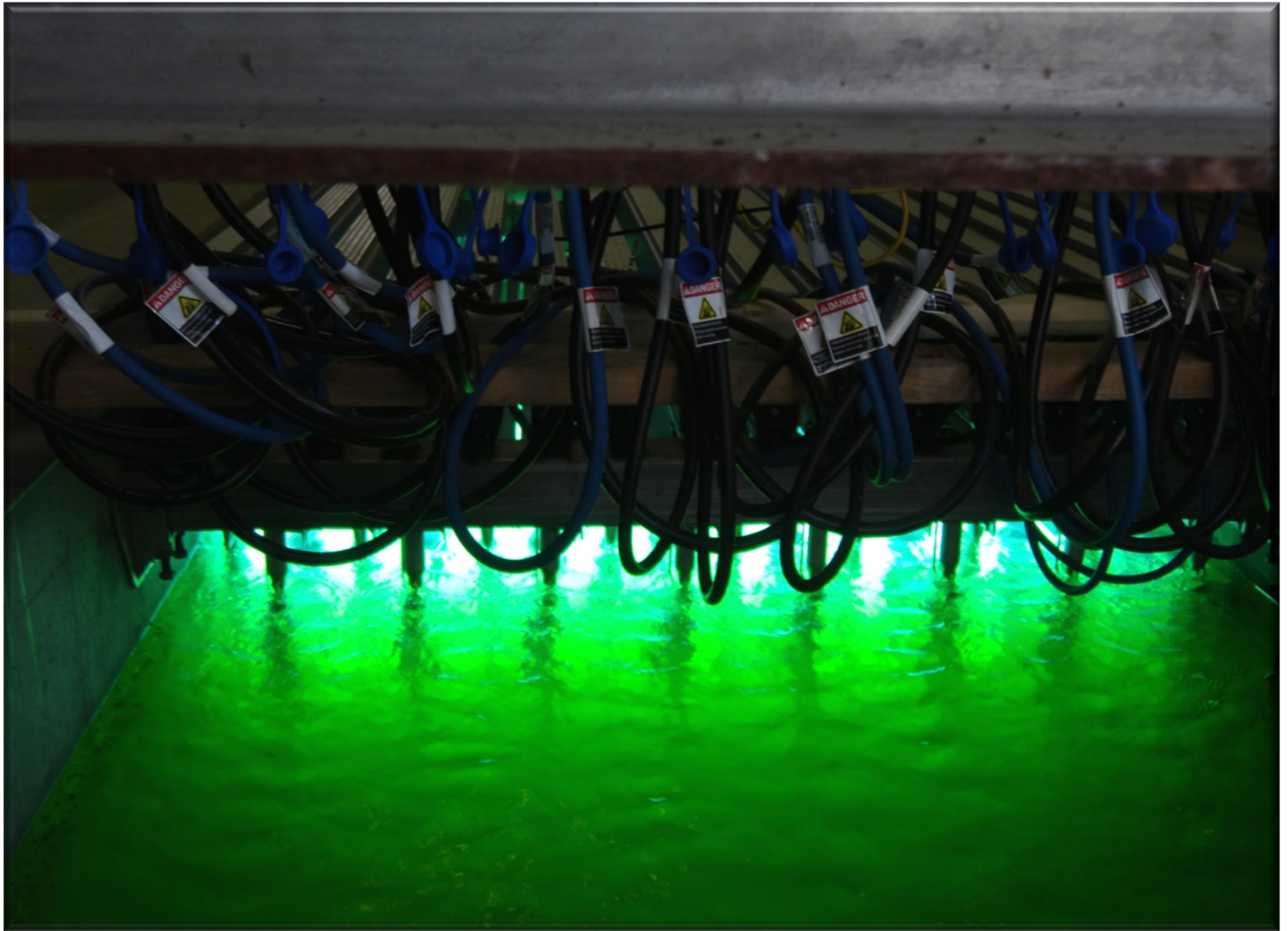
PROJECT MANUAL

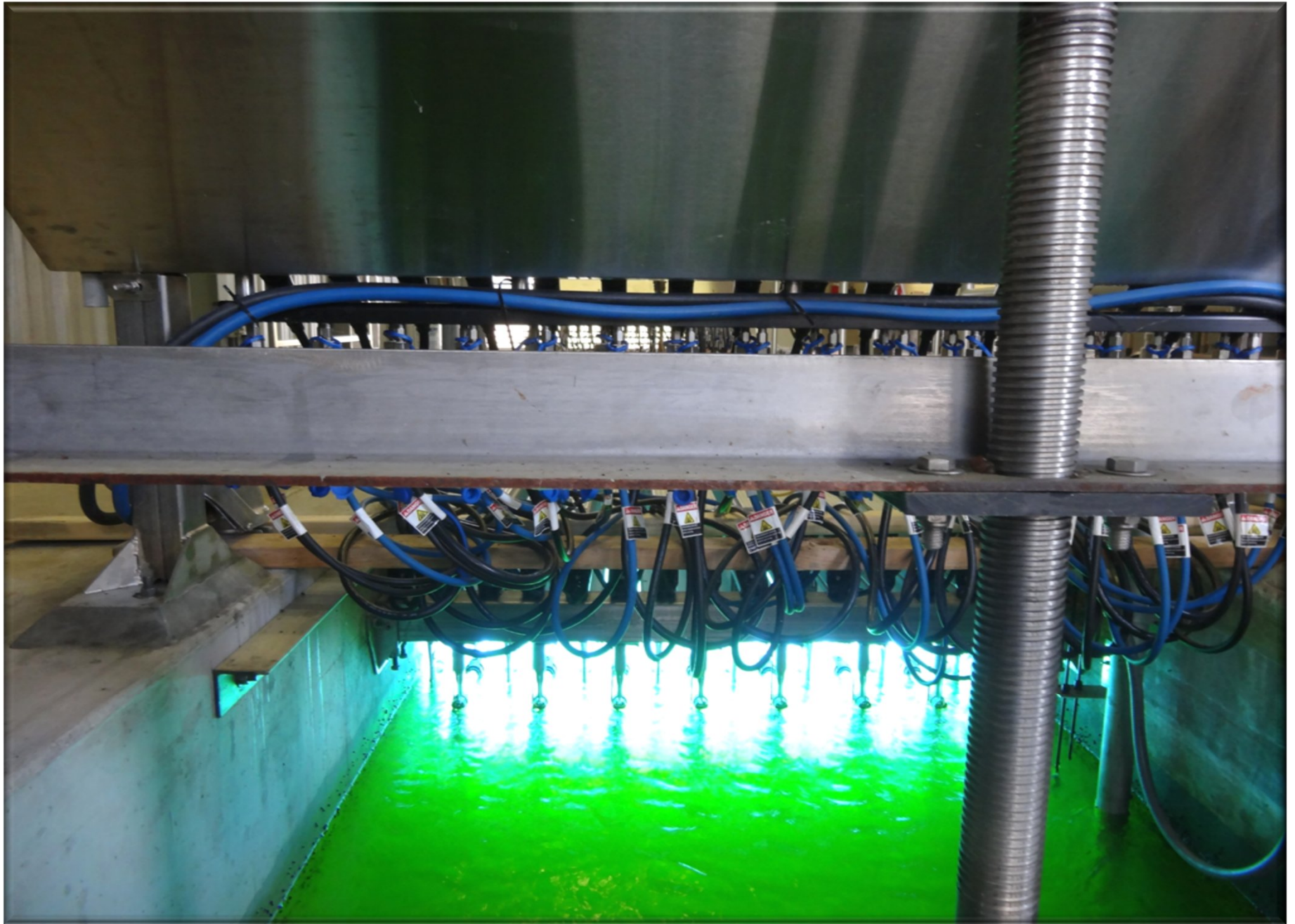


BANK 2B

TROJAN  3000 PLUSTM







Main Overview

Watchdog Pulse ● Sec.		SCC Running On UPS Power ●		Channel 2 Priority	
Intensity	118.0	% mW/cm ²	Next Wipe Sequence	341	Minutes
Retention Time	4265	Sec. x1000	Wiper Seq. Setpoint	10	Hours
Flow	972	Flow x10	Design Dose Setpoint	400	mws/cm ² x100
Cal. Sys. UV Dosage	5043	mws/cm ² x100	Bank Off Del. Setpoint	20	Minutes
Transmit.	736.0	% x10	CH. Off Del. Setpoint	2	Minutes
				Priority CH Rotate	11249 Hours
				Critical Alarm Delay S.P.	30 Sec.
				Major Alarm Del. Setpoint	2 Minutes
				Minor Alarm Del. Setpoint	10 Minutes
				CH.Closing Remaining	120 Sec.

Force Bank 1A On F1	Force Bank 1B On F3		Force Bank 2A On F5	Force Bank 2B On F7
Force Bank 1A Off F2	Force Bank 1B Off F4		Force Bank 2A Off F6	Force Bank 2B Off F8
Bank 1A Not Forced	Bank 1B Not Forced	Main Menu K1	Bank 2A Not Forced	Bank 2B Not Forced

F1

F2

F3

F4

F5

F6

F7

F8

SHERMAN

GREATER TEXOMA UTILITY AUTHORITY

CONSTRUCTION PLANS FOR SAND CREEK SEWER NORTH BRANCH CITY OF SHERMAN, TEXAS

MARCH 2013

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MORRIS ENGINEERS
225 EAST HOUSTON STREET
SHERMAN, TEXAS
903 868 1644











Office Copy

GREATER TEXOMA UTILITY AUTHORITY

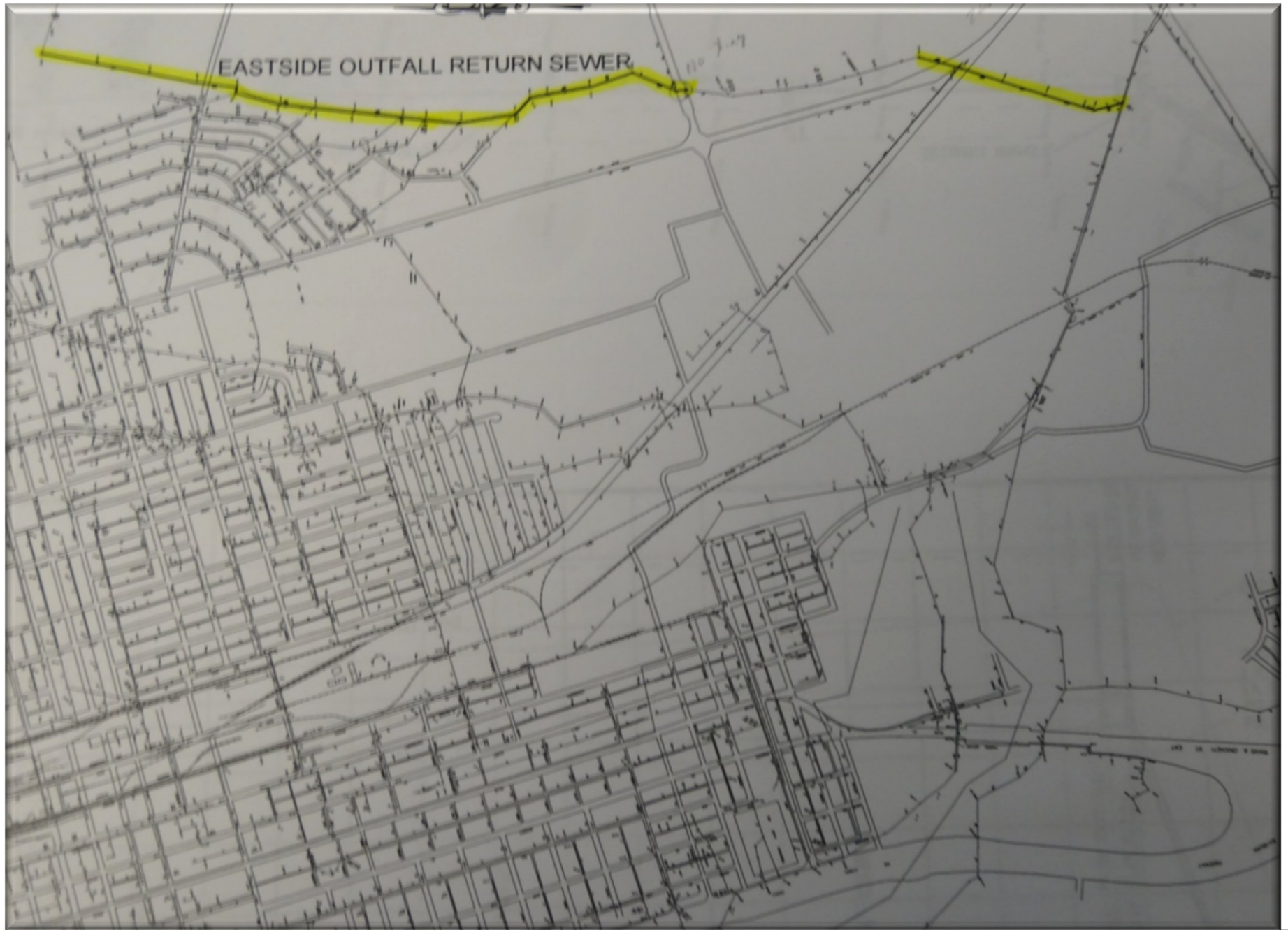
CONSTRUCTION PLANS FOR EASTSIDE OUTFALL RETURN SEWER CITY OF SHERMAN, TEXAS

MAY 2014

STUA BOARD OF DIRECTORS
DONALD M. SKELTON, PRESIDENT
BILL JOHNSON, VICE PRESIDENT
GEORGE ROWLAND, SECRETARY/TREASURER
ANNIE ANDERSON
BERETT GRANTHAM
MARK KUNEMAN
VE STUMP
DE YEATTS



TIMOTHY L. MORRIS, P.E.
P.O. BOX 606
SHERMAN, TEXAS
903 436 0745

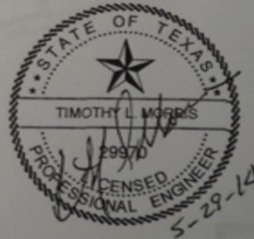


GREATER TEXOMA UTILITY AUTHORITY

CONSTRUCTION PLANS FOR SOUTH SHERMAN RELIEF SEWER CITY OF SHERMAN, TEXAS

MAY 2014

UA BOARD OF DIRECTORS
NALD M. SKELTON, PRESIDENT
L. JOHNSON, VICE PRESIDENT
RGE ROWLAND, SECRETARY/TREASURER
NIE ANDERSON
RETT GRANTHAM
K KUNEMAN
STUMP
E YEATTS



MORRIS ENGINEERS
115 SO. TRAVIS ST. #310
P.O. BOX 606
SHERMAN, TEXAS 75091
903 436 0745

TEXAS BOARD OF PROFESSIONAL ENGINEERS CERTIFICATE OF REGISTRATION NUMBER F-118



CITY OF SHERMAN SEARS LIFT STATION RELIEF SEWER

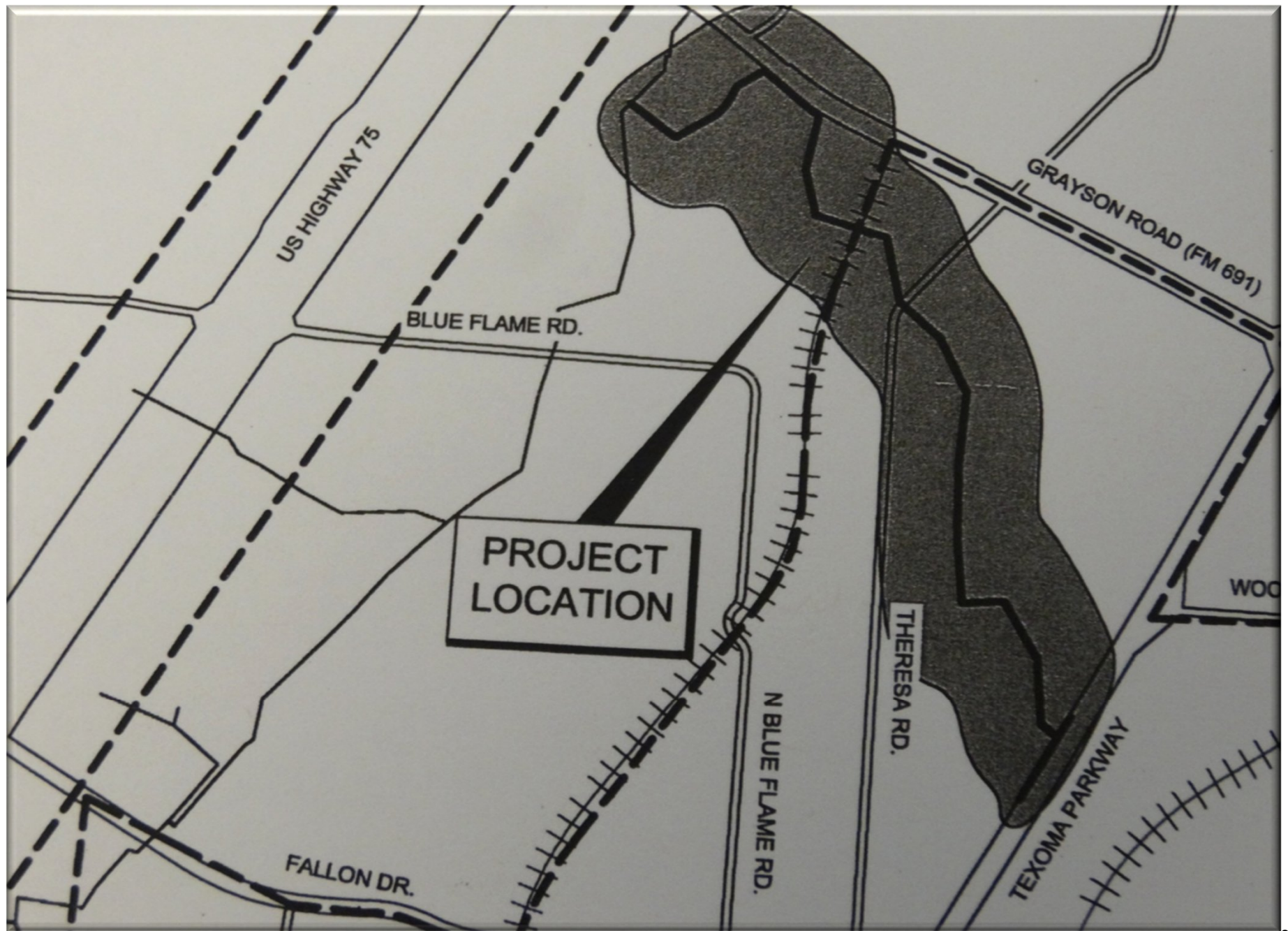
FOR BIDDING



MAYOR
Caroline S. Wacker

DEPUTY MAYOR
Robert G. Softly

CITY COUNCIL MEMBERS
Ryan Johnson
Jason Sofey
Lawrence Davis











2012-2013 INDUSTRIAL SEWER STUDY

FOR

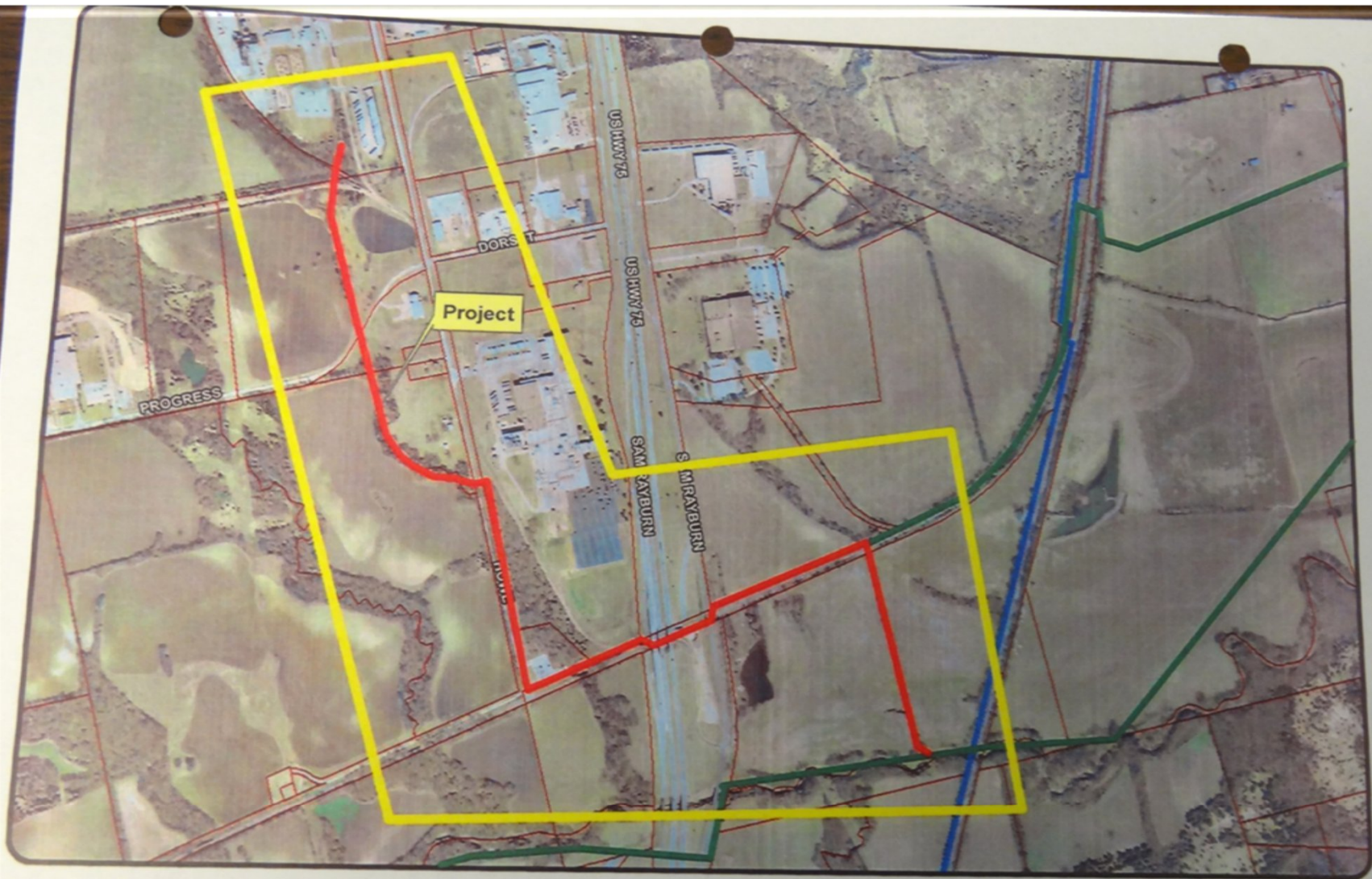


FREEMAN-MILlican, INC.
ENGINEERS - ARCHITECTS - PLANNERS

12160 N. ABRAMS RD., SUITE 508 DALLAS, TX 75243 PH: 214.503.0555
WWW.FMI-DALLAS.COM TEXAS ENGINEERING FIRM REGISTRATION F-2827

JULY 2013

PROJECT NO. 12105



Sherman
CLASSIC TOWN, BROAD HORIZON.
ENGINEERING DEPARTMENT

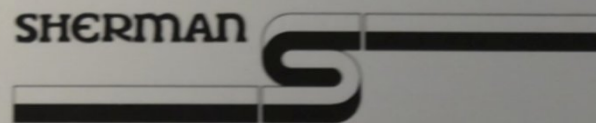
Location Map:
Industrial Sewer



1 inch = 1,000 feet

GREATER TEXOMA UTILITY AUTHORITY FOR CITY OF SHERMAN WWTP HEADWORKS LIFT STATION REPLACEMENT AND ELECTRICAL UPGRADE

FOR BIDDING



MAYOR
Caroline S. Wacker

DEPUTY MAYOR
Robert G. Softly

CITY COUNCIL MEMBERS
Ryan Johnson
Jason Sofey
Lawrence Davis
Tom Watt
David Plyler

CITY MANAGER
George Olson

DIRECTOR OF
UTILITIES
Mark Gibson

DIRECTOR OF
PUBLIC WORKS AND ENGINEERING
Clay Barnett

- D 1.1 THRUST BLOCKING DETAILS
- E 1.1 ELECTRICAL SITE PLAN
- E 1.2 ONE LINE DIAGRAM
- E 1.3 CONDUCTOR AND PANEL SCHEDULE
- E 1.4 ELECTRICAL ROOM LAYOUT AND LIGHTING PLAN
- E 1.5 ELECTRICAL ROOM - ELEVATIONS
- E 1.6 CABLE TRAY PLAN
- E 1.7 OUTDOOR CABLE TRAY INSTALLATION
- E 1.8 SAFETY SWITCH RACK AT WET WELL
- E 1.9 EXISTING LIFT STATION ELECTRICAL MODIFICATIONS
- E 1.10 GROUNDING PLAN
- E 2.1 CONTROL SCHEMATIC
- E 2.2 NEW CONTROL PANEL WIRING DIAGRAM
- E 2.3 HMI SCREEN

EL DETAILS

RE DETAILS

PLAN

SECTION

SECTION

SECTION

DETAILS

DETAILS

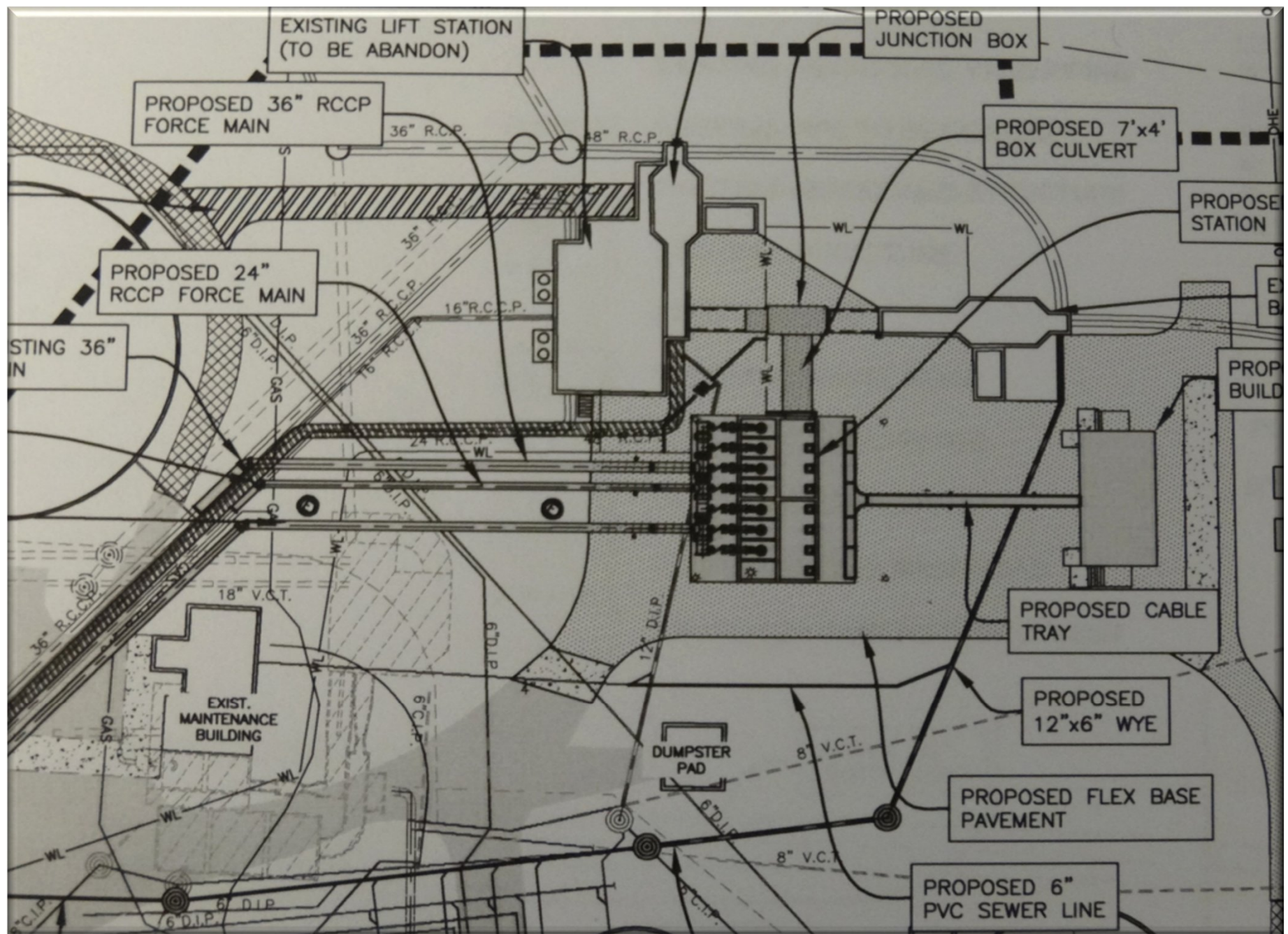
DETAILS

PLAN & CABLE TRAY SUPPORT - PLAN

SECTION







CITY OF SHERMAN
BIOSOLIDS STUDY

FINAL REPORT



 **FREEMAN-MILLICAN, INC.**
ENGINEERS - ARCHITECTS - PLANNERS

12160 N. ABRAMS RD, SUITE 508 DALLAS, TX 75243 PH: 214.503.0555
WWW.FMI-DALLAS.COM TEXAS ENGINEERING FIRM REGISTRATION F-2827





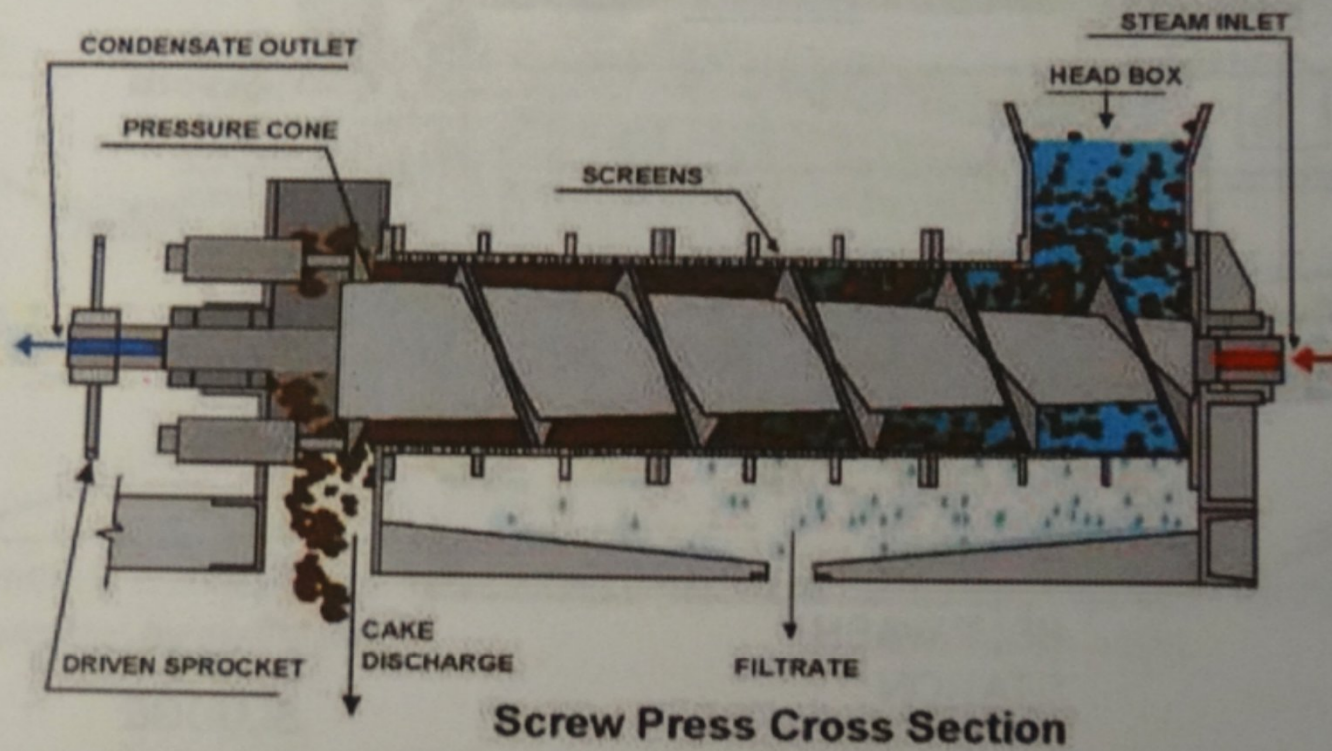








Figure 4
Screw Press



tesy: FKC

Proposed Elevated Storage Tank

S. W. Booster Pump Station

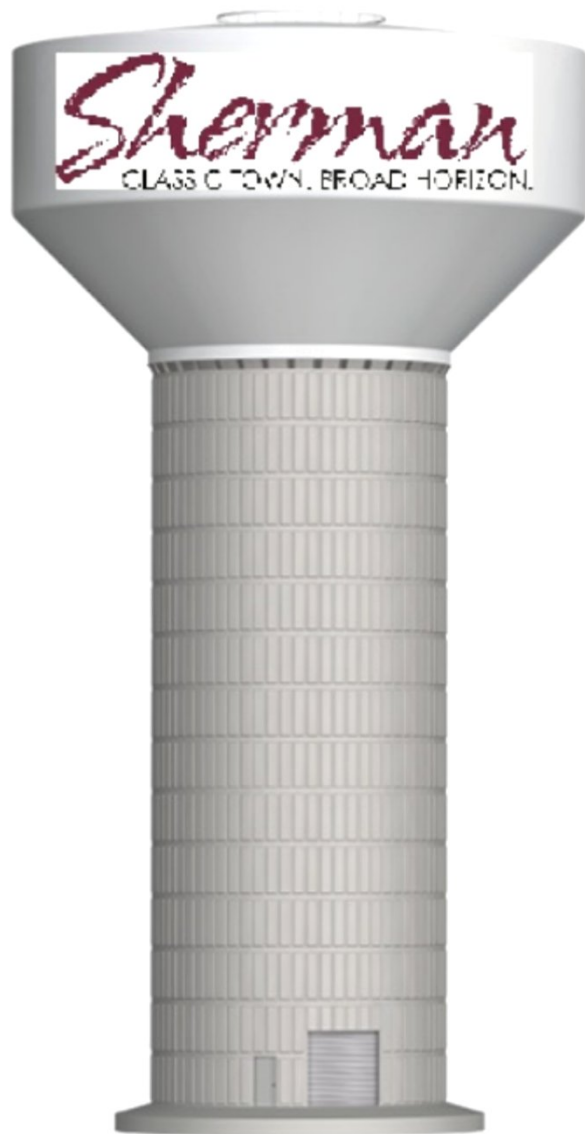




S.W. Booster Pump Station Proposed EST







WATER TREATMENT PLANT PILOT TESTING



























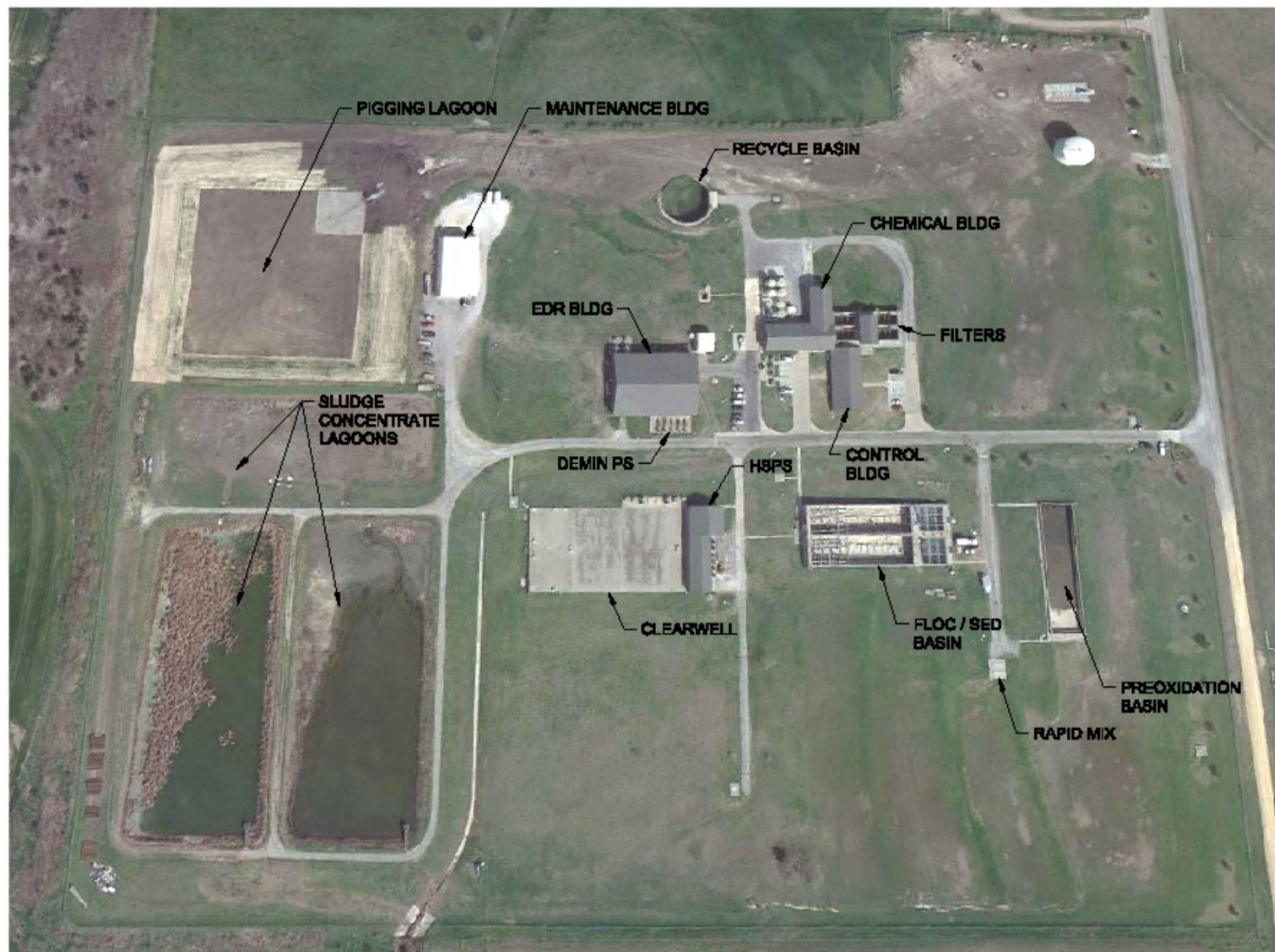


FIGURE 1
EXISTING WTP SITE LAYOUT
 CITY OF SHERMAN
 SHERMAN WTP EVALUATION

CH2MHILL

FIG1_EXST_WTP_SITE_LO.dgn

Microfiltration / Reverse Osmosis Advantages

- Not Proprietary Process – Several Sources
- Both are Barrier Processes
- Smaller Footprint vs. Conventional Expansion
- Ultimate Site Capacity – 70 MGD vs. 25 MGD

Microfiltration Units



Microfiltration Media



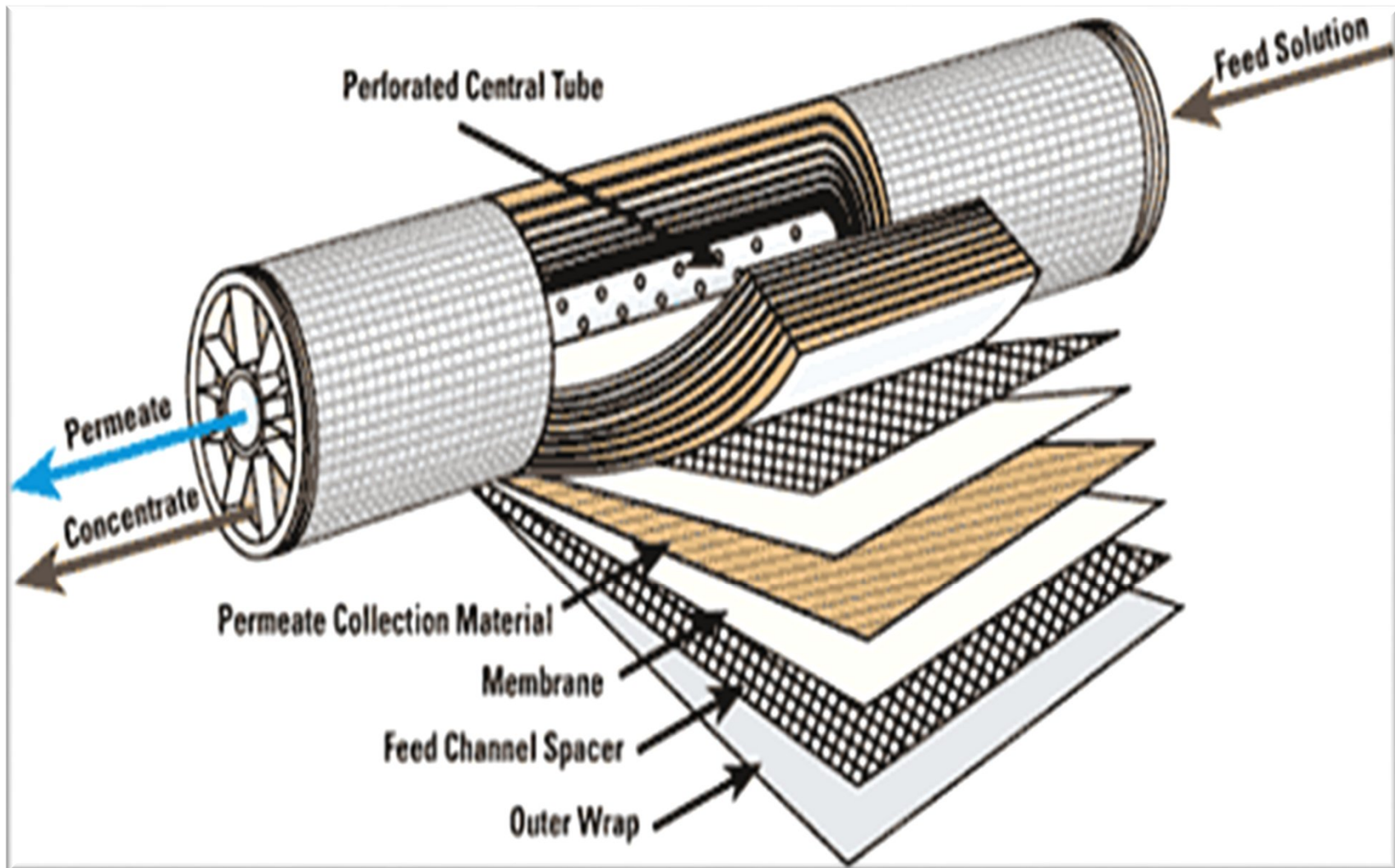
Reverse Osmosis Unit



Loading RO Module



RO Membrane





CH2MHILL

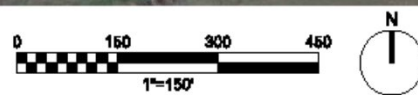
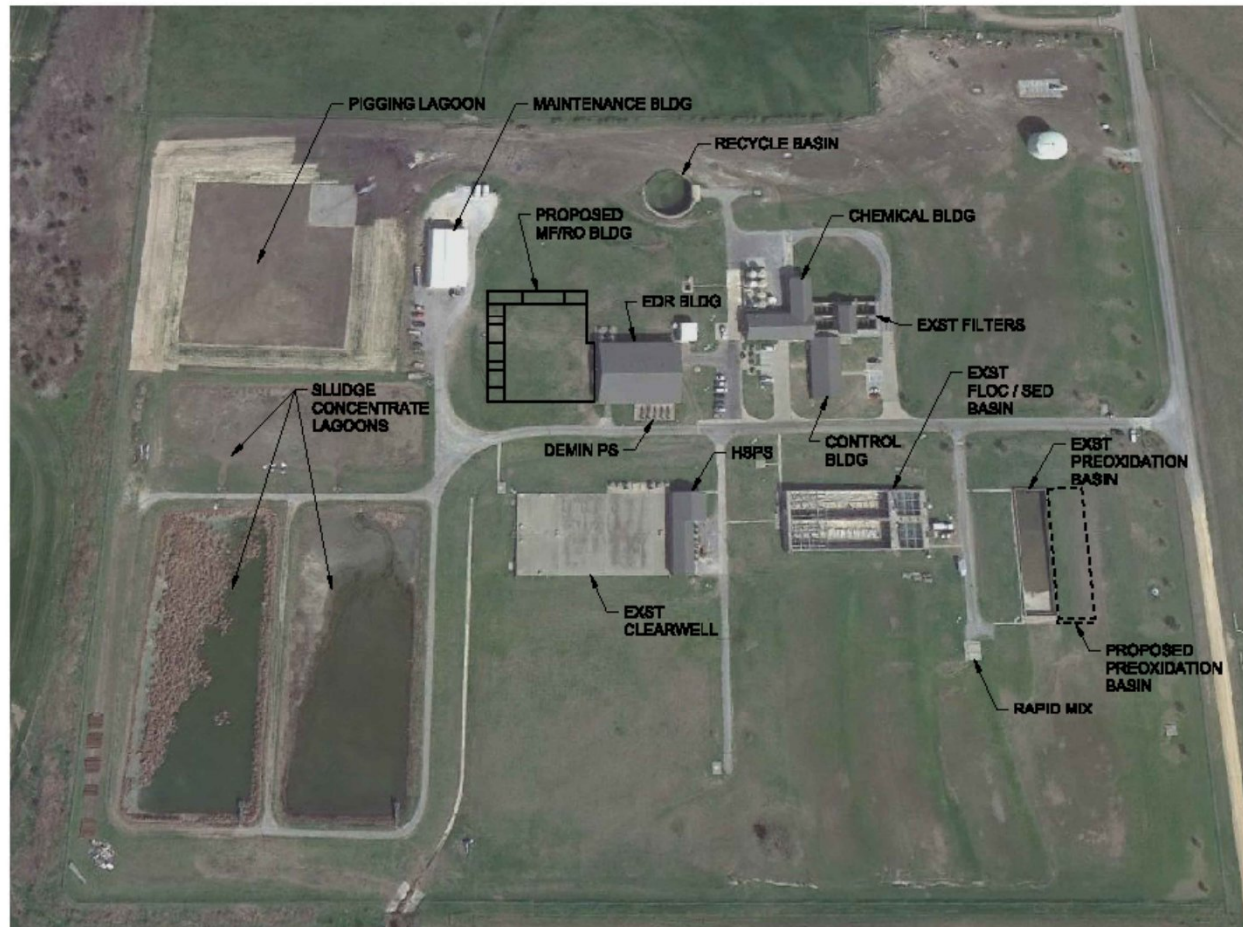


FIGURE 10
WTP SITE LAYOUT - PROPOSED 10 MGD EXPANSION
 CITY OF SHERMAN
 SHERMAN WTP EVALUATION

FIG10_10MGD_WTP_SITE_LO.dgn

CH2MHILL

Implementation Schedule

[illegible]



**Working
Lunch**



LUNCH



RECRUITING

*What It Means For The
Citizens of Sherman*

June 18, 2015

	Applied	Tested	Hired	%
March 2013	27	13	1	8
August 2013	47	17	1	6
April 2014	149	65	8	12
October 2014	108	65	2	3
April 2015	80	53	?	
	411	213	(12)	

	<u>Tested</u>	<u>Hired</u>	<u>Completed FTO</u>
Webb	April 2014	June 2014	October 2014
Harris	April 2014	July 2014	October 2014
Stoy	April 2014	July 2014	October 2014
Dutton	April 2014	July 2014	May 2015
Anglin	April 2014	July 2014	May 2015
Hendrickson	April 2014	July 2014	May 2015
Shaver	April 2014	July 2014	May 2015

What It Takes...



Core Competencies

- *Ability to use good judgment and to problem solve*
- *Capacity for empathy and compassion*
- *Capacity for multi-tasking*
- *Ability to demonstrate courage and to take responsibility*
- *Ability to be resourceful and show initiative*
- *Demonstrating assertiveness (Command Presence)*
- *Capacity for engaging in teamwork and ability to collaborate*
- *Possess and demonstrate INTEGRITY*

How Do We Identify These Potential Core Competencies?

- *Prescreening Questionnaire*
- *Detailed Application*
- *Physical Ability Test*
- *Extensive Background Investigation*
- *Oral Interview Board*
- *Psychological Testing*
- *Polygraph*
- *Chief's Interview*
- *Drug Screening*
- *Medical Exam*
- *Field Training Program*
- *Probationary Period*

Why Are These Core Competencies Important?

Customer Service!

Ability to deliver good customer service is dependent in large part on:

Leadership
Procedural Justice
Police Legitimacy

Developing Leadership

Internal Academic

“Intelligence Led Policing”

“Supervision of Police Personnel”

“Effective Police Supervision”

“Character and Cops: Ethics in Policing”

“The Police Manager”

“Why Law Enforcement Organizations Fail”

External Academic

“Institute for Law Enforcement Administration”

“Law Enforcement Management Institute of Texas”

“FBI National Academy” Quantico, VA

Developing Leadership

WHY IS THIS IMPORTANT?

CUSTOMER SERVICE!

Core Competencies

Procedural Justice

Police Legitimacy

Core Competencies

Leadership

- *Good Judgment and Problem Solving*
- *Empathy and Compassion*
- *Multi-Tasking*
- *Courageous Responsible*
- *Resourceful / Initiative*
- *Assertive*
- *Team Player and Ability to Collaborate*
- *INTEGRITY*

PROCEDURAL JUSTICE

- *People want an opportunity to explain their situation, to tell their side of the story before the police decide what to do.*
- *People want to see evidence that the police are neutral, that decisions are made on consistent legal principles and facts – not opinions and biases.*

PROCEDURAL JUSTICE

People want to be treated with dignity and politeness, and have their rights respected!

People react favorably with the police when:

- They believe we care and are sincerely trying to do what is best.*
- We communicate caring and concern when we listen and express an awareness of their needs and concerns.*
- We demonstrate compassion - what is legally available may not be the right thing to do.*
- Procedural Justice can be viewed as a means to attaining Police Legitimacy.*

POLICE LEGITIMACY

It is a reflection of the belief that the police ought to be allowed to exercise their authority to maintain social order, manage conflicts, and solve problems.

It is when our citizens feels that a police officer should be deferred to, complied with, and trusted.

POLICE LEGITIMACY

Legitimacy promotes Trust and Confidence – belief we are honest, do our jobs well, and we try to protect.

Legitimacy reflects the willingness of residents to defer to the law and recognize their obligation to accept police authority.

Legitimacy involves the belief that police actions are morally justified and appropriate to the circumstances and that we treat people fairly.

POLICE LEGITIMACY

Required for Police to function effectively, ethically, and legally

Citizens are more likely to voluntarily consent to cooperate with officers and consent to obey and embody the laws we are entrusted to enforce.

POLICE LEGITIMACY

Absent the application of Procedural Justice and absent the belief in our Legitimacy, police experience the withholding of the public's voluntary consent:

Police are forced to be more repressive

Increased use of force-led styles of gaining compliance

Undermines the relationship with the public

Undermines the claim we are acting on their behalf

DILIGENT

- *In our pursuit of applicants who meet our expectations.*
- *In developing leadership traits in our Supervisors who train, mentor and produce extraordinary Peace Officers.*
- *In providing outstanding service to both our external and internal customers.*
- *By listening to our community; constantly evaluating our processes; and staying in tune with the evolving law enforcement profession at large.*

VIGILANT

By constantly pursuing and maintaining our Core Competencies both when recruiting and hiring and when growing our Leadership.

By staying cognizant of the benefits our community and organization enjoys when our procedures and methods are deemed to be fair, unbiased and compassionate.

By never taking for granted that our Legitimacy is a gift from the public we serve.

By remembering we are the embodiment and face of this community. We protect citizens from those who wish to do them harm. This is a great responsibility, and if we falter or fail the consequences can be devastating!

CONCLUSION

“As long as we never forget the strengths that enable us to endure and grow in the midst of catastrophe;

As long as we remember that such catastrophes recur with regularity; and

As long as we never foolishly dissipate our basic strengths through shortsightedness, selfishness, or pettiness,

We will continue to endure;

We will continue to grow; and we will continue to prosper.”

Herb Kelleher – Southwest Airlines



TOURISM / HOTEL OCCUPANCY TAX



Sherman

CLASSIC TOWN. BROAD HORIZON



Category	2014- 2015	2015- 2016
Personnel	\$62,000	\$62,000
Supplies	\$8,000	\$0
Office Lease	\$8,000	\$8,000
Advertising	\$30,000	\$36,000
Travel/Conferences	\$3,000	\$3,000
Office Expenses	\$15,000	\$15,000
Dues/Membership	\$2,500	\$3,000
Bank Charge	\$4,500	\$0
Programs		
Main Street Program	\$0	\$20,000
Museum Support	\$70,000	\$50,000
Hot Summer Nights (to include Lights on the Lake 2016)	\$12,000	\$18,000
Tourism Grants	\$25,000	\$25,000
Total	\$240,000	\$240,000

FY 2015 Budget v. Actual

STATUS	OPERATING	BUDGET	ACTUAL	DIFFERENCE (\$)	DIFFERENCE (%)
	Personnel	\$62,000.00	\$ 32,647.02	\$29,352.98	47%
	Supplies	\$8,000.00	\$ 3,220.46	\$4,779.54	60%
	Office Lease	\$8,000.00	\$ 5,053.96	\$2,946.04	37%
	Advertising	\$30,000.00	\$ 13,746.71	\$16,253.29	54%
	Travel/Conferences	\$3,000.00	\$ 1,533.36	\$1,466.64	49%
	Office Expense	\$15,000.00	\$ 11,144.32	\$3,855.68	26%
	Dues	\$2,500.00	\$ 2,155.00	\$345.00	14%
	Bank Charge	\$0.00	\$ -	\$0.00	
	Museum Support	\$70,000.00	\$ 52,500.00	\$17,500.00	25%
	Hot Summer Nights	\$16,500.00	\$ 6,418.57	\$10,081.43	61%
	Grants	\$25,000.00	\$ 25,000.00	\$0.00	0%
	Total Expenses	\$240,000.00	\$ 153,419.40	\$86,580.60	36%

Sherman

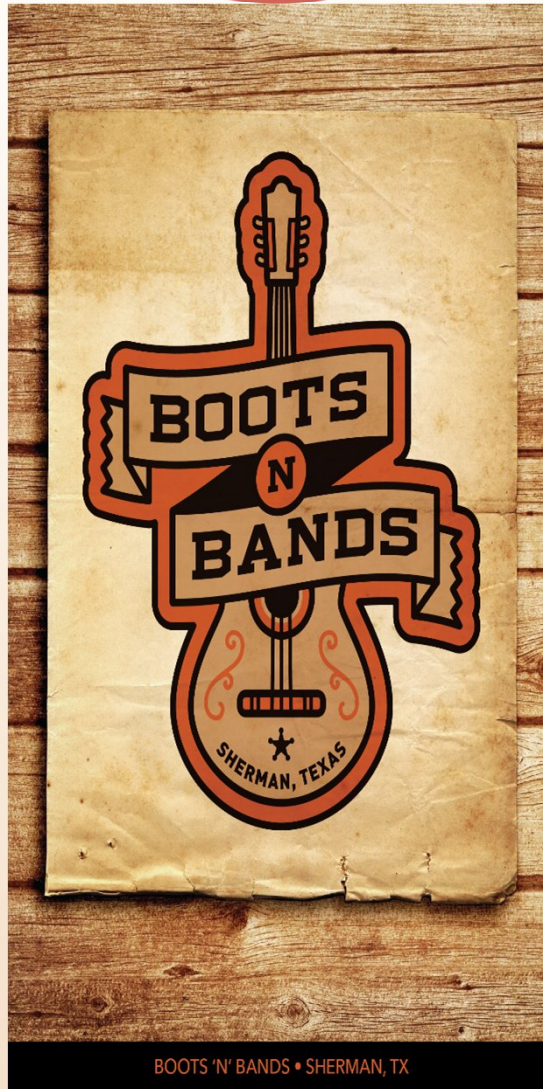
CLASSIC TOWN. BROAD HORIZON



Sherman
CLASSIC TOWN. BROAD HORIZON

Visit our website for more awesome details!

www.shermantx.org



BOOTS 'N' BANDS • SHERMAN, TX

HOT SUMMER NIGHTS

MUSIC EVERY THURSDAY NIGHT - IN JULY!



JULY 2ND
FIREWORKS CELEBRATION!



Sherman
SHERMANTX.ORG



Work Plan Initiatives

1. Events
2. Citywide Involvement
3. Community Collaboration
4. Statewide Participation
5. Social Media



City of Sherman
HOTEL/MOTEL TAX FUND
2015 -2016 Annual Budget

	Actual 2013-2014	Projected 2014-2015	Proposed 2015-2016
Beginning Fund Balance	\$ 204,843	\$ 377,746	\$ 390,184
Revenues			
Hotel/Motel Tax 5%	427,126	397,300	363,057
Hotel/Motel Tax 2%	170,850	158,900	145,223
Penalties	4,525	2,721	-
Miscellaneous Income	1,717	-	-
Interest Earned	326	725	525
Program/Sponsor Fees	20,420	-	-
Auditorium/Ballroom Rental	33,351	22,550	22,200
Total Revenues	658,314	582,196	531,005
Total Funds Available	863,157	959,942	921,188
Expenditures:			
Tourism			
Chamber/CVB contract	-	240,000	240,000
Administration	92,684	53,221	77,338
Programs	97,473	1,260	3,600
Downtown Building Incentive	5,715	40,000	50,000
Museum Support	70,000	-	-
Ballroom Operations	69,002	67,024	137,781
Auditorium Operations	35,538	54,253	79,985
Transfers Out	115,000	114,000	114,000
Total Expenditures	485,412	569,758	702,704
Excess Revenues over Expenditures	172,903	12,438	(171,699)
Ending Fund Balance	\$ 377,746	\$ 390,184	\$ 218,484



Public Information & Communications Manager



Role and Responsibilities

- Telling our story
 - Central source/consistency of message
 - Develop, promote and manage communications concerning the City's vision, values and central themes
 - Develop communications methods and enhancements to achieve City goals, including fostering the City's core values and marketing City services
 - Team member in our approach to promoting the City: Tourism, SEDCO, Chamber, DSP&R, Special events, etc.
 - Media relations
 - Develop "State of the City" annual report

Role and Responsibilities

- Social Media
 - Manage it's use and expansion
 - Crisis management
 - Reputation management
 - Public service announcements
 - Join the community conversation
 - Manage website content





BALLROOM KITCHEN



BALLROOM IMPROVEMENTS

- Remodel Kitchen \$50,000
- Appliance Upgrade \$10,000
- Window Blinds \$ 5,603
- Overhead Projector & Screen \$12,000

\$77,603



AUDITORIUM IMPROVEMENTS

- Window Drapes and Hardware \$30,000
 - Sound System Improvements \$ 9,000
 - Plaster Repair \$ 5,200
- \$44,200



SPACE UTILIZATION



WISHFUL THINKING

No Matter How Bad You Want It, It Ain't Gonna Happen.

Efficiency in Space Utilization

- PD currently needs additional space for the Emergency Communication Center and evidence storage
- We found a way to use existing space in the Municipal Building to meet this need
- PD Evidence -> PD Emergency Dispatch -> Municipal Court -> HR -> Former Community Services offices
- Utilizing what we have, instead of building or purchasing
- Minimized cost: combination of in-house and contracted work for renovation (\$115K budgeted)

Emergency Communication Center

(moves to current Municipal Court office)



Municipal Court Office

(moves to current HR office)



Municipal Courtroom

(moves to current HR office)



Human Resources

(moves to former Community and Support Services Office)



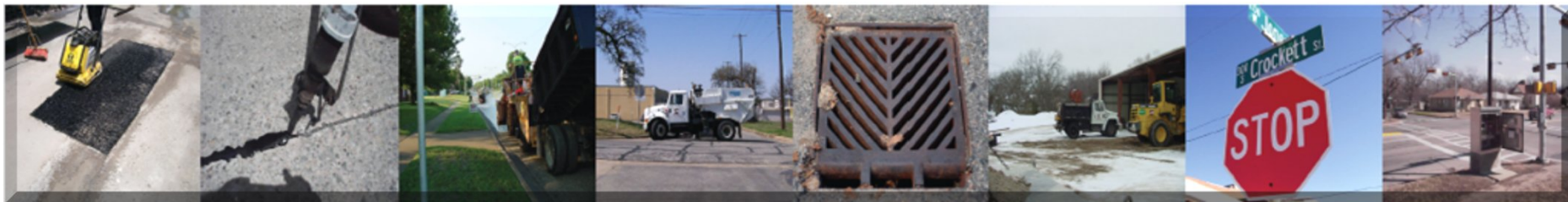
Former Community and Support Services Office (2nd floor Municipal Building)





BREAK

City of Sherman Street Maintenance Department



It is the mission of the Street Maintenance Department to perform maintenance of streets, traffic control systems and drainage systems in order to provide safe and efficient movement of traffic and storm water.

June 25, 2015

<T:\PublicWorks\STREET DEPT VIDEOS\FINAL DRAFT MOVIE.mp4>

- Big thanks to Jim Cross for putting the video together

Fun Facts

Street Maintenance Dept Maintains:

- 199 miles of asphalt streets
- 24 miles of concrete streets
- 326 drainage inlets
- 15 traffic control lights
- 19 school zone flashers
- 16 warning beacons
- Over 4,500 traffic signs

Last year, Street Maintenance Dept:

- Chip sealed 29 lane miles of streets
- Repaired over 116 utility crossings
- Replaced over 752 feet of curb and gutter
- Replaced 213 feet of drain pipe
- Cleaned 88 blocks of ditches
- Trimmed over 2,000 yards of brush
- Swept 4,239 lane miles of street
- Used 498 tons of ice melt
- Used 1,150 gallons of paint for street markings
- Used 8,000 lbs of glass beads for street markings
- Filled over 250 pot holes



Crack Sealing

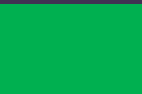
City	Crack Sealing	
	Asphalt	Concrete
Sherman	No	No
Copperas Cove	Yes	No
Haltom City	Yes	Yes
Wylie	Yes	Yes
Rockwall	Yes	Yes



Router and Crack Sealer are used in conjunction to prevent water from penetrating the pavement.



Chip Seal Program

	Rock Type	Rock Size	Amount	Shot Rate
	Limestone	5/8" & 3/8"	28&13	0.45&0.37
	Granite	5/8" & 3/8"	12&13	0.40&0.37
	Granite	5/8"	15	0.40(BEST)
	Granite	3/4"	30	0.45
	Granite	3/8"	13	0.37



CRS-2p on High Volume Roads



More with Less

- DuraPatcher
 - Cost less than traditional asphalt
 - Potholes can be filled on our schedule



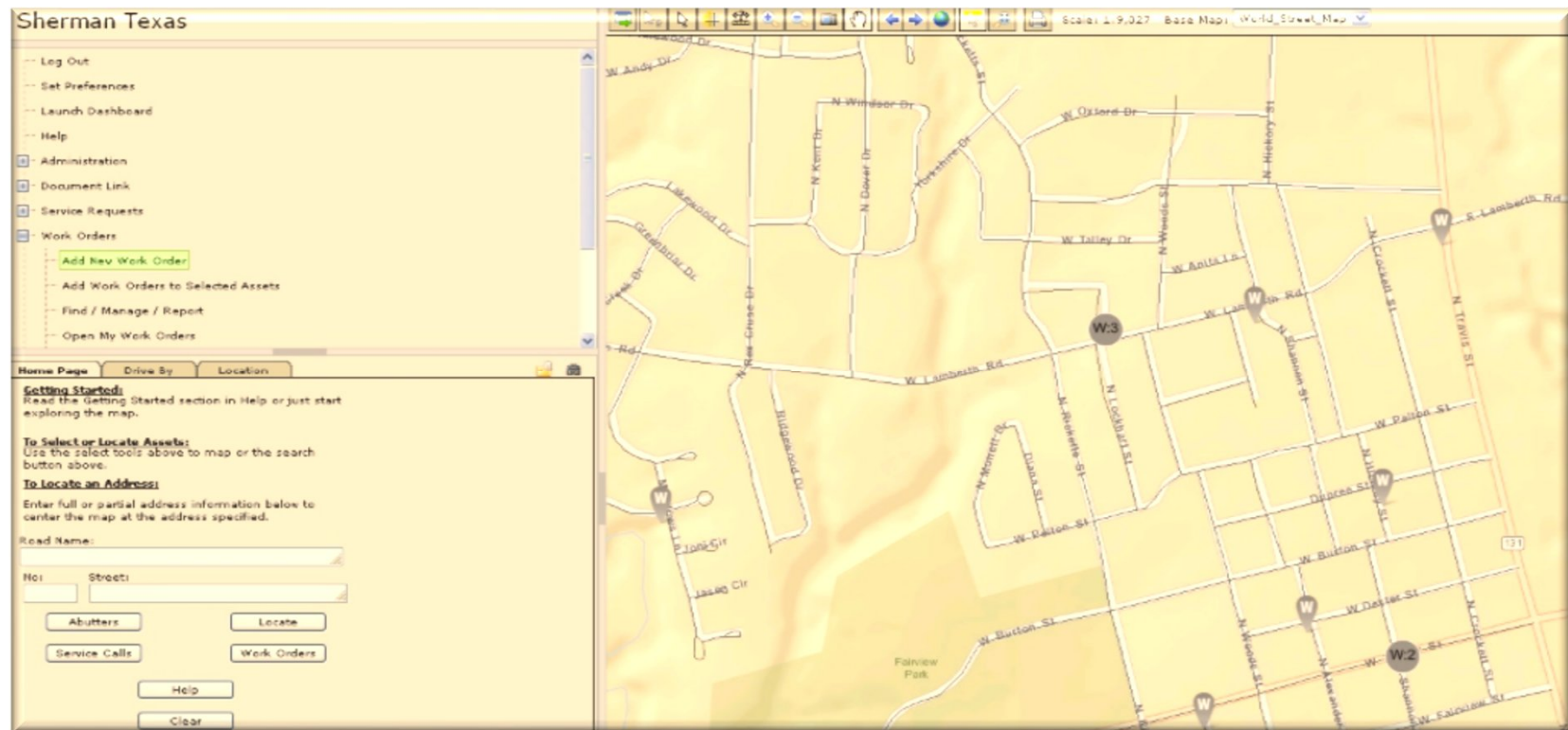
- Skid Steer Loader
 - Mower
 - Power broom
 - Jack Hammer
 - Auger
 - Forks
 - Microplaner
 - Tree cutter

2016 Equipment Requests

- Replace our 1996 Model GMC Pickup
- 2 Portable Changeable Message Signs



- Work Order System
- Condition Assessment of our streets
- Budget Forecasting



Signs and Signals



- Lake Street
 - Estimated cost: \$30,000
 - Repair in-house
- Hickory Street
 - Estimated cost: \$8,000
 - Repair in-house



Disaster Response (Cont.)

- Hunt Street
 - Estimated cost: \$190,000
 - Currently Bidding



- Kessler Street
 - Estimated cost: \$360,000
 - Currently in design

Disaster Response (Cont.)



- Travis Street
 - 7' dia. x 3' deep sinkhole
 - Estimated cost: ???
 - Emergency procurement
 - Currently under construction
- Debris clearance/barricading
 - Actual cost: \$52,200 (May 7)
- Extensive damage to infrastructure
 - Streets
 - Bar ditches
 - Private Infrastructure
 - Including 2 dams

2015 Capital Improvement Program



Walnut Street

Willow Street

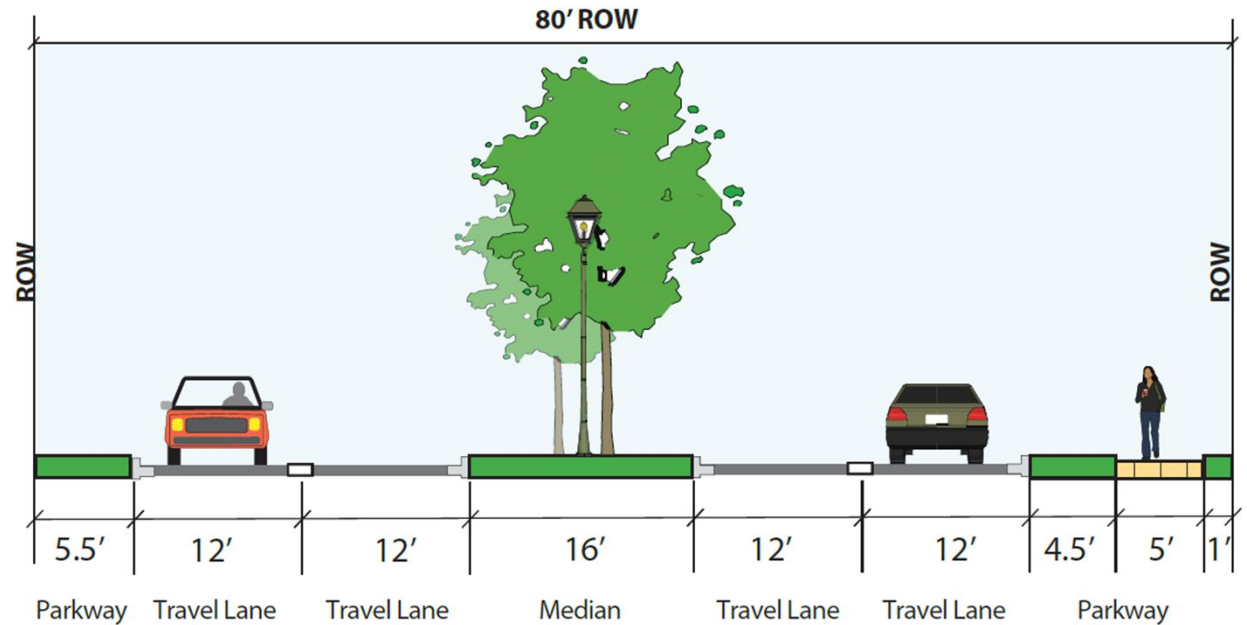
2016 Capital Improvement Program

- Grand Avenue Pedestrian Improvements
 - Estimated cost: \$60,000/crosswalk
- Downtown Sidewalk Improvements
 - Cost: \$20,000
- Downtown Sherman Streetscape, Phase II
 - Estimated total cost: \$600,000
 - Our portion: \$150,000



Loy Lake Road

- Completes a four lane median divided section between the US82 frontage road and the Loy Lake Bridge
- Improves the Gallagher Intersection/Sam's Club Entrance
- Estimated Cost: \$2.5 million





Street Sales Tax- 2015

Sales Taxes - Overview

- **Sales Tax Statutes – Summary**

- Total local sales tax cannot exceed 2%
- Total sales tax revenue for City & SEDCO \$18 million
- Applicable sales taxes for City
 - General sales tax: 1% (currently maxed-out)
 - Additional sales tax: 1/2% (currently maxed-out)
 - Economic development: 1/2% (currently 3/8%)
 - Streets – subject to 4 year sunset: 1/2% (currently 1/8%; will expire March 31, 2016)

Street Sales Tax- What is it?

- Used for:
 - Maintenance and repair of municipal streets
 - Municipal streets means “the entire width of a way held by a municipality in fee or by easement or dedication”
 - Only used for streets existing at time tax is passed
 - Cannot be used for designated state or federal highway or road, or for designated county road
- Tax expires four (4) years after 1Q in which tax was adopted
- Can be renewed under same manner as initially imposed
- Financial Impact - FY 2014 levels, projected sales tax 1/8% = \$1,050k annually

Why is it needed?

- Dedicated source of revenue to help keep property tax rate low
- Funding allows for projects that would not be considered otherwise
- Places burdens for street maintenance on people who use the services (citizens and visitors)
 - Estimated 52% of retail sales tax comes from outside of City

Street Sales Tax – How is it put in place?

- Anatomy of Sales Tax Election
 - Ordinance to call the election, passed by majority of Council
 - Required election called if:
 - Petition by $\geq 20\%$ of voters voting in last election, or
 - Petition by $\geq 5\%$ of registered voters
 - Election held on one (1) of two (2) uniform election dates ≥ 30 days after ordinance passed
 - Specified ballot wording required by Comptroller
 - “The reauthorization of the local sales and use tax in the City of Sherman at the rate of one-eighth of one percent to continue providing revenue for maintenance and repair of municipal streets. The tax expires on the fourth anniversary of the date of this election unless imposition of the tax is reauthorized”.
 - Failed election requires waiting one (1) year before trying again
 - Taxes can be repealed by election in same manner as adopted

Street Sales Tax History – Round 1

- Passed Nov 2007 by margin of 3:1
- Effective April 2008 – March 2012
- Completed ~ 25 lane miles of street mill and overlay, including:
 - Lamberth Rd – Hwy 1417 to Loy Lake
 - Ricketts St. – Lamberth to Lamar
 - Washington – Hwy 1417 to Woods
 - Taylor – Hwy 1417 to Grand Ave
 - Grand Ave – overpass to Odneal
 - Travis St. - Hwy 75 to Park
 - Center St. – Hwy 75 to Holly
- ~ 60 miles of chipseal completed

Street Sales Tax History – Round 2

- Passed Nov 2011 by margin of 9:1
- Effective April 2012 – March 2016
- Helped complete ~ 10 lane miles of street mill and overlay and 60 miles of chipseal
- Street reconstruction projects include(d):
 - Walnut Street
 - Willow Street
 - Meadows Circle
 - Loy Lake – Hwy 75 to Sara Swamy

Street Sales Tax Election – Round 3

- **Effective dates: April 2016 – March 2020**
- **Provide estimated \$4.2 million in revenue**
- **Continues tax that is already in place**
- **Burden is shared with non-residents**

Ordinance Calling Election	No later than Oct 3, 2015
Election	November 3, 2015
Election results to Comptroller (notice)	November 13, 2015
One full quarter after notice	February 13, 2016
1 st of quarter following full quarter – collections commence	April 1, 2016

Street Sales Tax – Round 3 potential uses

- Help complete ~ 60 miles of chipseal
- Street reconstruction projects could include:
 - Loy Lake – Hwy 82 to Sara Swamy (\$2+ million)
 - 4 lanes concrete curb/gutter
 - Divided median
 - Turn signal at Gallagher into Sam's
 - Pursuing public/private partnership
 - Leverage TIF funds

Did you know?



The Street Maintenance Department is Green! We use recycled asphalt and concrete whenever applicable.



Don't forget to vote in the Election on November 3, 2015. The continuation of the Street Maintenance Sales Tax will be one of the measures on the ballot.



UNFUNDED CRITICAL CIP / LONG TERM ISSUES

- Critical issues right around the corner
 - FM 1417 and Travis St. ROW and Engineering
 - Floodplain purchases for regional detention
 - Regional detention construction
 - ROW acquisition for Taylor St, FM1417 -> Hwy 289
 - Library – significant modifications/design
 - Ongoing funding for CIP's does not exist
- How to fund?
 - Debt issuance in FY2017?



BREAK

FINANCIAL PRESENTATION / CIP



2015 Financial Highlights

General Fund

- FY2015 ending reserves \$1.2 million above budget
- FY2015 revenues above budget by ~\$150k
- FY2015 expenses below budget by \$800k
- Ending reserves for FY2015 at \$7.7 million (85 days)

Utility Fund

- FY2015 ending reserves \$1.8 million above budget
- FY2015 revenue in line with budget
- FY 2015 expenses \$1.3 million below budget
- Ending reserves for FY2015 at \$5.8 million (102 days)

2015 Financial Highlights

Solid Waste Fund

- FY2015 ending reserves of \$1.3 million (75 days)
- FY2015 revenues and expenses close to budget

Projected CIP Fund Balances at 9/30/15:

- General \$338k
- Utility \$1.7 million

2016 Budget Financial Highlights

- Fund balances (on-going):
 - General – 73 days
 - Utility – 74 days
 - Solid Waste – 78 days
- General Fund:
 - Sales tax revenue up \$290k from growth + repayment relief
 - Property tax up: add'l \$200k from PANDA + other additions to tax roll
 - CIP funding to complete Loy Lake Rd and smaller projects
- Utility Fund:
 - Water and Sewer revenues are flat vs FY2015
 - Debt service increase ~\$1.1m (WTP expansion partial-year effect)
- Solid Waste Fund:
 - Major fleet purchases - \$840k
 - 5% rate increase
- Increased funding levels for group health are included in the major funds
- Pay adjustments/2% across-the-board
- Limited funding for one-time capital improvements

A photograph of a three-story red brick municipal building with a classical portico. The portico has four columns and a pediment with a circular medallion. Above the columns, the words 'MUNICIPAL BUILDING' and 'KIDD-KEY AUDITORIUM' are inscribed. The word 'FINANCIALS' is overlaid in large black letters across the center of the image.

FINANCIALS

Ongoing Fund Balancing

GENERAL FUND BALANCING

	Proposed 2016 Budget	Non-recurring Items	Ongoing Balancing
Revenues	31,855,875	400,000	31,455,875
Expenses	(33,141,777)	(1,314,649)	(31,827,128)
	(1,285,902)	(914,649)	(371,253)

UTILITY FUND BALANCING

	Proposed 2016 Budget	Non-recurring Items	Ongoing Balancing
Revenues	21,182,847	-	21,182,847
Expenses	(22,770,041)	(1,948,275)	(20,821,766)
	(1,587,194)	(1,948,275)	361,081

SOLID WASTE FUND BALANCING

	Proposed 2016 Budget	Non-recurring Items	Ongoing Balancing
Revenues	6,355,500	300,000	6,055,500
Expenses	(6,336,867)	(300,801)	(6,036,066)
	18,633	(801)	19,434

A photograph of a three-story red brick building with a classical portico. The portico has four columns and a pediment. Above the columns, the words "MUNICIPAL BUILDING" and "KIDD-KEY AUDITORIUM" are inscribed. The building has arched windows on the ground floor and rectangular windows on the upper floors. A wide set of stairs leads to the entrance. The text "MAJOR FUNDS" is overlaid in large black letters across the center of the image.

MAJOR FUNDS

Major Ongoing Expenses Funded FY 2016

Department	Description	Total
GENERAL FUND		
Management Services	Public Information Officer *	60,200
Engineering	GIS Manager	56,985
Police	Patrol Vehicle #1	41,470
Police	Patrol Vehicle #2	41,470
Police	Patrol Vehicle #3	41,470
Police	Program Vehicle	19,868
Police	Handheld/Mobile Radios (combined)	50,800
Police	Rank Restructuring	56,985
Fire	Pierce CAFS Engine	530,000
Fire	Frazerbilt Ambulance	110,000
Fire	Zoll X Series Monitor	37,700
Fire	Zoll Auto Pulse Unit #1	14,700
Fire	Zoll Auto Pulse Unit #2	14,700
Fire	Zoll Auto Pulse Unit #3	14,700
Fire	Zoll Auto Pulse Unit #4	14,700
Public Safety Support	Network Switch #1	5,000
Public Safety Support	Network Switch #2	5,000
Streets	Pickup with Dump Body	68,841
Planning & Zoning	Substandard Structure Program	45,000
Cemetery	Zero Turn Mower #1	10,000
Cemetery	Zero Turn Mower #2	10,000
Parks	Full Time Employee Fairview Gym	58,711
Parks Maintenance	Toro Sand Aerator	12,000
Total General Fund		<u>\$ 1,320,299</u>

* 1/3 of cost will be charged to Hotel/Motel Tax Fund

DRUG ENFORCEMENT FUND	Program Vehicle	<u>\$ 23,168</u>
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Major Ongoing Expenses Funded FY 2016

EQUIPMENT SERVICES	Adjust salaries to market	\$ 28,705
UTILITY FUND		
Utility Billing	Ford F150 with accessories	22,550
Water Production	2 Scag Mowers	20,000
Collect & Distrib	FWD Utility Crew	35,000
Infiltr/Collection	3/4 FWD Pickup	30,000
Treatment Services	Sludge Pump #1	5,000
Treatment Services	Sludge Pump #2	5,000
Treatment Services	Sludge Pump #3	5,000
Treatment Services	Shift Operators	110,405
Lab	Multi-parameter Sonde	7,320
Ind Pretreatment	Ultrapur Water System	7,700
Total Utility Fund		\$ 247,975
SOLID WASTE FUND		
Residential SW	Brush Truck	146,614
Commercial SW	Front Load	294,759
Curbside Recycling	Automated Truck	310,091
Curbside Recycling	Transfer Trailer	90,523
Total Solid Waste Fund		\$ 841,987

Major Non-Recurring Expenses Funded FY 2016

Department	Description	Amount
Mayor & City Council	Camera for Video/Streaming Council Meetings (includes service for the first yr)	\$ 25,000
HR	HR Office Move & Remodel	33,000
Engineering	Transportation Study	60,000
Fire	Stryker Power-Load System #1	23,000
Fire	Stryker Power-Load System #2	23,000
Fire-Grant Funded	Stryker Power-Load System #3	23,000
Fire-Grant Funded	Stryker Power-Load System #4	23,000
Fire-Grant Funded	Stryker Power-Load System #5	23,000
Fire	Bay Floor Repairs	10,000
Fire	Drive Way Repair Station 5	70,000
Fire	Big Tex Trailer for Klowns	6,923
Public Safety Supp	Relocate Comm & Expansion	40,000
Public Safety Supp	Renovate Mechanical Room	25,000
Judicial Services	Courtroom Remodel	8,000
Emergency Mgmt	Outdoor Warning Siren-Panda	29,000
Emergency Mgmt	Pebblebrook Siren Pole Replacement	9,000
Emergency Mgmt	Commander Program	14,280
Streets	One Ton Sander & Leg Kit	9,000
Streets	Equipment Shed	41,800
Streets	Asphalt Tank Removal	87,300
Streets	Portable Message Sign #1	14,923
Streets	Portable Message Sign #2	14,923
Streets	Sweepings Disposal	28,000
Cemetery	Backhoe	80,000
Parks & Recreation	Taylor Street Sign	20,000
General	1/2 of Telehandler	63,500
Total General Fund		<u>\$ 804,649</u>

Major Non-Recurring Expenses Funded FY 2016

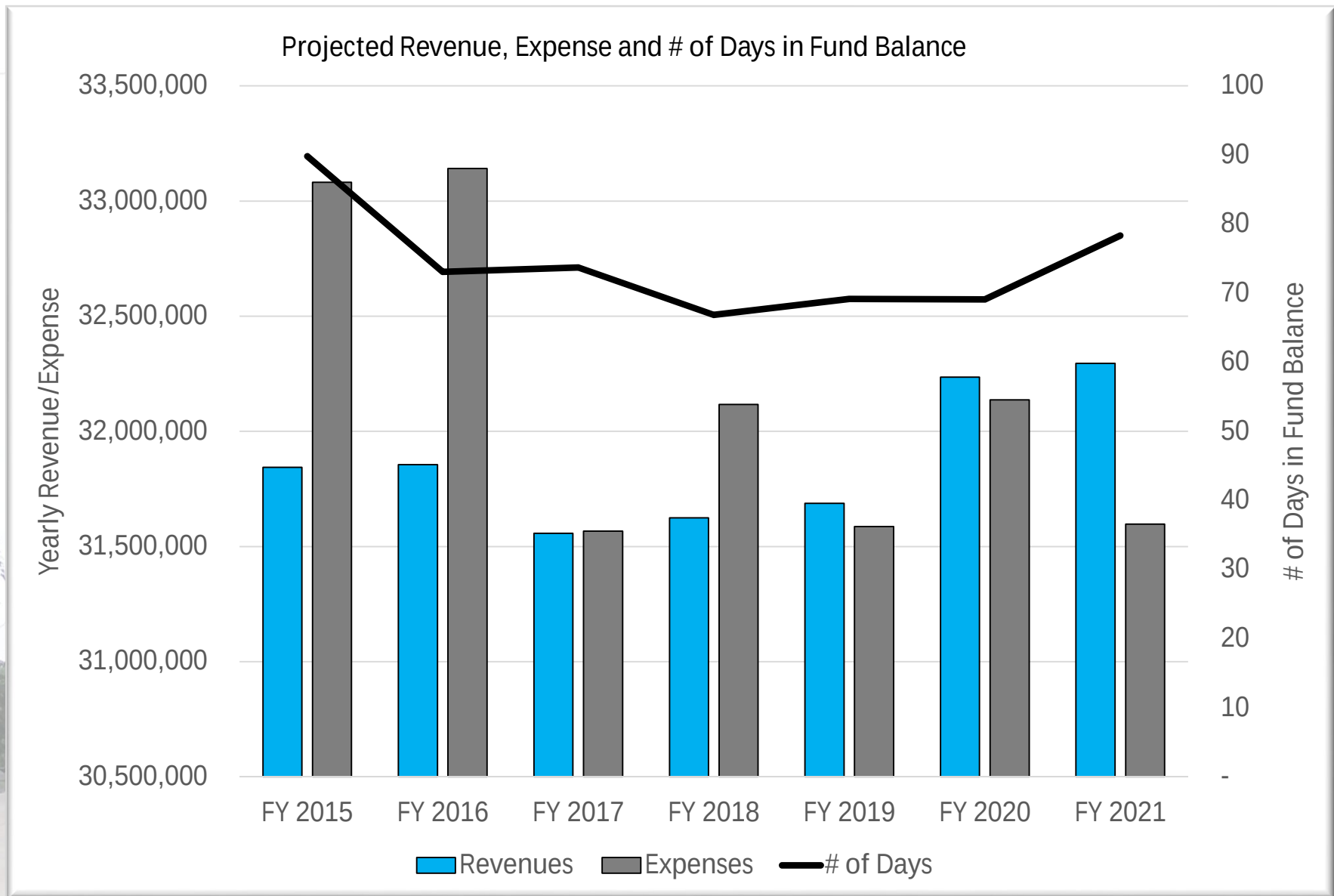
Department	Description	Amount
Auditorium	Sound Rebalancing (Labor)	\$ 9,000
Auditorium	Auditorium Curtains	30,000
Ballroom	Replace Blinds	5,603
Ballroom	Kitchen Remodel	50,000
Ballroom	Ceiling Mounted Projector & Screen	12,000
Ballroom	Kitchen Commercial Appliances	10,000
Total Hotel/Motel Tax Fund		<u>\$ 116,603</u>
IT	Phone System Installation	\$ 30,000
IT	Technology Room	22,850
IT	Virtualization Server	15,000
IT	Incode VX	70,000
IT	Document Management	55,000
Total Information Technology		<u>\$ 192,850</u>
Service Center	Storage Building	\$ 39,000
Service Center	Tank Removal	21,000
Service Center	Generator Load Bank	14,200
Service Center	PD Fuel Tank	15,000
Total Service Center		<u>\$ 89,200</u>
General	1/2 of Telehandler	\$ 63,500
Coll & Distrib	Sewer Truck	303,175
Coll & Distrib	Dozer w/ Winch	131,600
Total Utility Fund		<u>\$ 498,275</u>
Residential SW	Cart Building	\$ 121,169
Residential SW	Extend Covered Area	179,632
Total Solid Waste Fund		<u>\$ 300,801</u>

City of Sherman
GENERAL FUND
2015 -2016 Annual Budget

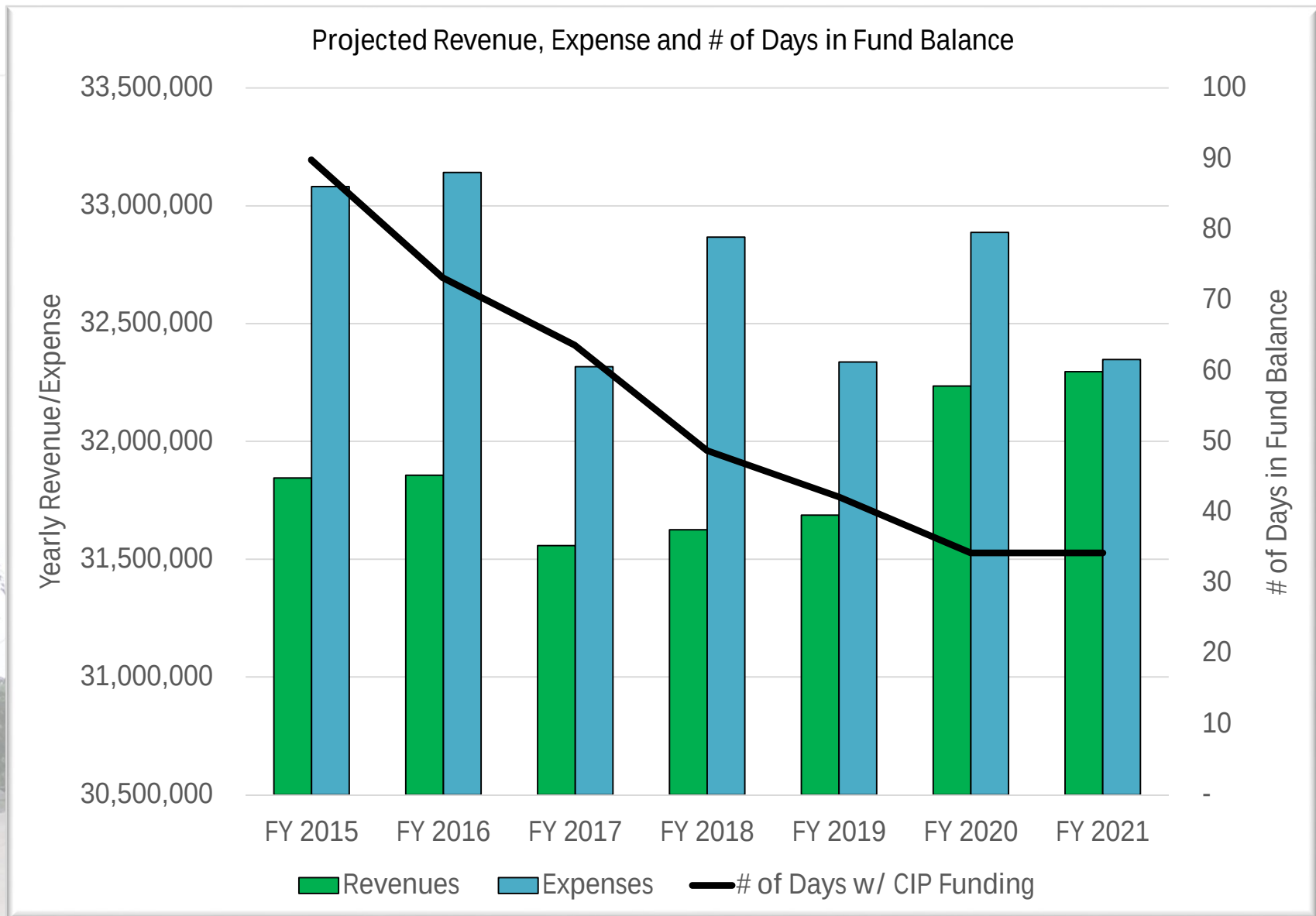
	Actual 2013-2014	Amended Budget 2014-2015	Projected 2014-2015	Proposed 2015-2016
Beginning Fund Balance	\$ 7,221,051	\$ 8,707,442	\$ 8,909,217	\$ 7,672,250
Revenues				
Property Tax	6,393,344	7,430,000	7,247,000	7,586,000
Sales Tax	14,675,996	13,706,000	14,388,000	14,680,000
Franchise Tax	3,089,548	2,898,000	2,993,000	2,985,000
Other Taxes	139,888	146,000	136,000	136,000
Fines & Forfeitures	635,760	906,150	557,700	519,300
Recreation	296,591	319,000	303,000	338,000
Permits & Licenses	401,428	378,500	363,700	363,700
Rentals	52,109	79,995	66,800	66,800
Cemetery	135,218	247,700	201,400	131,400
Sales & Service	527,275	538,000	525,696	525,675
Ambulance Service	1,242,824	1,300,000	1,250,000	1,250,000
Interest Earned	51,004	50,000	65,000	65,000
Grant Revenue	58,750	58,410	62,300	133,700
Miscellaneous Income	253,753	151,100	198,640	159,300
Total Revenues	27,953,486	28,208,855	28,358,236	28,939,875
Transfers In	4,311,000	3,486,000	3,486,000	2,916,000
Total Revenues and Transfers In	32,264,486	31,694,855	31,844,236	31,855,875
Total Funds Available	39,485,538	40,402,297	40,753,453	39,528,125
Expenditures				
Personnel	21,371,028	22,254,326	21,884,673	22,794,703
Supplies	1,298,954	1,523,327	1,339,537	1,430,478
Maintenance	1,039,523	1,442,458	1,113,220	1,265,672
Utilities	1,382,864	1,434,450	1,342,550	1,378,380
Contract Wages	191,015	213,250	189,170	128,600
Information Technology	499,996	553,090	613,690	615,680
Contractual services	1,546,452	1,693,562	1,688,705	1,788,548
Vehicle Usage	1,284,212	1,515,006	1,313,621	1,421,820
Capital Expenses	223,202	259,162	362,424	554,280
Transfers Out	1,739,075	2,983,614	3,233,614	1,763,616
Total Expenditures	30,576,321	33,872,245	33,081,204	33,141,777
Excess Revenues over Expenditures	1,688,166	(2,177,390)	(1,236,968)	(1,285,902)
Ending Fund Balance	\$ 8,909,217	\$ 6,530,052	\$ 7,672,250	\$ 6,386,347
One-time expenditures				804,649
Transfers Out - Other				510,000
Ongoing Total Expenditures				31,827,128
Days in Fund Balance			85	73

GENERAL FUND 5-YEAR PROFORMA

	Actual FY 2014	Projection FY 2015	Projection FY 2016	Projection FY 2017	Projection FY 2018	Projection FY 2019	Projection FY 2020
Beginning Fund Balance	\$ 7,220,472	\$ 8,909,217	\$ 7,672,249	\$ 6,386,346	\$ 6,376,826	\$ 5,884,306	\$ 5,984,786
Sales Tax	13,547,118	13,281,000	13,551,000	13,551,000	13,551,000	13,551,000	13,551,000
Street Sales Tax	1,128,878	1,107,000	1,129,000	644,000	644,000	644,000	1,129,000
Property Tax Rev	6,296,634	6,839,819	6,970,450	7,475,458	7,533,135	7,586,886	7,641,484
Property Tax-Panda	96,709	407,181	615,549	672,541	656,864	640,113	622,516
Franchise & Other Taxes	3,229,436	3,129,000	3,121,000	3,120,606	3,120,606	3,120,606	3,120,606
Ambulance	1,242,824	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000
Transfers	4,311,000	3,486,000	2,916,000	2,541,000	2,566,000	2,592,000	2,618,000
Interest	51,004	65,000	65,000	65,000	65,000	65,000	65,000
Other Revenue	2,361,463	2,279,236	2,237,875	2,237,875	2,237,875	2,237,875	2,237,875
Total Revenues	32,265,066	31,844,236	31,855,874	31,557,480	31,624,480	31,687,480	32,235,480
Personnel	21,371,028	21,884,673	22,794,703	22,795,000	22,795,000	22,795,000	22,795,000
Other Expenditures	6,839,532	7,424,493	7,456,159	7,456,000	7,456,000	7,456,000	7,456,000
Street Repairs	403,484	426,000	573,019	350,000	350,000	350,000	350,000
Capital Expenses	223,202	362,424	554,280	350,000	350,000	350,000	350,000
Transfers-Other	850,000	1,900,000	510,000	-	-	-	-
Transfers to Fleet Fund	889,075	1,083,614	1,253,616	616,000	1,166,000	636,000	1,186,000
Total Expenditures	30,576,321	33,081,204	33,141,777	31,567,000	32,117,000	31,587,000	32,137,000
Excess (Deficit)	1,688,745	(1,236,968)	(1,285,903)	(9,520)	(492,520)	100,480	98,480
Ending Fund Balance	\$ 8,909,217	\$ 7,672,249	\$ 6,386,346	\$ 6,376,826	\$ 5,884,306	\$ 5,984,786	\$ 6,083,266
Days in Fund Balance	106	90	73	74	67	69	69
Tax Rates	0.348	0.372	0.372	0.392	0.392	0.392	1960.392



- Tax Rate is .392/\$100 in 2017 and beyond
- Fleet is funded but not capital projects



- Tax Rate is .392/\$100 in 2017 and beyond
- Fleet and capital projects are funded

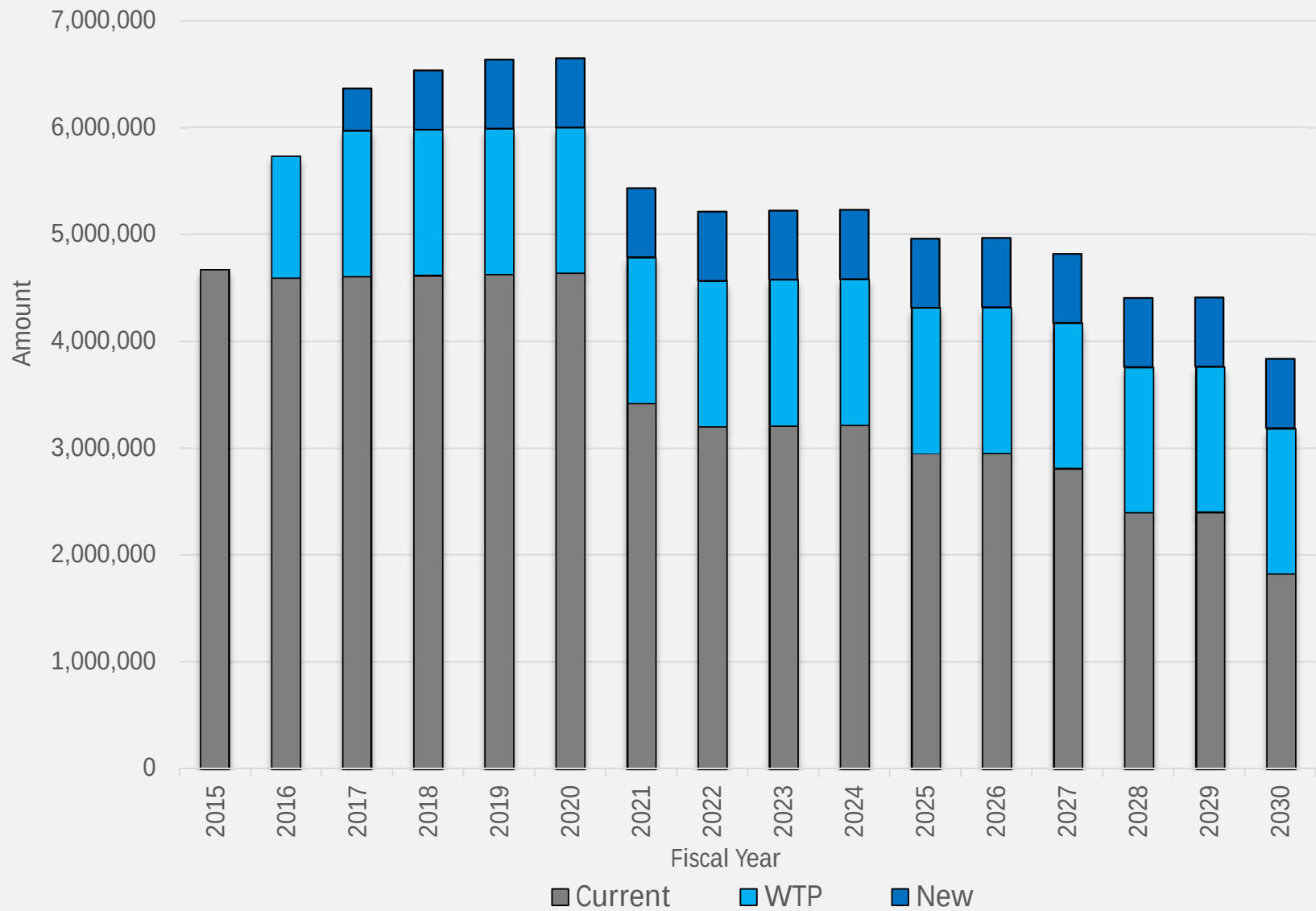
City of Sherman
UTILITY FUND
2015 -2016 Annual Budget

	Actual 2013-2014	Adjusted Budget 2014-2015	Projected 2014-2015	Proposed 2015-2016
Beginning Reserve	\$ 6,533,545	\$ 4,683,306	\$ 5,373,763	\$ 5,836,100
Revenues				
Water Sales	12,106,292	12,683,000	12,781,000	12,781,000
Sewer Sales	6,877,244	7,022,000	6,969,000	6,969,000
Lab Charges	142,038	131,000	136,100	136,100
Service & Penalties	533,224	542,000	547,000	547,000
Interest Earned	6,235	11,000	20,000	20,000
Intergovernmental	900,724	546,467	546,467	289,347
Miscellaneous Income	266,610	144,000	158,400	286,400
Total Revenues	20,832,366	21,079,467	21,157,967	21,028,847
Transfers In	135,000	153,100	153,100	154,000
Total Revenues and Transfers In	20,967,366	21,232,567	21,311,067	21,182,847
Total Funds Available	27,500,911	25,915,873	26,684,830	27,018,947
Expenditures				
Personnel	4,846,693	5,036,904	4,996,383	5,294,229
Supplies	879,222	1,029,336	984,651	1,029,394
Maintenance	1,572,852	1,950,652	1,560,289	1,592,628
Utilities	2,266,719	2,561,420	2,341,230	2,392,660
Information Technology	68,181	90,170	99,980	108,480
Debt Service	4,626,405	5,163,079	4,671,783	5,731,398
Contractual services	1,463,446	1,562,379	1,425,156	1,586,717
Contract Wages	95,349	124,000	76,500	77,000
Vehicle Usage	255,273	344,390	320,473	335,690
Other	678,794	451,000	564,000	622,000
Capital Expenses	34,213	68,794	52,605	50,020
Total Expenditures	16,787,148	18,382,125	17,093,050	18,820,216
Transfers Out				
General Fund-Franch & Admin	1,643,000	1,747,000	1,747,000	1,814,000
General Fund-Other	2,057,000	1,100,000	1,100,000	400,000
Other Funds	1,600,000	350,000	600,000	1,050,000
Fleet	40,000	308,680	308,680	685,825
Total Transfers Out	5,340,000	3,505,680	3,755,680	3,949,825
Total Expenditures and Transfers Out	22,127,148	21,887,805	20,848,730	22,770,041
Excess Revenues over Expenditures	(1,159,781)	(655,238)	462,337	(1,587,194)
Ending Reserve	\$ 5,373,763	\$ 4,028,069	\$ 5,836,100	\$ 4,248,906
One-time expenditures				\$ 498,275
Transfers Out - Other				1,450,000
Ongoing Total Expenditures				\$ 20,821,766
Days in Fund Balance			102	74

UTILITY FUND 5-YEAR PROFORMA

	Actual FY 2014	Projected FY 2015	Projected FY 2016	Projected FY 2017	Projected FY 2018	Projected FY 2019	Projected FY 2020
Beginning Fund Balance	\$ 6,533,542	\$ 5,373,763	\$ 5,836,100	\$ 4,248,906	\$ 3,919,759	\$ 3,405,428	\$ 2,757,139
Water Sales	11,534,153	11,989,272	11,989,300	11,989,300	11,989,300	11,989,300	11,989,300
Panda	572,140	791,728	791,700	791,700	791,700	791,700	791,700
Sewer Sales	6,877,243	6,969,000	6,969,000	6,969,000	6,969,000	6,969,000	6,969,000
SEDCO	900,724	546,467	289,347	288,915	292,921	294,331	295,416
Interest	6,235	20,000	20,000	20,000	20,000	20,000	20,000
Other	941,873	841,500	969,500	893,500	893,500	893,500	893,500
Transfers	135,000	153,100	154,000	156,000	158,000	160,000	162,000
Total Revenues	20,967,368	21,311,067	21,182,847	21,108,415	21,114,421	21,117,831	21,120,916
Personnel	4,846,693	4,996,383	5,294,229	5,290,000	5,290,000	5,290,000	5,290,000
Other	6,991,244	7,093,714	7,467,569	7,470,000	7,470,000	7,470,000	7,470,000
Debt Service	4,626,405	4,671,783	4,595,398	4,608,042	4,617,232	4,627,600	4,638,385
Debt Service-New GTUA	-	-	1,136,000	1,760,500	1,921,500	2,012,500	2,012,500
Biosolids	288,592	262,376	277,000	277,000	277,000	277,000	277,000
Capital Outlay	34,213	68,794	50,020	50,020	50,020	50,020	50,020
Transfers	5,340,000	3,755,680	3,949,825	1,982,000	2,003,000	2,039,000	2,075,000
Total Expenditures	22,127,147	20,848,730	22,770,041	21,437,562	21,628,752	21,766,120	21,812,905
Excess (Deficit)	(1,159,779)	462,337	(1,587,194)	(329,147)	(514,331)	(648,289)	(691,989)
Ending Fund Balance	\$ 5,373,763	\$ 5,836,100	\$ 4,248,906	\$ 3,919,759	\$ 3,405,428	\$ 2,757,139	\$ 2,065,150
Days in Fund Balance	89	102	74	67	57	46	200 35

Projected Utility Fund Debt Service



City of Sherman
SOLID WASTE FUND
2015 -2016 Annual Budget

	Actual 2013-2014	Adjusted Budget 2014-2015	Projected 2014-2015	Proposed 2015-2016
Beginning Fund Balance	\$ 1,446,768	\$ 1,595,793	\$ 1,656,102	\$ 1,263,535
Revenues				
Solid Waste Service	5,683,353	5,561,000	5,618,000	5,904,000
Service & Penalties	42,552	52,000	57,000	57,000
Interest Earned	1,695	1,500	2,500	1,500
Miscellaneous Income	125,221	87,200	93,000	93,000
Transfers In	-	-	-	300,000
Total Revenues	5,852,820	5,701,700	5,770,500	6,355,500
Total Funds Available	7,299,588	7,297,493	7,426,602	7,619,035
Expenditures				
Personnel	1,470,493	1,565,756	1,566,035	1,659,342
Supplies	107,536	162,380	154,520	110,343
Maintenance	48,834	59,999	45,350	46,179
Utilities	23,756	30,590	23,150	21,110
Information Technology	12,987	14,350	15,910	12,620
Contractual services	1,577,922	1,511,042	1,543,436	1,546,415
Contract Wages	3,255	2,080	-	2,080
Vehicle Usage	979,276	995,510	863,388	939,990
Capital Expenses	51,183	-	1,700	300,801
Transfers Out-Franchise & Admin	611,000	639,000	639,000	702,000
Transfers Out-Billing	135,000	153,100	153,100	154,000
Transfers Out-Fleet	622,244	1,157,478	1,157,478	841,987
Total Expenditures	5,643,486	6,291,285	6,163,067	6,336,867
Excess Revenues over Expenditures	209,334	(589,585)	(392,567)	18,633
Ending Fund Balance	\$ 1,656,102	\$ 1,006,208	\$ 1,263,535	\$ 1,282,168
One-time expenditures				300,801
Ongoing Total Expenditures				6,036,066
Days in Fund Balance			75	78

SOLID WASTE 5-YEAR PROFORMA

	Actual FY 2014	Projected FY 2015	Projected FY 2016*	Projected FY 2017	Projected FY 2018	Projected FY 2019	Projected FY 2020
Beginning Fund Balance	1,446,769	1,656,102	1,263,535	1,282,168	1,300,479	1,325,696	1,359,963
Commercial Solid Waste	3,250,333	3,140,000	3,297,000	3,296,924	3,296,924	3,296,924	3,296,924
Curbside Recycling Svcs	333,706	339,000	339,000	339,320	339,320	339,320	339,320
Residential Solid Waste	2,099,314	2,139,000	2,268,000	2,290,567	2,313,473	2,338,523	2,363,863
Transfers In	-	-	300,000	-	-	-	-
Miscellaneous Svcs	169,467	152,500	151,500	151,500	151,500	151,500	151,500
Total Revenues	5,852,819	5,770,500	6,355,500	6,078,311	6,101,217	6,126,267	6,151,607
Personnel	1,470,493	1,566,035	1,659,342	1,659,000	1,659,000	1,659,000	1,659,000
Other	1,283,804	1,208,677	1,231,837	1,232,000	1,232,000	1,232,000	1,232,000
Disposal Fees	1,469,762	1,438,777	1,446,900	1,454,000	1,461,000	1,468,000	1,475,000
Capital Outlay	51,183	1,700	300,801	50,000	50,000	50,000	50,000
Transfers - incl fleet	1,368,244	1,949,578	1,697,987	1,665,000	1,674,000	1,683,000	1,692,000
Total Expenditures	5,643,486	6,163,067	6,336,867	6,060,000	6,076,000	6,092,000	6,108,000
Excess (Deficit)	209,333	(392,567)	18,633	18,311	25,217	34,267	43,607
Ending Fund Balance	1,656,102	1,263,535	1,282,168	1,300,479	1,325,696	1,359,963	1,403,569
Days in Fund Balance	107	75	78	78	80	81	84

City of Sherman
GENERAL IMPROVEMENT FUND
2015 -2016 Annual Budget

	Actual 2013-2014	Adjusted Budget 2014-2015	Projected 2014-2015	Proposed 2015-2016
Beginning Fund Balance	\$ 310,883	\$ 416,028	\$ 681,655	\$ 337,571
Revenues				
Transfers In	616,077	1,900,000	1,900,000	1,170,000
Intergovernmental	200,000	200,000	200,000	-
Grant Revenue	-	-	-	462,500
Interest Earned	47	-	-	-
Miscellaneous Income	-	1,300,000	1,352,006	-
Tax Note Proceeds	-	-	-	1,620,000
Total Revenues	816,124	3,400,000	3,452,006	3,252,500
Total Funds Available	1,127,007	3,816,028	4,133,661	3,590,071
Expenditures				
Washington Street West	85,000	-	-	-
GIS System	141,341	271,870	209,743	-
Soil Conservation Emergency Action Plan Study	1,170	-	-	-
Neighborhood Revitalization-Fielder Park	44,937	-	-	-
Municipal Building Repair	57,579	240,815	245,712	-
Taylor Street Complex	650	-	-	-
* Loy Lake Bridge	-	1,300,000	1,352,006	-
Street Improvement Program	-	1,500,000	1,500,000	-
Fallon Drive Bridge Repair/Hunt St	58,871	190,819	318,629	-
Fire Station Repairs	-	50,000	50,000	-
Houston St Property Acquisition	-	-	-	150,000
Ellsworth Branch Flood Study	-	-	-	30,000
Subdivision Ordinance Update	-	-	-	60,000
** Downtown Streetscape	-	-	-	500,000
Grand Avenue Traffic & Pedestrian Imp	-	-	-	60,000
Loy Lake Rd-Sara Swamy to Hwy 82	-	-	120,000	2,180,000
Police Dept Basement Renovation	-	-	-	25,000
Police Dept Communication Center Relocation	-	-	-	40,000
Fire Station #3 Building Repair	-	-	-	50,000
Fairview Park Tot Playground	-	-	-	50,000
Transfers Out	55,804	-	-	-
Total Expenditures	445,352	3,553,504	3,796,090	3,145,000
Excess Revenues over Expenditures	370,772	(153,504)	(344,084)	107,500
Ending Fund Balance	\$ 681,655	\$ 262,524	\$ 337,571	\$ 445,071

* TXDOT Participation
 ** 80% Grant Funded

City of Sherman
UTILITY IMPROVEMENT FUND
2015 -2016 Annual Budget

	Actual 2013-2014	Budget 2014-2015	Projected 2014-2015	Proposed 2015-2016
Beginning Fund Balance	\$ 2,170,598	\$ 1,436,691	\$ 1,983,094	\$ 1,737,651
Revenues				
Transfers In	600,000	350,000	350,000	850,000
Miscellaneous Income	290,155	-	-	1,000,000
Interest Earned	4,064	7,500	10,000	12,000
Total Revenues	894,219	357,500	360,000	1,862,000
Total Funds Available	3,064,817	1,794,191	2,343,094	3,599,651
Expenditures				
Utility Oversizing	-	50,000	-	50,000
Gallagher Tower Evaluation	14,435	-	-	-
Sears Lift Station	59,622	25,000	27,315	-
Hwy 289 Water	192,984	-	-	-
Hwy 289 Sewer	29,570	-	136,050	-
Upgrade Metering and Telemetry for Water System	19,050	-	-	-
Well Repairs and Upgrades	641,846	-	-	-
*** Gallagher Elevated Tank Painting and Repair	7,081	1,125,000	156,712	-
Infiltration & Inflow Office and Storage Facility	69,250	-	-	-
** Blalock Industrial Sewer	-	-	-	1,000,000
WWTP Effluent Reuse Engineering	585	-	-	-
Cherry Park Pump Station Rehab	1,070	-	-	-
South Sherman Relief Sewer	600	-	-	-
Ricketts St Water Line	-	168,000	-	-
Water Treatment Plant Expansion	45,630	-	251,961	-
WTP Basin Cleaning	-	350,000	-	350,000
SW Elevated Storage Tank	-	-	33,405	-
Harrison Elevated Tank Painting	-	-	-	1,250,000
North Travis St. Water Main Replacement	-	-	-	250,000
U.S. Highway 75 South Water Crossing Replacement	-	-	-	175,000
Total Expenditures	1,081,723	1,718,000	605,443	3,075,000
Excess Revenues over Expenditures	(187,504)	(1,360,500)	(245,443)	(1,213,000)
Ending Fund Balance	\$ 1,983,094	\$ 76,191	\$ 1,737,651	\$ 524,651 ***

*GTUA

**SEDCO

*** In 2017, additional funding will be needed for Gallagher Tank Repair, already under contract

TRANSFERS SCHEDULE

BUDGETED FY15/16

<u>FUND</u>	<u>DETAILS</u>	<u>Expense</u> <u>TRANSFER FROM</u> <u>Debit</u>	<u>Revenue</u> <u>TRANSFER TO</u> <u>Credit</u>
100	From fund 700 5% franchise, admin cost		\$ 1,814,000.00
	From fund 700 other		\$ 400,000.00
	From fund 790, dept 243, 244, 245		\$ 702,000.00
	To fund 222 for CIP	\$ 510,000.00	
	To fund 660 for debt service	\$ 220,228.00	
	To fund 660 for equipment purchases	\$ 1,033,388.00	
222	From fund 100		\$ 510,000.00
	From TIF#3 (fund 230)		\$ 660,000.00
230	To fund 222	\$ 660,000.00	
310	From fund 460		\$ 114,000.00
460	To fund 310	\$ 114,000.00	
660	From fund 100, debt service		\$ 220,228.00
	From fund 100, equipment purchase		\$ 1,033,388.00
	From fund 700, equipment purchase		\$ 585,825.00
	From fund 790, equipment purchase		\$ 841,987.00
700	To fund 100 5% franchise, admin cost	\$ 1,814,000.00	
	To fund 100, other	\$ 400,000.00	
	To fund 770	\$ 850,000.00	
	To fund 790, fund balance	\$ 300,000.00	
	From fund 790, admin cost		\$ 154,000.00
	To fund 660 for equipment purchase	\$ 585,825.00	
770	From fund 700		\$ 850,000.00
790	To fund 100 8% franchise, admin cost RSW	\$ 269,000.00	
790	To fund 700 admin cost RSW	\$ 59,000.00	
790	To fund 100 8% franchise, admin cost CSW	\$ 392,000.00	
790	To fund 700 admin cost CSW	\$ 86,000.00	
790	To fund 100 8% franchise, admin cost Recycle	\$ 41,000.00	
790	To fund 700 admin cost Recycle	\$ 9,000.00	
790	To fund 660, equipment purchase	\$ 841,987.00	
790	From fund 700, fund balance		\$ 300,000.00
TOTALS		\$ 8,185,428.00	\$ 8,185,428.00

City of Sherman
HOTEL/MOTEL TAX FUND
2015 -2016 Annual Budget

	Actual 2013-2014	Projected 2014-2015	Proposed 2015-2016
Beginning Fund Balance	\$ 204,843	\$ 377,746	\$ 390,184
Revenues			
Hotel/Motel Tax 5%	427,126	397,300	363,057
Hotel/Motel Tax 2%	170,850	158,900	145,223
Penalties	4,525	2,721	-
Miscellaneous Income	1,717	-	-
Interest Earned	326	725	525
Program/Sponsor Fees	20,420	-	-
Auditorium/Ballroom Rental	33,351	22,550	22,200
Total Revenues	658,314	582,196	531,005
Total Funds Available	863,157	959,942	921,188
Expenditures:			
Tourism			
Chamber/CVB contract	-	240,000	240,000
Administration	92,684	53,221	77,338
Programs	97,473	1,260	3,600
Downtown Building Incentive	5,715	40,000	50,000
Museum Support	70,000	-	-
Ballroom Operations	69,002	67,024	137,781
Auditorium Operations	35,538	54,253	79,985
Transfers Out	115,000	114,000	114,000
Total Expenditures	485,412	569,758	702,704
Excess Revenues over Expenditures	172,903	12,438	(171,699)
Ending Fund Balance	\$ 377,746	\$ 390,184	\$ 218,484

COUNCIL DIRECTION



2016 Council Initiatives

- ✓ Water Treatment Plant Expansion
- ✓ Compensation and Staffing
- ✓ Stormwater Management and Planning
- ✓ FM 1417 Development Management
- ✓ Code Enforcement and substandard structures
- ✓ Downtown Sidewalks
- ✓ Loy Lake Rebuild (Street sales tax, TIF, bond)
- ✓ Optimized Space utilization

2016 Council Initiatives - continued

- ✓ Utility issues – water & waste water improvements
- ✓ Southwest Elevated Water Storage Tank
- ✓ Solid Waste Rate adjustment
- ✓ Downtown incentives
- ✓ Stepped up code enforcement/cleanup along Hwy 56
- ✓ Improvements to Ballroom/Kitchen
- ✓ Improved safety along Grand Avenue
- ✓ Development ordinance improvements
- ✓ Pursue Street Sales Tax!

An aerial photograph of a swimming pool complex. In the foreground, a large, green, multi-laned slide curves into the pool. The pool water is a light blue. Several large, blue and green striped umbrellas are positioned around the pool deck. In the background, there is a parking lot with several cars, a grassy area, and a line of trees under a clear sky. The text "DID WE MISS ANYTHING ??" is overlaid in the center of the image.

DID WE MISS ANYTHING ??

A photograph of a two-story red brick building with a classical portico. The portico has four columns and a pediment. Above the columns, the words "MUNICIPAL BUILDING" and "KIDD-KEY AUDITORIUM" are inscribed. The text "OTHER FUNDS" is overlaid in the center of the image.

OTHER FUNDS

City of Sherman
PUBLIC CHARITIES FUND
2015 -2016 Annual Budget

	Actual 2013-2014	Projected 2014-2015	Proposed 2015-2016
Beginning Fund Balance	\$ 50,286	\$ 70,264	\$ 46,364
Revenues			
Interest Earned	90	180	180
Animal Shelter Donations	13,793	8,000	10,000
Pet Adoption Donations	595	500	1,000
Sherman Beautification	1,492	500	500
Fishing Festival	277	150	150
Fire Dept Donations	1,000	-	-
Police Dept Donations	-	2,500	-
Genealogical Donations	73	150	150
Park Concessions Revenue	12,868	13,000	12,000
Parks & Recreation Donations	500	500	500
Total Revenues	30,688	25,480	24,480
Total Funds Available	80,974	95,744	70,844
Expenditures			
Glennie O. Ham Center	-	500	500
Altrusa (W.A.F.A.)	-	60	60
Senior Citizen's Dance Club	-	70	70
Animal Shelter	-	30,000	30,000
Pet Adoption Fund	5,314	-	-
Fire Dept	-	7,500	7,500
Fishing Festival Exp	327	500	500
Genealogical	222	-	-
Remodeling Contingency	-	5,000	5,000
Sherman Beautification Exp	968	250	250
Park Concessions Expense	3,880	5,000	5,000
Parks & Recreation	-	500	500
Total Expenditures	10,710	49,380	49,380
Excess Revenues over Expenditures	19,978	(23,900)	(24,900)
Ending Fund Balance	\$ 70,264	\$ 46,364	\$ 21,464

City of Sherman
LAND TRANSACTION FUND
2015 -2016 Annual Budget

	Actual 2013-2014	Projected 2014-2015	Proposed 2015-2016
Beginning Fund Balance	\$ 69,052	\$ 69,161	\$ 69,281
Revenues			
Land Sales	-	-	-
Interest Earned	109	120	120
Total Revenues	109	120	120
Total Funds Available	69,161	69,281	69,401
Expenditures			
Miscellaneous	-	-	65,000
Excess Revenues over Expenditures	109	120	(64,880)
Ending Fund Balance	\$ 69,161	\$ 69,281	\$ 4,401

City of Sherman
STREET REVOLVING FUND
2015 -2016 Annual Budget

	Actual 2013-2014	Projected 2014-2015	Proposed 2015-2016
Beginning Fund Balance	\$ 451,123	\$ 418,484	\$ 419,234
Revenues			
Interest Earned	767	750	750
Street Assessments	16,077	-	-
Total Revenues	<u>16,844</u>	<u>750</u>	<u>750</u>
Total Funds Available	467,967	419,234	419,984
Expenditures			
Improvements	33,406	-	75,000
Transfers Out	16,077	-	-
	<u>49,483</u>	<u>-</u>	<u>75,000</u>
Ending Fund Balance	<u>\$ 418,484</u>	<u>\$ 419,234</u>	<u>\$ 344,984</u>

City of Sherman
TIF #1 CONSTRUCTION FUND
2015 -2016 Annual Budget

	Actual 2013-2014	Projected 2014-2015	Proposed 2015-2016
Beginning Fund Balance	\$ -	\$ -	\$ -
Revenues			
Property Tax	-	-	435,000
Total Revenues	-	-	435,000
Total Funds Available	-	-	435,000
Expenditures			
Improvements	-	-	430,000
Total Expenditures	-	-	430,000
Excess Revenues over Expenditures	-	-	5,000
Ending Fund Balance	\$ -	\$ -	\$ 5,000

City of Sherman
TIF #2 CONSTRUCTION FUND
2015 -2016 Annual Budget

	Actual 2013-2014	Projected 2014-2015	Proposed 2015-2016
Beginning Fund Balance	\$ (88,314)	\$ (39,923)	\$ 24,879
Revenues			
Grant Revenue	1,925	-	-
Property Tax	64,400	64,302	65,000
Interest Earned	597	500	500
Total Revenues	66,921	64,802	65,500
Total Funds Available	(21,393)	24,879	90,379
Expenditures:			
Improvements	18,530	-	85,000
Excess Revenues over Expenditures	48,391	64,802	(19,500)
Ending Fund Balance	\$ (39,923)	\$ 24,879	\$ 5,379

City of Sherman
TIF #3 CONSTRUCTION FUND
2015 -2016 Annual Budget

	Actual 2013-2014	Projected 2014-2015	Proposed 2015-2016
Beginning Fund Balance	\$ 705,757	\$ 644,644	\$ 559,421
Revenues			
Property Tax	69,677	104,080	105,000
Interest Earned	618	225	225
Total Revenues	70,295	104,305	105,225
Total Funds Available	776,052	748,949	664,646
Expenditures			
Improvements	131,408	189,528	-
Transfers Out	-	-	660,000
Total Expenditures	131,408	189,528	660,000
Excess Revenues over Expenditures	(61,113)	(85,223)	(554,775)
Ending Fund Balance	\$ 644,644	\$ 559,421	\$ 4,646

City of Sherman
AUDITORIUM DEBT SERVICE FUND
2015 -2016 Annual Budget

	Actual 2013-2014	Projected 2014-2015	Proposed 2015-2016
Beginning Fund Balance	\$ 142,205	\$ 146,298	\$ 146,510
Revenues			
Transfers In	115,000	114,000	114,000
Interest Earned	268	300	300
Total Revenues	115,268	114,300	114,300
Total Funds Available	257,473	260,598	260,810
Expenditures			
Debt Service	110,425	113,338	111,088
Agent Fees	750	750	750
Total Expenditures	111,175	114,088	111,838
Excess Revenues over Expenditures	4,093	212	2,462
Ending Fund Balance	\$ 146,298	\$ 146,510	\$ 148,972

City of Sherman
TIF #1 DEBT SERVICE FUND
2015 -2016 Annual Budget

	Actual 2013-2014	Projected 2014-2015	Proposed 2015-2016
Beginning Fund Balance	\$ 260,995	\$ 348,992	\$ 470,887
Revenues			
Property Tax	403,101	434,166	-
Interest Earned	949	500	500
Total Revenues	404,050	434,666	500
Total Funds Available	665,045	783,658	471,387
Expenditures			
Debt Service	315,854	312,571	317,400
Agent Fees	200	200	750
Transfers Out	-	-	-
Total Expenditures	316,054	312,771	318,150
Excess Revenues over Expenditures	87,997	121,895	(317,650)
Ending Fund Balance	\$ 348,992	\$ 470,887	\$ 153,237

City of Sherman
2008 CO DEBT SERVICE FUND
2015 -2016 Annual Budget

	Actual 2013-2014	Projected 2014-2015	Proposed 2015-2016
Beginning Fund Balance	\$ 9,865	\$ 10,816	\$ 10,709
Revenues			
Property Tax	361,000	358,000	360,000
Total Revenues	<u>361,000</u>	<u>358,000</u>	<u>360,000</u>
Total Funds Available	370,865	368,816	370,709
Expenditures			
Debt Service	360,049	357,357	359,393
Agent Fees	-	750	750
Total Expenditures	<u>360,049</u>	<u>358,107</u>	<u>360,143</u>
Excess Revenues over Expenditures	951	(107)	(143)
Ending Fund Balance	<u>\$ 10,816</u>	<u>\$ 10,709</u>	<u>\$ 10,566</u>

City of Sherman
2009 CO DEBT SERVICE FUND
2015 -2016 Annual Budget

	Actual 2013-2014	Projected 2014-2015	Proposed 2015-2016
Beginning Fund Balance	\$ 12,316	\$ 12,056	\$ 11,996
Revenues			
Property Tax	312,000	312,000	308,000
Total Revenues	312,000	312,000	308,000
Total Funds Available	324,316	324,056	319,996
Expenditures			
Debt Service	311,510	311,310	307,627
Agent Fees	750	750	750
Total Expenditures	312,260	312,060	308,377
Excess Revenues over Expenditures	(260)	(60)	(377)
Ending Fund Balance	\$ 12,056	\$ 11,996	\$ 11,619

City of Sherman
2009A CO DEBT SERVICE FUND
2015 -2016 Annual Budget

	Actual 2013-2014	Projected 2014-2015	Proposed 2015-2016
Beginning Fund Balance	\$ 3,407	\$ 58,799	\$ 3,286
Revenues			
Property Tax	244,000	190,000	251,000
Transfers In	55,804	-	-
Total Revenues	299,804	190,000	251,000
Total Funds Available	303,211	248,799	254,286
Expenditures			
Debt Service	243,663	244,763	250,713
Agent Fees	750	750	750
Total Expenditures	244,413	245,513	251,463
Excess Revenues over Expenditures	55,392	(55,513)	(463)
Ending Fund Balance	\$ 58,799	\$ 3,286	\$ 2,823

**City of Sherman
POLICE PROGRAMS FUND
2015 -2016 Annual Budget**

	Actual 2013-2014	Projected 2014-2015	Proposed 2015-2016
Beginning Fund Balance	\$ 45,624	\$ 82,026	\$ 54,729
Revenues			
E 9-1-1 Service Fees	288,196	290,000	322,000
Security and Technology Fees	25,014	22,000	22,000
Interest Earned	57	200	200
Total Revenues	313,268	312,200	344,200
Total Funds Available	358,892	394,226	398,929
Expenditures			
Personnel	107,771	107,277	107,277
Supplies	4,928	11,095	13,975
Maintenance	71,407	110,105	137,264
Contract Wages	-	500	500
Contractual Services	92,760	110,520	112,259
Total Expenditures	276,865	339,497	371,275
Excess Revenues over Expenditures	36,402	(27,297)	(27,075)
Ending Fund Balance	\$ 82,026	\$ 54,729	\$ 27,654

**City of Sherman
PARKS PRIDE FUND
2015 -2016 Annual Budget**

	Actual 2013-2014	Projected 2014-2015	Proposed 2015-2016
Beginning Fund Balance	\$ 19,285	\$ 29,260	\$ 39,460
Revenues			
Donations	9,929	10,100	10,100
Interest Earned	45	100	100
Total Revenues	9,975	10,200	10,200
Total Funds Available	29,260	39,460	49,660
Expenditures			
Park Improvements	-	-	48,000
Excess Revenues over Expenditures	9,975	10,200	(37,800)
Ending Fund Balance	\$ 29,260	\$ 39,460	\$ 1,660

**City of Sherman
POLICE PRIDE FUND
2015 -2016 Annual Budget**

	Actual 2013-2014	Projected 2014-2015	Proposed 2015-2016
Beginning Fund Balance	\$ 10,554	\$ 3,422	\$ 4,199
Revenues			
Donations	9,929	15,100	10,100
Interest Earned	18	30	30
Total Revenues	9,947	15,130	10,130
Total Funds Available	20,501	18,552	14,329
Expenditures			
Supplies	2,105	10,553	4,000
Contractual Services	3,474	3,800	8,800
Canine Replacement Dog	11,500	-	1,000
Total Expenditures	17,079	14,353	13,800
Excess Revenues over Expenditures	(7,132)	777	(3,670)
Ending Fund Balance	\$ 3,422	\$ 4,199	\$ 529

City of Sherman
DONATIONS FUND
2015 -2016 Annual Budget

	Actual 2013-2014	Projected 2014-2015	Proposed 2015-2016
Beginning Fund Balance	\$ 3,642	\$ 4,311	\$ 1,319
Revenues			
Donations	4,572	5,000	5,000
Interest Earned	6	8	8
Total Revenues	4,578	5,008	5,008
Total Funds Available	8,220	9,319	6,327
Expenditures			
Supplies	3,910	8,000	6,000
Excess Revenues over Expenditures	669	(2,992)	(992)
Ending Fund Balance	\$ 4,311	\$ 1,319	\$ 327

City of Sherman
DRUG ENFORCEMENT FUND
2015 -2016 Annual Budget

	Actual 2013-2014	Projected 2014-2015	Proposed 2015-2016
Beginning Fund Balance	\$ 145,095	\$ 44,810	\$ 88,521
Revenues			
Police Confiscated Funds	75,247	200,000	150,000
Interest Earned	193	300	300
Total Revenues	75,440	200,300	150,300
Total Funds Available	220,535	245,110	238,821
Expenditures			
Supplies	23,128	84,199	85,569
Maintenance	-	27,000	27,000
Contractual Services	32,719	27,500	29,000
Travel & Tuition	-	-	-
Capital Expenses	119,878	17,890	19,868
Total Expenditures	175,724	156,589	161,437
Excess Revenues over Expenditures	(100,285)	43,711	(11,137)
Ending Fund Balance	\$ 44,810	\$ 88,521	\$ 77,385

City of Sherman
MUNICIPAL AIRPORT FUND
2015 -2016 Annual Budget

	Actual 2013-2014	Projected 2014-2015	Proposed 2015-2016
Beginning Fund Balance	\$ 118,820	\$ 141,333	\$ 151,261
Revenues			
Interest Earned	292	400	300
Rentals	67,197	49,000	49,000
Fuel Sales	413,480	352,000	352,000
Miscellaneous Income	100	200	-
Total Revenues	481,069	401,600	401,300
Total Funds Available	599,889	542,933 -	552,561
Expenditures			
Fuel Purchases	392,106	314,000	313,000
Supplies	-	10	250
Maintenance	15,845	21,000	5,000
Contractual Services	35,315	38,959	39,500
Utilities	14,861	14,410	16,800
Vehicle Usage	429	3,293	3,060
Total Expenditures	458,556	391,672	377,610
Excess Revenues over Expenditures	22,513	9,928	23,690
Ending Fund Balance	\$ 141,333	\$ 151,261	\$ 174,951

City of Sherman
EMPLOYEE INSURANCE FUND
2015 -2016 Annual Budget

	Actual 2013-2014	Budget 2014-2015	Projected 2014-2015	Proposed 2015-2016
Beginning Fund Balance	\$ (318,770)	\$ 12,286	\$ 4,727	\$ 76,727
Revenues				
Employer Contributions	3,889,668	4,327,000	4,075,000	4,565,305
Employee Contributions	889,391	892,000	959,000	959,000
Retiree Contributions	229,705	247,000	230,000	227,000
COBRA Contributions	5,623	6,000	2,000	2,000
Miscellaneous Income	57	-	-	-
Transfers In	1,250,000	-	500,000	-
Total Revenues	6,264,444	5,472,000	5,766,000	5,753,305
Total Funds Available	5,945,674	5,484,286	5,770,727	5,830,032
Expenditures				
Health Insurance Claims	5,294,615	4,650,000	5,061,000	5,000,000
Insurance Premiums & Cost	571,171	594,000	565,000	648,550
Life Insurance	50,162	50,000	43,000	50,000
Miscellaneous	24,999	25,000	25,000	25,000
Total Expenditures	5,940,947	5,319,000	5,694,000	5,723,550
Excess Revenues over Expenditures	323,497	153,000	72,000	29,755
Ending Fund Balance	\$ 4,727	\$ 165,286	\$ 76,727	\$ 106,482

City of Sherman
INFORMATION TECHNOLOGY FUND
2015 -2016 Annual Budget

	Actual 2013-2014	Projected 2014-2015	Proposed 2015-2016
Beginning Fund Balance	\$ 109,994	\$ 98,558	\$ 98,558
Revenues			
Technology Services:			
General Fund	499,996	613,690	615,680
Tourism	1,623	4,550	2,520
Equipment Services Fund	9,740	11,360	17,660
Utility Fund	68,181	99,980	108,480
Solid Waste Fund	12,987	15,910	12,620
Interest Earned	9	-	-
Miscellaneous Income	17	-	-
Total Revenues	592,552	745,490	756,960
Total Funds Available	702,547	844,048	855,518
Expenditures			
Personnel	369,179	371,865	373,988
Supplies	65,736	40,460	55,225
Maintenance	90,433	102,025	97,630
Utilities	50,418	49,120	30,650
Contract Wages	3,893	6,000	7,000
Contractual Services	11,938	19,020	16,465
Capital Expenses	12,392	157,000	176,000
Total Expenditures	603,989	745,490	756,958
Excess Revenues over Expenditures	(11,436)	-	2
Ending Fund Balance	\$ 98,558	\$ 98,558	\$ 98,560

City of Sherman
EQUIPMENT SERVICES FUND
2015 -2016 Annual Budget

	Actual 2013-2014	Projected 2014-2015	Proposed 2015-2016
Beginning Fund Balance	\$ 58,252	\$ 4,517	\$ 4,511
Revenues			
Equipment Service Revenue:			
General Fund	1,298,537	1,313,621	1,421,820
Airport Fund	429	3,293	3,060
Utility Fund	255,273	320,473	335,690
Solid Waste Fund	979,557	863,388	939,990
Miscellaneous Income	1,832	-	-
Total Revenues	2,535,628	2,500,775	2,700,560
Total Funds Available	2,593,880	2,505,292	2,705,071
Expenditures			
Personnel	674,202	731,708	736,825
Supplies	1,015,105	749,111	933,553
Maintenance	664,047	777,475	683,776
Utilities	34,555	30,460	35,420
Information Technology	9,740	11,360	17,660
Contractual Services	172,767	175,667	225,130
Capital Expenses	18,947	25,000	68,200
Total Expenditures	2,589,363	2,500,781	2,700,564
Excess Revenues over Expenditures	(53,735)	(6)	(4)
Ending Fund Balance	\$ 4,517	\$ 4,511	\$ 4,507

City of Sherman
FLEET REPLACEMENT FUND
2015 -2016 Annual Budget

	Actual 2013-2014	Projected 2014-2015	Proposed 2015-2016
Beginning Fund Balance	\$ 126,547	\$ 146,491	\$ 176,534
Revenues			
Transfers in	1,551,319	2,549,772	2,681,428
Interest Earned	297	1,500	10,000
Miscellaneous Income	26,731	-	-
Total Revenues	1,578,347	2,551,272	2,691,428
Total Funds Available	1,704,894	2,697,763	2,867,962
Expenditures			
Supplies	9,704	-	-
Maintenance	8,256	-	-
Debt Service	220,228	220,229	220,228
Equipment-General Fund	657,354	852,000	1,096,888
Equipment-Utility Fund	41,389	307,000	522,325
Equipment-Solid Waste Fund	621,472	1,142,000	841,987
Total Expenditures	1,558,403	2,521,229	2,681,428
Excess Revenues over Expenditures	19,944	30,043	10,000
Ending Fund Balance	\$ 146,491	\$ 176,534	\$ 186,534

City of Sherman
WATER CONSUMER DEPOSITS
2015 -2016 Annual Budget

	Actual 2013-2014	Projected 2014-2015	Proposed 2015-2016
Beginning Fund Balance	\$ 239,239	239,684	240,884
Revenues			
Interest Income	445	1,200	1,200
Total Funds Available	239,684	240,884	242,084
Expenditures			
Miscellaneous	-	-	-
Ending Fund Balance	\$ 239,684	\$ 240,884	\$ 242,084

City of Sherman
PRO RATA FUND
2015 -2016 Annual Budget

	Actual 2013-2014	Projected 2014-2015	Proposed 2015-2016
Beginning Fund Balance	\$ 194,697	\$ 225,173	\$ 245,773
Revenues			
Interest Income	314	600	600
Pro Rata Fees	30,162	20,000	20,000
Total Revenues	30,476	20,600	20,600
Total Funds Available	225,173	245,773	266,373
Expenditures			
Miscellaneous	-	-	15,000
Excess Revenues over Expenditures	30,476	20,600	20,600
Ending Fund Balance	\$ 225,173	\$ 245,773	\$ 251,373

DEBT SERVICE REQUIREMENTS

	2016			2017		
	Principal	Interest	Total	Principal	Interest	Total
<u>General and Internal Service Leases</u>						
General Fund Leases	210,191	10,038	220,229	162,532	2,779	165,311
<u>CO Bonds</u>						
2008 CO Bond	225,000	134,393	359,393	235,000	126,067	361,067
April 2009 CO Bond	180,000	127,627	307,627	185,000	121,327	306,327
Fall 2009A CO Bond	145,000	105,713	250,713	150,000	101,363	251,363
	550,000	367,733	917,733	570,000	348,757	918,757
<u>TIF Funds</u>						
Town Center	220,000	97,400	317,400	230,000	88,102	318,102
<u>Utility Fund</u>						
GTUA-Existing Debt	3,180,920	1,203,282	4,384,202	3,265,420	1,131,433	4,396,853
GTUA-Projected New Debt	800,000	336,000	1,136,000	799,940	960,560	1,760,500
Other Long-Term Debt	94,088	117,101	211,189	97,965	113,224	211,189
	4,075,008	1,656,383	5,731,391	4,163,325	2,205,217	6,368,542
<u>Auditorium</u>						
	60,000	51,088	111,088	65,000	48,744	113,744
GRAND TOTAL	\$ 5,115,199	\$ 2,182,642	\$ 7,297,841	\$ 5,190,857	\$ 2,693,599	\$ 7,884,456

DEBT SERVICE REQUIREMENTS

	2018			2019		
	Principal	Interest	Total	Principal	Interest	Total
<u>General and Internal Service Leases</u>						
General Fund Leases	-	-	-	-	-	-
<u>CO Bonds</u>						
2008 CO Bond	245,000	117,379	362,379	255,000	108,329	363,329
April 2009 CO Bond	191,667	114,852	306,519	196,667	107,665	304,332
Fall 2009A CO Bond	155,000	96,488	251,488	165,000	91,063	256,063
	591,667	328,719	920,386	616,667	307,057	923,724
<u>TIF Funds</u>						
Town Center	238,333	78,360	316,693	248,333	68,146	316,479
<u>Utility Fund</u>						
GTUA-Existing Debt	3,350,820	1,055,223	4,406,043	3,441,220	974,891	4,416,111
GTUA-Projected New Debt	939,360	982,140	1,921,500	1,107,220	905,280	2,012,500
Other Long-Term Debt	102,001	109,188	211,189	106,204	104,985	211,189
	4,392,181	2,146,551	6,538,732	4,654,644	1,985,156	6,639,800
<u>Auditorium</u>						
	70,000	46,213	116,213	70,000	43,500	113,500
GRAND TOTAL	\$ 5,292,181	\$ 2,599,843	\$ 7,892,024	\$ 5,589,644	\$ 2,403,859	\$ 7,993,503

DEBT SERVICE REQUIREMENTS

	2020		
	Principal	Interest	Total
<u>General and Internal Service Leases</u>			
General Fund Leases			
<u>CO Bonds</u>			
2008 CO Bond	265,000	98,917	363,917
April 2009 CO Bond	208,333	99,799	308,132
Fall 2009A CO Bond	170,000	85,288	255,288
	643,333	284,004	927,337
<u>TIF Funds</u>			
Town Center	261,667	57,355	319,022
<u>Utility Fund</u>			
GTUA-Existing Debt	3,551,800	875,396	4,427,196
GTUA-Projected New Debt	974,720	1,037,780	2,012,500
Other Long-Term Debt	110,580	100,609	211,189
	4,637,100	2,013,785	6,650,885
<u>Auditorium</u>	75,000	40,600	115,600
GRAND TOTAL	\$ 5,617,100	\$ 2,395,744	\$ 8,012,844

An aerial photograph of a swimming pool facility. In the foreground, a large green water slide curves into a pool. Several blue and green striped umbrellas are scattered around the pool deck. In the background, there is a parking lot with several cars and a building. The text "5-YEAR CAPITAL IMPROVEMENT PROGRAM" is overlaid in the center of the image.

5-YEAR CAPITAL IMPROVEMENT PROGRAM

A photograph of a two-story red brick municipal building with a classical portico. The portico has four columns and a pediment with a circular medallion. The text 'MUNICIPAL BUILDING' and 'KIDD-KEY AUDITORIUM' is inscribed on the frieze. The building has arched windows on the ground floor and rectangular windows on the second floor. A wide set of steps leads to the entrance. The foreground shows a sidewalk and landscaped areas with shrubs and flowers. The text 'COUNCIL DIRECTION' is overlaid in the center.

COUNCIL DIRECTION

STATE OF TEXAS §
COUNTY OF GRAYSON §

July 20, 2015

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 20, 2015.

MEMBERS PRESENT: MAYOR CARY WACKER; DEPUTY MAYOR DAVID PLYLER. COUNCIL MEMBERS DAVIS, JOHNSON, SOFEY, STEELE, WATT.

MEMBERS ABSENT: NONE.

CALL TO ORDER

Mayor Wacker called the meeting to order at 5:00 p.m. The Pledge of Allegiance and Invocation were given by Council Member Lawrence Davis.

APPROVE MINUTES

The Council reviewed the Minutes of the Regular City Council Meeting of July 6, 2015. Deputy Mayor Plyler moved to approve the Minutes as presented; Second by Council Member Davis. All present voted AYE.
MOTION CARRIED.

RECEIVED QUARTERLY PROGRESS REPORT FROM
SHERMAN ECONOMIC DEVELOPMENT CORPORATION
BOARD CHAIRMAN BROOKS HULL AND SEDCO
EXECUTIVE VICE PRESIDENT FRANK GADEK

Brooks Hull, Sherman Economic Development Corporation Chairman, presented their quarterly progress report. He thanked the Council for their involvement with the business retention and expansion program.

He said they also held their second plant managers forum in which they reviewed the workforce systems analysis. He added that SEDCO Members had also been looking at the Sherman Youth Center for possible future use.

Mr. Hull said the Workforce Solutions Texoma and Denison Development Alliance partnership is currently working on the workforce systems and is evaluating the best training programs across the country. They will be implementing some of those programs that focus on mid-skill jobs.

In the third quarter they were aggressively trying to attract new companies to Sherman. They've had six proposals for new companies and developed four follow-up reports for companies evaluating Sherman as a potential relocation. They have also had five site visits for new companies and two follow-up site visits. Mr. Hull said he hoped to have some exciting news for the Council in the next 60 to 90 days.

COUNCIL MINUTES – JULY 20, 2015

In addition, SEDCO recently launched the new brand and website. He invited everyone to visit sedco.org and look at the new marketing materials for Sherman.

Mr. Hull said SEDCO continues to work closely with the existing companies and was proud to announce the new investments in Sherman, including Panda Power, Tyson, GlobiTech, and Kaiser Aluminum.

He said SEDCO is also making significant progress in the search for a new board president. Their goal is to have the person in place sometime in September.

Mayor Wacker said there is significant activity happening in Sherman now and some of the good results in this year's budget are due to the work of SEDCO expanding and locating businesses in the community. She thanked them for being a partner to the City Council.

PUBLIC HEARING OF ORDINANCE NO. 5885

Mayor Wacker called for a public hearing on Ordinance No. 5885:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, DESIGNATING A CERTAIN AREA AS INDUSTRIAL REINVESTMENT ZONE, NUMBER 072015-1, CITY OF SHERMAN, TEXAS, PROVIDING FOR THE ESTABLISHMENT OF AGREEMENTS WITHIN THE ZONE, AND OTHER MATTERS RELATING THERETO; PROVIDING FINDINGS OF FACT; PROVIDING A SEVERABILITY CLAUSE; PROVIDING AN EFFECTIVE DATE FOR THE COMMENCEMENT OF THE REINVESTMENT ZONE AND THIS ORDINANCE.

**ORD 5885
TAX REINVESTMENT
ZONE
(PANDA POWER)**

Mayor Wacker said this was the second reading of this ordinance.

Robby Hefton, City Manager, explained that this was the ordinance to establish the zone that will allow the Council to consider a tax abatement agreement for the second phase of Panda, which will be considered by the Council at the August 3, 2015 Meeting. He said the staff is excited about having Panda Power expand in Sherman again.

No citizens appeared before the City Council to discuss Ordinance 5885.

INTRODUCTION AND PUBLIC HEARING OF ORDINANCES

Mayor Wacker introduced Ordinance 5886 and called for a public hearing:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, PROVIDING FOR PERMANENT FOUR-WAY "STOP" SIGNS AT THE INTERSECTION OF NORTH LEE AND EAST PACIFIC STREETS WITHIN THE CITY LIMITS OF THE CITY OF SHERMAN; PROVIDING FOR A PENALTY PROVISION; PROVIDING FOR SEVERABILITY; PROVIDING FOR A REPEALER.

**ORD 5886
STOP SIGNS**

No citizens appeared before the City Council to discuss Ordinance 5886.

Mayor Wacker introduced Ordinance 5887 and called for a public hearing:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING CHAPTER 8 OF THE CODE OF ORDINANCES, ENTITLED "OFFENSES AND NUISANCES," AT ARTICLE 8.06, ENTITLED "SMOKING"; PROVIDING FOR INCLUSION IN THE CODE OF ORDINANCES; PROVIDING FOR SEVERABILITY; PROVIDING FOR A REPEALER.

ORD 5887
SMOKING
REGULATIONS

Janis Fletcher, 1015 W. Sycamore

Ms. Fletcher is the Board President of Women Rock and appeared to express the organization's view on smoking. The organization is a non-profit that supports women battling breast cancer, both financially and emotionally. She presented facts from the American Cancer Society about smoking.

Since 1964, 20 million deaths have been related to smoking and 2.4 million of those deaths were among non-smokers who died of second-hand smoke. She said second-hand smoke has high concentrations of the ingredients that cause cancer and is everywhere. Those that breath second-hand smoke are "passive smokers."

Ms. Fletcher added that second-hand smoke is one of the leading causes of one of the most aggressive types of breast cancer there is, with very low survival rates.

She urged the City Council to be progressive and ban smoking in restaurants, bars, outside businesses, workplaces, and wherever.

Kay Kamm, 8900 Carpenter Freeway, Dallas, Texas

Ms. Kamm appeared representing the American Cancer Society Cancer Action Network. She said they appreciate the fact that the Council has chosen to address the ordinance on the books, and urged the Council to adopt the strongest, comprehensive ordinance possible that would include all workplaces.

The proposed ordinance is a great improvement over the one already in place, however it does leave some workers unprotected. She expressed concern that any worker would be unprotected from the hazards of second-hand smoke.

She said there are 7,000 chemicals in second-hand smoke and many of them are carcinogenic. For 50 years, the U.S. Surgeon General's Report has found that second-hand

smoke is hazardous. She said there is no risk-free level of exposure to second-hand smoke and the only way to protect the worker is to eliminate smoking from indoor locations.

She discussed changes in the proposed ordinance that would improve it to the point that the Smoke-Free Texas Coalition would consider it a comprehensive ordinance.

Ms. Kamm also asked them to remove the provision that allows smoking in nursing homes. She said she recently called nine nursing homes in Sherman and not one allowed smoking inside their facility. Most provide an outdoor location for their residents to smoke.

She provided a written copy of the information to the City Clerk for inclusion with the Minutes.

Jerry Saavedra, 15806 Pleasant Well Dr., San Antonio, Texas
Mr. Saavedra appeared representing the American Heart Association. He asked that the Council approve a comprehensive smoke-free ordinance that will protect the health and safety of all Sherman workers, and to establish a fair and consistent policy that will apply equally to all indoor work environments.

He said the American Heart Association is dedicated to fighting heart disease and stroke. Heart disease is the number one killer of Americans in the United States. Exposure to second-hand smoke is a known cause of these diseases, in addition to cancer, lung disease, asthma attacks, and other illnesses in non-smokers. He thanked the Council for addressing the issue.

Mr. Saavedra said non-smoking employees that work in a smoking establishment will “smoke” the equivalent of about 36 cigarettes over the course of an eight hour shift, through exposure to second-hand smoke.

He urged the Council to pass a comprehensive ordinance for Sherman that would dramatically reduce cardiovascular instances and protect all Sherman workers. Over 40 cities in Texas are currently smoke-free.

He added that a comprehensive smoke-free ordinance did not “ban” smoking, but did not allow smoking indoors in the workplace. Smokers could still smoke in their private residences.

Mr. Saavedra said the proposed ordinance is a huge step forward in protecting workers in restaurants and bars, but it is also important to protect workers in other jobs too. He urged the Council to prohibit smoking in all workplaces.

J.R. Neans, 4405 Dripping Springs Road
Mr. Neans appeared representing Texoma Top Shelf E-Cig and Vape, located at 5635 Texoma Parkway. He presented

the Council with information written by 54 research scientists and health professionals, referencing tobacco harm reduction.

He read information saying that people smoke for the nicotine, but die from the smoke. The majority of the death and disease attributable to tobacco come from the inhalation of tar particles and toxic gases drawn into the lungs. He addressed e-cigarettes and other vapor products that can substitute for cigarettes, but with lower risks.

Mr. Neans said tobacco harm reduction products are part of the solution and not part of the problem and can make a significant contribution to reducing diseases caused by smoking. These are low risk alternatives to smoking and should not be considered part of the problem.

He said there is currently no evidence of material risks to health from the vapor emitted from e-cigarettes, and the decision to prohibit or ban e-cigarettes should rest with the owners or operators of public spaces. He felt that protection from tobacco smoke should not be applied to e-cigarette products.

He said that e-cigarettes are a safer alternative to smoking and are not tobacco. His focus is tobacco harm reduction.

Karen Derrick, 205 Gage Road

Ms. Derrick said she was a smoker, but quit because of e-cigarettes. She said it's popular to include e-cigarettes in with regular cigarettes or tobacco products today, but the vape in the e-cigarettes is not a tobacco product.

She said nothing has been proven that says they cause any harm to people around them. If it is found later to be harmful, then something should be done to regulate their use.

She objected to the proposed ordinance because it included e-cigarettes and vape in with the tobacco products. They should be separated and dealt with differently. She asked the City Council to give those working to become tobacco free a chance to do so.

Paul Bean, 121 Forest Creek Dr.

Mr. Bean said smoking is bad and he lost three out of four of his grandparents to cancer. He said this was an opportunity to move Sherman forward and is the right thing to do. He urged the Council not to wait until the State of Texas goes smoke-free, but to do it because it's the right thing to do and it's good for the citizens.

No other citizens appeared before the City Council to discuss Ordinance 5887.

The Public Hearing was closed.

ADOPTION OF ORDINANCES

Ordinance 5885

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, DESIGNATING A CERTAIN AREA AS INDUSTRIAL REINVESTMENT ZONE, NUMBER 072015-1, CITY OF SHERMAN, TEXAS, PROVIDING FOR THE ESTABLISHMENT OF AGREEMENTS WITHIN THE ZONE, AND OTHER MATTERS RELATING THERETO; PROVIDING FINDINGS OF FACT; PROVIDING A SEVERABILITY CLAUSE; PROVIDING AN EFFECTIVE DATE FOR THE COMMENCEMENT OF THE REINVESTMENT ZONE AND THIS ORDINANCE.

ORD 5885
TAX REINVESTMENT
ZONE
(PANDA POWER)

ACTION TAKEN.

Motion by Council Member Watt to approve Ordinance No. 5885, as presented. Second by Council Member Sofey.

VOTING AYE: Davis, Johnson, Plyler, Sofey, Steele, Watt.

VOTING NAY: None.

MOTION CARRIED.

Ordinance 5886

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, PROVIDING FOR PERMANENT FOUR-WAY “STOP” SIGNS AT THE INTERSECTION OF NORTH LEE AND EAST PACIFIC STREETS WITHIN THE CITY LIMITS OF THE CITY OF SHERMAN; PROVIDING FOR A PENALTY PROVISION; PROVIDING FOR SEVERABILITY; PROVIDING FOR A REPEALER.

ORD 5886
STOP SIGNS

ACTION TAKEN.

Motion by Council Member Steele to approve Ordinance No. 5886, as presented. Second by Council Member Johnson.

VOTING AYE: Davis, Johnson, Plyler, Sofey, Steele, Watt.

VOTING NAY: None.

MOTION CARRIED.

Ordinance 5887

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING CHAPTER 8 OF THE CODE OF ORDINANCES, ENTITLED “OFFENSES AND NUISANCES,” AT ARTICLE 8.06, ENTITLED “SMOKING”; PROVIDING FOR INCLUSION IN THE CODE OF ORDINANCES; PROVIDING FOR SEVERABILITY; PROVIDING FOR A REPEALER.

ORD 5887
SMOKING
REGULATIONS

Mayor Wacker told the Council that they have research provided by the staff, a draft ordinance, and the information provided tonight. She asked for any questions or discussions.

Council Member Watt asked if there was adequate information to include e-cigarettes and what was the reason they were included in the draft ordinance.

Mr. Hefton said the staff was not trying to “blaze a new trail” and most of the cities reviewed that had already passed smoking prohibitions included e-cigarettes. It is a fairly new phenomenon and there’s not a lot of data that says it’s as bad or worse than cigarettes. In the proposed ordinance, they were not separated from cigar smoke, cigarette smoke, or pipe smoke.

Mayor Wacker said she did do some research and she recognized that vaping or e-cigs are not the same as tobacco or tobacco products, but there are no long term studies yet to measure what the effect will be.

She said they were included in the proposed ordinance because they would be in a public place where others could possibly inhale whatever chemicals are in them. That’s why most cities include them with smoking products.

The ordinance is not a comprehensive ban for all workplaces, but there are many workplaces in Sherman that do not allow smoking.

Deputy Mayor Plyler said he felt the ordinance was a good compromise based on the community input he has received. He would like to move the ordinance forward, and added that they could address e-cigarettes in the future if data becomes available.

Council Member Johnson said there was discussion about making an exception for people that sit outside to smoke, as long as it was not within 20 feet of the entrance to the restaurant. He asked about making an exception for an outdoor seating or serving area.

Mr. Hefton said the proposed ordinance states that in restaurants and bars, and other outdoor patio areas it would be allowable to smoke in patio areas of restaurants and bars, as long as they are 25 feet away from the main entrance. Mayor Wacker said it would be allowed if the restaurant or bar chooses to allow it in the patio area. They can prohibit smoking on the patio or can be a completely smoke-free restaurant, if they wish.

Council Member Davis said he was concerned about government regulating businesses. In the staff research, there were 65, now 66 restaurants, that don’t allow any smoking. There are nine that allow some smoking somewhere. Any restaurant or bar can make their establishment non-smoking if they want.

He felt the free market has already solved this problem and he felt it was okay to have a few places where people can voluntarily go in and smoke. The health groups focus’ is on longevity, but they don’t get to decide the pursuit of

happiness for everyone. He added that employees of businesses that allow smoking choose to work there, maybe because the tips are better.

Council Member Davis said he was in favor of non-smoking in any place that anyone in the public might have to go too. In any City building, any school, any hospital, that a person might be forced to go too. But the Council shouldn't interfere with having a place that smokers and their friends voluntarily decide they want to go too.

Council Member Johnson said there are already places where smoking is prohibited, and he agreed that smoking should be prohibited in any place people are forced to go. He also was concerned about the free market enterprise. Local businesses have stepped up and met what the customers have wanted. Only nine currently allow smoking. He felt it interfered with the private sector to prohibit smoking and it was a choice.

He reiterated that he was in favor of a smoking ban in public places where people were required to frequent, but had an issue in dealing with businesses and what they can or can't do.

Council Member Sofey said he understood what Council Member Davis and Council Member Johnson were saying, but disagreed with it. As a Council, and as a society in general, he felt they had an obligation to regulate some things. There has been some compromise and the restaurant and bar owners have been notified, and none are in attendance. He did not feel prohibiting smoking would have a major economic impact on their business.

He said he was in favor of an ordinance and liked the way this proposed ordinance was written. He suggested that the Council review extending the hours for some of the locations to allow them to stay open longer. He asked the staff to research this issue.

Mayor Wacker asked why nursing homes were removed from the prohibition. She said they were originally included with hospitals as non-smoking. Brandon Shelby, City Attorney, said the proposed ordinance was modeled after other cities that allow smoking in private rooms, but not in common areas of nursing homes. Apparently the Sherman nursing homes have prohibited smoking in their facilities.

Mayor Wacker asked if there would be a problem adding nursing homes back in with hospitals and prohibiting smoking. Mr. Shelby said that could be included in the wording of the motion.

Deputy Mayor Plyler asked if that would include assisted living facilities. He felt that might be considered a private

residence. Mr. Shelby said the ordinance could differentiate between a nursing home and an assisted living facility.

Mr. Hefton said normally a hospital is a “short stay” facility and long-term care facilities are more of a residence. He said a prohibition against smoking in multi-family residences and apartment complexes is also excluded from the proposed ordinance.

Mayor Wacker said smoking was prohibited in nursing homes before and she would like to see it prohibited in the proposed ordinance too. Deputy Mayor Plyler asked how that would be differentiated from an assisted living facility or a permanent type of facility.

Mr. Shelby said the ordinance could be amended to differentiate between the two if that is included in the motion.

Council Member Watt asked what is not covered by this ordinance. Mr. Hefton said it would not include workplaces; bingo halls; hotel – motel rooms; private clubs, such as the Elk’s Lodge or the VFW; apartment or multi-family facilities; and private residences. The ordinance is designed to protect against the effects of second-hand smoke in enclosed areas. It is about a prohibition of smoking inside public places such as restaurants and bars, City facilities, County facilities, and transportation facilities.

Council Member Watt asked if most of the major industries were non-smoking. Mr. Hefton said the City has received no comments from the industries, but he did not know if smoking was allowed inside their facilities. Mayor Wacker said she was not aware of any industries that permitted indoor smoking.

Mayor Wacker reiterated that the proposed ordinance prohibits most indoor smoking but is not comprehensive and does not ban smoking in all workplaces. The major change would be to prohibit smoking in restaurants and bars, but still allowing restaurants to have outdoor smoking if they choose.

She said she would also like to consider reinserting nursing homes to prohibit smoking.

ACTION TAKEN.

Motion by Deputy Mayor Plyler to approve Ordinance No. 5887, with nursing homes included and with a description of nursing home versus assisted living.

Second by Council Member Steele.

VOTING AYE: Wacker, Plyler, Sofey, Steele, Watt.

VOTING NAY: Davis, Johnson.

MOTION CARRIED.

Mayor Wacker verified that the ordinance would be effective immediately.

CONSENT AGENDA

The Council reviewed the Consent Agenda. Mayor Wacker removed Item C-6 entitled “Resolution 5988 – Authorizing Execution of a Developer’s Agreement with Stonehollow Homes, LLC for Construction of Public Facilities in the Austin Landing, Phase 2A-1 Addition to the City of Sherman” from the Consent Agenda for consideration in its regular order of business.

Council Member Steele moved to approve the Consent Agenda, with the exception of Item C-6, which will be considered in its regular order of business. Second by Council Member Johnson. All present voted AYE.

RESOLUTIONS

RESOLUTION NO. 5983 – AUTHORIZING PARTICIPATION IN THE TEXAS MAIN STREET PROGRAM AND DESIGNATING THE CITY MANAGER TO COORDINATE ALL PROGRAM ACTIVITIES

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING PARTICIPATION IN THE TEXAS MAIN STREET PROGRAM AND DESIGNATING THE CITY MANAGER TO COORDINATE ALL PROGRAM ACTIVITIES.

Lauren Roth, Tourism Director, said Sherman was in the Main Street Program from 1993 to 1998, and pulled out due to budgetary restraints. They have set aside \$20,000 to again make application to the program. Other expenses from the program would be covered by the Tourism Department, such as office space and advertising.

The Main Street Texas Program does not provide any financial assistance, but they do provide support in helping build a board and providing training for the board and a director. They also provide opportunities to apply for grants to help start programs, and they do a lot of co-op advertising.

She asked the Council for their support in submitting the application, saying it is due by July 31, 2015. A determination should be made by late October 2015. If selected, the program would start in January 2016.

Mayor Wacker said there was momentum from the downtown programs that could be capitalized on to re-enter the Main Street Program. This would allow the City to take advantage of the State’s guidance and being listed on their websites and advertisements to help bring tourism dollars back to Sherman.

Council Member Johnson asked if the position was a part-time position. Mr. Hefton said the requirement of the plan is

CONSENT AGENDA

**RES 5983
MAIN STREET
PROGRAM**

that there be a full-time employee that works at least half time toward Main Street issues. The City would fund a full-time employee and then make sure that at least half of their time is spent on Main Street type activities. There should be some opportunities to use this person for other things besides Main Street.

Mayor Wacker said she also spoke with Downtown Sherman Preservation & Revitalization, who would be the City's private sector partner, and they are writing a letter of support for the application.

ACTION TAKEN.

Motion by Council Member Watt to approve Resolution No. 5983, as presented. Second by Council Member Sofey.

VOTING AYE: Davis, Johnson, Plyler, Sofey, Steele, Watt.

VOTING NAY: None.

MOTION CARRIED.

RESOLUTION NO. 5984 – CERTIFYING FUNDING AND SUPPORT FOR THE 2015 FLOOD MITIGATION ASSISTANCE PROGRAM WITH THE FEDERAL EMERGENCY MANAGEMENT AGENCY UNDER THE DEPARTMENT OF HOMELAND SECURITY FOR THE APPLICATION TO RECEIVE FUNDING TO ACQUIRE PROPERTIES CURRENTLY LISTED AS REPETITIVE LOSS OR SEVERE REPETITIVE LOSS BY THE NATIONAL FLOOD INSURANCE PROGRAM

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, CERTIFYING FUNDING AND SUPPORT FOR THE 2015 FLOOD MITIGATION ASSISTANCE PROGRAM WITH THE FEDERAL EMERGENCY MANAGEMENT AGENCY UNDER THE DEPARTMENT OF HOMELAND SECURITY FOR THE APPLICATION TO RECEIVE FUNDING TO ACQUIRE PROPERTIES CURRENTLY LISTED AS REPETITIVE LOSS OR SEVERE REPETITIVE LOSS BY THE NATIONAL FLOOD INSURANCE PROGRAM.

RES 5984
FEMA FUNDING
FOR FLOOD LOSS

Clay Barnett, Director of Public Works and Engineering, said the Federal Emergency Management Agency is having a 2015 Flood Mitigation Assistance call for projects. The City has identified 13 properties that have suffered either repetitive loss or severe repetitive loss. These are properties on which the Federal government has continued to pay insurance claims.

Typically, FEMA will pay 75% of the purchase of these properties with the City paying the remaining 25%. However, since Sherman has been declared a disaster area this year, most of these properties can be purchased at a 90% to 10% split, with FEMA paying the 90% and the City paying 10%. Two of the properties could be purchased at no cost to the City whatsoever.

Mayor Wacker said a year ago when the City was discussing this, it was hard to imagine this flooding scenario in

Sherman. She said this was a good opportunity to address some of the issues that have been identified in the past studies.

ACTION TAKEN.

Motion by Council Member Steele to approve Resolution No. 5984, as presented. Second by Council Member Johnson.

VOTING AYE: Davis, Johnson, Plyler, Sofey, Steele, Watt.

VOTING NAY: None.

MOTION CARRIED.

RESOLUTION NO. 5985 – APPROVING THE GREATER TEXOMA UTILITY AUTHORITY’S INTENTION TO CONTRACT WITH CRESCENT CONSTRUCTORS, INC. FOR CONSTRUCTION OF THE SHERMAN WASTEWATER TREATMENT PLANT HEADWORKS LIFT STATION REPLACEMENT AND ELECTRICAL UPGRADE

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, APPROVING THE GREATER TEXOMA UTILITY AUTHORITY’S INTENTION TO CONTRACT WITH CRESCENT CONSTRUCTORS, INC. FOR CONSTRUCTION OF THE SHERMAN WASTEWATER TREATMENT PLANT HEADWORKS LIFT STATION REPLACEMENT AND ELECTRICAL UPGRADE.

**RES 5985
WWTP HEADWORKS
LIFT STATION
REPLACEMENT**

Mark Gibson, Director of Utilities, said this project was included as a major project in the CIP. The project would upgrade and rebuild the front portion of the City’s Wastewater Treatment Plant, and provide for new pumping capacity and electrical supplies.

Five contractors responded with bids. The staff feels they have a good bid of \$4,777,000 from Crescent Constructors, Inc. The City has worked with the contractor before and they have over \$20 million of ongoing projects now.

The project will be funded through the Greater Texoma Utility Authority and the contract will run for about 15 months, once the project begins. Projected cost of the project is about \$5.1 million.

The staff recommended acceptance of the bid.

ACTION TAKEN.

Motion by Council Member Davis to approve Resolution No. 5985, as presented. Second by Deputy Mayor Plyler.

VOTING AYE: Davis, Johnson, Plyler, Sofey, Steele, Watt.

VOTING NAY: None.

MOTION CARRIED.

RESOLUTION NO. 5986 – APPROVING THE GREATER TEXOMA UTILITY AUTHORITY’S INTENTION TO CONTRACT WITH LYNN VESSELS CONSTRUCTION, LLC FOR CONSTRUCTION OF THE SOUTH SHERMAN RELIEF SEWER
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF

**RES 5986
SOUTH SHERMAN
RELIEF SEWER**

SHERMAN, TEXAS, APPROVING THE GREATER TEXOMA UTILITY AUTHORITY'S INTENTION TO CONTRACT WITH LYNN VESSELS CONSTRUCTION, LLC FOR CONSTRUCTION OF THE SOUTH SHERMAN RELIEF SEWER.

CONSENT AGENDA.

RESOLUTION NO. 5987 – AUTHORIZING THE ACCEPTANCE OF A DEED WITHOUT WARRANTY FROM ROBERT M. BEEGHLY AND VICKI L. BEEGHLY FOR THE CONVEYANCE OF PROPERTY BEING LOT 1 OF THE REPLAT OF LOTS 64 AND 65 OF THE BIRGE-FAIRVIEW ADDITION, VOL. 23, PG. 26 OF THE DEED RECORDS OF GRAYSON COUNTY, TEXAS
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING THE ACCEPTANCE OF A DEED WITHOUT WARRANTY FROM ROBERT M. BEEGHLY AND VICKI L. BEEGHLY FOR THE CONVEYANCE OF PROPERTY BEING LOT 1 OF THE REPLAT OF LOTS 64 AND 65 OF THE BIRGE-FAIRVIEW ADDITION, VOL. 23, PG. 26 OF THE DEED RECORDS OF GRAYSON COUNTY, TEXAS.
CONSENT AGENDA.

RES 5987
CONVEYANCE OF
PROPERTY

RESOLUTION NO. 5988 – AUTHORIZING EXECUTION OF A DEVELOPER'S AGREEMENT WITH STONEHOLLOW HOMES, LLC FOR CONSTRUCTION OF PUBLIC FACILITIES IN THE AUSTIN LANDING, PHASE 2A-1 ADDITION TO THE CITY OF SHERMAN
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF A DEVELOPER'S AGREEMENT WITH STONEHOLLOW HOMES, LLC FOR CONSTRUCTION OF PUBLIC FACILITIES IN THE AUSTIN LANDING, PHASE 2A-1 ADDITION TO THE CITY OF SHERMAN.

RES 5988
DEVELOPER'S
AGREEMENT
STONEHOLLOW
HOMES

Mayor Wacker removed this item from the Consent Agenda for consideration in its regular order of business.

She said this Developer's Agreement is for approximately 70 homes out of potentially 200 homes overall. With this agreement, the infrastructure and public facilities will increase on North Travis Street, for a number of additional homes.

This will also increase the traffic on that road, and Mayor Wacker said it is very important that the City encourage the Texas Department of Transportation to continue to look at improvements needed on Hwy 131. She said growth and construction in that part of Sherman is moving quickly.

ACTION TAKEN.

Motion by Council Member Johnson to approve Resolution No. 5988, as presented. Second by Council Member Steele.

VOTING AYE: Davis, Johnson, Plyler, Sofey, Steele, Watt.

VOTING NAY: None.

MOTION CARRIED.

REQUEST TO ADVERTISE

REPAIR OF THE DORCHESTER 10 WOODBINE WELL

The City Council approved the request to advertise for the repair of the Dorchester 10 Woodbine Well. The pump and/or motor of the well has failed and this well supplies portions of the water provided to the City of Dorchester and to the Marilee Special Utility District, in addition to the City of Sherman.

CONSENT AGENDA.

CHANGE ORDER NO. 1

APPROVING THE GREATER TEXOMA UTILITY
AUTHORITY'S INTENTION TO EXECUTE CHANGE ORDER
NO. 1 FOR CONSTRUCTION OF THE SHERMAN
WASTEWATER TREATMENT PLANT HEADWORKS LIFT
STATION REPLACEMENT AND ELECTRICAL UPGRADE

Mayor Wacker explained that this change order was dependent on the vote on Resolution 5985, earlier in the meeting.

Mr. Gibson explained that the reason a change order is needed is that there are three categories of equipment that are very important to the contract. Each contractor was given a number to enter in the bid for these three items. Then they were bid separately. Bids for the electrical switch gear and the variable frequency drive were then “plugged into” the general contractor’s bids.

The staff felt they could receive a better price for the equipment by bidding it separately, rather than allowing contractors to “sub” it out to the vendors.

The City allowed \$888,000 in the contractor’s bids for these three categories of equipment. The total for the equipment came in at about \$771,000, so the City saved about \$117,000 by using the process. Therefore the City is adjusting the general contractor’s bid that was just awarded to reflect this savings.

ACTION TAKEN.

Motion by Council Member Johnson to approve Change Order No. 1, for construction of the Wastewater Treatment Plant Headworks Lift Station Replacement and Electrical Upgrade, as presented. Second by Council Member Davis.

VOTING AYE: Davis, Johnson, Plyler, Sofey, Steele, Watt.

VOTING NAY: None.

MOTION CARRIED.

OTHER BUSINESS

SETTING THE PUBLIC HEARING ON THE PROPOSED
AGREEMENT WITH PANDA SHERMAN POWER II, LLC FOR
THE ABATEMENT OF AD VALOREM PROPERTY TAXES
FOR IMPROVEMENTS WITHIN INDUSTRIAL REINVESTMENT
ZONE, NUMBER 072015-1, CITY OF SHERMAN, TEXAS

Mr. Hefton said now that the Industrial Reinvestment Zone

REQ TO ADVERTISE
DORCHESTER 10
WOODBINE WELL

CHANGE ORDER
WWTP HEADWORKS
LIFT STATION
REPLACEMENT

PANDA POWER
INDUSTRIAL TAX
ABATEMENT

has been approved, the City can set the public hearing on the proposed agreement with Panda Sherman Power II, LLC for the abatement of ad valorem property taxes. The public hearing is proposed to be held at the August 3, 2015 Council Meeting.

ACTION TAKEN.

Motion by Council Member Sofey to set a public hearing for August 3, 2015, on the proposed agreement with Panda Sherman Power II, LLC for the abatement of ad valorem property taxes for improvements within Industrial Reinvestment Zone No. 072015-1, as presented. Second by Deputy Mayor Plyler.

VOTING AYE: Davis, Johnson, Plyler, Sofey, Steele, Watt.

VOTING NAY: None.

MOTION CARRIED.

REVIEW 2015-2016 DRAFT BUDGET

Mayor Wacker read the following statement, which is required by State law, "this budget will raise more total property taxes than last year's budget by \$670,000 and 7.6%, and of that amount \$419,000 is tax revenue from new property added to the roll this year." She said that is due in large part to Panda Power, which has allowed the City to hold the actual tax rate at the same amount, \$.372 per \$100 valuation.

DRAFT BUDGET

Mary Lawrence, Director of Finance, said the Draft Budget in the agenda is essentially the same as the one presented at the Budget Work Session.

She said the General Fund days of fund balance went from 73 to 76 days. The staff felt secure enough in the property tax values to add those numbers into the budget. They are not certified, but the increase in value has been included.

A proposed plan was also added to move some of the TIF #1 (Town Center) tax revenue to the General Fund because there is an excess of fund balance, more than what is needed to cover the debt service. Therefore, those revenues will be moved back to the General Fund. The sales tax has also been adjusted, based on the past two months.

In the Utility Fund, the fund balance days went down by one day, because the debt service on the Southwest Water Tower was included.

Mayor Wacker said the Council was grateful that the revenue came in better this year because there are some significant CIP projects that have been on hold, such as the water storage tower.

She said two citizens have asked to speak before the Council concerning the Sherman Museum budget.

George Rowland, 614 N. McKown

Mr. Rowland recognized the members of the Sherman Museum Board in attendance at the Council Meeting. He said the Sherman Museum only has two employees so the board members and many volunteers participate with the Museum programs.

He said the Museum serves the City well in promoting tourism and in serving as an anchor as a plan is being developed for an Arts District.

The Museum is not a part-time facility and is open five days a week. It has also been open some evenings during the Dino Days event this summer. He said the Museum recently celebrated the Carnegie Building's 100 Anniversary.

From 1976 to 2005, the Museum was operated by the City. It was then transferred to an independent board. During that time, the board has aggressively made improvements to the building. They have added an elevator, replaced all the old window units and added central heat and air, added handicapped access for bathrooms, and treated air for the archive storage.

Mr. Rowland said they are not a "static museum" and the exhibits change. They have limited staff and these changes take a lot of time to do.

He said Dan Steelman was hired in 2011 as Executive Director. During that time, attendance has doubled. Mr. Steelman has maintained exposure for the Museum through other organizations of which he is a member.

Last year the Museum had 4,500 visitors, including from one foreign country. The Dino Days Exhibit has seen attendance from Houston to Southern Oklahoma. They serve a much larger area than just Sherman. He said many visitors eat in Sherman and some may be staying in hotels.

Mr. Rowland said the Board Members are concerned because last year their budget was reduced by \$13,000. There was an employee that was retiring and she was not replaced. That leaves only two employees. The next budget reduction is proposed to be \$20,000. He did not feel they could reduce the staff anymore with the hours they are open and the exhibits on two floors.

He said they would like to develop a strategic plan for the Museum that will go through 2016. They would like to work with the City on needs they have, and with Austin College and possibly other organizations. He asked that they be allowed to develop this plan through 2016. But to do that, they would need to have the funding restored.

Dorothy McKee, 713 W. Birge

Ms. McKee said she moved to Sherman in 1976 because

they liked the community and it seemed like a community that cared. She became involved with the Sherman Museum in 1977, one year after its inception. There have been many changes in the Museum since it began. Then the exhibits were static. They tried to make them relative, but they had low attendance and participation.

Eventually a portion of their Hotel/Motel Tax budget was used to hire Mr. Steelman and he has brought together history and pre-history with the Dino Days and the Time Traveler exhibits. Hundreds have come through the Dino Days and many children have visited the Museum.

She said the Board Members volunteer their time and handle fund raising and the History Comes Alive series in West Hill Cemetery. This year they will be honoring Lucy Kidd-Key. They will collaborate with the Sherman Independent School District on a History Comes Alive program for Sherman High School that is funded by a grant from the Sherman Education Foundation.

The Sherman Museum has worked hard and tried to build a Museum that no one else has in North Texas. No one else has the dinosaurs that have been on display along with a huge exhibit of fossils. The Time Traveler event will parallel this with other historical events that have occurred in Sherman and in North Texas.

Ms. McKee said to do this, they must have the funding they have had in the past. Otherwise they may lose a staff person, they may lose the ability to stay open five days a week, they may lose the ability to be open on Saturday. She said they are “cut to the bottom” and do everything as economically as possible. But they can’t exist with the cuts that have been proposed for this year.

She said Sherman is starting to have a reemergence of the downtown area and they are so excited to be a part of that. They want to grow like the downtown is growing. She asked Council Members not to let the 100 year old Carnegie Building fall into disrepair because the funding has been cut.

Sarah Campbell Stevens, 1712 W. McGee

Ms. Stevens said the old Carnegie Building is a very important building and a very important set of events, and a treasure that has been assembled. It is important to keep that building vibrant and in use.

She has attended events with her grandchildren that were held at the Sherman Museum and she said the Museum is not a stagnant place. She asked Council Members to help them continue their hard work and effort.

Bea Harmon, 629 N. Holly

Ms. Harmon is the President of the Sherman Museum Board

and her grandchildren love the Museum and it is important for young children to learn what we have and what we had.

Mayor Wacker said she has met with the Museum Board, as has Mr. Hefton. The City is absolutely in favor of supporting the Sherman Museum. What they have proposed is that, in time, the Hotel/Motel Tax funding be replaced with a more sustainable source by partnering with the Museum and other entities in the City, such as Austin College, to transfer some collections or services that could be sent to the Museum that would generate revenue for them. Hopefully this would stabilize the Museum's funding in future years. The Hotel/Motel Tax money has been dwindling and there are many more requests for the funding.

She said this is about looking at new ways in 2015 to help bring a sustainable source of revenue to the Museum so they can operate far into the future.

Mr. Hefton said a draft budget has been presented tonight. The introduction of the budget ordinance is scheduled for the next Council Meeting. The proposed budget lists the tourism budget at \$240,000, with budget support for the Museum shifting \$20,000 of their \$70,000. If the proposed budget was approved today, the Museum would receive budgetary support of \$50,000 for FY 2016. Which is a \$20,000 cut from the current year level of \$70,000.

If the Council would like to allocate additional funds through the tourism budget, the staff could increase the tourism budget by a specific amount and direct that it be given to the Museum.

The staff has discussed with the Museum, the possibility of a visioning and strategic planning process where the City helps bring resources together to do some long-term planning in order to get the Museum to a sustainable level.

Mr. Hefton said if the Council is considering increasing the funding levels from what is proposed, that they tie or associate that additional funding to a deliverable, such as completion of the process of a strategic plan by this time next year.

He said there is money in the Hotel/Motel Tax Fund to increase the proposed Museum funding. Hotel/Motel Tax fund balance at the end of 2016 is estimated at \$220,000.

Council Member Watt verified that the City is changing the way the Museum is funded by looking at partnerships, at the same time their budget is being cut by 20%. Mr. Hefton said there have been internal discussions about how the City could partner with the Museum and have services offered by the City moved to the Museum.

COUNCIL MINUTES – JULY 20, 2015

Mr. Hefton said it is hoped that the end of this process would result in a more sustainable revenue stream for the Museum and a more appropriate and efficient way to do other parts of what the City is already doing for genealogical and historical research.

Council Member Watt asked if it would be possible to “tighten up the efficiencies” and put these in place next year. Mr. Hefton said it possibly would, but there are some other internal things that must happen before that could occur. He was not sure everything could be in place before the City could move some of these resources and responsibilities to the Museum.

He felt the strategic plan for the Museum and an internal plan for moving some of the City services could be developed within one year.

Council Member Watt verified that there was \$20,000 available if the Council wanted to increase the Museum’s budget. Council Member Steele verified that the \$20,000 used for the Main Street Program application was the \$20,000 that was reallocated from the Museum’s budget.

Mr. Hefton said the Hotel/Motel Tax Fund is more of a capital project fund and a general fund and the fund balance is not viewed the same as having a specific number of days in reserve.

Council Member Steele did not want to “put the Museum in a backspin” and try to catch up later. He agreed that keeping the Museum open is a benefit.

Mr. Hefton said for one year, FY 2016, he could recommend that there is room to restore the funding to the \$70,000 level and not jeopardize the Hotel/Motel Tax Fund. Next year the Council could review the plan for funding and should have both strategic planning and internal planning to consider.

Council Member Watt said he would like to proceed in that manner. Council Member Davis asked if the Museum needed help from the City. Mr. Hefton said they do, but the staff is not an expert in this type of strategic planning. There are several potential consultants that could help and the City has started to lay the groundwork for a consultant.

The next step would be to select the consultant and work through the City staff, Museum staff, and Museum Board to participate in the project. Funding should be a few thousand dollars and funds could be found in the City’s current budget.

Council Member Johnson asked how much the Museum has already raised in their endowment fund. Mr. Rowland said they have raised about \$160,000, and the goal was to spend

about 5% per year. He added that the Museum really needs to get the full \$33,000 back that was cut over several years.

Mayor Wacker said she felt this was a positive discussion and she appreciated the work that the Museum has done to become more interactive. She felt the new partnerships would help find additional efficiencies with City functions that would be a good fit with the Museum and would open the door for additional grant funding.

This will allow time to develop the plan and get everyone working together.

She asked the staff to look at restoring the \$20,000 cut to the Museum budget, with the stipulation that the work continues to move forward on the strategic planning. Council Members agreed with the proposal.

DISCUSSION OF THE PROPOSED TAX RATE FOR FISCAL YEAR 2015-2016 AND SCHEDULING PUBLIC HEARINGS FOR THE BUDGET AND PROPOSED TAX RATE

PROPOSED TAX RATE

Mr. Hefton said the staff is proposing a tax rate for FY 2015-2016 of \$.372 per \$100 valuation. He said specific language should be read as a part of the motion.

ACTION TAKEN.

Motion by Deputy Mayor Plyler to propose a tax rate of thirty-seven point two cents per hundred dollars of valuation for the upcoming budget year and to set public hearings on this proposal, as presented. Second by Council Member Johnson.

VOTING AYE: Davis, Johnson, Plyler, Sofey, Steele, Watt.

VOTING NAY: None.

MOTION CARRIED.

Mayor Wacker said the City's tax rate does not increase this year.

CITIZENS REQUESTS

There were no citizen's requests.

CITIZENS REQUESTS

MEDIA QUESTIONS

There were no media questions.

MEDIA QUESTIONS

COUNCIL COMMENTS

There were no Council comments.

COUNCIL COMMENTS

ANNOUNCEMENTS

Mayor Wacker announced the following:

ANNOUNCEMENTS

- The Police Department is recruiting applicants for a September entry level test. They are working with CBC Creative and partnering with Grayson College's Center for Workplace Learning to encourage strong applicants.

COUNCIL MINUTES – JULY 20, 2015

ADJOURNMENT

On Motion duly made and carried, the meeting adjourned at 6:44 p.m.

ADJOURNMENT

MAYOR

CITY CLERK

1. Add "workplace or place of employment" to the list of places where smoking is prohibited (section 8.06.002)
2. After that addition, eliminate section 8.06.004 entirely.
3. Delete and replace the definition of "enclosed" with " "Enclosed" means all space between a floor and a ceiling that is bounded on at least two sides by walls, doorways, or windows, whether open or closed. A wall includes any retractable divider, garage door, or other physical barrier, whether temporary or permanent and whether or not containing openings of any kind."
4. Change the wording in the definition of e-cigarette from "which simulates smoking" to include the word "can" or "may," making it "which may simulate smoking."
5. Remove the provision allowing smoking in some nursing home rooms. I called nine nursing home facilities in Sherman last week and found that none allow smoking indoors. That being the case, there is no reason to continue allowing smoking that endangers other patients or workers.

FACILITY	PHONE	POLICY
Homestead	903.891.1730	nonsmoking facility
Preston House	903.892.6937	nonsmoking facility, smoking allowed in outside courtyard
Pecan Point	866.370.5530	nonsmoking facility, smoking allowed in designated locations in outside courtyard
Traditions Senior Living	903.893.4280	nonsmoking facility
Brookdale Willows	903.416.8377	nonsmoking facility, designated locations outside
Texoma Healthcare	903.893.9636	nonsmoking facility
Sherman Healthcare	903.893.6348	nonsmoking facility
Beacon Hill	903.327.8537	nonsmoking facility (Denison)
Houston House Care Home	903.893.0726	no answer

Statement from specialists in nicotine science and public health policy

Dr Margaret Chan
Director General
World Health Organisation
Geneva

CC: FCTC Secretariat, Parties to the FCTC, WHO Regional Offices

26 May 2014

Dear Dr Chan

Reducing the toll of death and disease from tobacco – tobacco harm reduction and the Framework Convention on Tobacco Control (FCTC)

We are writing in advance of important negotiations on tobacco policy later in the year at the FCTC Sixth Conference of the Parties. The work of WHO and the FCTC remains vital in reducing the intolerable toll of cancer, cardiovascular disease and respiratory illnesses caused by tobacco use. As WHO has stated, up to one billion preventable tobacco-related premature deaths are possible in the 21st Century. Such a toll of death, disease and misery demands that we are relentless in our search for all possible practical, ethical and lawful ways to reduce this burden.

It is with concern therefore that a critical strategy appears to have been overlooked or even purposefully marginalised in preparations for FCTC COP-6. We refer to 'tobacco harm reduction' - the idea that the 1.3 billion people who currently smoke could do much less harm to their health if they consumed nicotine in low-risk, non-combustible form.

We have known for years that people 'smoke for the nicotine, but die from the smoke': the vast majority of the death and disease attributable to tobacco arises from inhalation of tar particles and toxic gases drawn into the lungs. There are now rapid developments in nicotine-based products that can effectively substitute for cigarettes but with very low risks. These include for example, e-cigarettes and other vapour products, low-nitrosamine smokeless tobacco such as snus, and other low-risk non-combustible nicotine or tobacco products that may become viable alternatives to smoking in the future. Taken together, these tobacco harm reduction products could play a significant role in meeting the 2025 UN non-communicable disease (NCD) objectives by driving down smoking prevalence and cigarette consumption. Indeed, it is hard to imagine major reductions in tobacco-related NCDs without the contribution of tobacco harm reduction. Even though most of us would prefer people to quit smoking and using nicotine altogether, experience suggests that many smokers cannot or choose not to give up nicotine and will continue to smoke if there is no safer alternative available that is acceptable to them.

We respectfully suggest that the following principles should underpin the public health approach to tobacco harm reduction, with global leadership from WHO:

Statement from specialists in nicotine science and public health policy

1. *Tobacco harm reduction is part of the solution, not part of the problem.* It could make a significant contribution to reducing the global burden of non-communicable diseases caused by smoking, and do so much faster than conventional strategies. If regulators treat low-risk nicotine products as traditional tobacco products and seek to reduce their use without recognising their potential as low-risk alternatives to smoking, they are improperly defining them as part of the problem.
2. *Tobacco harm reduction policies should be evidence-based and proportionate to risk, and give due weight to the significant reductions in risk that are achieved when a smoker switches to a low risk nicotine product.* Regulation should be proportionate and balanced to exploit the considerable health opportunities, while managing residual risks. The architecture of the FCTC is not currently well suited to this purpose.
3. *On a precautionary basis, regulators should avoid support for measures that could have the perverse effect of prolonging cigarette consumption.* Policies that are excessively restrictive or burdensome on lower risk products can have the unintended consequence of protecting cigarettes from competition from less hazardous alternatives, and cause harm as a result. Every policy related to low risk, non-combustible nicotine products should be assessed for this risk.
4. *Targets and indicators for reduction of tobacco consumption should be aligned with the ultimate goal of reducing disease and premature death, not nicotine use per se, and therefore focus primarily on reducing smoking.* In designing targets for the non-communicable disease (NCD) framework or emerging Sustainable Development Goals it would be counterproductive and potentially harmful to include reduction of low-risk nicotine products, such as e-cigarettes, *within these targets*: instead these products should have an important role in *meeting the targets*.
5. *Tobacco harm reduction is strongly consistent with good public health policy and practice and it would be unethical and harmful to inhibit the option to switch to tobacco harm reduction products.* As the WHO's Ottawa Charter states: "*Health promotion is the process of enabling people to increase control over, and to improve, their health*". Tobacco harm reduction allows people to control the risk associated with taking nicotine and to reduce it down to very low or negligible levels.
6. *It is counterproductive to ban the advertising of e-cigarettes and other low risk alternatives to smoking.* The case for banning tobacco advertising rests on the great harm that smoking causes, but no such argument applies to e-cigarettes, for example, which are far more likely to reduce harm by reducing smoking. Controls on advertising to non-smokers, and particularly to young people are certainly justified, but a total ban would have many negative effects, including protection of the cigarette market and implicit support for tobacco companies. It is possible to target advertising at existing smokers where the benefits are potentially huge and the risks minimal. It is inappropriate to apply Article 13 of the FCTC (Tobacco advertising, promotion and sponsorship) to these products.

Statement from specialists in nicotine science and public health policy

7. *It is inappropriate to apply legislation designed to protect bystanders or workers from tobacco smoke to vapour products.* There is no evidence at present of material risk to health from vapour emitted from e-cigarettes. Decisions on whether it is permitted or banned in a particular space should rest with the owners or operators of public spaces, who can take a wide range of factors into account. Article 8 of the FCTC (Protection from exposure to tobacco smoke) should not be applied to these products at this time.
8. *The tax regime for nicotine products should reflect risk and be organised to create incentives for users to switch from smoking to low risk harm reduction products.* Excessive taxation of low risk products relative to combustible tobacco deters smokers from switching and will cause more smoking and harm than there otherwise would be.
9. *WHO and national governments should take a dispassionate view of scientific arguments, and not accept or promote flawed media or activist misinterpretations of data.* For example, much has been made of 'gateway effects', in which use of low-risk products would, it is claimed, lead to use of high-risk smoked products. We are unaware of any credible evidence that supports this conjecture. Indeed, similar arguments have been made about the use of smokeless tobacco in Scandinavia but the evidence is now clear that this product has made a significant contribution to reducing both smoking rates and tobacco-related disease, particularly among males.
10. *WHO and parties to the FCTC need credible objective scientific and policy assessments with an international perspective.* The WHO Study Group on Tobacco Product Regulation (TobReg) produced a series of high quality expert reports between 2005 and 2010. This committee should be constituted with world-class experts and tasked to provide further high-grade independent advice to the WHO and Parties on the issues raised above.

The potential for tobacco harm reduction products to reduce the burden of smoking related disease is very large, and these products could be among the most significant health innovations of the 21st Century – perhaps saving hundreds of millions of lives. The urge to control and suppress them as tobacco products should be resisted and instead regulation that is fit for purpose and designed to realise the potential should be championed by WHO. We are deeply concerned that the classification of these products as tobacco and their inclusion in the FCTC will do more harm than good, and obstruct efforts to meet the targets to reduce non-communicable disease we are all committed to. We hope that under your leadership, the WHO and FCTC will be in the vanguard of science-based, effective and ethical tobacco policy, embracing tobacco harm reduction.

We would be grateful for your considered reaction to these proposals, and we would like to request a meeting with you and relevant staff and a small delegation of signatories to this letter. This statement and any related information will be available on the Nicotine Science and Policy web site (<http://nicotinepolicy.net>) from 29 May 2014.

Yours sincerely,

Professor David Abrams

Professor of Health Behavior and Society,
The Johns Hopkins Bloomberg School of
Public Health. Maryland. USA.
Professor of Oncology (adjunct).
Georgetown University Medical Center,
Lombardi Comprehensive Cancer Center.
Washington DC.
United States of America

Professor Tony Axéll

Emeritus Professor Geriatric Dentistry
Consultant in Oral Medicine
Sweden

Professor Pierre Bartsch

Respiratory physician,
Faculty of Medicine
University of Liège
Belgium

Professor Linda Bauld

Professor of Health Policy
Director of the Institute for Social Marketing
Deputy Director, UK Centre for Tobacco
and Alcohol Studies
University of Stirling
United Kingdom

Professor Ron Borland

Nigel Gray Distinguished Fellow in Cancer
Prevention at Cancer Council Victoria
Professorial Fellow School of Population
Health and Department of Information
Systems
University of Melbourne,
Australia

Professor John Britton

Professor of Epidemiology;
Director, UK Centre for Tobacco & Alcohol
Studies,
Faculty of Medicine & Health Sciences
University of Nottingham,
United Kingdom

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Director, National Institute for Health
Innovation
School of Population Health,
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New Zealand

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Faculty of Pharmacy
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Quebec,
Canada.

Dr Lynne Dawkins

Senior Lecturer in Psychology,
Co-ordinator: Drugs and Addictive
Behaviours Research Group
School of Psychology,
University of East London,
United Kingdom

Professor Ernest Drucker

Professor Emeritus
Department of Family and Social Medicine,
Montefiore Medical Center/Albert Einstein
College of Medicine
Mailman School of Public Health
Columbia University
United States of America

Professor Jean François Etter

Associate Professor
Institut de santé globale,
Faculté de médecine,
Université de Genève,
Switzerland

Dr Karl Fagerström

President, Fagerström Consulting AB,
Vaxholm,
Sweden

Dr Konstantinos Farsalinos

Researcher, Onassis Cardiac Surgery
Center, Athens, Greece
Researcher, University Hospital
Gathuisberg, Leuven,
Belgium

Professor Antoine Flahault

Directeur de l'Institut de Santé Globale
Faculté de Médecine, Université de
Genève, Suisse/ Institute of Global Health,
University of Geneva, Switzerland
Professor of Public Health at the Faculté
de Médecine, Université Paris Descartes,
Sorbonne Paris Cité,
France

Statement from specialists in nicotine science and public health policy

Statement from specialists in nicotine science and public health policy

Dr Coral Gartner

Senior Research Fellow
University of Queensland Centre for
Clinical Research
The University of Queensland,
Australia

Dr Guillermo González

Psychiatrist
Comisión de Rehabilitación en Enfermedad
Mental Grave
Clínica San Miguel
Madrid,
Spain

Dr Nigel Gray

Member of Special Advisory Committee on
Tobacco Regulation of the World Health
Organization
Honorary Senior Associate
Cancer Council Victoria
Australia

Professor Peter Hajek

Professor of Clinical Psychology and
Director, Health and Lifestyle Research
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UK Centre for Tobacco and Alcohol
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Wolfson Institute of Preventive Medicine,
Barts and The London School of Medicine
and Dentistry Queen Mary University of
London,
United Kingdom

Professor Wayne Hall

Director and Inaugural Chair, Centre for
Youth Substance Abuse Research
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Australia

Professor John Hughes

Professor of Psychology, Psychiatry and
Family Practice
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United States of America

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United Kingdom

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Institut de Cardiologie de Montréal
Professeur Titulaire de Clinique
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Senior fellow, Global Health Program,
Graduate institute, Geneva,
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School of Health Sciences and Vice Rector
University of Thessaly,
Greece

Professor Lynn Kozlowski

Dean, School of Public Health and Health
Professions,
Professor of Community Health and Health
Behavior,
University at Buffalo,
State University of New York,
United States of America

Professor Eva Králíková

Institute of Hygiene and Epidemiology
Centre for Tobacco-Dependence
First Faculty of Medicine
Charles University in Prague and General
University Hospital in Prague,
Czech Republic

Professor Michael Kunze

Head of the Institute for Social Medicine
Medical University of Vienna,
Austria

Dr Murray Laugesen

Director
Health New Zealand, Lyttelton,
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Statement from specialists in nicotine science and public health policy

Dr Jacques Le Houezec

Consultant in Public Health, Tobacco dependence, Rennes, France
Honorary Lecturer, UK Centre for Tobacco Control Studies, University of Nottingham, United Kingdom

Dr Kgosi Letlape

President of the Africa Medical Association
Former President of the World Medical Association
Former Chairman of Council of the South African Medical Association
South Africa

Dr Karl Erik Lund

Research director
Norwegian Institute for Alcohol and Drug Research, Oslo, Norway

Dr Gérard Mathern

Président de l'Institut Rhône-Alpes de Tabacologie
Saint-Chamond, France

Professor Richard Mattick

NHMRC Principal Research Fellow
Immediate Past Director NDARC (2001-2009)
National Drug and Alcohol Research Centre (NDARC)
Faculty of Medicine
The University of New South Wales, Australia

Professor Ann McNeill

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Deputy Director, UK Centre for Tobacco and Alcohol Studies
National Addiction Centre
Institute of Psychiatry
King's College London, United Kingdom

Dr Hayden McRobbie

Reader in Public Health Interventions, Wolfson Institute of Preventive Medicine, Queen Mary University of London, United Kingdom

Dr Anders Milton

Former President of the Swedish Red Cross
Former President and Secretary of the Swedish Medical Association
Former Chairman of the World Medical Association
Owner & Principal Milton Consulting, Sweden

Professor Marcus Munafò

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MRC Integrative Epidemiology Unit at the University of Bristol
UK Centre for Tobacco and Alcohol Studies
School of Experimental Psychology
University of Bristol, United Kingdom

Professor David Nutt

Chair of the Independent Scientific Committee on Drugs (UK)
Edmund J Safera Professor of Neuropsychopharmacology
Head of the Department of Neuropsychopharmacology and Molecular Imaging
Imperial College London, United Kingdom

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Institut thoracique de Montréal, Canada

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Statement from specialists in nicotine science and public health policy

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Faculty of Pharmacy and Laboratory
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Medical University of Silesia, Katowice,
Poland
Institute of Occupational Medicine and
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Visiting Professor, London School of
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United Kingdom

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Professor, Department of Psychology
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Canada

Professor David Swenor

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University of Ottawa
Special Lecturer, Division of Epidemiology
and Public Health,
University of Nottingham,
United Kingdom

Professor Umberto Tirelli

Director Department of Medical Oncology
National Cancer Institute of Aviano
Italy

Professor Umberto Veronesi

Scientific Director
IEO Istituto Europeo di Oncologia
Former Minister of Health,
Italy

Professor Kenneth Warner

Avedis Donabedian Distinguished
University Professor of Public Health
Professor, Health Management & Policy
School of Public Health
University of Michigan
United States of America

Professor Robert West

Professor of Health Psychology and
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University College London
United Kingdom

Professor Dan Xiao

Director of Department Epidemiology
WHO Collaborating Center for Tobacco or
Health
Beijing Institute of Respiratory Medicine,
Beijing Chao-Yang Hospital,
China

Dr Derek Yach

Former Executive Director, Non-
Communicable Diseases
Former Head of Tobacco Free Initiative,
World Health Organisation (1995-2004)
Senior Vice President Vitality Group plc
Director, Vitality Institute for Health
Promotion
United States of America



SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

Agenda Item No. B. 1.

Meeting Date: 08/03/2015

Prepared By: Robby Hefton, City Manager

Approved By: Robby Hefton, City Manager

Caption:

PUBLIC HEARING

Proposed Tax Abatement Agreement with Panda Sherman Power II, LLC for Improvements to Property in Industrial Reinvestment Zone No. 072015-1

Issue:

Holding a public hearing for a proposed property tax abatement agreement between the City of Sherman and Panda Sherman Power II, LLC (Panda)

Background:

The Tax Reinvestment Committee met in June to discuss a tax abatement request from Panda for construction of an additional 450 megawatt combined cycle electric generation power plant for the sale of wholesale electric power to the ERCOT grid at Panda's current location on Progress Drive in Industrial Reinvestment Zone No. 072015-1. This project would be constructed over about 30 months at an initial estimated cost of \$200 to \$230 million. The proposed agreement calls for a ten-year declining abatement with abatement percentages beginning at 65% in year one (1) and ending with 25% in year ten (10). The agreement also provides for a minimum taxable value during the term of the agreement of at least \$75 million. During the construction period, approximately 500-600 jobs would be created; and, following construction, there would be up to eight (8) additional permanent jobs. Although the permanent employment levels at the plant will be minimal, the level of capital investment makes this taxpayer the largest taxpayer within the City limits by a large margin. Per terms of the agreement, the project would begin in mid-to-late 2016 and is expected to be completed by year 2019.

Origination:

Tax Reinvestment Committee

Financial Consideration:

The expected property tax revenues from this project during the term of the abatement total about \$2.4 million; and the expected incentive to Panda for the same period is about \$2.9 million.

Staff Recommendation:

It is recommended that the City Council hold a public hearing for the proposed tax abatement agreement.

Alternatives:

The City Council could deny the contract.

Attachments

Tax Abatement Agreement

TAX ABATEMENT AGREEMENT

STATE OF TEXAS §
COUNTY OF GRAYSON §
CITY OF SHERMAN §

This Tax Abatement Agreement (“Agreement”) is made and entered into as of the 3rd day of August, 2015 (the “Effective Date”), by and among the City of Sherman, Texas (“City”), a Home Rule City and Municipal Corporation of Grayson County, Texas, duly acting herein by and through its Mayor, and Panda Sherman Power II, LLC, a Delaware Limited Liability Company (“Panda”), acting by and through its authorized officers, for the purposes and considerations stated below:

WITNESSETH:

WHEREAS, on the 20th day of July, 2015, the City Council of the City (“City Council”), passed Ordinance No. 5885, (“Ordinance”) establishing Tax Abatement Reinvestment Zone No. 072015-1, City of Sherman, Texas (“Zone”), for commercial-industrial tax abatement, as authorized by Chapter 312 of the Texas Tax Code, as amended (“Code”); and

WHEREAS, the City has adopted a Comprehensive Policy Statement on Tax Base Enhancement and Economic Development Incentives (“Policy Statement”), by the passage of Resolution No. 5862, on the 2nd day of June, 2014; and

WHEREAS, the City’s current Policy Statement is attached as Exhibit A hereto; and

WHEREAS, the Policy Statement constitutes appropriate guidelines and criteria governing tax abatement agreements to be entered into by the City as contemplated by Chapter 312 of the Code, providing for the availability of tax abatement for both new facilities and structures and for the contemplated expansion or modernization of existing facilities or structures; and

WHEREAS, the City has adopted a resolution stating that it elects to be eligible to participate in tax abatement; and

WHEREAS, Panda currently owns the Premises, as hereinafter defined, and Panda expects to develop and construct an approximately 450 Megawatt natural gas fired, combined cycle, electric generation facility (the “Electric Generation Facility”) (among other possible improvements) on the Premises. The development and use of the Premises is expected to significantly enhance the economic and employment base of the City; and

WHEREAS, the City Council also finds that the improvements sought are feasible and practical and would be of benefit to the land to be included in the Zone and to the City after expiration of this Agreement; and

WHEREAS, the City Council finds that the terms of this Agreement and the Premises and proposed Qualified Facilities, as hereinafter defined, meet the applicable guidelines and criteria heretofore adopted by the City Council; and

WHEREAS, a copy of this Agreement has been furnished, in the manner prescribed by the Code, to the presiding officers of the governing bodies of each of the taxing units in which the Premises is located;

NOW, THEREFORE, the City, for good and valuable consideration, the adequacy and receipt of which is hereby acknowledged, which consideration includes the expansion of primary employment, the attraction of major investment in the Zone and increased payroll that contributes to the economic development of the City and enhancement of the tax base in the City and Grayson County, and

Panda, for good and valuable consideration, the adequacy and receipt of which is hereby acknowledged, which consideration includes the tax abatement set forth herein below, as authorized by Sections 312.201 through 312.211 of the Code, does hereby contract, covenant and agree as follows:

I. DEFINITIONS

Wherever used in this Agreement, the following capitalized terms shall have the meanings ascribed to them:

- A. “PANDA AFFILIATE” shall mean any Person, directly or indirectly controlling, controlled by, or under common control with Panda. As used in this definition, the term “control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership of voting securities, by contract or otherwise.
- B. “COMMERCIAL OPERATIONS DATE” shall mean the date on which the independent engineer certifies that the Electric Generation Facility has completed all required performance tests and/or is built to the specifications outlined in the engineering, procurement and construction agreement.
- C. “EFFECTIVE DATE” shall have the meaning given it in the introductory paragraph of this Agreement.
- D. “ELIGIBLE PROPERTY VALUE” shall mean (i) with respect to each Qualified Facility for a particular tax year, the value of such Qualified Facility on the tax rolls of the Grayson Appraisal District as of such tax year; and (ii) with respect to business personal property located on the Premises for a particular tax year, the value of such business personal property on the tax rolls of the Grayson Appraisal District as of such tax year.
- E. “FINANCING PARTY” shall mean the lenders, security holders, investors, equity providers and others providing financing or refinancing to or on behalf of Panda, for the development, construction, ownership, operation or maintenance of the Electric Generation Facility or any portion thereof, or any trustee or agent acting on behalf of any of the foregoing
- F. “FORCE MAJEURE” shall mean, without limitation, acts of God, or the public enemy, war, terrorism, criminal acts by unrelated third parties, riot, civil commotion, insurrection, governmental or de facto governmental action other than the City’s legislative zoning authority, fire, explosions, floods, strikes, adverse weather, or any other extraordinary event beyond the control of Panda (including, without limitation, broad based extraordinary economic events) that makes it reasonably impracticable to accomplish a desired objective.

- G. "PERSON" shall mean an individual or a corporation, partnership, trust, estate, unincorporated organization, association, or other entity.
- H. "PREMISES" shall mean all that parcel of land owned by Panda as hereinafter described in Exhibit B attached hereto.
- I. "QUALIFIED FACILITIES" shall mean any building, improvement, structure, fixture, parking or paving constructed on the Premises after the Effective Date.

II. GENERAL PROVISIONS

- A. All procedures followed by the City shall conform to the requirements of the Code, and shall be undertaken in coordination with Panda's corporate, public, employee, and business relations requirements.
- B. The Premises will be owned by Panda or a Panda Affiliate, which Premises are located solely within the city limits of the City and solely within the Zone.
- C. The Premises are not in an improvement project financed by tax increment bonds.
- D. This Agreement is entered into subject to the rights of the holders of outstanding bonds of the City; provided however, that this section shall not be construed to create a security interest in the Premises or Qualified Facilities in favor of such holders of outstanding bonds of the City.
- E. The Premises are not owned or leased by any member of the City Council or any member of the Planning and Zoning Commission of the City or any member of the governing body of any taxing unit joining in or adopting this Agreement.
- F. This Agreement is intended to comply with the requirements of Section 312.204 of the Code and is authorized by the Texas Property Redevelopment and Tax Abatement Act of the Texas Tax Code, Chapter 312, by the Policy Statement and by resolution of the City Council authorizing execution of this Agreement.
- G. During the period of the tax abatement herein authorized, Panda shall be subject to all applicable City taxation not specifically abated or exempted, including but not limited to, sales tax and ad valorem taxation on land, inventory and supplies.

III. CONDITION PRECEDENT TO TAX ABATEMENT

As a condition precedent to a tax abatement under this Agreement, Panda or a Panda Affiliate must substantially complete, or cause to be substantially completed, the Electric Generation Facility on or before July 1, 2019 (the "Construction Condition"); provided that Panda or a Panda Affiliate shall have such additional time as may be required by the effects of Force Majeure.

IV. TERM AND ABATEMENT PERIOD

A ten (10) year tax abatement period permitted by law is hereby granted with respect to each Qualified Facility and all the business personal property located therein or otherwise on the Premises.

Each ten (10) year tax abatement period shall commence to run beginning January 1 of the year following the date Panda or a Panda Affiliate obtains a certificate of occupancy with respect to such Qualified Facility (or, beginning January 1 of the year in which such certificate of occupancy is obtained with respect to such Qualified Facility if Panda elects to have the tax abatement term begin on such date by delivering a written notice to the City thereof on or before April 30 of such year, or beginning January 1 of the year in which the Commercial Operations Date occurs or beginning January 1 of the year following the Commercial Operations Date).

**V.
MINIMUM TAX LIABILITY**

- A. For the purposes of this agreement, the Premises and any and all improvements thereon shall be assigned a minimum taxable eligible property value of no less than Seventy-Five Million Dollars and Zero Cents (\$75,000,000.00).
- B. During the period of tax abatement herein authorized, in order to receive the tax abatements hereunder for future years, Panda shall be liable to the City for the minimum taxable value assigned under Sec. V.A.

**VI.
RATE, SCOPE, CONDITIONS AND COVENANTS**

The rate and scope and additional conditions of tax abatement shall be as follows:

- A. Annual Rates of Abatement – The following shall be the annual rates of tax abatement for each Qualified Facility and the business personal property located therein or otherwise on the Premises:

<i>Year</i>	<i>Percentage of City Property Taxes Abated</i>
1	65%
2	65%
3	65%
4	65%
5	65%
6	55%
7	45%
8	35%
9	25%
10	25%

- B. Construction Condition. Notwithstanding Section VI.A. above, if the Construction Condition is not met on or before July 1, 2019 (plus any extensions due to Force Majeure), then no tax abatements under this Agreement shall be provided.
- C. Operation Covenant. Panda shall continuously operate the Electric Generation Facility (other than as result of Force Majeure) in accordance with prudent industry standards and applicable law.
- D. Property Tax Covenant. Throughout the term of this Agreement, Panda shall timely pay all property taxes for the Premises and real and personal property located therein due and owing by it to all relevant taxing jurisdictions.
- E. Management Change Notice Covenant. During the term of this Agreement, Panda shall notify the City in writing of any change of the manager of the Electric Generation Facility within seven days of such change.

VII. RECORDS AND AUDITS

- A. Not later than January 31 of each applicable year, Panda shall submit to the City a certification from Panda as to the conditions set forth in Section VI.B., C., D., and E. (provided that once condition B. above is met, then no further certification shall be required with respect to such condition).
- B. At all times throughout the term of this Agreement, the City shall have reasonable access to the Premises by City employees (upon prior notice to and reasonable approval of Panda) for the purpose of inspecting same to ensure that the Qualified Facilities are maintained in accordance with the specifications and conditions of this Agreement; provided that Panda shall have the right to accompany City employees on any such inspection and that such inspection shall be limited to examining only that information necessary to determine the basis for the certifications required by Section VI.B., C., D. and E. and that the City shall use best efforts not to interrupt Panda's activities at the Premises. With respect to any such inspection process, the City shall keep all information obtained by it from the Panda or any Panda Affiliate confidential, and shall execute and deliver to Panda a commercially reasonable form of confidentiality agreement submitted by Panda (which confidentiality agreement shall be subject to any limits imposed on the City in that regard, e.g., Open Records Act).
- C. The Premises at all times shall be used in a manner that is consistent with the general purpose of encouraging development within the reinvestment zone.

VIII. BREACH/FAILURE TO MEET CERTAIN CONDITIONS

In the event that (i) the condition in Section VI.B. is not timely met; or (ii) Panda breaches any of the terms or conditions of this Agreement, then Panda shall be in default of this Agreement. In the event Panda defaults in its performance (or does not comply with a condition) set forth in (i) or (ii) above, the City shall give Panda written notice of such default/failure of condition and if Panda has not cured such default/failure of condition within sixty (60) days of said written notice, then this Agreement may be terminated by the City; provided, however, that if such default is not reasonably susceptible of cure within such sixty (60) day period and Panda has commenced and is pursuing the cure of same, then, after first advising the City Council of Panda's efforts to cure same, Panda may utilize an additional (90) days for

such purposes. Additional time, i.e., time in addition to the foregoing one hundred fifty (150) days, may be authorized by the City Council. City's sole and exclusive remedy against any Person for any breach or failure of condition under this Agreement, in the event of default after the expiration of the applicable notice and cure periods, shall be that this Agreement shall terminate and all future tax abatements under this Agreement shall be void (it being understood that the City shall not be entitled to any repayment of tax abatements under this Agreement, and it being further understood that the failure to meet a covenant set forth in Section VI.C., D. or E. for any year is not a breach and results only in the loss to the right to rebates for such year). Notwithstanding any provision in this Agreement to the contrary, neither Panda nor any other Person shall be required to pay any amounts to the City under this Agreement, with the only remedy being the loss of future tax abatements.

IX. EFFECT OF SALE, ASSIGNMENT OR LEASE OF PROPERTY

This Agreement shall be binding on and inure to the benefit of the parties and all Panda Affiliates, their respective successors and assigns. Neither Party may assign its rights and duties hereunder, in whole or in part, without the prior written consent of the other Party, which consent shall not be unreasonably withheld, conditioned or delayed; provided, that Panda may assign this Agreement and all of its rights hereunder to any Panda Affiliate. In addition, this Agreement and all rights hereunder may be assigned for the benefit of any Financing Party including, but not limited to an assignment to such parties upon a foreclosure. Any assignment in violation of this Section VIII shall not affect any rebates with respect to which Panda or any Panda Affiliate is already entitled.

X. NOTICE

All notices called for or required by this Agreement shall be addressed to the following, or such other party or address as either party designates in writing, by certified mail, postage prepaid or by hand delivery:

Panda:

Panda Sherman Power II, LLC
5001 Spring Valley Road, Suite 1150 West
Dallas, Texas 75244
Attention: General Counsel

City:

City Manager
City of Sherman
220 W. Mulberry
Sherman, Texas 75091

XI.
CITY COUNCIL AUTHORIZATION

This Agreement was authorized by resolution of the City Council that was approved by the affirmative vote of a majority of the City Council at its regularly scheduled City Council meeting on the 3rd day of August, 2015, authorizing the Mayor to execute this Agreement on behalf of the City.

XII.
PANDA AUTHORIZATION

An authorized representative of Panda entered into this Agreement.

XIII.
SEVERABILITY

In the event any section, subsection, paragraph, sentence, phrase or word is held invalid, illegal, or unenforceable, the balance of this Agreement shall stand, shall be enforceable and shall be read as if the parties intended at all times to delete said invalid section, subsection, paragraph, sentence, phrase or word.

XIV.
ESTOPPEL CERTIFICATE

Any party hereto may request an estoppel certificate from another party hereto so long as the certificate is requested in connection with a bona fide business purpose. The certificate, which will upon request be addressed to a subsequent purchaser or assignee of Panda, shall include, but not necessarily be limited to, statements (to the actual knowledge of the party providing such) that this Agreement is in full force and effect without default (or if default exists, the nature of default and curative action, which should be undertaken to cure same), the remaining term of this Agreement, the levels of tax abatement in effect, and such other matters reasonably requested by the party(ies) to receive the certificate. The City Manager for the City shall provide any such certificate on behalf of the City.

XV.
APPLICABLE LAW

This Agreement shall be construed under the laws of the State of Texas. Venue for any action under this Agreement shall be in a court located in Grayson County, Texas.

XVI.
INDEMNIFICATION

A. IN ADDITION TO THE OTHER REMEDIES AFFORDED TO THE CITY IN THIS AGREEMENT, PANDA SHALL INDEMNIFY, DEFEND AND HOLD HARMLESS THE CITY, ITS COUNCILMEMBERS, OFFICERS, EMPLOYEES, ATTORNEYS, CONTRACTORS, OR AGENTS (HEREINAFTER "CITY'S INDEMNIFIED PARTY") FOR, FROM AND AGAINST ANY AND ALL LOSSES LIENS, CAUSES OF ACTION, SUITS, JUDGMENTS AND EXPENSES (INCLUDING, WITHOUT LIMITATION, COURT COSTS, REASONABLE ATTORNEYS' FEES AND COSTS OF INVESTIGATION, REMOVAL AND REMEDIATION, AND GOVERNMENTAL OVERSIGHT COSTS), ENVIRONMENTAL OR OTHERWISE, OF ANY NATURE, KIND OR DESCRIPTION OF ANY PERSON OR ENTITY RESULTING FROM PANDA'S CONSTRUCTION AND OPERATION OF THE ELECTRIC GENERATION FACILITY.

B. Notice of Indemnified Loss. The City's Indemnified Party shall promptly notify Panda of any indemnified Losses or Claim for indemnified Losses in respect of which the City's Indemnified Party may be entitled to indemnification under this Section XV. Such notice shall be given as soon as reasonably practicable after the City's Indemnified Party becomes aware of the Loss or Claim for Losses.

C. Defense of Third Party Claims. In the event any action or proceeding shall be brought against the City's Indemnified Party by reason of any matter for which the City's Indemnified Party is indemnified hereunder, Panda shall, upon notice from the City's Indemnified Party or its authorized agents or representatives, at Panda's sole cost and expense, resist and defend the same with legal counsel selected by Panda; provided, however, that Panda shall not admit liability in any such matter on behalf of the City's Indemnified Party without the City's express written consent. Nothing herein shall be deemed to prevent the City's Indemnified Party at its election and at its own expense from cooperating with Panda and participating in the defense of any litigation by their own counsel. If Panda fails to retain defense counsel within ten (10) business days after receipt of City's Indemnified Party written notice that the City's Indemnified Party is invoking its right to indemnification under this Agreement, the City's Indemnified Party shall have the right to retain defense counsel on their own behalf, and Panda shall be liable for all usual and customary defense costs incurred by the City's Indemnified Party.

D. Limitation on Indemnity. The amount owing to a City Indemnified Party will be the amount of the City Indemnified Party's Losses net of any insurance proceeds received by the City Indemnified Party following a reasonable effort by the City Indemnified Party to obtain such insurance proceeds.

XVII. ENTIRE AGREEMENT

This Agreement constitutes the entire Tax Abatement Agreement between the parties, supersedes any prior understanding or written or oral tax abatement agreements or representations between the parties, and can be modified only by written instrument subscribed to by all parties. Notwithstanding the foregoing provision, this Agreement does not modify, alter, or amend any other agreement or instrument among the City and Panda relating to matters other than the abatement of real property taxes with respect to the Premises and the Qualified Facilities and business personal property located on the Premises. This Agreement may be executed in multiple counterparts (and may be delivered by telecopy, in addition to other means, with originals to follow), each of which shall be considered an original.

EXECUTED the _____ day of August, 2015.

CITY OF SHERMAN, TEXAS

By: _____
Carolyn S. Wacker, Mayor

ATTEST:

Linda Ashby, City Clerk

CITY OF SHERMAN, TEXAS
APPROVED AS TO FORM:

Brandon Shelby, City Attorney

**PANDA SHERMAN POWER II, LLC,
a Delaware Limited Liability Company**

(CORPORATE SEAL)

By: _____
Name: Ralph T. Killian
Title: Partner
Address: 5001 Spring Valley Road
Suite 1150 West
Dallas, Texas 75244

MAYOR'S ACKNOWLEDGEMENT

THE STATE OF TEXAS §
§
COUNTY OF GRAYSON §
§
CITY OF SHERMAN §

BEFORE ME, the undersigned authority, a Notary Public in and for said County and State, on this day personally appeared Carolyn S. Wacker, Mayor of the City of Sherman, Texas, a municipal corporation, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the said City of Sherman, Texas, a municipal corporation, that she was duly authorized to perform the same by appropriate resolution of the City Council for the City of Sherman and that she executed the same as the act of the said City for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this ____ day of August, A.D., 2015.

Notary Public in and for the State of Texas

(Typed/Printed Name of Notary)

My Commission Expires:

PANDA ACKNOWLEDGEMENT

THE STATE OF TEXAS §
§
COUNTY OF GRAYSON §

BEFORE ME, the undersigned authority, a Notary Public in and for said County and State, on this day personally appeared Ralph T. Killian, Partner of Panda Sherman Power II, LLC, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me he executed the same as a duly authorized officer of such corporation, and as the act and deed of such corporation, for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this ____ day of _____, A.D., 2015.

Notary Public in and for the State of Texas

(Typed/Printed Name of Notary)

My Commission Expires:

**EXHIBIT A TO
TAX ABATEMENT AGREEMENT**
COMPREHENSIVE POLICY STATEMENT

[Attached]

RESOLUTION NO. 5862

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, RENEWING GUIDELINES AND CRITERIA FOR THE CITY OF SHERMAN'S INDUSTRIAL TAX ABATEMENT PROGRAM TO PROMOTE DEVELOPMENT/REDEVELOPMENT IN CERTAIN AREAS OF THE CITY; FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS RESOLUTION IS PASSED IS OPEN TO THE PUBLIC AS REQUIRED BY LAW.

WHEREAS, by Resolution No. 5676, passed and approved on June 4, 2012, the City of Sherman declared its eligibility and intention to participate in the Tax Abatement Program to promote development/redevelopment in certain areas of the City and adopted Tax Abatement Guidelines and Criteria for use in all Tax Abatement Programs; and

WHEREAS, the City of Sherman is required to renew the guidelines and criteria adopted for this program every two years;

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

SECTION 1. That the City Council of the City of Sherman, Texas, hereby renews the following Tax Abatement Guidelines and Criteria for use in all Tax Abatement Programs, as required by law:

**CITY OF SHERMAN'S
RENEWED TAX ABATEMENT GUIDELINES AND CRITERIA**

1. A tax abatement agreement must be reasonably likely to contribute to the retention or expansion of primary employment or to attract a primary employer to make a major capital investment that will benefit the City of Sherman's economic development. Primary employers are those companies whose sales, service and shipments are ultimately used in statewide, national or international markets.
2. A tax abatement agreement will not be entered into where a company is only changing its location within Grayson County, without increasing the number of employees, significantly expanding the facilities, or unless failure to grant such abatement would mean the loss of the business operation in Grayson County.
3. Tax abatement agreements will be considered for both new facilities and structures and for the expansion or modernization of existing facilities and structures.
4. The City Council of the City of Sherman will approve or deny a tax abatement request

based upon the subjective evaluation of the following guidelines and criteria. The Council may consider any advisory recommendations received from the Tax Reinvestment Advisory Committee as it may choose:

- Employment Impact

How many jobs will be created by this project?

How many current jobs will be retained by this project?

What types of jobs will be created or retained?

What will the annual total payroll of the created and/or retained jobs be, in current dollars and projected for each of the next five years?

- Fiscal Impact

How much real and personal property will be added to the tax rolls, for each tax year covered by the abatement agreement?

What is the economic life to the additional property?

What effect will this project have on existing businesses or facilities?

What is the total budget for this project, projected for each year covered by the abatement agreement?

What capital expenditures will the project require of the City of Sherman?

- Community Impact

What effect would the project have on the local housing market?

Is the project compatible with existing long-range or comprehensive plans?

What is the environmental impact of the project?

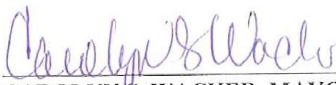
SECTION 2. That these Renewed Tax Abatement Guidelines and Criteria shall be effective immediately upon the passage of this resolution.

SECTION 3. That it is hereby officially found and determined that the meeting at which this resolution is passed is open to the public and that public notice of the time, place, and purpose of

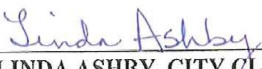
said meeting was given as required by law.

PASSED AND APPROVED on this the 2nd day of June, 2014.

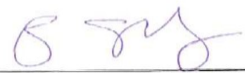
CITY OF SHERMAN, TEXAS

BY: 
CAROLYN S. WACKER, MAYOR

ATTEST:

BY: 
LINDA ASHBY, CITY CLERK

APPROVED AS TO FORM
AND CONTENT:

BY: 
BRANDON S. SHELBY,
CITY ATTORNEY

**EXHIBIT B TO
TAX ABATEMENT AGREEMENT**

THE PREMISES

[Attached]

**INDUSTRIAL REINVESTMENT ZONE, NUMBER 072015-1,
CITY OF SHERMAN, TEXAS
PREMISES**

TRACT ONE

Situated in the City of Sherman, Grayson County, Texas, being a part of the William Martin Survey, Abstract No. 765, and being a part of the (1) 109.760 acre tract of land and all of the (2) 37.22 acre tract of land conveyed to the Sherman Economic Development Corporation by deed of record in Volume 2633, Page 498 of the Official Public Records, Grayson County, Texas, and all of the (3) 70.68 acre tract of land and the (4) 23.63 acre tract of land conveyed to the Sherman Economic Development Corporation by deed of record in Volume 4019, Page 369 of said Official Public Records, and all of the (5) 40.03 acre tract of land conveyed to the Sherman Economic Development Corporation by deed of record in Volume 4418, Page 896 of said Official Public Records, and being more particularly described as follows:

Beginning at a ½" steel rod found in the south right-of-way line of Progress Drive for the northwest corner of said 40.03 acre tract and the northwest corner of the herein described tract;

Thence North 74°20'51" East with the south right-of-way line of Progress Drive a distance of 1,405.92 feet to a point in the center of a creek for the northeast corner of the herein described tract;

Thence in a Southerly direction with the center of said creek the following calls and distances:

South 29°38'08" East a distance of 52.73 feet;
South 07°41'27" West a distance of 50.97 feet;
South 10°23'40" East a distance of 190.88 feet;
South 43°02'42" East a distance of 117.85 feet;
North 55°32'33" East a distance of 98.58 feet;
South 49°20'09" East a distance of 53.51 feet;
South 18°07'17" West a distance of 38.00 feet;
South 07°06'09" East a distance of 138.45 feet;
South 38°21'11" East a distance of 176.76 feet;
South 19°26'00" East a distance of 72.46 feet;
North 77°12'24" East a distance of 66.97 feet;
North 23°22'22" East a distance of 64.10 feet;
South 54°32'17" East a distance of 121.05 feet;
South 11°39'13" East a distance of 48.16 feet;
South 36°21'36" East a distance of 35.59 feet;
South 73°22'59" East a distance of 114.32 feet;
South 31°03'16" West a distance of 100.19 feet;
South 00°09'28" West a distance of 64.42 feet;
South 47°26'23" East a distance of 85.75 feet;
North 30°10'37" East a distance of 76.04 feet;
South 84°38'12" East a distance of 66.35 feet;
South 01°40'43" West a distance of 79.47 feet;
South 50°16'00" West a distance of 96.85 feet;
North 57°22'55" West a distance of 45.79 feet;

South 63°16'29" West a distance of 43.89 feet;
South 01°41'19" West a distance of 22.44 feet;
South 02°25'44" West a distance of 43.58 feet;
South 37°45'00" East a distance of 29.17 feet;
South 08°21'33" East a distance of 45.56 feet;
South 04°26'27" East a distance of 51.46 feet;
South 00°50'35" West a distance of 62.57 feet;
South 24°29'48" East a distance of 22.65 feet;
South 87°38'34" East a distance of 81.83 feet;
North 86°58'42" East a distance of 76.97 feet;
South 69°06'08" East a distance of 27.15 feet;
South 38°57'22" East a distance of 60.17 feet;
South 42°11'21" East a distance of 37.74 feet;
South 22°49'34" East a distance of 51.56 feet;
South 43°04'06" East a distance of 74.45 feet;
North 75°10'46" East a distance of 26.87 feet;
North 22°44'42" East a distance of 45.25 feet;
North 82°53'37" East a distance of 29.22 feet;
South 34°11'16" East a distance of 63.18 feet;
South 33°21'17" East a distance of 52.56 feet;
North 88°03'00" East a distance of 15.73 feet;
North 38°15'30" East a distance of 35.39 feet;
North 64°33'50" East a distance of 29.29 feet;
South 57°50'11" East a distance of 13.24 feet;
South 34°26'35" East a distance of 70.92 feet;
South 69°42'17" East a distance of 14.77 feet;
North 61°13'38" East a distance of 14.46 feet;
North 47°06'21" East a distance of 34.11 feet;
South 43°45'37" East a distance of 71.54 feet;
South 83°14'43" East a distance of 65.53 feet;
North 37°01'17" East a distance of 43.53 feet;
North 22°28'00" East a distance of 26.12 feet;
South 86°49'32" East a distance of 11.89 feet;
South 39°32'08" East a distance of 24.06 feet;
South 48°02'49" East a distance of 87.83 feet;
North 53°17'04" East a distance of 43.15 feet;
South 80°11'10" East a distance of 38.20 feet;
South 09°43'07" East a distance of 52.00 feet;
South 07°14'11" West a distance of 78.30 feet;
South 08°18'33" West a distance of 65.33 feet;
South 22°29'44" East a distance of 44.41 feet;
South 68°25'46" East a distance of 48.38 feet;
North 87°52'00" East a distance of 52.17 feet;
South 01°27'35" East a distance of 67.50 feet;
South 19°47'23" West a distance of 46.81 feet;
South 36°22'56" West a distance of 61.15 feet;
South 10°41'37" East a distance of 70.35 feet;
South 46°15'08" West a distance of 57.80 feet;
South 64°21'19" West a distance of 27.36 feet;
South 78°50'20" West a distance of 43.28 feet;
South 33°00'37" West a distance of 34.00 feet;

South 02°43'09" East a distance of 32.65 feet;
South 48°26'47" East a distance of 51.14 feet;
South 03°17'43" West a distance of 33.29 feet;
South 69°04'59" West a distance of 41.28 feet;
South 42°36'20" West a distance of 19.21 feet;
South 23°51'00" East a distance of 41.21 feet;
South 23°55'19" East a distance of 55.18 feet;
South 24°06'58" West a distance of 40.71 feet;
South 46°42'41" East a distance of 27.78 feet;
South 64°57'16" East a distance of 57.68 feet;
South 11°37'31" East a distance of 21.44 feet;
South 33°46'22" West a distance of 35.17 feet;
South 10°22'28" West a distance of 28.69 feet;
South 07°22'17" East a distance of 69.82 feet to a point in the north line of the BNSF Railroad right-of-way for the southeast corner of the herein described tract;

Thence South 63°21'20" West with said north right-of-way line, a distance of 952.18 feet to a 1/2" steel rod set for the southeast corner of the 0.857 acre tract of land conveyed to the City of Sherman, Texas by deed of record in Volume 1153, Page 32 of the Deed Records, Grayson County, Texas;

Thence North 15°37'10" West a distance of 240.00 feet to a 1/2" steel rod found for the northeast corner of said 0.857 acre tract and the southeast corner of said 70.68 acre tract;

Thence South 63°21'20" West a distance of 200.00 feet to a 1/2" steel rod found for the northwest corner of said 0.857 acre tract;

Thence South 15°37'10" East a distance of 240.00 feet to a 1/2" steel rod found in said north right-of-way line for the southwest corner of said 0.857 acre tract;

Thence South 63°21'20" West with said north right-of-way line, a distance of 1,172.66 feet to a 1/2" steel rod found for the southwest corner of said 70.68 acre tract, said rod being the southeast corner of the 34.835 acre tract of land (Tract 1) conveyed to Weldon Moore, III by deed of record in Volume 2438, Page 278 of said Official Public Records;

Thence North 16°09'06" West with the east line of said 34.835 acre tract, a distance of 1,404.98 feet to a 1/2" steel rod found at the southeast corner of the 104.321 acre tract of land conveyed to Dennis D. Topletz, Trustee by deed of record in Volume 1712, Page 244 of said Deed Records, said rod being the northeast corner of said 34.835 acre tract;

Thence North 15°03'24" West with the east line of said 104.321 acre tract, a distance of 972.88 feet to a 1/2" steel rod found at the southwest corner of said 40.03 acre tract;

Thence North 15°38'56" West a distance of 1,106.26 feet to the Point-of-Beginning and containing 147.95 acres of land.

TRACT TWO

Situated in the City of Sherman, Grayson County, Texas, being a part of the William Martin Survey, Abstract No. 765, and being all of the (1) 37.22 acre tract of land conveyed to the Sherman Economic

Development Corporation by deed of record in Volume 2633, Page 498 of the Official Public Records, Grayson County, Texas, and all of the (2) 23.63 acre tract of land conveyed to the Sherman Economic Development Corporation by deed of record in Volume 4019, Page 369 of said Official Public Records, and being more particularly described as follows:

Beginning at a ½" steel rod found in the south right-of-way line of the BNSF Railroad for the northwest corner of said 23.63 acre tract and the northwest corner of the herein described tract, said rod also being the northeast corner of the 14.270 acre tract of land (Tract 2) conveyed to Weldon L. Moore, III by deed of record in Volume 2438, Page 278 of said Official Public Records;

Thence North 63°21'20" East with said south right-of-way line, a distance of 3,218.78 feet to a 1/2" steel rod set for the northwest corner of the 21.006 acre tract of land conveyed to Texas Instruments Inc., by deed of record in Volume 3317, Page 177, of said Official Public Records, said rod being the northeast corner of said 37.22 acre tract;

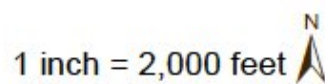
Thence South 14°27'38" East with the west line of said 21.006 acre tract, a distance of 1,036.49 feet to a 1/2" steel rod set on the north bank of Choctaw Creek for the southeast corner of said 37.22 acre tract;;

Thence in a Westerly direction with the meanders of said north bank and the south lines of said 37.22 acre tract and 23.63 acre tract;

North 89°08'07" West a distance of 50.63 feet;
South 61°50'06" West a distance of 129.18 feet;
North 65°31'21" West a distance of 213.45 feet;
South 43°38'09" West a distance of 143.38 feet;
North 76°35'12" West a distance of 305.86 feet;
South 82°00'24" West a distance of 199.24 feet;
South 07°28'29" West a distance of 447.48 feet;
South 28°46'19" West a distance of 60.92 feet;
South 78°00'17" West a distance of 242.38 feet;
South 53°19'01" West a distance of 279.39 feet;
North 81°47'10" West a distance of 158.75 feet;
South 70°57'29" West a distance of 16.05 feet;
North 46°51'54" West a distance of 71.47 feet;
North 64°55'47" West a distance of 89.81 feet;
North 74°52'56" West a distance of 94.21 feet;
South 84°55'33" West a distance of 34.55 feet;
South 65°12'48" West a distance of 69.31 feet;
South 84°39'24" West a distance of 132.97 feet;
South 42°55'42" West a distance of 71.85 feet;
South 31°29'48" West a distance of 63.23 feet;
South 42°51'36" West a distance of 154.98 feet;
South 38°33'13" West a distance of 90.82 feet;
South 27°05'10" West a distance of 74.40 feet;
South 57°08'24" West a distance of 143.66 feet;
North 58°57'02" West a distance of 75.25 feet;
North 47°55'51" West a distance of 74.03 feet;
North 58°06'24" West a distance of 46.14 feet;
South 66°03'24" West a distance of 76.50 feet;
North 70°16'10" West a distance of 22.67 feet;
South 43°33'46" West a distance of 17.61 feet;

South 12°20'55" East a distance of 18.54 feet;
South 22°13'20" West a distance of 49.55 feet;
South 35°23'00" West a distance of 93.28 feet;
South 67°23'43" West a distance of 67.60 feet to a ½" steel rod found at the southwest corner of said 23.63 acre tract and the southeast corner of said 14.270 acre tract;

Thence North 16°09'06" West with the east line of said 14.270 acre tract, a distance of 777.82 feet to the Point-of-Beginning and containing 60.85 acres of land.

[illegible]



SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

Agenda Item No. B. 2.

Meeting Date: 08/03/2015

Prepared By: Brandon Shelby, City Attorney

Approved By: Robby Hefton, City Manager

Caption:

PUBLIC HEARING

Charter Amendments proposed by the Charter Review Commission for the November 3, 2015 Special Election

Issue:

A Town Hall Meeting to review and discuss the Charter amendments proposed by the Charter Review Commission for the November 3, 2015 Special Election, with citizen input and comments

Background:

Only a home-rule city may have a city charter. By State law, a city charter, once adopted, is law that the city must follow in carrying out its duties, except as limited by state or federal law. As deficiencies appear in the charter, either new law must be added or old unusable law must be deleted. At the June 15th City Council meeting, the Mayor appointed, with the City Council's approval, Deputy Mayor David Plyler, Councilman Jason Sofey, and Councilman Lawrence Davis to the Charter Review Commission. This Commission has been working with the City Attorney and City Manager on proposed amendments, which they are ready to submit to the City Council and citizens in public hearing.

Proposed Charter amendments will be provided at the Council meeting.

Origination:

Charter Review Commission
City Manager and staff

Financial Consideration:

There is no financial impact to be considered.

Staff Recommendation:

It is recommended that the Council deliberate and form a consensus on the proposed Charter amendments to be submitted to the voters at the November 3rd Special Election.

Alternatives:

The Council could give the Charter Review Commission and City staff further direction on developing proposed Charter amendments.



SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

Agenda Item No. B. 3.

Meeting Date: 08/03/2015

Prepared By: Mary Lawrence, Director of Finance

Approved By: Robby Hefton, City Manager

Caption:

INTRODUCTION AND FIRST PUBLIC HEARING OF ORDINANCE NO. 5888

Providing for the Appropriation of Funds for Operating and Capital Expenditures for the Fiscal Year beginning October 1, 2015, and ending September 30, 2016

Issue:

To introduce and hold the first public hearing on the proposed budget for the 2015-2016 fiscal year

Background:

The proposed budget reflects the direction given by the Council at the recent Budget Workshop held on June 25, 2015, and is focused on sustaining and enhancing current operations, and funding for capital and infrastructure. The budget contains about \$68.5 million in appropriations, which is about \$2.9 million higher than the prior year's original budget of \$65.6 million, due to capital and other non-recurring spending. Staffing levels for full-time positions increased from 409 to 413; and fund balances for the General, Utility, and Solid Waste Funds are within targeted ranges of 70-80 days. In accordance with the discussions at the Budget Workshop, the draft budget proposes funding for development planning, improvements to City facilities, street maintenance and improvements, utility fund projects, compensation and staffing issues, and a solid waste rate increase of 5%. More detailed information is available on the attachments.

"This budget will raise more total property taxes than last year's budget by \$670,000 and 7.6%, and of that amount \$419,000 is revenue to be raised from new property to be added to the roll this year."

Origination:

Director of Finance

Financial Consideration:

The proposed budget contains appropriations of \$68.5 million for the 2015-2016 fiscal year.

Staff Recommendation:

The staff recommends that the Council introduce and hold the first public hearing on the budget ordinance at this meeting. The second and final public hearing will be held at the August 17th City Council meeting.

Alternatives:

The Council could make changes to the proposed budget, subject to existing available financial resources, and subject to statutory requirements relating to the timing of the budget adoption.

Attachments

Ordinance No. 5888

2016 Draft Budget

ORDINANCE NO. 5888

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, PROVIDING FOR THE APPROPRIATION OF FUNDS FOR OPERATING AND CAPITAL EXPENDITURES FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2015, AND ENDING SEPTEMBER 30, 2016; PROVIDING FOR A REPEALER; FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS ORDINANCE IS PASSED WAS NOTICED AND IS OPEN TO THE PUBLIC AS REQUIRED BY LAW.

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

SECTION 1. That, pursuant to Article V of the City Charter, there is hereby appropriated for Operating Expenditures the sums of money as established in the approved Operating Budget Document for fiscal year beginning October 1, 2015, and ending September 30, 2016.

SECTION 2. That, pursuant to Article V of the City Charter, there is hereby appropriated for Capital Expenditures the sums of money as established in the approved Capital Budget Document for fiscal year beginning October 1, 2015, and ending September 30, 2016.

SECTION 3. That all ordinances or parts of ordinances in conflict with the provisions of this ordinance are hereby repealed.

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

INTRODUCED on this the _____ day of _____, 2015.

ADOPTED on this the _____ day of _____, 2015.

EFFECTIVE DATE on this the _____ day of _____, 2015.

CITY OF SHERMAN, TEXAS

BY: _____
CAROLYN S. WACKER, MAYOR

ATTEST:

**APPROVED AS TO FORM
AND CONTENT:**

BY: _____
LINDA ASHBY, CITY CLERK

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

This budget will raise more total property taxes than last year's budget by \$670,000 and 7.6%, and of that amount \$419,000 is tax revenue to be raised from new property added to the tax roll this year.

**PROPOSED BUDGET FOR THE CITY OF SHERMAN
FOR FISCAL YEAR 2016
July 20, 2015**

SUMMARY

The attached proposed budget for Fiscal Year (FY) 2016 is based on the direction provided by the City Council at the budget workshop that was held on June 25, 2015.

The proposed budget includes the projected renewal of the street sales tax, and funding for programs and improvements around the City such as planning and development, substandard structure demolition, storm water mitigation, downtown enhancements, and auditorium and ballroom improvements. Staffing and compensation, especially in public safety, is addressed, a five percent increase in solid waste rates is included, and fund balances are maintained at targeted levels.

Appropriations for FY 2016 total about \$68.5 million, of which \$7.1 million is earmarked for capital spending. This budget is about \$2.9 million more than original FY 2015 budget, primarily from an increase in capital spending.

Total budgeted full-time positions in the proposed budget increased from 409 to 413 due to the net addition of two full-time employees in both the Utility Fund and the General Fund.

GENERAL FUND

The **General Fund** is unbalanced for FY 2016 due to capital expenditures. In the previous two fiscal years, the City received significant, one-time sales tax revenues from the construction of an industrial power plant. These funds are budgeted in FY 2016 for capital expenditures such as facility improvements, equipment, and other projects. Property tax and sales tax are both expected to increase. Fund balance is projected to be \$6.7 million or 76 days at the end of FY 2016.

UTILITY FUND

For FY 2016, the **Utility Fund** is balanced on an ongoing basis. A non-recurring transfer to the General Fund is budgeted to aid the General Fund while the multi-year plan to stabilize revenues in that fund is implemented. Additional debt service has been budgeted in anticipation of the water treatment plant expansion and construction of a new water tower. Remaining fund balance at the end of FY 2016 is projected to be in line with targeted levels with about \$4.2 million, or about 73 days of operating expenses.

SOLID WASTE FUND

The **Solid Waste Fund** is balanced on an on-going basis. A five percent rate increase is planned for this fund to stabilize revenues and adequately fund its capital-intensive operations for the long-term. Fund balances in this fund are expected to be \$1.3 million, or 78 days of operating funds available at the end of FY2016.

CAPITAL IMPROVEMENT FUNDS

The proposed budget of about \$3.1 million in the **General Improvement Fund** consists of funding for improvements to Loy Lake Road between Highway 82 and Sara Swamy Drive, a potential grant that will fund downtown improvements, acquisition of land in the flood plain, improvements for pedestrians on Grand Avenue, and facility remodeling to move the Municipal Court from the Police Station to the Municipal Building. Reserves of about \$305,000 are expected at the end of FY2016.

The **Utility Improvement Fund** proposed budget of \$3.1 million consists of a SEDCO-funded industrial sewer in the Blaylock Industrial Park, water tower painting and repair, and other utility projects. Utility Improvement Fund reserves will be about \$525,000 at the end of FY 2016.

MAJOR IMPACTS

Tax Revenues

Property tax revenue is expected to increase about \$670,000 over last year, due to growth in the value of existing property and to new property added to the tax roll. The proposed tax rate of \$.372/\$100 of valuation is the same as the rate for FY 2015. Sales tax revenue is also expected to increase by about \$274,000 due to modest growth and the end of a ten-year repayment the city owed to the State Comptroller from an overpayment by a taxpayer.

Wage Increase

The proposed budget contains a two percent increase in salaries for all employees plus certain salary adjustments to bring those positions up to market and address pay differences between the ranks in the police department. The cost for all funds is projected to be about \$678,000.

Staffing

A Geographic Information System (GIS) Manager, a Recreation Specialist for the Fairview Gym, and a Communications Manager were added in the General Fund, and two operators were added in the Utility Fund to staff the second and third shifts at the Waste Water Treatment Plant.

Fleet, Equipment and Buildings

Major fleet expenditures for this year include three police vehicles (\$124,000), an ambulance (\$110,000), a fire engine (\$530,000), a sewer truck (\$303,000) and dozer (\$131,000) for the Utility Distribution department, three solid waste trucks (\$750,000), a backhoe for the cemetery (\$80,000), and various other fleet and equipment totaling about \$2.3 million for all funds. Major building improvements include repairs at the fire stations, renovations at the police department for 9-1-1 services and to the emergency operations center, Municipal Building remodel to accommodate the Municipal Court, Auditorium and Ballroom upgrades, and construction of sheds and covered areas to replace deteriorating structures and protect other equipment and fleet currently stored outside.

SUMMARY SCHEDULES, DETAILED FUND STATEMENTS, AND OTHER INFORMATION

The following pages include a schedule that summarizes the draft FY 2016 budget, eliminating double counting for internal service funds and inter-fund transfers. Also included are statements of revenues and expenditures/expenses for each fund, a schedule of transfers, a property tax historical summary, and a debt schedule.

City of Sherman
ALL FUNDS
2015 -2016 Annual Budget

	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	\$ 7,925,894	\$ 7,586,292	\$ 356,330	\$ 729,673	\$ 2,938,756	\$ 1,464,112	\$ 643,387	\$ -	\$ 21,644,444
Revenues:									
Taxes	25,852,000	-	-	508,280	170,000	-	1,158,250	-	27,688,530
Water Sales	-	12,781,000	-	-	-	-	-	-	12,781,000
Sewer Sales	-	6,969,000	-	-	-	-	-	-	6,969,000
Solid Waste Sales	-	5,904,000	-	-	-	-	-	-	5,904,000
Other Fees for Service	3,194,875	837,200	9,219,295	917,200	-	-	-	(8,031,295)	6,137,275
Interest Earned	65,300	23,300	10,000	1,463	13,475	75,000	800	-	189,338
Other	317,300	591,647	-	25,200	1,462,500	7,000	-	-	2,403,647
Debt Proceeds	-	-	-	-	1,640,000	-	-	-	1,640,000
Transfers In	2,716,000	454,000	2,681,428	-	2,020,000	-	114,000	(7,985,428)	-
Total Revenues	32,145,475	27,560,147	11,910,723	1,452,143	5,305,975	82,000	1,273,050	(16,016,723)	63,712,790
Total Funds Available	40,071,369	35,146,439	12,267,053	2,181,816	8,244,731	1,546,112	1,916,437	(16,016,723)	85,357,234
Expenditures:									
Personnel	22,895,189	6,953,571	1,114,467	211,648	-	-	-	-	31,174,875
Supplies	1,430,478	1,139,737	988,778	423,744	-	-	-	-	3,982,737
Maintenance	1,265,672	1,639,079	781,406	194,364	-	-	-	-	3,880,522
Utilities	1,378,380	2,413,770	67,510	55,560	-	-	-	-	3,915,220
Contract Wages	128,600	79,080	7,000	500	-	-	-	-	215,180
Information Technology	622,550	122,470	17,860	2,550	-	-	-	(765,430)	-
Debt Service	-	5,999,398	220,228	-	20,000	-	1,349,971	-	7,589,597
Contractual Services	1,902,363	3,148,132	5,968,527	245,324	-	-	-	(4,565,305)	6,699,041
Vehicle Usage	1,421,820	1,275,680	-	3,060	-	-	-	(2,700,560)	-
Capital Expenses	554,280	350,821	2,705,400	137,471	6,380,000	-	-	-	10,127,972
Other	-	622,000	-	310,000	-	-	-	-	932,000
Transfers Out	1,763,616	5,447,812	-	114,000	660,000	-	-	(7,985,428)	-
Total Expenditures	33,362,948	29,191,550	11,871,176	1,698,221	7,060,000	-	1,349,971	(16,016,723)	68,517,143
Excess Revenues Over Expenditures	(1,217,473)	(1,631,403)	39,547	(246,078)	(1,754,025)	82,000	(76,921)	-	(4,804,354)
Ending Fund Balance	\$ 6,708,421	\$ 5,954,889	\$ 395,877	\$ 483,595	\$ 1,184,731	\$ 1,546,112	\$ 566,466	\$ -	\$ 16,840,090

General Fund

**City of Sherman
GENERAL FUND
2015 -2016 Annual Budget**

	Actual 2013-2014	Adjusted Budget 2014-2015	Projected 2014-2015	Proposed 2015-2016
Beginning Fund Balance	\$ 7,340,389	\$ 6,806,621	\$ 9,048,642	\$ 7,925,894
Revenues:				
Taxes	24,298,775	25,852,000	24,902,000	25,852,000
Other Fees for Service	3,291,204	3,194,875	3,268,296	3,194,875
Interest Earned	51,204	65,300	65,300	65,300
Other	343,101	317,300	286,240	317,300
Transfers In	4,311,000	2,716,000	3,486,000	2,716,000
Total Revenues	32,295,283	32,145,475	32,007,836	32,145,475
Total Funds Available	39,635,673	38,952,096	41,056,478	40,071,369
Expenditures:				
Personnel	21,371,028	22,254,326	21,884,673	22,895,189
Supplies	1,298,954	1,523,327	1,339,537	1,430,478
Maintenance	1,039,523	1,442,458	1,113,220	1,265,672
Utilities	1,382,864	1,434,450	1,342,550	1,378,380
Contract Wages	191,015	213,250	189,170	128,600
Technology Services	499,996	553,090	613,690	622,550
Contractual Services	1,557,163	1,799,182	1,738,085	1,902,363
Vehicle Usage	1,284,212	1,515,006	1,313,621	1,421,820
Equipment & Buildings	223,202	259,162	362,424	554,280
Transfers Out	1,739,075	2,983,614	3,233,614	1,763,616
Total Expenditures	30,587,031	33,977,865	33,130,584	33,362,948
Excess Revenues over Expenditures	1,708,252	(1,832,390)	(1,122,748)	(1,217,473)
Ending Fund Balance	\$ 9,048,642	\$ 4,974,231	\$ 7,925,894	\$ 6,708,421

City of Sherman
GENERAL FUND
2015 -2016 Annual Budget

	Actual 2013-2014	Amended Budget 2014-2015	Projected 2014-2015	Proposed 2015-2016
Beginning Fund Balance	\$ 7,221,051	\$ 8,707,442	\$ 8,909,217	\$ 7,810,250
Revenues				
Property Tax	6,393,344	7,430,000	7,247,000	7,931,000
Sales Tax	14,675,996	13,706,000	14,526,000	14,800,000
Franchise Tax	3,089,548	2,898,000	2,993,000	2,985,000
Other Taxes	139,888	146,000	136,000	136,000
Fines & Forfeitures	635,760	906,150	557,700	519,300
Recreation	296,591	319,000	303,000	338,000
Permits & Licenses	401,428	378,500	363,700	363,700
Rentals	52,109	79,995	66,800	66,800
Cemetery	135,218	247,700	201,400	131,400
Sales & Service	527,275	538,000	525,696	525,675
Ambulance Service	1,242,824	1,300,000	1,250,000	1,250,000
Interest Earned	51,004	50,000	65,000	65,000
Grant Revenue	58,750	58,410	62,300	133,700
Miscellaneous Income	253,753	151,100	198,640	159,300
Total Revenues	27,953,486	28,208,855	28,496,236	29,404,875
Transfers In	4,311,000	3,486,000	3,486,000	2,716,000
Total Revenues and Transfers In	32,264,486	31,694,855	31,982,236	32,120,875
Total Funds Available	39,485,538	40,402,297	40,891,453	39,931,125
Expenditures				
Personnel	21,371,028	22,254,326	21,884,673	22,895,189
Supplies	1,298,954	1,523,327	1,339,537	1,430,478
Maintenance	1,039,523	1,442,458	1,113,220	1,265,672
Utilities	1,382,864	1,434,450	1,342,550	1,378,380
Contract Wages	191,015	213,250	189,170	128,600
Information Technology	499,996	553,090	613,690	622,550
Contractual services	1,546,452	1,693,562	1,688,705	1,787,983
Vehicle Usage	1,284,212	1,515,006	1,313,621	1,421,820
Capital Expenses	223,202	259,162	362,424	554,280
Transfers Out	1,739,075	2,983,614	3,233,614	1,763,616
Total Expenditures	30,576,321	33,872,245	33,081,204	33,248,568
Excess Revenues over Expenditures	1,688,166	(2,177,390)	(1,098,968)	(1,127,693)
Ending Fund Balance	\$ 8,909,217	\$ 6,530,052	\$ 7,810,250	\$ 6,682,557
One-time expenditures				804,649
Transfers Out - Other				510,000
Ongoing Total Expenditures				31,933,919
Days in Fund Balance			86	76

City of Sherman
PUBLIC CHARITIES FUND
2015 -2016 Annual Budget

	Actual 2013-2014	Projected 2014-2015	Proposed 2015-2016
Beginning Fund Balance	\$ 50,286	\$ 70,264	\$ 46,364
Revenues			
Interest Earned	90	180	180
Animal Shelter Donations	13,793	8,000	10,000
Pet Adoption Donations	595	500	1,000
Sherman Beautification	1,492	500	500
Fishing Festival	277	150	150
Fire Dept Donations	1,000	-	-
Police Dept Donations	-	2,500	-
Genealogical Donations	73	150	150
Park Concessions Revenue	12,868	13,000	12,000
Parks & Recreation Donations	500	500	500
Total Revenues	30,688	25,480	24,480
Total Funds Available	80,974	95,744	70,844
Expenditures			
Glennie O. Ham Center	-	500	500
Altrusa (W.A.F.A.)	-	60	60
Senior Citizen's Dance Club	-	70	70
Animal Shelter	-	30,000	30,000
Pet Adoption Fund	5,314	-	-
Fire Dept	-	7,500	7,500
Fishing Festival Exp	327	500	500
Genealogical	222	-	-
Remodeling Contingency	-	5,000	5,000
Sherman Beautification Exp	968	250	250
Park Concessions Expense	3,880	5,000	5,000
Parks & Recreation	-	500	500
Total Expenditures	10,710	49,380	49,380
Excess Revenues over Expenditures	19,978	(23,900)	(24,900)
Ending Fund Balance	\$ 70,264	\$ 46,364	\$ 21,464

City of Sherman
LAND TRANSACTION FUND
2015 -2016 Annual Budget

	Actual 2013-2014	Projected 2014-2015	Proposed 2015-2016
Beginning Fund Balance	\$ 69,052	\$ 69,161	\$ 69,281
Revenues			
Land Sales	-	-	-
Interest Earned	109	120	120
Total Revenues	<u>109</u>	<u>120</u>	<u>120</u>
Total Funds Available	69,161	69,281	69,401
Expenditures			
Miscellaneous	-	-	65,000
Excess Revenues over Expenditures	<u>109</u>	<u>120</u>	<u>(64,880)</u>
Ending Fund Balance	<u>\$ 69,161</u>	<u>\$ 69,281</u>	<u>\$ 4,401</u>

Enterprise Funds

City of Sherman
ENTERPRISE FUNDS
2015 -2016 Annual Budget

	Actual 2013-2014	Adjusted Budget 2014-2015	Projected 2014-2015	Proposed 2015-2016
Beginning Fund Balance	\$ 8,414,248	\$ 8,520,925	\$7,494,722	\$7,586,292
Revenues:				
Water Sales	12,106,292	12,683,000	12,781,000	12,781,000
Sewer Sales	6,877,244	7,022,000	6,969,000	6,969,000
Solid Waste Sales	5,683,353	5,561,000	5,618,000	5,904,000
Other Fees for Service	822,680	760,500	785,200	837,200
Interest Earned	8,689	14,200	24,300	23,300
Other	1,217,850	752,167	772,767	591,647
Transfers In	135,000	153,100	153,100	454,000
Total Revenues	26,851,108	26,945,967	27,103,367	27,560,147
Total Funds Available	35,265,356	35,466,892	34,598,089	35,146,439
Expenditures:				
Personnel	6,317,186	6,602,660	6,562,418	6,953,571
Supplies	986,758	1,191,716	1,139,171	1,139,737
Maintenance	1,621,686	2,010,651	1,605,639	1,639,079
Utilities	2,290,474	2,592,010	2,364,380	2,413,770
Contract Wages	98,604	126,080	76,500	79,080
Information Technology	81,168	104,520	115,890	122,470
Contractual Services	3,041,368	3,088,421	2,968,592	3,148,132
Vehicle Usage	1,234,549	1,339,900	1,183,861	1,275,680
Debt Service	4,626,405	5,163,079	4,671,783	5,999,398
Capital Expenses	85,396	68,794	54,305	350,821
Other Expenses	678,794	451,000	564,000	622,000
Transfers Out	6,708,244	5,455,258	5,705,258	5,447,812
Total Expenditures	27,770,634	28,194,090	27,011,797	29,191,550
Excess Revenues over Expenditures	(919,525)	(1,248,123)	91,570	(1,631,403)
Ending Fund Balance	\$7,494,722	\$7,272,803	\$7,586,292	\$5,954,889

City of Sherman
UTILITY FUND
2015 -2016 Annual Budget

	Actual 2013-2014	Adjusted Budget 2014-2015	Projected 2014-2015	Proposed 2015-2016
Beginning Reserve	\$ 6,533,545	\$ 4,683,306	\$ 5,373,763	\$ 5,836,100
Revenues				
Water Sales	12,106,292	12,683,000	12,781,000	12,781,000
Sewer Sales	6,877,244	7,022,000	6,969,000	6,969,000
Lab Charges	142,038	131,000	136,100	136,100
Service & Penalties	533,224	542,000	547,000	547,000
Interest Earned	6,235	11,000	20,000	20,000
Intergovernmental	900,724	546,467	546,467	289,347
Miscellaneous Income	266,610	144,000	158,400	286,400
Total Revenues	20,832,366	21,079,467	21,157,967	21,028,847
Transfers In	135,000	153,100	153,100	154,000
Total Revenues and Transfers In	20,967,366	21,232,567	21,311,067	21,182,847
Total Funds Available	27,500,911	25,915,873	26,684,830	27,018,947
Expenditures				
Personnel	4,846,693	5,036,904	4,996,383	5,294,229
Supplies	879,222	1,029,336	984,651	1,029,394
Maintenance	1,572,852	1,950,652	1,560,289	1,592,900
Utilities	2,266,719	2,561,420	2,341,230	2,392,660
Information Technology	68,181	90,170	99,980	109,710
Debt Service	4,626,405	5,163,079	4,671,783	5,999,398
Contractual services	1,463,446	1,562,379	1,425,156	1,586,717
Contract Wages	95,349	124,000	76,500	77,000
Vehicle Usage	255,273	344,390	320,473	335,690
Other	678,794	451,000	564,000	622,000
Capital Expenses	34,213	68,794	52,605	50,020
Total Expenditures	16,787,148	18,382,125	17,093,050	19,089,718
Transfers Out				
General Fund-Franch & Admin	1,643,000	1,747,000	1,747,000	1,814,000
General Fund-Other	2,057,000	1,100,000	1,100,000	400,000
Other Funds	1,600,000	350,000	600,000	1,050,000
Fleet	40,000	308,680	308,680	485,825
Total Transfers Out	5,340,000	3,505,680	3,755,680	3,749,825
Total Expenditures and Transfers Out	22,127,148	21,887,805	20,848,730	22,839,543
Excess Revenues over Expenditures	(1,159,781)	(655,238)	462,337	(1,656,696)
Ending Reserve	\$ 5,373,763	\$ 4,028,069	\$ 5,836,100	\$ 4,179,404
One-time expenditures				\$ 498,275
Transfers Out - Other				1,450,000
Ongoing Total Expenditures				\$ 20,891,268
Days in Fund Balance			102	73

City of Sherman
SOLID WASTE FUND
2015 -2016 Annual Budget

	Actual 2013-2014	Adjusted Budget 2014-2015	Projected 2014-2015	Proposed 2015-2016
Beginning Fund Balance	\$ 1,446,768	\$ 1,595,793	\$ 1,656,102	\$ 1,263,535
Revenues				
Solid Waste Service	5,683,353	5,561,000	5,618,000	5,904,000
Service & Penalties	42,552	52,000	57,000	57,000
Interest Earned	1,695	1,500	2,500	1,500
Miscellaneous Income	125,221	87,200	93,000	93,000
Transfers In	-	-	-	300,000
Total Revenues	5,852,820	5,701,700	5,770,500	6,355,500
Total Funds Available	7,299,588	7,297,493	7,426,602	7,619,035
Expenditures				
Personnel	1,470,493	1,565,756	1,566,035	1,659,342
Supplies	107,536	162,380	154,520	110,343
Maintenance	48,834	59,999	45,350	46,179
Utilities	23,756	30,590	23,150	21,110
Information Technology	12,987	14,350	15,910	12,760
Contractual services	1,577,922	1,511,042	1,543,436	1,546,415
Contract Wages	3,255	2,080	-	2,080
Vehicle Usage	979,276	995,510	863,388	939,990
Capital Expenses	51,183	-	1,700	300,801
Transfers Out-Franchise & Admin	611,000	639,000	639,000	702,000
Transfers Out-Billing	135,000	153,100	153,100	154,000
Transfers Out-Fleet	622,244	1,157,478	1,157,478	841,987
Total Expenditures	5,643,486	6,291,285	6,163,067	6,337,007
Excess Revenues over Expenditures	209,334	(589,585)	(392,567)	18,493
Ending Fund Balance	\$ 1,656,102	\$ 1,006,208	\$ 1,263,535	\$ 1,282,028
One-time expenditures				300,801
Ongoing Total Expenditures				6,036,206
Days in Fund Balance			75	78

City of Sherman
WATER CONSUMER DEPOSITS
2015 -2016 Annual Budget

	Actual 2013-2014	Projected 2014-2015	Proposed 2015-2016
Beginning Fund Balance	\$ 239,239	239,684	240,884
Revenues			
Interest Income	445	1,200	1,200
Total Funds Available	239,684	240,884	242,084
Expenditures			
Miscellaneous	-	-	-
Ending Fund Balance	\$ 239,684	\$ 240,884	\$ 242,084

City of Sherman
PRO RATA FUND
2015 -2016 Annual Budget

	Actual 2013-2014	Projected 2014-2015	Proposed 2015-2016
Beginning Fund Balance	\$ 194,697	\$ 225,173	\$ 245,773
Revenues			
Interest Income	314	600	600
Pro Rata Fees	30,162	20,000	20,000
Total Revenues	<u>30,476</u>	<u>20,600</u>	<u>20,600</u>
Total Funds Available	225,173	245,773	266,373
Expenditures			
Miscellaneous	-	-	15,000
Excess Revenues over Expenditures	<u>30,476</u>	<u>20,600</u>	<u>20,600</u>
Ending Fund Balance	<u><u>\$ 225,173</u></u>	<u><u>\$ 245,773</u></u>	<u><u>\$ 251,373</u></u>

Capital Improvement Funds

City of Sherman
CAPITAL IMPROVEMENT FUNDS
2015 -2016 Annual Budget

	222	770	224	230	330	Total
	General	Utility	Street	TIF #3	TIF #2	
	CIP	CIP	Revolving	Construction	Construction	
Beginning Fund Balance	\$ 197,571	\$ 1,737,651	\$ 419,234	\$ 559,421	\$ 24,879	\$ 2,938,756
Revenues:						
Interest Earned	-	12,000	750	225	500	13,475
Debt Proceeds	1,640,000	-	-	-	-	1,640,000
Taxes	-	-	-	105,000	65,000	170,000
Other	462,500	1,000,000	-	-	-	1,462,500
Transfers In	1,170,000	850,000	-	-	-	2,020,000
Total Revenues	3,272,500	1,862,000	750	105,225	65,500	5,305,975
Total Funds Available	3,470,071	3,599,651	419,984	664,646	90,379	8,244,731
Expenditures						
Agent Fee	20,000	-	-	-	-	20,000
Capital Expenses	3,145,000	3,075,000	75,000	-	85,000	6,380,000
Transfers Out	-	-	-	660,000	-	660,000
	3,165,000	3,075,000	75,000	660,000	85,000	7,060,000
Excess Revenues over Expenditures	107,500	(1,213,000)	(74,250)	(554,775)	(19,500)	(1,754,025)
Ending Fund Balance	\$ 305,071	\$ 524,651	\$ 344,984	\$ 4,646	\$ 5,379	\$ 1,184,731

City of Sherman
GENERAL IMPROVEMENT FUND
2015 -2016 Annual Budget

	Actual 2013-2014	Adjusted Budget 2014-2015	Projected 2014-2015	Proposed 2015-2016
Beginning Fund Balance	\$ 310,883	\$ 416,028	\$ 681,655	\$ 197,571
Revenues				
Transfers In	616,077	1,900,000	1,900,000	1,170,000
Intergovernmental	200,000	200,000	200,000	-
Grant Revenue	-	-	-	462,500
Interest Earned	47	-	-	-
Miscellaneous Income	-	1,300,000	1,352,006	-
Tax Note Proceeds	-	-	-	1,620,000
Total Revenues	816,124	3,400,000	3,452,006	3,252,500
Total Funds Available	1,127,007	3,816,028	4,133,661	3,450,071
Expenditures				
Washington Street West	85,000	-	-	-
GIS System	141,341	271,870	209,743	-
Soil Conservation Emergency Action Plan Study	1,170	-	-	-
Neighborhood Revitalization-Fielder Park	44,937	-	-	-
Municipal Building Repair	57,579	240,815	245,712	-
Taylor Street Complex	650	-	-	-
* Loy Lake Bridge	-	1,300,000	1,352,006	-
Street Improvement Program	-	1,500,000	1,500,000	-
Fallon Drive Bridge Repair/Hunt St	58,871	190,819	318,629	-
Fire Station Repairs	-	50,000	50,000	-
Houston St Property Acquisition	-	-	-	150,000
Ellsworth Branch Flood Study	-	-	-	30,000
Subdivision Ordinance Update	-	-	-	60,000
** Downtown Streetscape	-	-	-	500,000
Grand Avenue Traffic & Pedestrian Imp	-	-	-	60,000
Loy Lake Rd-Sara Swamy to Hwy 82	-	-	120,000	2,180,000
Police Dept Basement Renovation	-	-	-	25,000
Police Dept Communication Center Relocation	-	-	-	40,000
Fire Station #3 Building Repair	-	-	-	50,000
Fairview Park Tot Playground	-	-	-	50,000
Travis Street Sinkhole	-	-	100,000	-
Kessler Street Erosion	-	-	40,000	-
Transfers Out	55,804	-	-	-
Total Expenditures	445,352	3,553,504	3,936,090	3,145,000
Excess Revenues over Expenditures	370,772	(153,504)	(484,084)	107,500
Ending Fund Balance	\$ 681,655	\$ 262,524	\$ 197,571	\$ 305,071

* TXDOT Participation

** 80% Grant Funded

City of Sherman
UTILITY IMPROVEMENT FUND
2015 -2016 Annual Budget

	Actual 2013-2014	Budget 2014-2015	Projected 2014-2015	Proposed 2015-2016
Beginning Fund Balance	\$ 2,170,598	\$ 1,436,691	\$ 1,983,094	\$ 1,737,651
Revenues				
Transfers In	600,000	350,000	350,000	850,000
Miscellaneous Income	290,155	-	-	1,000,000
Interest Earned	4,064	7,500	10,000	12,000
Total Revenues	894,219	357,500	360,000	1,862,000
Total Funds Available	3,064,817	1,794,191	2,343,094	3,599,651
Expenditures				
Utility Oversizing	-	50,000	-	50,000
Gallagher Tower Evaluation	14,435	-	-	-
Sears Lift Station	59,622	25,000	27,315	-
Hwy 289 Water	192,984	-	-	-
Hwy 289 Sewer	29,570	-	136,050	-
Upgrade Metering and Telemetry for Water System	19,050	-	-	-
Well Repairs and Upgrades	641,846	-	-	-
*** Gallagher Elevated Tank Painting and Repair	7,081	1,125,000	156,712	-
Infiltration & Inflow Office and Storage Facility	69,250	-	-	-
** Blalock Industrial Sewer	-	-	-	1,000,000
WWTP Effluent Reuse Engineering	585	-	-	-
Cherry Park Pump Station Rehab	1,070	-	-	-
South Sherman Relief Sewer	600	-	-	-
Ricketts St Water Line	-	168,000	-	-
Water Treatment Plant Expansion	45,630	-	251,961	-
WTP Basin Cleaning	-	350,000	-	350,000
SW Elevated Storage Tank	-	-	33,405	-
Harrison Elevated Tank Painting	-	-	-	1,250,000
North Travis St. Water Main Replacement	-	-	-	250,000
U.S. Highway 75 South Water Crossing Replacement	-	-	-	175,000
Total Expenditures	1,081,723	1,718,000	605,443	3,075,000
Excess Revenues over Expenditures	(187,504)	(1,360,500)	(245,443)	(1,213,000)
Ending Fund Balance	\$ 1,983,094	\$ 76,191	\$ 1,737,651	\$ 524,651 ***

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*** In 2017, additional funding will be needed for Gallagher Tank Repair, already under contract

City of Sherman
STREET REVOLVING FUND
2015 -2016 Annual Budget

	Actual 2013-2014	Projected 2014-2015	Proposed 2015-2016
Beginning Fund Balance	\$ 451,123	\$ 418,484	\$ 419,234
Revenues			
Interest Earned	767	750	750
Street Assessments	16,077	-	-
Total Revenues	<u>16,844</u>	<u>750</u>	<u>750</u>
Total Funds Available	467,967	419,234	419,984
Expenditures			
Improvements	33,406	-	75,000
Transfers Out	16,077	-	-
	<u>49,483</u>	<u>-</u>	<u>75,000</u>
Ending Fund Balance	<u>\$ 418,484</u>	<u>\$ 419,234</u>	<u>\$ 344,984</u>

City of Sherman
TIF #2 CONSTRUCTION FUND
2015 -2016 Annual Budget

	Actual 2013-2014	Projected 2014-2015	Proposed 2015-2016
Beginning Fund Balance	\$ (88,314)	\$ (39,923)	\$ 24,879
Revenues			
Grant Revenue	1,925	-	-
Property Tax	64,400	64,302	65,000
Interest Earned	597	500	500
Total Revenues	<u>66,921</u>	<u>64,802</u>	<u>65,500</u>
Total Funds Available	(21,393)	24,879	90,379
Expenditures:			
Improvements	18,530	-	85,000
Excess Revenues over Expenditures	<u>48,391</u>	<u>64,802</u>	<u>(19,500)</u>
Ending Fund Balance	<u>\$ (39,923)</u>	<u>\$ 24,879</u>	<u>\$ 5,379</u>

City of Sherman
TIF #3 CONSTRUCTION FUND
2015 -2016 Annual Budget

	Actual 2013-2014	Projected 2014-2015	Proposed 2015-2016
Beginning Fund Balance	\$ 705,757	\$ 644,644	\$ 559,421
Revenues			
Property Tax	69,677	104,080	105,000
Interest Earned	618	225	225
Total Revenues	<u>70,295</u>	<u>104,305</u>	<u>105,225</u>
Total Funds Available	776,052	748,949	664,646
Expenditures			
Improvements	131,408	189,528	-
Transfers Out	-	-	660,000
Total Expenditures	<u>131,408</u>	<u>189,528</u>	<u>660,000</u>
Excess Revenues over Expenditures	<u>(61,113)</u>	<u>(85,223)</u>	<u>(554,775)</u>
Ending Fund Balance	<u><u>\$ 644,644</u></u>	<u><u>\$ 559,421</u></u>	<u><u>\$ 4,646</u></u>

Special Revenue Funds

City of Sherman
SPECIAL REVENUE FUNDS
2015 -2016 Annual Budget

	440	460	470	480	455	456	457	Total
	E 911	Hotel/ Motel	Drug Enforcement	Airport	Parks Pride	Police Pride	Donations	
Beginning Fund Balance	\$ 54,729	\$ 390,184	\$ 88,521	\$ 151,261	\$ 39,460	\$ 4,199	\$ 1,319	\$ 729,673
Revenues								
Taxes	-	508,280	-	-	-	-	-	508,280
Other Fees for Service	344,000	22,200	150,000	401,000	-	-	-	917,200
Interest Earned	200	525	300	300	100	30	8	1,463
Other	-	-	-	-	10,100	10,100	5,000	25,200
Total Revenues	344,200	531,005	150,300	401,300	10,200	10,130	5,008	1,452,143
Total Funds Available	398,929	921,188	238,821	552,561	49,660	14,329	6,327	2,181,816
Expenditures								
Personnel	107,277	104,371	-	-	-	-	-	211,648
Supplies	13,975	6,950	85,569	313,250	-	4,000	-	423,744
Maintenance	137,264	25,100	27,000	5,000	-	-	-	194,364
Utilities	-	38,760	-	16,800	-	-	-	55,560
Information Technology	-	2,550	-	-	-	-	-	2,550
Contractual Services	112,259	1,765	29,000	39,500	48,000	8,800	6,000	245,324
Contract Wages	500	-	-	-	-	-	-	500
Vehicle Usage	-	-	-	3,060	-	-	-	3,060
Capital Expenses	-	116,603	19,868	-	-	1,000	-	137,471
Tourism	-	310,000	-	-	-	-	-	310,000
Transfers Out	-	114,000	-	-	-	-	-	114,000
Total Expenditures	371,275	720,099	161,437	377,610	48,000	13,800	6,000	1,698,221
Excess Revenues over Expenditures	(27,075)	(189,095)	(11,137)	23,690	(37,800)	(3,670)	(992)	(246,078)
Ending Fund Balance	\$ 27,654	\$ 201,089	\$ 77,385	\$ 174,951	\$ 1,660	\$ 529	\$ 327	\$ 483,595

City of Sherman
POLICE PROGRAMS FUND
2015 -2016 Annual Budget

	Actual 2013-2014	Projected 2014-2015	Proposed 2015-2016
Beginning Fund Balance	\$ 45,624	\$ 82,026	\$ 54,729
Revenues			
E 9-1-1 Service Fees	288,196	290,000	322,000
Security and Technology Fees	25,014	22,000	22,000
Interest Earned	57	200	200
Total Revenues	<u>313,268</u>	<u>312,200</u>	<u>344,200</u>
Total Funds Available	358,892	394,226	398,929
Expenditures			
Personnel	107,771	107,277	107,277
Supplies	4,928	11,095	13,975
Maintenance	71,407	110,105	137,264
Contract Wages	-	500	500
Contractual Services	92,760	110,520	112,259
Total Expenditures	<u>276,865</u>	<u>339,497</u>	<u>371,275</u>
Excess Revenues over Expenditures	<u>36,402</u>	<u>(27,297)</u>	<u>(27,075)</u>
Ending Fund Balance	<u><u>\$ 82,026</u></u>	<u><u>\$ 54,729</u></u>	<u><u>\$ 27,654</u></u>

City of Sherman
PARKS PRIDE FUND
2015 -2016 Annual Budget

	Actual 2013-2014	Projected 2014-2015	Proposed 2015-2016
Beginning Fund Balance	\$ 19,285	\$ 29,260	\$ 39,460
Revenues			
Donations	9,929	10,100	10,100
Interest Earned	45	100	100
Total Revenues	<u>9,975</u>	<u>10,200</u>	<u>10,200</u>
Total Funds Available	29,260	39,460	49,660
Expenditures			
Park Improvements	-	-	48,000
Excess Revenues over Expenditures	<u>9,975</u>	<u>10,200</u>	<u>(37,800)</u>
Ending Fund Balance	<u><u>\$ 29,260</u></u>	<u><u>\$ 39,460</u></u>	<u><u>\$ 1,660</u></u>

City of Sherman
POLICE PRIDE FUND
2015 -2016 Annual Budget

	Actual 2013-2014	Projected 2014-2015	Proposed 2015-2016
Beginning Fund Balance	\$ 10,554	\$ 3,422	\$ 4,199
Revenues			
Donations	9,929	15,100	10,100
Interest Earned	18	30	30
Total Revenues	<u>9,947</u>	<u>15,130</u>	<u>10,130</u>
Total Funds Available	20,501	18,552	14,329
Expenditures			
Supplies	2,105	10,553	4,000
Contractual Services	3,474	3,800	8,800
Canine Replacement Dog	11,500	-	1,000
Total Expenditures	<u>17,079</u>	<u>14,353</u>	<u>13,800</u>
Excess Revenues over Expenditures	<u>(7,132)</u>	<u>777</u>	<u>(3,670)</u>
Ending Fund Balance	<u><u>\$ 3,422</u></u>	<u><u>\$ 4,199</u></u>	<u><u>\$ 529</u></u>

City of Sherman
DONATIONS FUND
2015 -2016 Annual Budget

	Actual 2013-2014	Projected 2014-2015	Proposed 2015-2016
Beginning Fund Balance	\$ 3,642	\$ 4,311	\$ 1,319
Revenues			
Donations	4,572	5,000	5,000
Interest Earned	6	8	8
Total Revenues	<u>4,578</u>	<u>5,008</u>	<u>5,008</u>
Total Funds Available	8,220	9,319	6,327
Expenditures			
Supplies	3,910	8,000	6,000
Excess Revenues over Expenditures	<u>669</u>	<u>(2,992)</u>	<u>(992)</u>
Ending Fund Balance	<u>\$ 4,311</u>	<u>\$ 1,319</u>	<u>\$ 327</u>

City of Sherman
HOTEL/MOTEL TAX FUND
2015 -2016 Annual Budget

	Actual 2013-2014	Projected 2014-2015	Proposed 2015-2016
Beginning Fund Balance	\$ 204,843	\$ 377,746	\$ 390,184
Revenues			
Hotel/Motel Tax 5%	427,126	397,300	363,057
Hotel/Motel Tax 2%	170,850	158,900	145,223
Penalties	4,525	2,721	-
Miscellaneous Income	1,717	-	-
Interest Earned	326	725	525
Program/Sponsor Fees	20,420	-	-
Auditorium/Ballroom Rental	33,351	22,550	22,200
Total Revenues	658,314	582,196	531,005
Total Funds Available	863,157	959,942	921,188
Expenditures:			
Tourism			
Chamber/CVB contract	-	240,000	240,000
Administration	92,684	53,221	77,368
Programs	97,473	1,260	965
Downtown Building Incentive	5,715	40,000	50,000
Museum Support	70,000	-	20,000
Ballroom Operations	69,002	67,024	137,781
Auditorium Operations	35,538	54,253	79,985
Transfers Out	115,000	114,000	114,000
Total Expenditures	485,412	569,758	720,099
Excess Revenues over Expenditures	172,903	12,438	(189,095)
Ending Fund Balance	\$ 377,746	\$ 390,184	\$ 201,089

City of Sherman
DRUG ENFORCEMENT FUND
2015 -2016 Annual Budget

	Actual 2013-2014	Projected 2014-2015	Proposed 2015-2016
Beginning Fund Balance	\$ 145,095	\$ 44,810	\$ 88,521
Revenues			
Police Confiscated Funds	75,247	200,000	150,000
Interest Earned	193	300	300
Total Revenues	75,440	200,300	150,300
Total Funds Available	220,535	245,110	238,821
Expenditures			
Supplies	23,128	84,199	85,569
Maintenance	-	27,000	27,000
Contractual Services	32,719	27,500	29,000
Travel & Tuition	-	-	-
Capital Expenses	119,878	17,890	19,868
Total Expenditures	175,724	156,589	161,437
Excess Revenues over Expenditures	(100,285)	43,711	(11,137)
Ending Fund Balance	\$ 44,810	\$ 88,521	\$ 77,385

City of Sherman
MUNICIPAL AIRPORT FUND
2015 -2016 Annual Budget

	Actual 2013-2014	Projected 2014-2015	Proposed 2015-2016
Beginning Fund Balance	\$ 118,820	\$ 141,333	\$ 151,261
Revenues			
Interest Earned	292	400	300
Rentals	67,197	49,000	49,000
Fuel Sales	413,480	352,000	352,000
Miscellaneous Income	100	200	-
Total Revenues	481,069	401,600	401,300
Total Funds Available	599,889	542,933 -	552,561
Expenditures			
Fuel Purchases	392,106	314,000	313,000
Supplies	-	10	250
Maintenance	15,845	21,000	5,000
Contractual Services	35,315	38,959	39,500
Utilities	14,861	14,410	16,800
Vehicle Usage	429	3,293	3,060
Total Expenditures	458,556	391,672	377,610
Excess Revenues over Expenditures	22,513	9,928	23,690
Ending Fund Balance	\$ 141,333	\$ 151,261	\$ 174,951

Debt Service Funds

City of Sherman
DEBT SERVICE FUNDS
2015 -2016 Annual Budget

	310 Auditorium Bonds	320 TIF #1	350 CO Bonds	351 2009 CO Bonds	353 2009A CO Bonds	Total
Beginning Fund Balance	\$ 146,510	\$ 470,887	\$ 10,709	\$ 11,996	\$ 3,286	\$ 643,387
Revenues						
Property Tax	-	239,250	360,000	308,000	251,000	1,158,250
Interest Earned	300	500	-	-	-	800
Transfers In	114,000	-	-	-	-	114,000
Total Revenues	114,300	239,750	360,000	308,000	251,000	1,273,050
Total Funds Available	260,810	710,637	370,709	319,996	254,286	1,916,437
Expenditures:						
Debt Service	111,838	318,150	360,143	308,377	251,463	1,349,971
Excess Revenues over Expenditures	2,462	(78,400)	(143)	(377)	(463)	(76,921)
Ending Fund Balance	\$ 148,972	\$ 392,487	\$ 10,566	\$ 11,619	\$ 2,823	\$ 566,466

City of Sherman
AUDITORIUM DEBT SERVICE FUND
2015 -2016 Annual Budget

	Actual 2013-2014	Projected 2014-2015	Proposed 2015-2016
Beginning Fund Balance	\$ 142,205	\$ 146,298	\$ 146,510
Revenues			
Transfers In	115,000	114,000	114,000
Interest Earned	268	300	300
Total Revenues	<u>115,268</u>	<u>114,300</u>	<u>114,300</u>
Total Funds Available	257,473	260,598	260,810
Expenditures			
Debt Service	110,425	113,338	111,088
Agent Fees	750	750	750
Total Expenditures	<u>111,175</u>	<u>114,088</u>	<u>111,838</u>
Excess Revenues over Expenditures	<u>4,093</u>	<u>212</u>	<u>2,462</u>
Ending Fund Balance	<u><u>\$ 146,298</u></u>	<u><u>\$ 146,510</u></u>	<u><u>\$ 148,972</u></u>

City of Sherman
TIF #1 DEBT SERVICE FUND
2015 -2016 Annual Budget

	Actual 2013-2014	Projected 2014-2015	Proposed 2015-2016
Beginning Fund Balance	\$ 260,995	\$ 348,992	\$ 470,887
Revenues			
Property Tax	403,101	434,166	239,250
Interest Earned	949	500	500
Total Revenues	<u>404,050</u>	<u>434,666</u>	<u>239,750</u>
Total Funds Available	<u>665,045</u>	<u>783,658</u>	<u>710,637</u>
Expenditures			
Debt Service	315,854	312,571	317,400
Agent Fees	200	200	750
Transfers Out	-	-	-
Total Expenditures	<u>316,054</u>	<u>312,771</u>	<u>318,150</u>
Excess Revenues over Expenditures	<u>87,997</u>	<u>121,895</u>	<u>(78,400)</u>
Ending Fund Balance	<u>\$ 348,992</u>	<u>\$ 470,887</u>	<u>\$ 392,487</u>

City of Sherman
2008 CO DEBT SERVICE FUND
2015 -2016 Annual Budget

	Actual 2013-2014	Projected 2014-2015	Proposed 2015-2016
Beginning Fund Balance	\$ 9,865	\$ 10,816	\$ 10,709
Revenues			
Property Tax	361,000	358,000	360,000
Total Revenues	<u>361,000</u>	<u>358,000</u>	<u>360,000</u>
Total Funds Available	370,865	368,816	370,709
Expenditures			
Debt Service	360,049	357,357	359,393
Agent Fees	-	750	750
Total Expenditures	<u>360,049</u>	<u>358,107</u>	<u>360,143</u>
Excess Revenues over Expenditures	<u>951</u>	<u>(107)</u>	<u>(143)</u>
Ending Fund Balance	<u><u>\$ 10,816</u></u>	<u><u>\$ 10,709</u></u>	<u><u>\$ 10,566</u></u>

City of Sherman
2009 CO DEBT SERVICE FUND
2015 -2016 Annual Budget

	Actual 2013-2014	Projected 2014-2015	Proposed 2015-2016
Beginning Fund Balance	\$ 12,316	\$ 12,056	\$ 11,996
Revenues			
Property Tax	312,000	312,000	308,000
Total Revenues	<u>312,000</u>	<u>312,000</u>	<u>308,000</u>
Total Funds Available	324,316	324,056	319,996
Expenditures			
Debt Service	311,510	311,310	307,627
Agent Fees	750	750	750
Total Expenditures	<u>312,260</u>	<u>312,060</u>	<u>308,377</u>
Excess Revenues over Expenditures	<u>(260)</u>	<u>(60)</u>	<u>(377)</u>
Ending Fund Balance	<u><u>\$ 12,056</u></u>	<u><u>\$ 11,996</u></u>	<u><u>\$ 11,619</u></u>

City of Sherman
2009A CO DEBT SERVICE FUND
2015 -2016 Annual Budget

	Actual 2013-2014	Projected 2014-2015	Proposed 2015-2016
Beginning Fund Balance	\$ 3,407	\$ 58,799	\$ 3,286
Revenues			
Property Tax	244,000	190,000	251,000
Transfers In	55,804	-	-
Total Revenues	<u>299,804</u>	<u>190,000</u>	<u>251,000</u>
Total Funds Available	303,211	248,799	254,286
Expenditures			
Debt Service	243,663	244,763	250,713
Agent Fees	750	750	750
Total Expenditures	<u>244,413</u>	<u>245,513</u>	<u>251,463</u>
Excess Revenues over Expenditures	<u>55,392</u>	<u>(55,513)</u>	<u>(463)</u>
Ending Fund Balance	<u><u>\$ 58,799</u></u>	<u><u>\$ 3,286</u></u>	<u><u>\$ 2,823</u></u>

Internal Service Funds

City of Sherman
INTERNAL SERVICE FUNDS
2015 -2016 Annual Budget

	600 Insurance	630 IT	650 Equipment	660 Fleet Replacement	Total
Beginning Fund Balance	\$ 76,727	\$ 98,558	\$ 4,511	\$ 176,534	\$ 356,330
Revenue					
Other Fees for Service	5,753,305	765,430	2,700,560	-	9,219,295
Interest Earned	-	-	-	10,000	10,000
Transfers in	-	-	-	2,681,428	2,681,428
Total Revenue	5,753,305	765,430	2,700,560	2,691,428	11,910,723
Total Funds Available	5,830,032	863,988	2,705,071	2,867,962	12,267,053
Expenditures					
Personnel	-	377,642	736,825	-	1,114,467
Supplies	-	55,225	933,553	-	988,778
Maintenance	-	97,630	683,776	-	781,406
Utilities	-	32,090	35,420	-	67,510
Contract Wages	-	7,000	-	-	7,000
Information Technology	-	-	17,860	-	17,860
Contractual Services	5,723,550	19,847	225,130	-	5,968,527
Debt Service	-	-	-	220,228	220,228
Capital Expenses	-	176,000	68,200	2,461,200	2,705,400
Total Expenditures	5,723,550	765,434	2,700,764	2,681,428	11,871,176
Excess Revenues over Expenditures	29,755	(4)	(204)	10,000	39,547
Ending Fund Balance	\$ 106,482	\$ 98,554	\$ 4,307	\$ 186,534	\$ 395,877

City of Sherman
EMPLOYEE INSURANCE FUND
2015 -2016 Annual Budget

	Actual 2013-2014	Budget 2014-2015	Projected 2014-2015	Proposed 2015-2016
Beginning Fund Balance	\$ (318,770)	\$ 12,286	\$ 4,727	\$ 76,727
Revenues				
Employer Contributions	3,889,668	4,327,000	4,075,000	4,565,305
Employee Contributions	889,391	892,000	959,000	959,000
Retiree Contributions	229,705	247,000	230,000	227,000
COBRA Contributions	5,623	6,000	2,000	2,000
Miscellaneous Income	57	-	-	-
Transfers In	1,250,000	-	500,000	-
Total Revenues	6,264,444	5,472,000	5,766,000	5,753,305
Total Funds Available	5,945,674	5,484,286	5,770,727	5,830,032
Expenditures				
Health Insurance Claims	5,294,615	4,650,000	5,061,000	5,000,000
Insurance Premiums & Cost	571,171	594,000	565,000	648,550
Life Insurance	50,162	50,000	43,000	50,000
Miscellaneous	24,999	25,000	25,000	25,000
Total Expenditures	5,940,947	5,319,000	5,694,000	5,723,550
Excess Revenues over Expenditures	323,497	153,000	72,000	29,755
Ending Fund Balance	\$ 4,727	\$ 165,286	\$ 76,727	\$ 106,482

City of Sherman
INFORMATION TECHNOLOGY FUND
2015 -2016 Annual Budget

	Actual 2013-2014	Projected 2014-2015	Proposed 2015-2016
Beginning Fund Balance	\$ 109,994	\$ 98,558	\$ 98,558
Revenues			
Technology Services:			
General Fund	499,996	613,690	622,550
Tourism	1,623	4,550	2,550
Equipment Services Fund	9,740	11,360	17,860
Utility Fund	68,181	99,980	109,710
Solid Waste Fund	12,987	15,910	12,760
Interest Earned	9	-	-
Miscellaneous Income	17	-	-
Total Revenues	592,552	745,490	765,430
Total Funds Available	702,547	844,048	863,988
Expenditures			
Personnel	369,179	371,865	377,642
Supplies	65,736	40,460	55,225
Maintenance	90,433	102,025	97,630
Utilities	50,418	49,120	32,090
Contract Wages	3,893	6,000	7,000
Contractual Services	11,938	19,020	19,847
Capital Expenses	12,392	157,000	176,000
Total Expenditures	603,989	745,490	765,434
Excess Revenues over Expenditures	(11,436)	-	(4)
Ending Fund Balance	\$ 98,558	\$ 98,558	\$ 98,554

City of Sherman
EQUIPMENT SERVICES FUND
2015 -2016 Annual Budget

	Actual 2013-2014	Projected 2014-2015	Proposed 2015-2016
Beginning Fund Balance	\$ 58,252	\$ 4,517	\$ 4,511
Revenues			
Equipment Service Revenue:			
General Fund	1,298,537	1,313,621	1,421,820
Airport Fund	429	3,293	3,060
Utility Fund	255,273	320,473	335,690
Solid Waste Fund	979,557	863,388	939,990
Miscellaneous Income	1,832	-	-
Total Revenues	2,535,628	2,500,775	2,700,560
Total Funds Available	2,593,880	2,505,292	2,705,071
Expenditures			
Personnel	674,202	731,708	736,825
Supplies	1,015,105	749,111	933,553
Maintenance	664,047	777,475	683,776
Utilities	34,555	30,460	35,420
Information Technology	9,740	11,360	17,860
Contractual Services	172,767	175,667	225,130
Capital Expenses	18,947	25,000	68,200
Total Expenditures	2,589,363	2,500,781	2,700,764
Excess Revenues over Expenditures	(53,735)	(6)	(204)
Ending Fund Balance	\$ 4,517	\$ 4,511	\$ 4,307

City of Sherman
FLEET REPLACEMENT FUND
2015 -2016 Annual Budget

	Actual 2013-2014	Projected 2014-2015	Proposed 2015-2016
Beginning Fund Balance	\$ 126,547	\$ 146,491	\$ 176,534
Revenues			
Transfers in	1,551,319	2,549,772	2,681,428
Interest Earned	297	1,500	10,000
Miscellaneous Income	26,731	-	-
Total Revenues	1,578,347	2,551,272	2,691,428
Total Funds Available	1,704,894	2,697,763	2,867,962
Expenditures			
Supplies	9,704	-	-
Maintenance	8,256	-	-
Debt Service	220,228	220,229	220,228
Equipment-General Fund	657,354	852,000	1,096,888
Equipment-Utility Fund	41,389	307,000	522,325
Equipment-Solid Waste Fund	621,472	1,142,000	841,987
Total Expenditures	1,558,403	2,521,229	2,681,428
Excess Revenues over Expenditures	19,944	30,043	10,000
Ending Fund Balance	\$ 146,491	\$ 176,534	\$ 186,534

Trust Fund

City of Sherman
PERPETUAL CARE FUND
2015 -2016 Annual Budget

	Actual 2013-2014	Projected 2014-2015	Proposed 2015-2016
Beginning Fund Balance	\$ 1,313,221	\$ 1,382,112	\$ 1,464,112
Revenues			
Other revenue	4,100	7,000	7,000
Interest Earned	64,791	75,000	75,000
Total Revenues	<u>68,891</u>	<u>82,000</u>	<u>82,000</u>
Total Funds Available	1,382,112	1,464,112	1,546,112
Expenditures			
Miscellaneous	-	-	-
Ending Fund Balance	<u>\$ 1,382,112</u>	<u>\$ 1,464,112</u>	<u>\$ 1,546,112</u>

TRANSFERS SCHEDULE

FUND DETAILS

100 From fund 700 5% franchise, admin cost
 From fund 700 other
 From fund 790, dept 243, 244, 245
 To fund 222 for CIP
 To fund 660 for debt service
 To fund 660 for equipment purchases

222 From fund 100
 From TIF#3 (fund 230)

230 To fund 222

310 From fund 460

460 To fund 310

660 From fund 100, debt service
 From fund 100, equipment purchase
 From fund 700, equipment purchase
 From fund 790, equipment purchase

700 To fund 100 5% franchise, admin cost
 To fund 100, other
 To fund 770
 To fund 790, fund balance
 From fund 790, admin cost
 To fund 660 for equipment purchase

770 From fund 700

790 To fund 100 8% franchise, admin cost RSW
790 To fund 700 admin cost RSW
790 To fund 100 8% franchise, admin cost CSW
790 To fund 700 admin cost CSW
790 To fund 100 8% franchise, admin cost Recycle
790 To fund 700 admin cost Recycle
790 To fund 660, equipment purchase
790 From fund 700, fund balance

TOTALS

BUDGETED FY15/16	
Expense TRANSFER FROM Debit	Revenue TRANSFER TO Credit
	\$ 1,814,000.00
	\$ 200,000.00
	\$ 702,000.00
\$ 510,000.00	
\$ 220,228.00	
\$ 1,033,388.00	
	\$ 510,000.00
	\$ 660,000.00
\$ 660,000.00	
	\$ 114,000.00
\$ 114,000.00	
	\$ 220,228.00
	\$ 1,033,388.00
	\$ 585,825.00
	\$ 841,987.00
\$ 1,814,000.00	
\$ 200,000.00	
\$ 850,000.00	
\$ 300,000.00	
\$ 585,825.00	\$ 154,000.00
	\$ 850,000.00
\$ 269,000.00	
\$ 59,000.00	
\$ 392,000.00	
\$ 86,000.00	
\$ 41,000.00	
\$ 9,000.00	
\$ 841,987.00	
	\$ 300,000.00
\$ 7,985,428.00	\$ 7,985,428.00

City of Sherman
Bonded Debt as of 7/31/15

Fiscal Yr	(1) \$2,840,000 Combination Tax & Tax Increment Revenue 2004 Series TIF Zone#1, Certificates of Obligation				(2) \$1,605,000 General Obligation Refunding, Series 2006			
	Coupon	Principal	Interest	TOTAL	Coupon	Principal	Interest	TOTAL
2016	4.44%	170,000.00	71,928.00	241,928.00	3.75%	60,000.00	51,087.50	111,087.50
2017	4.44%	180,000.00	64,380.00	244,380.00	3.75%	65,000.00	48,743.75	113,743.75
2018	4.44%	185,000.00	56,388.00	241,388.00	3.75%	70,000.00	46,212.50	116,212.50
2019	4.44%	195,000.00	48,174.00	243,174.00	4.00%	70,000.00	43,500.00	113,500.00
2020	4.44%	205,000.00	39,516.00	244,516.00	4.00%	75,000.00	40,600.00	115,600.00
2021	4.44%	215,000.00	30,414.00	245,414.00	4.00%	80,000.00	37,500.00	117,500.00
2022	4.44%	230,000.00	20,868.00	250,868.00	4.00%	80,000.00	34,300.00	114,300.00
2023	4.44%	240,000.00	10,656.00	250,656.00	4.00%	85,000.00	31,000.00	116,000.00
2024		-	-	-	4.00%	85,000.00	27,600.00	112,600.00
2025		-	-	-	4.25%	85,000.00	24,093.75	109,093.75
2026		-	-	-	4.25%	95,000.00	20,268.75	115,268.75
2027		-	-	-	4.25%	100,000.00	16,125.00	116,125.00
2028		-	-	-	4.375%	100,000.00	11,812.50	111,812.50
2029		-	-	-	4.375%	105,000.00	7,328.13	112,328.13
2030		-	-	-	4.375%	115,000.00	2,515.63	117,515.63
		1,620,000.00	342,324.00	1,962,324.00		1,270,000.00	442,687.51	1,712,687.51

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

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

City of Sherman
Bonded Debt as of 7/31/15

Fiscal Yr	(3)				(4)			
	<i>\$5,000,000</i> 2008 Series Revenue Certificates of Obligation				<i>\$4,100,000</i> Capital Improvement Fund Projects 2009 Series Revenue Certificates of Obligation			
	Coupon	Principal	Interest	TOTAL	Coupon	Principal	Interest	TOTAL
2016	3.62%	225,000.00	134,392.50	359,392.50	3.98%	180,000.00	127,627.00	307,627.00
2017	3.62%	235,000.00	126,066.50	361,066.50	3.98%	185,000.00	121,327.00	306,327.00
2018	3.62%	245,000.00	117,378.50	362,378.50	3.98%	191,667.00	114,852.00	306,519.00
2019	3.62%	255,000.00	108,328.50	363,328.50	3.98%	196,667.00	107,665.00	304,332.00
2020	3.62%	265,000.00	98,916.50	363,916.50	3.98%	208,333.00	99,799.00	308,132.00
2021	3.62%	280,000.00	89,052.00	369,052.00	3.98%	213,333.00	91,465.00	304,798.00
2022	3.62%	290,000.00	78,735.00	368,735.00	3.98%	225,000.00	82,932.00	307,932.00
2023	3.62%	305,000.00	67,965.50	372,965.50	3.98%	231,667.00	73,932.00	305,599.00
2024	3.62%	315,000.00	56,743.50	371,743.50	3.98%	241,667.00	64,665.00	306,332.00
2025	3.62%	330,000.00	45,069.00	375,069.00	3.98%	253,333.00	54,696.00	308,029.00
2026	3.62%	345,000.00	32,851.50	377,851.50	3.98%	265,000.00	44,246.00	309,246.00
2027	3.62%	360,000.00	20,091.00	380,091.00	3.98%	240,000.00	32,851.00	272,851.00
2028	3.62%	375,000.00	13,575.00	388,575.00	3.98%	250,000.00	22,531.00	272,531.00
2029	-	-	-	-	3.98%	265,000.00	11,594.00	276,594.00
2030	-	-	-	-	-	-	-	-
		<u>3,825,000.00</u>	<u>989,165.00</u>	<u>4,814,165.00</u>		<u>3,146,667.00</u>	<u>1,050,182.00</u>	<u>4,196,849.00</u>

(3) These bonds were issued in 2008 to provide funding for park and street development and improvements.

(4) These bonds were issued in the spring of 2009 to provide funding for park and street development and improvements

City of Sherman
Bonded Debt as of 7/31/15

Fiscal Yr	(5) \$900,000 TIF #1 2009 Series Revenue Certificates of Obligation				(6) \$3,500,000 Capital Improvement Fund Projects 2009A Series Revenue Certificates of Obligation			
	Coupon	Principal	Interest	TOTAL	Coupon	Principal	Interest	TOTAL
2016	3.50%	50,000.00	25,472.49	75,472.49	3.00%	145,000.00	105,712.50	250,712.50
2017	3.50%	50,000.00	23,722.49	73,722.49	3.25%	150,000.00	101,362.50	251,362.50
2018	3.75%	53,333.33	21,972.49	75,305.83	3.50%	155,000.00	96,487.50	251,487.50
2019	4.00%	53,333.33	19,972.49	73,305.83	3.50%	165,000.00	91,062.50	256,062.50
2020	4.00%	56,666.67	17,839.16	74,505.83	3.50%	170,000.00	85,287.50	255,287.50
2021	4.00%	56,666.67	15,572.49	72,239.16	3.75%	180,000.00	79,337.50	259,337.50
2022	4.00%	60,000.00	13,305.83	73,305.83	3.75%	190,000.00	72,587.50	262,587.50
2023	4.00%	63,333.33	10,905.83	74,239.16	4.00%	200,000.00	65,462.50	265,462.50
2024	4.13%	63,333.33	8,372.49	71,705.83	4.00%	210,000.00	57,462.50	267,462.50
2025	4.13%	66,666.67	5,760.00	72,426.67	4.00%	215,000.00	49,062.50	264,062.50
2026	4.30%	70,000.00	3,010.00	73,010.00	4.00%	230,000.00	40,462.50	270,462.50
2027	-	-	-	-	4.125%	240,000.00	31,262.50	271,262.50
2028	-	-	-	-	4.125%	250,000.00	21,362.50	271,362.50
2029	-	-	-	-	4.25%	260,000.00	11,050.00	271,050.00
2030	-	-	-	-	-	-	-	-
		643,333.34	165,905.77	809,239.11		2,760,000.00	907,962.50	3,667,962.50

(5) These bonds were issued in 2009 to fund infrastructure in the Town Center TIF Zone.

(6) These bonds were issued in the fall of 2009 to provide funding for park and street development and improvements.

City of Sherman
Bonded Debt as of 7/31/15

Fiscal Yr	TOTALS		
	Principal	Interest	TOTAL
2016	830,000.00	516,219.99	1,346,219.99
2017	865,000.00	485,602.24	1,350,602.24
2018	900,000.33	453,290.99	1,353,291.33
2019	935,000.33	418,702.49	1,353,702.83
2020	979,999.67	381,958.16	1,361,957.83
2021	1,024,999.67	343,340.99	1,368,340.66
2022	1,075,000.00	302,728.33	1,377,728.33
2023	1,125,000.33	259,921.83	1,384,922.16
2024	915,000.33	214,843.49	1,129,843.83
2025	949,999.67	178,681.25	1,128,680.92
2026	1,005,000.00	140,838.75	1,145,838.75
2027	940,000.00	100,329.50	1,040,329.50
2028	975,000.00	69,281.00	1,044,281.00
2029	630,000.00	29,972.13	659,972.13
2030	115,000.00	2,515.63	117,515.63
	13,265,000.34	3,898,226.78	17,163,227.12



SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

Agenda Item No. B. 4.

Meeting Date: 08/03/2015

Prepared By: Brandon Shelby, City Attorney

Approved By: Robby Hefton, City Manager

Caption:

INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 5889

Amending Chapter 4 of the Code of Ordinances, entitled "Business Regulations", Article 4.14, entitled "Alcoholic Beverages", at Division 2, entitled "Lawful Consumption", Section 4.14.034, entitled "Hours of Operation", and at Division 3, entitled "Unlawful Consumption", Section 4.14.066, entitled "Sale of Alcoholic Beverages During Extended Hours by Private Club Permittee", to Provide for Extended Hours for the Sale of Alcohol pursuant to the Texas Alcoholic Beverage Code

Issue:

To extend the hours for the sale of alcoholic beverages within the Sherman city limits

Background:

The Texas Alcoholic Beverage Code sets the hours of operation for businesses permitted to sell alcohol. Under the statute, businesses in cities and counties of a certain population may apply for an extended hours permit for the sale of alcohol until 2 am. Cities and Counties not meeting the population requirements may adopt the extended hours by ordinance. If adopted, this Ordinance would allow businesses who secured an extended hours permit from the Texas Alcoholic Beverage Commission to conduct alcohol sales until 2 am each morning.

Origination:

Councilman Jason Sofey

Financial Consideration:

There is no financial impact to be considered.

Staff Recommendation:

It is recommended that the City Council hold the public hearing and adopt the proposed ordinance to extend the hours for the sale of alcoholic beverages within the Sherman city limits.

Alternatives:

The Council could leave the code provisions as they are now.

Attachments

Ordinance No. 5889

ORDINANCE NO. 5889

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING CHAPTER 4 OF THE CODE OF ORDINANCES, ENTITLED "BUSINESS REGULATIONS", ARTICLE 4.14, ENTITLED "ALCOHOLIC BEVERAGES", AT DIVISION 2, ENTITLED "LAWFUL CONSUMPTION", SECTION 4.14.034, ENTITLED "HOURS OF OPERATION", AND AT DIVISION 3, ENTITLED "UNLAWFUL CONSUMPTION", SECTION 4.14.066, ENTITLED "SALE OF ALCOHOLIC BEVERAGES DURING EXTENDED HOURS BY PRIVATE CLUB PERMITTEE", TO PROVIDE FOR EXTENDED HOURS FOR THE SALE OF ALCOHOL PURSUANT TO THE TEXAS ALCOHOLIC BEVERAGE CODE; PROVIDING FOR INCLUSION IN THE CODE OF ORDINANCES; PROVIDING FOR SEVERABILITY; PROVIDING FOR A REPEALER; FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS ORDINANCE IS PASSED WAS NOTICED AND IS OPEN TO THE PUBLIC AS REQUIRED BY LAW.

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

SECTION 1. That Chapter 4, Article 4.14, Division 2 of the Code of Ordinances of the City of Sherman, Texas, be amended at Section 4.14.034 so that such section shall read as follows:

ARTICLE 4.14 ALCOHOLIC BEVERAGES
Division 2. Lawful Consumption

Sec. 4.14.034 Hours of operation

~~Extended hours for the sale of alcoholic beverages are prohibited.~~

(a) A mixed beverage permittee may sell and offer for sale mixed beverages between 7 a.m. and midnight on any day except Sunday. On Sunday he may sell mixed beverages between midnight and 1:00 a.m. and between 10 a.m. and midnight, except that an alcoholic beverage served to a customer between 10 a.m. and 12 noon on Sunday must be provided during the service of food to the customer.

(b) Pursuant to the Texas Alcoholic Beverage Code § 105.03(d)(2), a holder of a mixed beverage late hours permit may also sell and offer for sale mixed beverages between midnight and 2 a.m. on any day.

(c) *A person may sell, offer for sale, or deliver beer and wine between 7 a.m. and midnight on any day except Sunday. On Sunday he may sell beer between midnight and 1:00 a.m. and between noon and midnight, except that permittees or licensees authorized to sell for on-premise consumption may sell beer between 10:00 a.m. and noon if the beer is served to a customer during the service of food to the customer.*

(d) *Pursuant to Texas Alcoholic Beverage Code § 105.05 (d)(2), a holder of a retail dealer's on-premise late hours license may also sell, offer for sale, and deliver beer and wine between midnight and 2 a.m. on any day.*

SECTION 2. That Chapter 4, Article 4.14, Division 3 of the Code of Ordinances of the City of Sherman, Texas, be amended at Section 4.14.066 so that such section shall read as follows:

ARTICLE 4.14 ALCOHOLIC BEVERAGES
Division 3. Unlawful Consumption

Sec. 4.14.066 Sale of alcoholic beverages during extended hours by private club permittee

~~Extended hours for the sale of alcoholic beverages are prohibited.~~

(a) *A mixed beverage permittee may sell and offer for sale mixed beverages between 7 a.m. and midnight on any day except Sunday. On Sunday he may sell mixed beverages between midnight and 1:00 a.m. and between 10 a.m. and midnight, except that an alcoholic beverage served to a customer between 10 a.m. and 12 noon on Sunday must be provided during the service of food to the customer.*

(b) *Pursuant to the Texas Alcoholic Beverage Code § 105.03(d)(2), a holder of a mixed beverage late hours permit may also sell and offer for sale mixed beverages between midnight and 2 a.m. on any day.*

(c) *A person may sell, offer for sale, or deliver beer and wine between 7 a.m. and midnight on any day except Sunday. On Sunday he may sell beer between midnight and 1:00 a.m. and between noon and midnight, except that permittees or licensees authorized to sell for on-premise consumption may sell beer between 10:00 a.m. and noon if the beer is served to a customer during the service of food to the customer.*

(d) *Pursuant to Texas Alcoholic Beverage Code § 105.05 (d)(2), a holder of a retail dealer's on-premise late hours license may also sell, offer for sale, and deliver beer and wine between midnight and 2 a.m. on any day.*

SECTION 3. That it is the intention of the City Council of the City of Sherman, Texas, that the provisions of this ordinance shall become a part of the Code of Ordinances of the City of Sherman, Texas, and that sections of this ordinance may be renumbered or re-lettered to accomplish such intention.

SECTION 4. That the provisions of this ordinance are severable and the invalidity of any word, phrase or part of this ordinance shall not affect the validity or effectiveness of the remainder of the ordinance.

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

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

INTRODUCED on this the _____ day of _____, 2015.

ADOPTED on this the _____ day of _____, 2015.

EFFECTIVE DATE on this the _____ day of _____, 2015.

CITY OF SHERMAN, TEXAS

BY: _____
CAROLYN S. WACKER, MAYOR

ATTEST:

BY: _____
LINDA ASHBY, CITY CLERK

**APPROVED AS TO FORM
AND CONTENT:**

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



SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

Agenda Item No. B. 5.

Meeting Date: 08/03/2015

Prepared By: Pamela Cloer, Assistant to the City Manager

Approved By: Robby Hefton, City Manager

Caption:

INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 5890

Amending Chapter 12 of the Code of Ordinances, entitled "Traffic and Vehicles", Article 12.02, entitled "Operation of Vehicles Generally", to Provide for a New Section 12.02.010 to be entitled "Engine Braking"; Providing for Exceptions; Providing for Penalties

Issue:

To enact code provisions to prohibit engine braking, with certain exceptions, within the city limits

Background:

In recent years, semi-truck engine braking has become an increasing problem for Sherman residents. The noise produced by these diesel engines has become a nuisance to the City's residents and inevitably it has affected the peace and quiet enjoyment of their homes. Generally, engine braking means an engine exhaust braking system device which converts diesel engine power into an air compressor and, when engaged, operates to slow the vehicle, creating an unreasonable noise. By way of comparison, it sounds similar to a jackhammer; however the loudness is between ten and twenty times the sound pressure level of a jackhammer.

Many cities in Texas have banned engine braking through city ordinance. These cities include Alvarado, Alvord, Aurora, Austin, Boyd, Burleson, Burnet, Cleburne, Dallas, Decatur, Elgin, Fort Worth, Gainesville, Grandview, Greenville, Haslet, Keene, Lake Jacksonville, Lakeside, Littlefield, Magnolia, Marble Falls, Pottsboro, Redwater, Roanoke, Snyder, Terrell, Uvalde, Weatherford and West Columbia.

If the ordinance is adopted, all police officers will be able to write citations for engine braking. The City would post signs at all entrances to the city; and the Texas Department of Transportation has agreed to post signs along its highways within the city limits.

City-owned and operated vehicles and equipment would be exempt from the ordinance's provisions.

Origination:

Councilman Jason Sofey

City Manager Robby Hefton

Financial Consideration:

Adoption of this ordinance would prohibit engine braking within the city limits by making such conduct unlawful. The violation would result in a misdemeanor and, upon conviction thereof, a fine of up to \$500.00 would be assessed.

Staff Recommendation:

It is recommended that the Council adopt the ordinance to prohibit engine braking within the city limits.

Alternatives:

The Council could choose not to adopt the engine braking ordinance.

Attachments

Ordinance No. 5890

ORDINANCE NO. 5890

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING CHAPTER 12 OF THE CODE OF ORDINANCES, ENTITLED "TRAFFIC AND VEHICLES", ARTICLE 12.02, ENTITLED "OPERATION OF VEHICLES GENERALLY", TO PROVIDE FOR A NEW SECTION 12.02.010 TO BE ENTITLED "ENGINE BRAKING"; PROVIDING FOR EXCEPTIONS; PROVIDING FOR PENALTIES; PROVIDING FOR INCLUSION IN THE CODE OF ORDINANCES; PROVIDING FOR SEVERABILITY; PROVIDING FOR A REPEALER; FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS ORDINANCE IS PASSED WAS NOTICED AND IS OPEN TO THE PUBLIC AS REQUIRED BY LAW.

WHEREAS, the City Council of the City of Sherman, Texas ("City Council") seeks to protect the public safety, preserve the quality of life, and prevent nuisances in the city; and

WHEREAS, the City Council finds that the practice of engine braking by diesel trucks (sometimes referred to in common nomenclature as "jake braking", but which must not be confused with the registered trademark "Jake Brake" belonging to the Jacobs Vehicle Systems, Inc.) creates disturbing, unreasonable and offensive noise when it occurs within the city limits; and

WHEREAS, pursuant to Texas Local Government Code Chapter 51, the City Council has the general authority to adopt and publish an ordinance or police regulation that is for the good government, peace or order of the municipality and is necessary or proper for the carrying out of a power granted by law to the municipality; and

WHEREAS, it is advisable to amend Chapter 12, Article 12.02 of the Code of Ordinances of the City of Sherman, Texas, to add new regulations regarding engine braking; and

WHEREAS, the City Council finds this Ordinance to be reasonable and necessary;

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

SECTION 1. That Chapter 12, Article 12.02 of the Code of Ordinances of the City of Sherman, Texas, entitled "Operation of Vehicles Generally", be amended to provide for a new Section 12.02.010, such section to read as follows:

Sec. 12.02.010 Engine Braking

(a) ***Definition.*** "Engine braking," sometimes referred to in common nomenclature as "jake braking", but which must not be confused with the registered trademark "Jake Brake" belonging to the Jacobs Vehicle Systems, Inc., shall mean the use or operation of any mechanical exhaust device designed to aid in the braking, decompression or deceleration of a motor vehicle which

results in the excessive, loud, unusual or explosive noise from such vehicle in excess of state or federal noise standards for said vehicles.

(b) Offense. Engine braking, as defined in this section, shall be unlawful within the city limits of Sherman. Therefore, it shall be unlawful for the driver of any vehicle to use or operate or cause to be used or operated within the city limits any engine brake, jake brake, compression brake, dynamic braking system, mechanical exhaust device, or other similar device designed to aid in the braking or deceleration of any vehicle that results in excessive, loud, unusual or explosive noise from such vehicle.

(c) Exceptions.

- (1) The provisions of this section shall not apply to the application of unmuffled compression brakes where necessary for the protection of persons and/or property, which cannot be avoided by application of an alternative braking system.*
- (2) Noise caused by the application of engine compression brakes, otherwise known as engine braking, which is effectively muffled, or if the application is necessary for the health, safety and welfare of the community, shall be exempt from the provisions of this section.*
- (3) Sounds created by emergency equipment for emergency purposes shall be exempt.*
- (4) Sounds created by City-owned and operated equipment shall also be exempt from the provisions of this section.*

(d) Erection of signs. The director of public works and engineering shall be and is hereby specifically authorized to erect such signage as shall be necessary and appropriate for the enforcement of this section.

(e) Penalty Provision. Any person, firm, corporation, agent or employee thereof who violates any of the provisions of Section 12.02.010 of this Article shall be guilty of a misdemeanor and, upon conviction thereof, shall be fined an amount not to exceed five hundred dollars (\$500.00) for each offense. Multiple violations may arise from the same occurrence if violations continue unabated after the issuance of a citation. Enforcement hereunder shall not require the pleading or proving of any culpable mental state.

SECTION 2. That it is the intention of the City Council of the City of Sherman, Texas, that the provisions of this ordinance shall become a part of the Code of Ordinances of the City of Sherman, Texas, and that sections of this ordinance may be renumbered or re-lettered to accomplish such intention.

SECTION 3. That the provisions of this ordinance are severable and the invalidity of any word, phrase or part of this ordinance shall not affect the validity of effectiveness of the remainder of the ordinance.

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

SECTION 5. That it is hereby officially found and determined that the meetings at which this ordinance was introduced and passed were open to the public and that public notice of the time, place and purpose of said meetings were given all as required by law.

INTRODUCED on this the _____ day of _____, 2015.

ADOPTED on this the _____ day of _____, 2015.

EFFECTIVE DATE on this the _____ day of _____, 2015.

CITY OF SHERMAN, TEXAS

BY: _____
CAROLYN S. WACKER, MAYOR

ATTEST:

BY: _____
LINDA ASHBY, CITY CLERK

**APPROVED AS TO FORM
AND CONTENT:**

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



SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

Agenda Item No. B. 6.

Meeting Date: 08/03/2015

Prepared By: Pamela Cloer, Assistant to the City Manager

Approved By: Robby Hefton, City Manager

Caption:

ADOPTION OF ORDINANCES

Consider Adoption of Ordinance Numbers: 5889 and 5890

Issue:

B.4. INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 5889

Amending Chapter 4 of the Code of Ordinances, entitled "Business Regulations", Article 4.14, entitled "Alcoholic Beverages", at Division 2, entitled "Lawful Consumption", Section 4.14.034, entitled "Hours of Operation", and at Division 3, entitled "Unlawful Consumption", Section 4.14.066, entitled "Sale of Alcoholic Beverages During Extended Hours by Private Club Permittee", to Provide for Extended Hours for the Sale of Alcohol pursuant to the Texas Alcoholic Beverage Code

B.5. INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 5890

Amending Chapter 12 of the Code of Ordinances, entitled "Traffic and Vehicles", Article 12.02, entitled "Operation of Vehicles Generally", to Provide for a New Section 12.02.010 to be entitled "Engine Braking"; Providing for Exceptions; Providing for Penalties



SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

Agenda Item No. B. 7.

Meeting Date: 08/03/2015

Prepared By: Pamela Cloer, Assistant to the City Manager

Approved By: Robby Hefton, City Manager

Caption:

CONSENT AGENDA

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

Issue:

C.7. * RESOLUTION NO. 5995

Appointing and Authorizing the Execution of an Agreement with Adami, Lindsey & Company, L.L.P. to Perform the Fiscal Year 2015 Audit

C.8. * RESOLUTION NO. 5996

Declaring the City of Sherman's Eligibility and Intention to Renew its Tax Abatement Program to Promote Development/Redevelopment in the Central Business District of the City; Establishing Guidelines and Criteria

D.4. * OTHER BUSINESS

Approving Quarterly Investment Report for Quarter Ended June 30, 2015

D.5. * OTHER BUSINESS

Consider Calling a Special Meeting of the City Council for Tuesday, September 8, 2015, due to Conflict with a Federal Holiday



SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

Agenda Item No. C. 1.

Meeting Date: 08/03/2015

Prepared By: Robby Hefton, City Manager

Approved By: Robby Hefton, City Manager

Caption:

RESOLUTION NO. 5989

Authorizing Execution of an Agreement with Panda Sherman Power II, LLC for the Abatement of Ad Valorem Property Taxes within Industrial Reinvestment Zone No. 072015-1

Issue:

Approval of a proposed property tax abatement agreement between the City of Sherman and Panda Sherman Power II, LLC (Panda)

Background:

The Tax Reinvestment Committee met in June to discuss a tax abatement request from Panda for construction of an additional 450 megawatt combined cycle electric generation power plant for the sale of wholesale electric power to the ERCOT grid at Panda's current location on Progress Drive in Industrial Reinvestment Zone No. 072015-1. This project would be constructed over about 30 months at an initial estimated cost of \$200 to \$230 million. The proposed agreement calls for a ten-year declining abatement with abatement percentages beginning at 65% in year one (1) and ending with 25% in year ten (10). The agreement also provides for a minimum taxable value during the term of the agreement of at least \$75 million. During the construction period, approximately 500-600 jobs would be created; and, following construction, there would be up to eight (8) additional permanent jobs. Although the permanent employment levels at the plant will be minimal, the level of capital investment makes this taxpayer the largest taxpayer within the City limits by a large margin. Per terms of the agreement, the project would begin in mid-to-late 2016 and is expected to be completed by year 2019.

Origination:

Tax Reinvestment Committee

Financial Consideration:

The expected property tax revenues from this project during the term of the abatement total about \$2.4 million; and the expected incentive to Panda for the same period is about \$2.9 million.

Staff Recommendation:

It is recommended that the City Council approve the proposed tax abatement agreement.

Alternatives:

The City Council could deny the contract.

Attachments

Resolution No. 5989

Tax Abatement Agreement

RESOLUTION NO. 5989

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF AN AGREEMENT WITH PANDA SHERMAN POWER II, LLC FOR THE ABATEMENT OF AD VALOREM PROPERTY TAXES WITHIN INDUSTRIAL REINVESTMENT ZONE NO. 072015-1; FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS RESOLUTION IS PASSED WAS NOTICED AND IS OPEN TO THE PUBLIC AS REQUIRED BY LAW.

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

SECTION 1. That the Mayor be and is hereby authorized and directed, subject to receipt of a fully-executed agreement from Panda Sherman Power II, LLC and subject to all contract documents being properly completed and approved as to form and content by the City Attorney, to execute an agreement with Panda Sherman Power II, LLC for the abatement of ad valorem property taxes for a period of ten (10) years, for the development and construction of a nominal 450 megawatt combined cycle electric generation power plant, along with other possible improvements, within Industrial Reinvestment Zone, Number 072015-1, City of Sherman, Texas, in the same or substantially same form as the contract documents attached hereto and made a part hereof for all purposes.

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

PASSED AND APPROVED on this the ____ day of _____, 2015.

CITY OF SHERMAN, TEXAS

ATTEST:

BY: _____

CAROLYN S. WACKER, MAYOR

BY: _____

LINDA ASHBY, CITY CLERK

**APPROVED AS TO FORM
AND CONTENT:**

BY: _____

**BRANDON S. SHELBY,
CITY ATTORNEY**

TAX ABATEMENT AGREEMENT

STATE OF TEXAS §
COUNTY OF GRAYSON §
CITY OF SHERMAN §

This Tax Abatement Agreement (“Agreement”) is made and entered into as of the 3rd day of August, 2015 (the “Effective Date”), by and among the City of Sherman, Texas (“City”), a Home Rule City and Municipal Corporation of Grayson County, Texas, duly acting herein by and through its Mayor, and Panda Sherman Power II, LLC, a Delaware Limited Liability Company (“Panda”), acting by and through its authorized officers, for the purposes and considerations stated below:

WITNESSETH:

WHEREAS, on the 20th day of July, 2015, the City Council of the City (“City Council”), passed Ordinance No. 5885, (“Ordinance”) establishing Tax Abatement Reinvestment Zone No. 072015-1, City of Sherman, Texas (“Zone”), for commercial-industrial tax abatement, as authorized by Chapter 312 of the Texas Tax Code, as amended (“Code”); and

WHEREAS, the City has adopted a Comprehensive Policy Statement on Tax Base Enhancement and Economic Development Incentives (“Policy Statement”), by the passage of Resolution No. 5862, on the 2nd day of June, 2014; and

WHEREAS, the City’s current Policy Statement is attached as Exhibit A hereto; and

WHEREAS, the Policy Statement constitutes appropriate guidelines and criteria governing tax abatement agreements to be entered into by the City as contemplated by Chapter 312 of the Code, providing for the availability of tax abatement for both new facilities and structures and for the contemplated expansion or modernization of existing facilities or structures; and

WHEREAS, the City has adopted a resolution stating that it elects to be eligible to participate in tax abatement; and

WHEREAS, Panda currently owns the Premises, as hereinafter defined, and Panda expects to develop and construct an approximately 450 Megawatt natural gas fired, combined cycle, electric generation facility (the “Electric Generation Facility”) (among other possible improvements) on the Premises. The development and use of the Premises is expected to significantly enhance the economic and employment base of the City; and

WHEREAS, the City Council also finds that the improvements sought are feasible and practical and would be of benefit to the land to be included in the Zone and to the City after expiration of this Agreement; and

WHEREAS, the City Council finds that the terms of this Agreement and the Premises and proposed Qualified Facilities, as hereinafter defined, meet the applicable guidelines and criteria heretofore adopted by the City Council; and

WHEREAS, a copy of this Agreement has been furnished, in the manner prescribed by the Code, to the presiding officers of the governing bodies of each of the taxing units in which the Premises is located;

NOW, THEREFORE, the City, for good and valuable consideration, the adequacy and receipt of which is hereby acknowledged, which consideration includes the expansion of primary employment, the attraction of major investment in the Zone and increased payroll that contributes to the economic development of the City and enhancement of the tax base in the City and Grayson County, and

Panda, for good and valuable consideration, the adequacy and receipt of which is hereby acknowledged, which consideration includes the tax abatement set forth herein below, as authorized by Sections 312.201 through 312.211 of the Code, does hereby contract, covenant and agree as follows:

I. DEFINITIONS

Wherever used in this Agreement, the following capitalized terms shall have the meanings ascribed to them:

- A. “PANDA AFFILIATE” shall mean any Person, directly or indirectly controlling, controlled by, or under common control with Panda. As used in this definition, the term “control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership of voting securities, by contract or otherwise.
- B. “COMMERCIAL OPERATIONS DATE” shall mean the date on which the independent engineer certifies that the Electric Generation Facility has completed all required performance tests and/or is built to the specifications outlined in the engineering, procurement and construction agreement.
- C. “EFFECTIVE DATE” shall have the meaning given it in the introductory paragraph of this Agreement.
- D. “ELIGIBLE PROPERTY VALUE” shall mean (i) with respect to each Qualified Facility for a particular tax year, the value of such Qualified Facility on the tax rolls of the Grayson Appraisal District as of such tax year; and (ii) with respect to business personal property located on the Premises for a particular tax year, the value of such business personal property on the tax rolls of the Grayson Appraisal District as of such tax year.
- E. “FINANCING PARTY” shall mean the lenders, security holders, investors, equity providers and others providing financing or refinancing to or on behalf of Panda, for the development, construction, ownership, operation or maintenance of the Electric Generation Facility or any portion thereof, or any trustee or agent acting on behalf of any of the foregoing
- F. “FORCE MAJEURE” shall mean, without limitation, acts of God, or the public enemy, war, terrorism, criminal acts by unrelated third parties, riot, civil commotion, insurrection, governmental or de facto governmental action other than the City’s legislative zoning authority, fire, explosions, floods, strikes, adverse weather, or any other extraordinary event beyond the control of Panda (including, without limitation, broad based extraordinary economic events) that makes it reasonably impracticable to accomplish a desired objective.

- G. "PERSON" shall mean an individual or a corporation, partnership, trust, estate, unincorporated organization, association, or other entity.
- H. "PREMISES" shall mean all that parcel of land owned by Panda as hereinafter described in Exhibit B attached hereto.
- I. "QUALIFIED FACILITIES" shall mean any building, improvement, structure, fixture, parking or paving constructed on the Premises after the Effective Date.

II. GENERAL PROVISIONS

- A. All procedures followed by the City shall conform to the requirements of the Code, and shall be undertaken in coordination with Panda's corporate, public, employee, and business relations requirements.
- B. The Premises will be owned by Panda or a Panda Affiliate, which Premises are located solely within the city limits of the City and solely within the Zone.
- C. The Premises are not in an improvement project financed by tax increment bonds.
- D. This Agreement is entered into subject to the rights of the holders of outstanding bonds of the City; provided however, that this section shall not be construed to create a security interest in the Premises or Qualified Facilities in favor of such holders of outstanding bonds of the City.
- E. The Premises are not owned or leased by any member of the City Council or any member of the Planning and Zoning Commission of the City or any member of the governing body of any taxing unit joining in or adopting this Agreement.
- F. This Agreement is intended to comply with the requirements of Section 312.204 of the Code and is authorized by the Texas Property Redevelopment and Tax Abatement Act of the Texas Tax Code, Chapter 312, by the Policy Statement and by resolution of the City Council authorizing execution of this Agreement.
- G. During the period of the tax abatement herein authorized, Panda shall be subject to all applicable City taxation not specifically abated or exempted, including but not limited to, sales tax and ad valorem taxation on land, inventory and supplies.

III. CONDITION PRECEDENT TO TAX ABATEMENT

As a condition precedent to a tax abatement under this Agreement, Panda or a Panda Affiliate must substantially complete, or cause to be substantially completed, the Electric Generation Facility on or before July 1, 2019 (the "Construction Condition"); provided that Panda or a Panda Affiliate shall have such additional time as may be required by the effects of Force Majeure.

IV. TERM AND ABATEMENT PERIOD

A ten (10) year tax abatement period permitted by law is hereby granted with respect to each Qualified Facility and all the business personal property located therein or otherwise on the Premises.

Each ten (10) year tax abatement period shall commence to run beginning January 1 of the year following the date Panda or a Panda Affiliate obtains a certificate of occupancy with respect to such Qualified Facility (or, beginning January 1 of the year in which such certificate of occupancy is obtained with respect to such Qualified Facility if Panda elects to have the tax abatement term begin on such date by delivering a written notice to the City thereof on or before April 30 of such year, or beginning January 1 of the year in which the Commercial Operations Date occurs or beginning January 1 of the year following the Commercial Operations Date).

**V.
MINIMUM TAX LIABILITY**

- A. For the purposes of this agreement, the Premises and any and all improvements thereon shall be assigned a minimum taxable eligible property value of no less than Seventy-Five Million Dollars and Zero Cents (\$75,000,000.00).
- B. During the period of tax abatement herein authorized, in order to receive the tax abatements hereunder for future years, Panda shall be liable to the City for the minimum taxable value assigned under Sec. V.A.

**VI.
RATE, SCOPE, CONDITIONS AND COVENANTS**

The rate and scope and additional conditions of tax abatement shall be as follows:

- A. Annual Rates of Abatement – The following shall be the annual rates of tax abatement for each Qualified Facility and the business personal property located therein or otherwise on the Premises:

<i>Year</i>	<i>Percentage of City Property Taxes Abated</i>
1	65%
2	65%
3	65%
4	65%
5	65%
6	55%
7	45%
8	35%
9	25%
10	25%

- B. Construction Condition. Notwithstanding Section VI.A. above, if the Construction Condition is not met on or before July 1, 2019 (plus any extensions due to Force Majeure), then no tax abatements under this Agreement shall be provided.
- C. Operation Covenant. Panda shall continuously operate the Electric Generation Facility (other than as result of Force Majeure) in accordance with prudent industry standards and applicable law.
- D. Property Tax Covenant. Throughout the term of this Agreement, Panda shall timely pay all property taxes for the Premises and real and personal property located therein due and owing by it to all relevant taxing jurisdictions.
- E. Management Change Notice Covenant. During the term of this Agreement, Panda shall notify the City in writing of any change of the manager of the Electric Generation Facility within seven days of such change.

VII. RECORDS AND AUDITS

- A. Not later than January 31 of each applicable year, Panda shall submit to the City a certification from Panda as to the conditions set forth in Section VI.B., C., D., and E. (provided that once condition B. above is met, then no further certification shall be required with respect to such condition).
- B. At all times throughout the term of this Agreement, the City shall have reasonable access to the Premises by City employees (upon prior notice to and reasonable approval of Panda) for the purpose of inspecting same to ensure that the Qualified Facilities are maintained in accordance with the specifications and conditions of this Agreement; provided that Panda shall have the right to accompany City employees on any such inspection and that such inspection shall be limited to examining only that information necessary to determine the basis for the certifications required by Section VI.B., C., D. and E. and that the City shall use best efforts not to interrupt Panda's activities at the Premises. With respect to any such inspection process, the City shall keep all information obtained by it from the Panda or any Panda Affiliate confidential, and shall execute and deliver to Panda a commercially reasonable form of confidentiality agreement submitted by Panda (which confidentiality agreement shall be subject to any limits imposed on the City in that regard, e.g., Open Records Act).
- C. The Premises at all times shall be used in a manner that is consistent with the general purpose of encouraging development within the reinvestment zone.

VIII. BREACH/FAILURE TO MEET CERTAIN CONDITIONS

In the event that (i) the condition in Section VI.B. is not timely met; or (ii) Panda breaches any of the terms or conditions of this Agreement, then Panda shall be in default of this Agreement. In the event Panda defaults in its performance (or does not comply with a condition) set forth in (i) or (ii) above, the City shall give Panda written notice of such default/failure of condition and if Panda has not cured such default/failure of condition within sixty (60) days of said written notice, then this Agreement may be terminated by the City; provided, however, that if such default is not reasonably susceptible of cure within such sixty (60) day period and Panda has commenced and is pursuing the cure of same, then, after first advising the City Council of Panda's efforts to cure same, Panda may utilize an additional (90) days for

such purposes. Additional time, i.e., time in addition to the foregoing one hundred fifty (150) days, may be authorized by the City Council. City's sole and exclusive remedy against any Person for any breach or failure of condition under this Agreement, in the event of default after the expiration of the applicable notice and cure periods, shall be that this Agreement shall terminate and all future tax abatements under this Agreement shall be void (it being understood that the City shall not be entitled to any repayment of tax abatements under this Agreement, and it being further understood that the failure to meet a covenant set forth in Section VI.C., D. or E. for any year is not a breach and results only in the loss to the right to rebates for such year). Notwithstanding any provision in this Agreement to the contrary, neither Panda nor any other Person shall be required to pay any amounts to the City under this Agreement, with the only remedy being the loss of future tax abatements.

IX. EFFECT OF SALE, ASSIGNMENT OR LEASE OF PROPERTY

This Agreement shall be binding on and inure to the benefit of the parties and all Panda Affiliates, their respective successors and assigns. Neither Party may assign its rights and duties hereunder, in whole or in part, without the prior written consent of the other Party, which consent shall not be unreasonably withheld, conditioned or delayed; provided, that Panda may assign this Agreement and all of its rights hereunder to any Panda Affiliate. In addition, this Agreement and all rights hereunder may be assigned for the benefit of any Financing Party including, but not limited to an assignment to such parties upon a foreclosure. Any assignment in violation of this Section VIII shall not affect any rebates with respect to which Panda or any Panda Affiliate is already entitled.

X. NOTICE

All notices called for or required by this Agreement shall be addressed to the following, or such other party or address as either party designates in writing, by certified mail, postage prepaid or by hand delivery:

Panda:

Panda Sherman Power II, LLC
5001 Spring Valley Road, Suite 1150 West
Dallas, Texas 75244
Attention: General Counsel

City:

City Manager
City of Sherman
220 W. Mulberry
Sherman, Texas 75091

XI.
CITY COUNCIL AUTHORIZATION

This Agreement was authorized by resolution of the City Council that was approved by the affirmative vote of a majority of the City Council at its regularly scheduled City Council meeting on the 3rd day of August, 2015, authorizing the Mayor to execute this Agreement on behalf of the City.

XII.
PANDA AUTHORIZATION

An authorized representative of Panda entered into this Agreement.

XIII.
SEVERABILITY

In the event any section, subsection, paragraph, sentence, phrase or word is held invalid, illegal, or unenforceable, the balance of this Agreement shall stand, shall be enforceable and shall be read as if the parties intended at all times to delete said invalid section, subsection, paragraph, sentence, phrase or word.

XIV.
ESTOPPEL CERTIFICATE

Any party hereto may request an estoppel certificate from another party hereto so long as the certificate is requested in connection with a bona fide business purpose. The certificate, which will upon request be addressed to a subsequent purchaser or assignee of Panda, shall include, but not necessarily be limited to, statements (to the actual knowledge of the party providing such) that this Agreement is in full force and effect without default (or if default exists, the nature of default and curative action, which should be undertaken to cure same), the remaining term of this Agreement, the levels of tax abatement in effect, and such other matters reasonably requested by the party(ies) to receive the certificate. The City Manager for the City shall provide any such certificate on behalf of the City.

XV.
APPLICABLE LAW

This Agreement shall be construed under the laws of the State of Texas. Venue for any action under this Agreement shall be in a court located in Grayson County, Texas.

XVI.
INDEMNIFICATION

A. IN ADDITION TO THE OTHER REMEDIES AFFORDED TO THE CITY IN THIS AGREEMENT, PANDA SHALL INDEMNIFY, DEFEND AND HOLD HARMLESS THE CITY, ITS COUNCILMEMBERS, OFFICERS, EMPLOYEES, ATTORNEYS, CONTRACTORS, OR AGENTS (HEREINAFTER "CITY'S INDEMNIFIED PARTY") FOR, FROM AND AGAINST ANY AND ALL LOSSES LIENS, CAUSES OF ACTION, SUITS, JUDGMENTS AND EXPENSES (INCLUDING, WITHOUT LIMITATION, COURT COSTS, REASONABLE ATTORNEYS' FEES AND COSTS OF INVESTIGATION, REMOVAL AND REMEDIATION, AND GOVERNMENTAL OVERSIGHT COSTS), ENVIRONMENTAL OR OTHERWISE, OF ANY NATURE, KIND OR DESCRIPTION OF ANY PERSON OR ENTITY RESULTING FROM PANDA'S CONSTRUCTION AND OPERATION OF THE ELECTRIC GENERATION FACILITY.

B. Notice of Indemnified Loss. The City's Indemnified Party shall promptly notify Panda of any indemnified Losses or Claim for indemnified Losses in respect of which the City's Indemnified Party may be entitled to indemnification under this Section XV. Such notice shall be given as soon as reasonably practicable after the City's Indemnified Party becomes aware of the Loss or Claim for Losses.

C. Defense of Third Party Claims. In the event any action or proceeding shall be brought against the City's Indemnified Party by reason of any matter for which the City's Indemnified Party is indemnified hereunder, Panda shall, upon notice from the City's Indemnified Party or its authorized agents or representatives, at Panda's sole cost and expense, resist and defend the same with legal counsel selected by Panda; provided, however, that Panda shall not admit liability in any such matter on behalf of the City's Indemnified Party without the City's express written consent. Nothing herein shall be deemed to prevent the City's Indemnified Party at its election and at its own expense from cooperating with Panda and participating in the defense of any litigation by their own counsel. If Panda fails to retain defense counsel within ten (10) business days after receipt of City's Indemnified Party written notice that the City's Indemnified Party is invoking its right to indemnification under this Agreement, the City's Indemnified Party shall have the right to retain defense counsel on their own behalf, and Panda shall be liable for all usual and customary defense costs incurred by the City's Indemnified Party.

D. Limitation on Indemnity. The amount owing to a City Indemnified Party will be the amount of the City Indemnified Party's Losses net of any insurance proceeds received by the City Indemnified Party following a reasonable effort by the City Indemnified Party to obtain such insurance proceeds.

XVII. ENTIRE AGREEMENT

This Agreement constitutes the entire Tax Abatement Agreement between the parties, supersedes any prior understanding or written or oral tax abatement agreements or representations between the parties, and can be modified only by written instrument subscribed to by all parties. Notwithstanding the foregoing provision, this Agreement does not modify, alter, or amend any other agreement or instrument among the City and Panda relating to matters other than the abatement of real property taxes with respect to the Premises and the Qualified Facilities and business personal property located on the Premises. This Agreement may be executed in multiple counterparts (and may be delivered by telecopy, in addition to other means, with originals to follow), each of which shall be considered an original.

EXECUTED the _____ day of August, 2015.

CITY OF SHERMAN, TEXAS

By: _____
Carolyn S. Wacker, Mayor

ATTEST:

Linda Ashby, City Clerk

CITY OF SHERMAN, TEXAS
APPROVED AS TO FORM:

Brandon Shelby, City Attorney

**PANDA SHERMAN POWER II, LLC,
a Delaware Limited Liability Company**

(CORPORATE SEAL)

By: _____
Name: Ralph T. Killian
Title: Partner
Address: 5001 Spring Valley Road
Suite 1150 West
Dallas, Texas 75244

MAYOR'S ACKNOWLEDGEMENT

THE STATE OF TEXAS §
§
COUNTY OF GRAYSON §
§
CITY OF SHERMAN §

BEFORE ME, the undersigned authority, a Notary Public in and for said County and State, on this day personally appeared Carolyn S. Wacker, Mayor of the City of Sherman, Texas, a municipal corporation, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the said City of Sherman, Texas, a municipal corporation, that she was duly authorized to perform the same by appropriate resolution of the City Council for the City of Sherman and that she executed the same as the act of the said City for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this ____ day of August, A.D., 2015.

Notary Public in and for the State of Texas

(Typed/Printed Name of Notary)

My Commission Expires:

PANDA ACKNOWLEDGEMENT

THE STATE OF TEXAS §
§
COUNTY OF GRAYSON §

BEFORE ME, the undersigned authority, a Notary Public in and for said County and State, on this day personally appeared Ralph T. Killian, Partner of Panda Sherman Power II, LLC, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me he executed the same as a duly authorized officer of such corporation, and as the act and deed of such corporation, for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this ____ day of _____, A.D., 2015.

Notary Public in and for the State of Texas

(Typed/Printed Name of Notary)

My Commission Expires:

**EXHIBIT A TO
TAX ABATEMENT AGREEMENT**
COMPREHENSIVE POLICY STATEMENT

[Attached]

RESOLUTION NO. 5862

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, RENEWING GUIDELINES AND CRITERIA FOR THE CITY OF SHERMAN'S INDUSTRIAL TAX ABATEMENT PROGRAM TO PROMOTE DEVELOPMENT/REDEVELOPMENT IN CERTAIN AREAS OF THE CITY; FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS RESOLUTION IS PASSED IS OPEN TO THE PUBLIC AS REQUIRED BY LAW.

WHEREAS, by Resolution No. 5676, passed and approved on June 4, 2012, the City of Sherman declared its eligibility and intention to participate in the Tax Abatement Program to promote development/redevelopment in certain areas of the City and adopted Tax Abatement Guidelines and Criteria for use in all Tax Abatement Programs; and

WHEREAS, the City of Sherman is required to renew the guidelines and criteria adopted for this program every two years;

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

SECTION 1. That the City Council of the City of Sherman, Texas, hereby renews the following Tax Abatement Guidelines and Criteria for use in all Tax Abatement Programs, as required by law:

**CITY OF SHERMAN'S
RENEWED TAX ABATEMENT GUIDELINES AND CRITERIA**

1. A tax abatement agreement must be reasonably likely to contribute to the retention or expansion of primary employment or to attract a primary employer to make a major capital investment that will benefit the City of Sherman's economic development. Primary employers are those companies whose sales, service and shipments are ultimately used in statewide, national or international markets.
2. A tax abatement agreement will not be entered into where a company is only changing its location within Grayson County, without increasing the number of employees, significantly expanding the facilities, or unless failure to grant such abatement would mean the loss of the business operation in Grayson County.
3. Tax abatement agreements will be considered for both new facilities and structures and for the expansion or modernization of existing facilities and structures.
4. The City Council of the City of Sherman will approve or deny a tax abatement request

based upon the subjective evaluation of the following guidelines and criteria. The Council may consider any advisory recommendations received from the Tax Reinvestment Advisory Committee as it may choose:

- Employment Impact

How many jobs will be created by this project?

How many current jobs will be retained by this project?

What types of jobs will be created or retained?

What will the annual total payroll of the created and/or retained jobs be, in current dollars and projected for each of the next five years?

- Fiscal Impact

How much real and personal property will be added to the tax rolls, for each tax year covered by the abatement agreement?

What is the economic life to the additional property?

What effect will this project have on existing businesses or facilities?

What is the total budget for this project, projected for each year covered by the abatement agreement?

What capital expenditures will the project require of the City of Sherman?

- Community Impact

What effect would the project have on the local housing market?

Is the project compatible with existing long-range or comprehensive plans?

What is the environmental impact of the project?

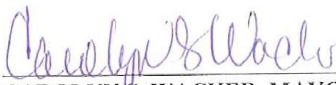
SECTION 2. That these Renewed Tax Abatement Guidelines and Criteria shall be effective immediately upon the passage of this resolution.

SECTION 3. That it is hereby officially found and determined that the meeting at which this resolution is passed is open to the public and that public notice of the time, place, and purpose of

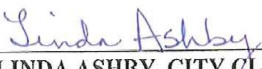
said meeting was given as required by law.

PASSED AND APPROVED on this the 2nd day of June, 2014.

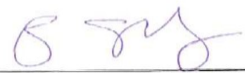
CITY OF SHERMAN, TEXAS

BY: 
CAROLYN S. WACKER, MAYOR

ATTEST:

BY: 
LINDA ASHBY, CITY CLERK

APPROVED AS TO FORM
AND CONTENT:

BY: 
BRANDON S. SHELBY,
CITY ATTORNEY

**EXHIBIT B TO
TAX ABATEMENT AGREEMENT**

THE PREMISES

[Attached]

**INDUSTRIAL REINVESTMENT ZONE, NUMBER 072015-1,
CITY OF SHERMAN, TEXAS
PREMISES**

TRACT ONE

Situated in the City of Sherman, Grayson County, Texas, being a part of the William Martin Survey, Abstract No. 765, and being a part of the (1) 109.760 acre tract of land and all of the (2) 37.22 acre tract of land conveyed to the Sherman Economic Development Corporation by deed of record in Volume 2633, Page 498 of the Official Public Records, Grayson County, Texas, and all of the (3) 70.68 acre tract of land and the (4) 23.63 acre tract of land conveyed to the Sherman Economic Development Corporation by deed of record in Volume 4019, Page 369 of said Official Public Records, and all of the (5) 40.03 acre tract of land conveyed to the Sherman Economic Development Corporation by deed of record in Volume 4418, Page 896 of said Official Public Records, and being more particularly described as follows:

Beginning at a ½" steel rod found in the south right-of-way line of Progress Drive for the northwest corner of said 40.03 acre tract and the northwest corner of the herein described tract;

Thence North 74°20'51" East with the south right-of-way line of Progress Drive a distance of 1,405.92 feet to a point in the center of a creek for the northeast corner of the herein described tract;

Thence in a Southerly direction with the center of said creek the following calls and distances:

South 29°38'08" East a distance of 52.73 feet;
South 07°41'27" West a distance of 50.97 feet;
South 10°23'40" East a distance of 190.88 feet;
South 43°02'42" East a distance of 117.85 feet;
North 55°32'33" East a distance of 98.58 feet;
South 49°20'09" East a distance of 53.51 feet;
South 18°07'17" West a distance of 38.00 feet;
South 07°06'09" East a distance of 138.45 feet;
South 38°21'11" East a distance of 176.76 feet;
South 19°26'00" East a distance of 72.46 feet;
North 77°12'24" East a distance of 66.97 feet;
North 23°22'22" East a distance of 64.10 feet;
South 54°32'17" East a distance of 121.05 feet;
South 11°39'13" East a distance of 48.16 feet;
South 36°21'36" East a distance of 35.59 feet;
South 73°22'59" East a distance of 114.32 feet;
South 31°03'16" West a distance of 100.19 feet;
South 00°09'28" West a distance of 64.42 feet;
South 47°26'23" East a distance of 85.75 feet;
North 30°10'37" East a distance of 76.04 feet;
South 84°38'12" East a distance of 66.35 feet;
South 01°40'43" West a distance of 79.47 feet;
South 50°16'00" West a distance of 96.85 feet;
North 57°22'55" West a distance of 45.79 feet;

South 63°16'29" West a distance of 43.89 feet;
South 01°41'19" West a distance of 22.44 feet;
South 02°25'44" West a distance of 43.58 feet;
South 37°45'00" East a distance of 29.17 feet;
South 08°21'33" East a distance of 45.56 feet;
South 04°26'27" East a distance of 51.46 feet;
South 00°50'35" West a distance of 62.57 feet;
South 24°29'48" East a distance of 22.65 feet;
South 87°38'34" East a distance of 81.83 feet;
North 86°58'42" East a distance of 76.97 feet;
South 69°06'08" East a distance of 27.15 feet;
South 38°57'22" East a distance of 60.17 feet;
South 42°11'21" East a distance of 37.74 feet;
South 22°49'34" East a distance of 51.56 feet;
South 43°04'06" East a distance of 74.45 feet;
North 75°10'46" East a distance of 26.87 feet;
North 22°44'42" East a distance of 45.25 feet;
North 82°53'37" East a distance of 29.22 feet;
South 34°11'16" East a distance of 63.18 feet;
South 33°21'17" East a distance of 52.56 feet;
North 88°03'00" East a distance of 15.73 feet;
North 38°15'30" East a distance of 35.39 feet;
North 64°33'50" East a distance of 29.29 feet;
South 57°50'11" East a distance of 13.24 feet;
South 34°26'35" East a distance of 70.92 feet;
South 69°42'17" East a distance of 14.77 feet;
North 61°13'38" East a distance of 14.46 feet;
North 47°06'21" East a distance of 34.11 feet;
South 43°45'37" East a distance of 71.54 feet;
South 83°14'43" East a distance of 65.53 feet;
North 37°01'17" East a distance of 43.53 feet;
North 22°28'00" East a distance of 26.12 feet;
South 86°49'32" East a distance of 11.89 feet;
South 39°32'08" East a distance of 24.06 feet;
South 48°02'49" East a distance of 87.83 feet;
North 53°17'04" East a distance of 43.15 feet;
South 80°11'10" East a distance of 38.20 feet;
South 09°43'07" East a distance of 52.00 feet;
South 07°14'11" West a distance of 78.30 feet;
South 08°18'33" West a distance of 65.33 feet;
South 22°29'44" East a distance of 44.41 feet;
South 68°25'46" East a distance of 48.38 feet;
North 87°52'00" East a distance of 52.17 feet;
South 01°27'35" East a distance of 67.50 feet;
South 19°47'23" West a distance of 46.81 feet;
South 36°22'56" West a distance of 61.15 feet;
South 10°41'37" East a distance of 70.35 feet;
South 46°15'08" West a distance of 57.80 feet;
South 64°21'19" West a distance of 27.36 feet;
South 78°50'20" West a distance of 43.28 feet;
South 33°00'37" West a distance of 34.00 feet;

South 02°43'09" East a distance of 32.65 feet;
South 48°26'47" East a distance of 51.14 feet;
South 03°17'43" West a distance of 33.29 feet;
South 69°04'59" West a distance of 41.28 feet;
South 42°36'20" West a distance of 19.21 feet;
South 23°51'00" East a distance of 41.21 feet;
South 23°55'19" East a distance of 55.18 feet;
South 24°06'58" West a distance of 40.71 feet;
South 46°42'41" East a distance of 27.78 feet;
South 64°57'16" East a distance of 57.68 feet;
South 11°37'31" East a distance of 21.44 feet;
South 33°46'22" West a distance of 35.17 feet;
South 10°22'28" West a distance of 28.69 feet;
South 07°22'17" East a distance of 69.82 feet to a point in the north line of the BNSF Railroad right-of-way for the southeast corner of the herein described tract;

Thence South 63°21'20" West with said north right-of-way line, a distance of 952.18 feet to a 1/2" steel rod set for the southeast corner of the 0.857 acre tract of land conveyed to the City of Sherman, Texas by deed of record in Volume 1153, Page 32 of the Deed Records, Grayson County, Texas;

Thence North 15°37'10" West a distance of 240.00 feet to a 1/2" steel rod found for the northeast corner of said 0.857 acre tract and the southeast corner of said 70.68 acre tract;

Thence South 63°21'20" West a distance of 200.00 feet to a 1/2" steel rod found for the northwest corner of said 0.857 acre tract;

Thence South 15°37'10" East a distance of 240.00 feet to a 1/2" steel rod found in said north right-of-way line for the southwest corner of said 0.857 acre tract;

Thence South 63°21'20" West with said north right-of-way line, a distance of 1,172.66 feet to a 1/2" steel rod found for the southwest corner of said 70.68 acre tract, said rod being the southeast corner of the 34.835 acre tract of land (Tract 1) conveyed to Weldon Moore, III by deed of record in Volume 2438, Page 278 of said Official Public Records;

Thence North 16°09'06" West with the east line of said 34.835 acre tract, a distance of 1,404.98 feet to a 1/2" steel rod found at the southeast corner of the 104.321 acre tract of land conveyed to Dennis D. Topletz, Trustee by deed of record in Volume 1712, Page 244 of said Deed Records, said rod being the northeast corner of said 34.835 acre tract;

Thence North 15°03'24" West with the east line of said 104.321 acre tract, a distance of 972.88 feet to a 1/2" steel rod found at the southwest corner of said 40.03 acre tract;

Thence North 15°38'56" West a distance of 1,106.26 feet to the Point-of-Beginning and containing 147.95 acres of land.

TRACT TWO

Situated in the City of Sherman, Grayson County, Texas, being a part of the William Martin Survey, Abstract No. 765, and being all of the (1) 37.22 acre tract of land conveyed to the Sherman Economic

Development Corporation by deed of record in Volume 2633, Page 498 of the Official Public Records, Grayson County, Texas, and all of the (2) 23.63 acre tract of land conveyed to the Sherman Economic Development Corporation by deed of record in Volume 4019, Page 369 of said Official Public Records, and being more particularly described as follows:

Beginning at a ½" steel rod found in the south right-of-way line of the BNSF Railroad for the northwest corner of said 23.63 acre tract and the northwest corner of the herein described tract, said rod also being the northeast corner of the 14.270 acre tract of land (Tract 2) conveyed to Weldon L. Moore, III by deed of record in Volume 2438, Page 278 of said Official Public Records;

Thence North 63°21'20" East with said south right-of-way line, a distance of 3,218.78 feet to a 1/2" steel rod set for the northwest corner of the 21.006 acre tract of land conveyed to Texas Instruments Inc., by deed of record in Volume 3317, Page 177, of said Official Public Records, said rod being the northeast corner of said 37.22 acre tract;

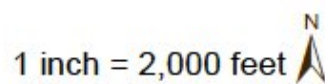
Thence South 14°27'38" East with the west line of said 21.006 acre tract, a distance of 1,036.49 feet to a 1/2" steel rod set on the north bank of Choctaw Creek for the southeast corner of said 37.22 acre tract;;

Thence in a Westerly direction with the meanders of said north bank and the south lines of said 37.22 acre tract and 23.63 acre tract;

North 89°08'07" West a distance of 50.63 feet;
South 61°50'06" West a distance of 129.18 feet;
North 65°31'21" West a distance of 213.45 feet;
South 43°38'09" West a distance of 143.38 feet;
North 76°35'12" West a distance of 305.86 feet;
South 82°00'24" West a distance of 199.24 feet;
South 07°28'29" West a distance of 447.48 feet;
South 28°46'19" West a distance of 60.92 feet;
South 78°00'17" West a distance of 242.38 feet;
South 53°19'01" West a distance of 279.39 feet;
North 81°47'10" West a distance of 158.75 feet;
South 70°57'29" West a distance of 16.05 feet;
North 46°51'54" West a distance of 71.47 feet;
North 64°55'47" West a distance of 89.81 feet;
North 74°52'56" West a distance of 94.21 feet;
South 84°55'33" West a distance of 34.55 feet;
South 65°12'48" West a distance of 69.31 feet;
South 84°39'24" West a distance of 132.97 feet;
South 42°55'42" West a distance of 71.85 feet;
South 31°29'48" West a distance of 63.23 feet;
South 42°51'36" West a distance of 154.98 feet;
South 38°33'13" West a distance of 90.82 feet;
South 27°05'10" West a distance of 74.40 feet;
South 57°08'24" West a distance of 143.66 feet;
North 58°57'02" West a distance of 75.25 feet;
North 47°55'51" West a distance of 74.03 feet;
North 58°06'24" West a distance of 46.14 feet;
South 66°03'24" West a distance of 76.50 feet;
North 70°16'10" West a distance of 22.67 feet;
South 43°33'46" West a distance of 17.61 feet;

South 12°20'55" East a distance of 18.54 feet;
South 22°13'20" West a distance of 49.55 feet;
South 35°23'00" West a distance of 93.28 feet;
South 67°23'43" West a distance of 67.60 feet to a ½" steel rod found at the southwest corner of said 23.63 acre tract and the southeast corner of said 14.270 acre tract;

Thence North 16°09'06" West with the east line of said 14.270 acre tract, a distance of 777.82 feet to the Point-of-Beginning and containing 60.85 acres of land.

[illegible]



SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

Agenda Item No. C. 2.

Meeting Date: 08/03/2015

Prepared By: Robby Hefton, City Manager

Approved By: Robby Hefton, City Manager

Caption:

RESOLUTION NO. 5990

Authorizing Execution of an Economic Development Program Agreement with Panda Sherman Power II, LLC for the Grant of Incentives Pursuant to Chapter 380 of the Texas Local Government Code

Issue:

Approving an Economic Development Program Agreement with Panda Sherman Power II, LLC (Panda) for incentives authorized under Chapter 380 (380 Agreement) of the Texas Local Government Code

Background:

The Tax Reinvestment Committee met in June to discuss a tax abatement request from Panda for construction of an additional 450 megawatt power plant at Panda's current location on Progress Drive in Industrial Reinvestment Zone No. 072015-1. The construction cost of the project is estimated at \$200 to \$230 million, completion of which is expected 30 months after it has begun.

A tax abatement agreement for this project is presented separately on the August 3, 2015 Agenda. However, the maximum statutory term of a tax abatement agreement is ten (10) years. Thus, this proposed 380 Agreement is designed to provide additional incentives to the developer for this project. The essence of this 380 Agreement is to provide a grant of funds, expressed as a percentage of property taxes paid, to the taxpayer, payable only after the entire tax bill has been paid by the taxpayer for the year. This particular agreement proposes a grant for each of the five (5) years covered by the agreement in the amount of 25%.

Origination:

Tax Reinvestment Committee

Financial Consideration:

During the five-year term of this agreement, this property is expected to generate about \$1.4 million in property tax revenue; and the agreement will provide an estimated benefit of \$500,000 to the taxpayer over the same period.

Staff Recommendation:

It is recommended that the City Council approve the proposed incentive agreement.

Alternatives:

The City Council could deny the agreement.

Attachments

Resolution No. 5990

"Chapter 380" Economic Development Program and Agreement

Exhibit A - The Project Site

RESOLUTION NO. 5990

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF AN ECONOMIC DEVELOPMENT PROGRAM AGREEMENT WITH PANDA SHERMAN POWER II, LLC FOR THE GRANT OF INCENTIVES PURSUANT TO CHAPTER 380 OF THE TEXAS LOCAL GOVERNMENT CODE; FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS RESOLUTION IS PASSED WAS NOTICED AND IS OPEN TO THE PUBLIC AS REQUIRED BY LAW.

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

SECTION 1. That the Mayor be and is hereby authorized and directed, subject to receipt of a fully-executed agreement from Panda Sherman Power II, LLC and subject to all contract documents being properly completed and approved as to form and content by the City Attorney, to execute an Economic Development Program Agreement with Panda Sherman Power II, LLC for the grant of incentives pursuant to Chapter 380 of the Texas Local Government Code, for the development and construction of a nominal 450 megawatt combined cycle electric generation power plant, along with other possible improvements, within Industrial Reinvestment Zone, Number 072015-1, City of Sherman, Texas, in the same or substantially same form as the contract documents attached hereto and made a part hereof for all purposes.

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

PASSED AND APPROVED on this the ____ day of _____, 2015.

CITY OF SHERMAN, TEXAS

ATTEST:

BY: _____
LINDA ASHBY,
CITY CLERK

BY: _____
CAROLYN S. WACKER, MAYOR

**APPROVED AS TO FORM
AND CONTENT:**

BY: _____
BRANDON S. SHELBY,
CITY ATTORNEY

THE CITY OF SHERMAN, TEXAS

AND

PANDA SHERMAN POWER II, LLC

“CHAPTER 380” ECONOMIC DEVELOPMENT PROGRAM AND AGREEMENT

This Economic Development Program Agreement (“Agreement”) is made and entered into by and between the City of Sherman, Texas, a home rule city and municipal corporation of Grayson County, Texas (the “City”), and Panda Sherman Power II, LLC, a Delaware limited liability company (the “Company”), as of _____, 2015 (the “Effective Date”).

W I T N E S S E T H:

WHEREAS, on August 3, 2015, the City adopted Resolution No. 5990, which authorized the City to enter into this Agreement pursuant to Chapter 380 of the Texas Local Government Code (“Chapter 380”);

WHEREAS, the Company currently owns that certain tract of real property located within the City and as more particularly described on Exhibit A attached hereto (the “Project Site”);

WHEREAS, Company desires to enter into this Agreement with respect to the Project Site pursuant to Chapter 380;

WHEREAS, the Company’s objective is to develop and construct an approximately 450 Megawatt natural gas fired, combined cycle, electric generation facility and other related improvements (collectively, the “Electric Generation Facility”) on the Project Site;

WHEREAS, the City desires to provide, pursuant to Chapter 380, an incentive to the Company to develop the Project (defined below) on the Project Site; and

NOW, THEREFORE, in consideration of the mutual benefits and premises contained herein and for other good and valuable consideration (including the application fee paid by or on behalf of the Company to the City), the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Authorization.

The City has concluded that this Agreement is authorized by Chapter 380, and is authorized by Resolution of the City.

2. Definitions.

The following definitions shall apply to the terms used in this Agreement:

“Agreement” has the meaning set forth in the introductory paragraph of this Agreement.

“Appraised Value” has the meaning set forth in Section 1.04(8) of the Tax Code (or its successor provision).

“Auditor” has the meaning set forth in Section 5(a) of this Agreement.

“Challenge Notice” has the meaning set forth in Section 5(a) of this Agreement.

“Chapter 380” has the meaning set forth in the recitals to this Agreement.

“City” has the meaning set forth in the introductory paragraph of this Agreement.

“CO” means a certificate of occupancy issued by the City.

“Company” has the meaning set forth in the introductory paragraph of this Agreement.

“Company Affiliate” means any Person, directly or indirectly controlling, controlled by, or under common control with the Company. As used in this definition, the term “control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership of voting securities, by contract or otherwise.

“Construction Condition” means Company or a Company Affiliate substantially completing, or causing to be substantially completed, the Electric Generation Facility on or before July 1, 2019.

“Effective Date” has the meaning set forth in the introductory paragraph of this Agreement.

“Electric Generation Facility” has the meaning set forth in the recitals to this Agreement.

“Force Majeure” means, without limitation, acts of God, or the public enemy, war, terrorism, criminal acts by unrelated third parties, riot, civil commotion, insurrection, governmental or de facto governmental action other than the City’s legislative zoning authority, fire, explosions, floods, strikes, adverse weather, or any other extraordinary event beyond the control of the Company (including, without limitation, broad based extraordinary economic events) that makes it reasonably impracticable to accomplish a desired objective.

“Grant Certification” has the meaning set forth in Section 5(a) of this Agreement.

“Grant Term Year” means as follows: the eleventh Term Year following the issuance of a CO and the next four (4) consecutive Term Years thereafter, for a total of five (5) Term Years; The first Grant Term Year shall be referred to as “Grant Term Year 1”, the second Grant Term Year shall be referred to as “Grant Term Year 2,” and so on, with the last Grant Term Year being “Grant Term Year 5”.

“Person” means an individual or a corporation, partnership, trust, estate, unincorporated organization, association, or other entity.

“Project” means (a) the construction of Electric Generation Facility on the Project Site, and (b) any expansion, renovation or modification of the Electric Generation Facility during the Term.

“Project Site” has the meaning set forth in the recitals to this Agreement.

“Qualified Facilities” means any building, improvement, structure, fixture, parking or paving constructed on the Project Site after the Effective Date.

“Tax Code” means the Texas Tax Code, as amended from time to time.

“Term” has the meaning set forth in Section 3 of this Agreement.

“Term Year” means tax year following the Effective Date of this Agreement.

All references in this Agreement to a “tax year” mean a calendar year.

3. Term.

This Agreement shall be effective as of the Effective Date and shall remain in full force and effect until the end of “Grant Term Year 5.”

4. Property Tax Incentives:

(a) Project Site. Subject to Section 4(b), Section 4(c), and Section 4(d), the City shall, for each Grant Term Year, make a grant (in cash) to the Company in an amount measured by a percentage of City ad valorem taxes paid by the Company and Company Affiliates with respect to each Qualified Facility and the business personal property located therein or otherwise on the Project Site as follows:

<u>Grant Term Year</u>	<u>Percentage of City Taxes Used to Measure Grant</u>
Grant Term Year 1	25%
Grant Term Year 2	25%
Grant Term Year 3	25%
Grant Term Year 4	25%
Grant Term Year 5	25%

(b) Construction Condition. Notwithstanding anything to the contrary in Section 4(a), if the Construction Condition is not met (plus extensions due to Force Majeure), then no grant under this Agreement shall be provided.

(c) Operation Covenant. The Company shall operate the Electric Generation Facility in accordance with prudent industry standards and applicable law.

(d) Property Tax Covenant. Throughout the term of this Agreement, the Company shall timely pay all property taxes for the Project and real and personal property located therein due and owing by it to all relevant taxing jurisdictions.

(e) Payment of Grant. Each grant for each Grant Term Year shall be paid to the Company not later than February 28 of the immediately following year (unless the Challenge Notice procedure set forth in Section 5 hereof makes such payment date impossible, in which case the grant shall be paid within thirty days following the Auditor's determination); provided, however, that no such rebate is due until after the Company or a Company Affiliate has paid the City property taxes upon which the grant is measured. The City hereby agrees that it has available and dedicated funds to make the grants contemplated by this Agreement.

5. Certification/Verification

(a) On or before the first January 31 following each Grant Term Year, the Company shall certify in writing to the City whether the conditions set forth in Sections 4(b), (c), and (d) (provided that once the condition described in Section 4(b) has been met, then no further certification shall be required with respect to such condition) hereof have been met (each, a "Grant Certification"). On or before the first February 21 following the relevant Grant Term Year, the City may object (by delivering a written notice to the Company) (a "Challenge Notice") to such Grant Certification (it being understood that the City may elect to object to all or any portion of the conclusions in the Certification). If a Challenge Notice is not timely delivered to the Company for a particular Grant Certification, then such Grant Certification shall be final, binding, nonappealable and conclusive on each of the Company and the City with respect to all matters addressed in such Grant Certification (and the Grant Certification shall also be binding, nonappealable and conclusive on each of the Company and the City with respect to all matters addressed therein that are not challenged by the City in a timely Challenge Notice). If, however, a timely Challenge Notice is delivered, then (i) the Company and the City shall attempt to resolve all issues raised in the Challenge Notice; and (ii) if the process in clause (i) above does not result in an agreement between the Company and the City concerning all such issues within twenty days following the date of delivery of the relevant Challenge Notice, then an independent accounting firm jointly selected by the City and the Company (the "Auditor") shall determine whether each challenged condition set forth in the Grant Certification has been met. The Auditor shall allocate the payment of the Auditor's fees and expenses to the City and/or the Company based upon the percentage of the Company's certifications that are correct; thus, for illustration purposes only, if the City challenges three Company conclusions and the Auditor determines that two such conclusions are correct and one is incorrect, then the Company would pay one-third of the Auditor's fees and expenses and the City would pay two-thirds of the Auditor's fees and expenses.

(b) All determinations by the Auditor shall be final, nonappealable and conclusive.

(c) The Auditor shall have reasonable access to the Company's books, records and other information as is necessary to make the determination(s) described above, but shall not have any access to any of the Company's books, records or other information that is not required to make such determination(s). In all events, the Auditor shall keep all information obtained by it from the Company confidential (and, for example, shall not disclose such information to the City, with the City receiving only the Auditor's final conclusions described above), and, prior to having access to any of the Company's records, shall execute and deliver to the Company a commercially reasonable form of confidentiality agreement submitted by the Company. Any report prepared by the Auditor shall not include any information deemed confidential or proprietary by the Company. Without limitation, the Auditor's report shall contain only totals and conclusions and shall not include any specific salary, benefit or other business or proprietary information of the Company.

6. Development Incentives.

(a) The City shall use all reasonable efforts to expedite its building review and approval process with respect to all aspects of the Project. The City shall not charge the Company any fees for expediting its review and approval process.

(b) The City shall (i) direct the City Director of Engineering and Utilities to be the Company's direct contact and primary liaison (between the City and the Company) with respect to the Project; (ii) use all reasonable efforts to cause permits required for Project grading and foundation pier work (excluding the pouring of the slabs) to be issued within one week of plan submission; (iii) allocate to the Project building plan review sufficient staff to facilitate the accelerated review of submitted construction plans; and (iv) use all reasonable efforts to expedite the review and approval of architectural plans and drawings for the Project, and in that regard shall consider and review partial architectural plans and drawings in order to expedite the review and approval process.

7. Default.

If the City defaults with respect to any of its obligations hereunder and fails, within thirty (30) days after delivery of written notice of such default from the Company, to cure such default, then the Company, by action or proceeding at law or in equity, may be awarded its damages for such default, including all reasonable attorneys' fees and costs incurred in connection with such default. If the Company defaults with respect to any of its obligations hereunder and fails, within sixty (60) days after delivery of written notice of such default from the City, to cure such default or such longer time as is reasonably necessary to address a default due to Force Majeure or to address a default that cannot be cured within such 60-day period provided that the Company is diligently attempting to cure, then the City may terminate this Agreement.

The Company's failure to meet a condition set forth in Sections 4(b), (c) or (d) hereof (and failure to submit a Grant Certification, it being understood that the sole result of not submitting such certification for a particular year shall be the Company's not receiving rebates

hereunder for such year so long as the Company received at least one prior notice from the City that such certification was due) for a particular year shall result only in the loss of rebates for such year. The Company's only liability for failing to meet a condition or breach shall be those set forth in this Section 7 and Section 4.

8. Mutual Assistance.

The City and the Company shall take all reasonable measures that are necessary or appropriate to carry out the terms and provisions of this Agreement and to aid and assist each other in carrying out such terms and provisions.

9. Representations and Warranties.

The City represents and warrants to the Company that this Agreement is within the scope of its authority and the provisions of its charter, and that it is duly authorized and empowered to enter into this Agreement under Chapter 380.

10. INDEMNIFICATION

- A. **IN ADDITION TO THE OTHER REMEDIES AFFORDED TO THE CITY IN THIS AGREEMENT, COMPANY SHALL INDEMNIFY, DEFEND AND HOLD HARMLESS THE CITY, ITS COUNCIL MEMBERS, OFFICERS, EMPLOYEES, ATTORNEYS, CONTRACTORS, OR AGENTS (HEREINAFTER "CITY'S INDEMNIFIED PARTY") FOR, FROM AND AGAINST ANY AND ALL LOSSES, LIENS, CAUSES OF ACTION, SUITS, JUDGMENTS AND EXPENSES (INCLUDING, WITHOUT LIMITATION, COURT COSTS, REASONABLE ATTORNEYS' FEES AND COSTS OF INVESTIGATION, REMOVAL AND REMEDIATION, AND GOVERNMENTAL OVERSIGHT COSTS), ENVIRONMENTAL OR OTHERWISE, OF ANY NATURE, KIND OR DESCRIPTION OF ANY PERSON OR ENTITY RESULTING FROM COMPANY'S CONSTRUCTION AND OPERATION OF THE ELECTRIC GENERATION FACILITY.**
- B. Notice of Indemnified Loss. The City's Indemnified Party shall promptly notify Company of any indemnified Losses or Claim for indemnified Losses in respect of which the City's Indemnified Party may be entitled to indemnification under this Section 10. Such notice shall be given as soon as reasonably practicable after the City's Indemnified Party becomes aware of the Loss or Claim for Losses.
- C. Defense of Third Party Claims. In the event any action or proceeding shall be brought against the City's Indemnified Party by reason of any matter for which the City's Indemnified Party is indemnified hereunder, Company shall, upon notice from the City's Indemnified Party or its authorized agents or representatives, at Company's sole cost and expense, resist and defend the same with legal counsel selected by Company; provided, however, that Company shall not admit liability in any such matter on behalf of the City's Indemnified Party without the City's express written consent. Nothing herein shall be deemed to prevent the City's Indemnified Party at its election and at its own expense from cooperating with Company and participating in the defense of any litigation by their own counsel. If Company fails to retain defense counsel within ten (10) business days

after receipt of City's Indemnified Party written notice that the City's Indemnified Party is invoking its right to indemnification under this Agreement, the City's Indemnified Party shall have the right to retain defense counsel on their own behalf, and Company shall be liable for all usual and customary defense costs incurred by the City's Indemnified Party.

- D. Limitation on Indemnity. The amount owing to a City Indemnified Party will be the amount of the City Indemnified Party's Losses net of any insurance proceeds received by the City Indemnified Party following a reasonable effort by the City Indemnified Party to obtain such insurance proceeds.

11. Section or Other Headings.

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

12. Attorneys Fees.

In the event any legal action or proceeding is commenced to enforce or interpret provisions of this Agreement, the prevailing party in any such legal action shall be entitled to recover its reasonable attorneys' fees and expenses incurred by reason of such action.

13. Entire Agreement.

This Agreement contains the entire agreement between the parties with respect to the transactions contemplated herein.

14. Amendment.

This Agreement may only be amended, altered, or revoked by written instrument signed by the Company and the City.

15. Successors and Assigns.

This Agreement shall be binding on and inure to the benefit of the parties to this Agreement and all Company Affiliates, and their respective successors and assigns. The Company may assign all or part of its rights and obligations hereunder (irrespective of whether the Company ever owns all or any part of the Project Site) (a) without the prior written approval of the City, to any Company Affiliate, (b) without the prior written approval of the City, to any Person that acquires all or a portion of the Project Site or any improvement thereon and then leases such property to the Company or any Company Affiliate, (c) without the prior written approval of the City, to any assignee that can meet the conditions set forth in Sections 4(b) (if still applicable), (c), and (d) above; and (d) to any Person not described in clause (a), (b) or (c) above, with the prior written approval of the City, which shall not be unreasonably withheld, conditioned or delayed. Any assignment in violation of this Section 15 shall (i) not affect any grants with respect to which the Company or any Company Affiliate is already entitled.

16. Notice.

Any notice and/or statement required and permitted to be delivered shall be deemed delivered by depositing same in the United States mail, certified with return receipt requested, postage prepaid, hand delivered or sent by overnight delivery service (by any method of delivery offered by such overnight carrier), addressed to the appropriate party at the following addresses, or at such other addresses provided by the parties in writing:

<u>Company:</u>	Panda Sherman Power II, LLC 5001 Spring Valley Road, Suite 1150 West Dallas, Texas 75244 Attention: General Counsel
<u>City:</u>	City Manager City of Sherman 220 West Mulberry Sherman, Texas 75091-1106

17. Interpretation.

Regardless of the actual drafter of this Agreement, this Agreement shall, in the event of any dispute over its meaning or application, be interpreted fairly and reasonably, and neither more strongly for or against any party.

18. Applicable Law.

This Agreement is made, and shall be construed and interpreted under the laws of the State of Texas and venue shall lie in a court located in Grayson County, Texas.

19. Severability.

In the event any provision of this Agreement is illegal, invalid, or unenforceable under present or future laws, then, and in that event, it is the intention of the parties hereto that the remainder of this Agreement shall not be affected thereby, and it is also the intention of the parties to this Agreement that in lieu of each clause or provision that is found to be illegal, invalid, or unenforceable a provision be added to this Agreement which is legal, valid and enforceable and is as similar in terms as possible to the provision found to be illegal, invalid or unenforceable.

20. Counterparts.

This Agreement may be executed in multiple counterparts (and may be delivered by telecopy, in addition to other means, with originals to follow), each of which shall be considered an original, but all of which shall constitute one instrument.

CITY OF SHERMAN, TEXAS

By: _____
Carolyn S. Wacker, Mayor

ATTEST:

Linda Ashby, City Clerk

**CITY OF SHERMAN, TEXAS
APPROVED AS TO FORM
AND LEGALITY:**

Brandon Shelby, CITY ATTORNEY

Date: _____

**PANDA SHERMAN POWER II, LLC,
a Delaware limited liability company**

(CORPORATE SEAL)

By: _____
Name: **Ralph T. Killian**
Title: **Partner**
Address: **5001 Spring Valley Road**
Suite 1150 West
Dallas, Texas 75244

CITY ACKNOWLEDGMENT

THE STATE OF TEXAS §
§
COUNTY OF GRAYSON §

BEFORE ME, the undersigned authority, on this day personally appeared Carolyn S. Wacker, Mayor of the CITY OF SHERMAN, TEXAS, a municipal corporation, known to me to be the person acknowledged to me that the same was the act of the said CITY OF SHERMAN, TEXAS, a municipal corporation, that he was duly authorized to perform the same by appropriate resolution of the City Council of the City of Sherman, Texas, and that he executed the same as the act of the said City for the purposes and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this _____ day of _____, 2015.

Notary Public in and for
the State of Texas

Notary's Printed Name

My Commission Expires:

COMPANY ACKNOWLEDGMENT

THE STATE OF TEXAS §
§
COUNTY OF DALLAS §

BEFORE ME, the undersigned authority, on this day personally appeared Ralph T. Killian, Partner of PANDA SHERMAN POWER II, LLC, a Delaware limited liability company, 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 expressed, in the capacity therein stated and as the act and deed of said entities.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this _____ day of _____, 2015.

Notary Public in and for
the State of Texas

Notary's Printed Name

My Commission Expires:

EXHIBIT A
“THE PROJECT SITE”

INDUSTRIAL REINVESTMENT ZONE, NUMBER 072015-1,
CITY OF SHERMAN, TEXAS

TRACT ONE

Situated in the City of Sherman, Grayson County, Texas, being a part of the William Martin Survey, Abstract No. 765, and being a part of the (1) 109.760 acre tract of land and all of the (2) 37.22 acre tract of land conveyed to the Sherman Economic Development Corporation by deed of record in Volume 2633, Page 498 of the Official Public Records, Grayson County, Texas, and all of the (3) 70.68 acre tract of land and the (4) 23.63 acre tract of land conveyed to the Sherman Economic Development Corporation by deed of record in Volume 4019, Page 369 of said Official Public Records, and all of the (5) 40.03 acre tract of land conveyed to the Sherman Economic Development Corporation by deed of record in Volume 4418, Page 896 of said Official Public Records, and being more particularly described as follows:

Beginning at a ½” steel rod found in the south right-of-way line of Progress Drive for the northwest corner of said 40.03 acre tract and the northwest corner of the herein described tract;

Thence North 74°20'51" East with the south right-of-way line of Progress Drive a distance of 1,405.92 feet to a point in the center of a creek for the northeast corner of the herein described tract;

Thence in a Southerly direction with the center of said creek the following calls and distances:

South 29°38'08" East a distance of 52.73 feet;
South 07°41'27" West a distance of 50.97 feet;
South 10°23'40" East a distance of 190.88 feet;
South 43°02'42" East a distance of 117.85 feet;
North 55°32'33" East a distance of 98.58 feet;
South 49°20'09" East a distance of 53.51 feet;
South 18°07'17" West a distance of 38.00 feet;
South 07°06'09" East a distance of 138.45 feet;
South 38°21'11" East a distance of 176.76 feet;
South 19°26'00" East a distance of 72.46 feet;
North 77°12'24" East a distance of 66.97 feet;
North 23°22'22" East a distance of 64.10 feet;
South 54°32'17" East a distance of 121.05 feet;
South 11°39'13" East a distance of 48.16 feet;
South 36°21'36" East a distance of 35.59 feet;
South 73°22'59" East a distance of 114.32 feet;
South 31°03'16" West a distance of 100.19 feet;
South 00°09'28" West a distance of 64.42 feet;
South 47°26'23" East a distance of 85.75 feet;
North 30°10'37" East a distance of 76.04 feet;
South 84°38'12" East a distance of 66.35 feet;
South 01°40'43" West a distance of 79.47 feet;
South 50°16'00" West a distance of 96.85 feet;

North 57°22'55" West a distance of 45.79 feet;
South 63°16'29" West a distance of 43.89 feet;
South 01°41'19" West a distance of 22.44 feet;
South 02°25'44" West a distance of 43.58 feet;
South 37°45'00" East a distance of 29.17 feet;
South 08°21'33" East a distance of 45.56 feet;
South 04°26'27" East a distance of 51.46 feet;
South 00°50'35" West a distance of 62.57 feet;
South 24°29'48" East a distance of 22.65 feet;
South 87°38'34" East a distance of 81.83 feet;
North 86°58'42" East a distance of 76.97 feet;
South 69°06'08" East a distance of 27.15 feet;
South 38°57'22" East a distance of 60.17 feet;
South 42°11'21" East a distance of 37.74 feet;
South 22°49'34" East a distance of 51.56 feet;
South 43°04'06" East a distance of 74.45 feet;
North 75°10'46" East a distance of 26.87 feet;
North 22°44'42" East a distance of 45.25 feet;
North 82°53'37" East a distance of 29.22 feet;
South 34°11'16" East a distance of 63.18 feet;
South 33°21'17" East a distance of 52.56 feet;
North 88°03'00" East a distance of 15.73 feet;
North 38°15'30" East a distance of 35.39 feet;
North 64°33'50" East a distance of 29.29 feet;
South 57°50'11" East a distance of 13.24 feet;
South 34°26'35" East a distance of 70.92 feet;
South 69°42'17" East a distance of 14.77 feet;
North 61°13'38" East a distance of 14.46 feet;
North 47°06'21" East a distance of 34.11 feet;
South 43°45'37" East a distance of 71.54 feet;
South 83°14'43" East a distance of 65.53 feet;
North 37°01'17" East a distance of 43.53 feet;
North 22°28'00" East a distance of 26.12 feet;
South 86°49'32" East a distance of 11.89 feet;
South 39°32'08" East a distance of 24.06 feet;
South 48°02'49" East a distance of 87.83 feet;
North 53°17'04" East a distance of 43.15 feet;
South 80°11'10" East a distance of 38.20 feet;
South 09°43'07" East a distance of 52.00 feet;
South 07°14'11" West a distance of 78.30 feet;
South 08°18'33" West a distance of 65.33 feet;
South 22°29'44" East a distance of 44.41 feet;
South 68°25'46" East a distance of 48.38 feet;
North 87°52'00" East a distance of 52.17 feet;
South 01°27'35" East a distance of 67.50 feet;
South 19°47'23" West a distance of 46.81 feet;
South 36°22'56" West a distance of 61.15 feet;
South 10°41'37" East a distance of 70.35 feet;
South 46°15'08" West a distance of 57.80 feet;
South 64°21'19" West a distance of 27.36 feet;
South 78°50'20" West a distance of 43.28 feet;

South 33°00'37" West a distance of 34.00 feet;
South 02°43'09" East a distance of 32.65 feet;
South 48°26'47" East a distance of 51.14 feet;
South 03°17'43" West a distance of 33.29 feet;
South 69°04'59" West a distance of 41.28 feet;
South 42°36'20" West a distance of 19.21 feet;
South 23°51'00" East a distance of 41.21 feet;
South 23°55'19" East a distance of 55.18 feet;
South 24°06'58" West a distance of 40.71 feet;
South 46°42'41" East a distance of 27.78 feet;
South 64°57'16" East a distance of 57.68 feet;
South 11°37'31" East a distance of 21.44 feet;
South 33°46'22" West a distance of 35.17 feet;
South 10°22'28" West a distance of 28.69 feet;
South 07°22'17" East a distance of 69.82 feet to a point in the north line of the BNSF Railroad right-of-way for the southeast corner of the herein described tract;

Thence South 63°21'20" West with said north right-of-way line, a distance of 952.18 feet to a 1/2" steel rod set for the southeast corner of the 0.857 acre tract of land conveyed to the City of Sherman, Texas by deed of record in Volume 1153, Page 32 of the Deed Records, Grayson County, Texas;

Thence North 15°37'10" West a distance of 240.00 feet to a 1/2" steel rod found for the northeast corner of said 0.857 acre tract and the southeast corner of said 70.68 acre tract;

Thence South 63°21'20" West a distance of 200.00 feet to a 1/2" steel rod found for the northwest corner of said 0.857 acre tract;

Thence South 15°37'10" East a distance of 240.00 feet to a 1/2" steel rod found in said north right-of-way line for the southwest corner of said 0.857 acre tract;

Thence South 63°21'20" West with said north right-of-way line, a distance of 1,172.66 feet to a 1/2" steel rod found for the southwest corner of said 70.68 acre tract, said rod being the southeast corner of the 34.835 acre tract of land (Tract 1) conveyed to Weldon Moore, III by deed of record in Volume 2438, Page 278 of said Official Public Records;

Thence North 16°09'06" West with the east line of said 34.835 acre tract, a distance of 1,404.98 feet to a 1/2" steel rod found at the southeast corner of the 104.321 acre tract of land conveyed to Dennis D. Topletz, Trustee by deed of record in Volume 1712, Page 244 of said Deed Records, said rod being the northeast corner of said 34.835 acre tract;

Thence North 15°03'24" West with the east line of said 104.321 acre tract, a distance of 972.88 feet to a 1/2" steel rod found at the southwest corner of said 40.03 acre tract;

Thence North 15°38'56" West a distance of 1,106.26 feet to the Point-of-Beginning and containing 147.95 acres of land.

TRACT TWO

Situated in the City of Sherman, Grayson County, Texas, being a part of the William Martin Survey, Abstract No. 765, and being all of the (1) 37.22 acre tract of land conveyed to the Sherman Economic Development Corporation by deed of record in Volume 2633, Page 498 of the Official Public Records, Grayson County, Texas, and all of the (2) 23.63 acre tract of land conveyed to the Sherman Economic Development Corporation by deed of record in Volume 4019, Page 369 of said Official Public Records, and being more particularly described as follows:

Beginning at a ½" steel rod found in the south right-of-way line of the BNSF Railroad for the northwest corner of said 23.63 acre tract and the northwest corner of the herein described tract, said rod also being the northeast corner of the 14.270 acre tract of land (Tract 2) conveyed to Weldon L. Moore, III by deed of record in Volume 2438, Page 278 of said Official Public Records;

Thence North 63°21'20" East with said south right-of-way line, a distance of 3,218.78 feet to a 1/2" steel rod set for the northwest corner of the 21.006 acre tract of land conveyed to Texas Instruments Inc., by deed of record in Volume 3317, Page 177, of said Official Public Records, said rod being the northeast corner of said 37.22 acre tract;

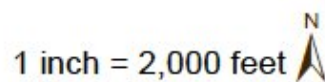
Thence South 14°27'38" East with the west line of said 21.006 acre tract, a distance of 1,036.49 feet to a 1/2" steel rod set on the north bank of Choctaw Creek for the southeast corner of said 37.22 acre tract;;

Thence in a Westerly direction with the meanders of said north bank and the south lines of said 37.22 acre tract and 23.63 acre tract;

North 89°08'07" West a distance of 50.63 feet;
South 61°50'06" West a distance of 129.18 feet;
North 65°31'21" West a distance of 213.45 feet;
South 43°38'09" West a distance of 143.38 feet;
North 76°35'12" West a distance of 305.86 feet;
South 82°00'24" West a distance of 199.24 feet;
South 07°28'29" West a distance of 447.48 feet;
South 28°46'19" West a distance of 60.92 feet;
South 78°00'17" West a distance of 242.38 feet;
South 53°19'01" West a distance of 279.39 feet;
North 81°47'10" West a distance of 158.75 feet;
South 70°57'29" West a distance of 16.05 feet;
North 46°51'54" West a distance of 71.47 feet;
North 64°55'47" West a distance of 89.81 feet;
North 74°52'56" West a distance of 94.21 feet;
South 84°55'33" West a distance of 34.55 feet;
South 65°12'48" West a distance of 69.31 feet;
South 84°39'24" West a distance of 132.97 feet;
South 42°55'42" West a distance of 71.85 feet;
South 31°29'48" West a distance of 63.23 feet;
South 42°51'36" West a distance of 154.98 feet;
South 38°33'13" West a distance of 90.82 feet;
South 27°05'10" West a distance of 74.40 feet;
South 57°08'24" West a distance of 143.66 feet;
North 58°57'02" West a distance of 75.25 feet;
North 47°55'51" West a distance of 74.03 feet;
North 58°06'24" West a distance of 46.14 feet;
South 66°03'24" West a distance of 76.50 feet;

North 70°16'10" West a distance of 22.67 feet;
South 43°33'46" West a distance of 17.61 feet;
South 12°20'55" East a distance of 18.54 feet;
South 22°13'20" West a distance of 49.55 feet;
South 35°23'00" West a distance of 93.28 feet;
South 67°23'43" West a distance of 67.60 feet to a ½" steel rod found at the southwest corner of said 23.63 acre tract and the southeast corner of said 14.270 acre tract;

Thence North 16°09'06" West with the east line of said 14.270 acre tract, a distance of 777.82 feet to the Point-of-Beginning and containing 60.85 acres of land.

[illegible]



SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

Agenda Item No. C. 3.

Meeting Date: 08/03/2015

Prepared By: Robby Hefton, City Manager

Approved By: Robby Hefton, City Manager

Caption:

RESOLUTION NO. 5991

Authorizing Execution of an Economic Development Program Agreement with Panda Sherman Power, LLC for the Grant of Incentives Pursuant to Chapter 380 of the Texas Local Government Code

Issue:

Approving an Economic Development Program Agreement with Panda Sherman Power, LLC (Panda) for incentives authorized under Chapter 380 (380 Agreement) of the Texas Local Government Code

Background:

The City staff recently learned that Panda's property tax valuation for the current fiscal year increased about \$45 million over what was previously originally certified in July, 2014, due to a change in the amount of pollution control exempted property. The effect of this increase in valuation after abatement means that Panda will be paying about \$60,000 more in property taxes than was projected and budgeted by the City. Over its short existence, Panda has already provided nearly \$3 million in tax and utility revenues to the City. This agreement is being proposed to recognize Panda's significant future financial impacts to the City and to incent Panda to continue development within the City.

Origination:

City Manager

Financial Consideration:

During the current year, the revenue received from property taxes from Panda was about \$470,000. This agreement proposes a rebate of about \$60,000 to Panda as an incentive for continued development in Sherman.

Staff Recommendation:

It is recommended that the City Council approve the proposed incentive agreement.

Alternatives:

The City Council could deny the agreement.

Attachments

Resolution No. 5991

"Chapter 380" Economic Development Program and Agreement

Exhibit A - The Project Site

RESOLUTION NO. 5991

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF AN ECONOMIC DEVELOPMENT PROGRAM AGREEMENT WITH PANDA SHERMAN POWER, LLC FOR THE GRANT OF INCENTIVES PURSUANT TO CHAPTER 380 OF THE TEXAS LOCAL GOVERNMENT CODE; FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS RESOLUTION IS PASSED WAS NOTICED AND IS OPEN TO THE PUBLIC AS REQUIRED BY LAW.

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

SECTION 1. That the Mayor be and is hereby authorized and directed, subject to receipt of a fully-executed agreement from Panda Sherman Power, LLC and subject to all contract documents being properly completed and approved as to form and content by the City Attorney, to execute an Economic Development Program Agreement with Panda Sherman Power, LLC for the grant of incentives pursuant to Chapter 380 of the Texas Local Government Code, for the continued operation of an approximately 750 megawatt natural gas fired, combined cycle, electric generation facility, along with other possible improvements, within Industrial Reinvestment Zone, Number 072015-1, City of Sherman, Texas, in the same or substantially same form as the contract documents attached hereto and made a part hereof for all purposes.

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

PASSED AND APPROVED on this the ____ day of _____, 2015.

CITY OF SHERMAN, TEXAS

ATTEST:

BY: _____
LINDA ASHBY,
CITY CLERK

BY: _____
CAROLYN S. WACKER, MAYOR

**APPROVED AS TO FORM
AND CONTENT:**

BY: _____
BRANDON S. SHELBY,
CITY ATTORNEY

THE CITY OF SHERMAN, TEXAS

AND

PANDA SHERMAN POWER, LLC

“CHAPTER 380” ECONOMIC DEVELOPMENT PROGRAM AND AGREEMENT

This Economic Development Program Agreement (“Agreement”) is made and entered into by and between the City of Sherman, Texas, a home rule city and municipal corporation of Grayson County, Texas (the “City”), and Panda Sherman Power, LLC, a Delaware limited liability company (the “Company”), as of _____, 2015 (the “Effective Date”).

W I T N E S S E T H:

WHEREAS, on August 3, 2015, the City adopted Resolution No. 5991, which authorized the City to enter into this Agreement pursuant to Chapter 380 of the Texas Local Government Code (“Chapter 380”);

WHEREAS, the Company currently owns that certain tract of real property located within the City and as more particularly described on Exhibit A attached hereto (the “Project Site”);

WHEREAS, Company desires to enter into this Agreement with respect to the Project Site pursuant to Chapter 380;

WHEREAS, the Company has developed and constructed an approximately 750 Megawatt natural gas fired, combined cycle, electric generation facility and other related improvements (collectively, the “Electric Generation Facility”) on the Project Site;

WHEREAS, the City desires to provide, pursuant to Chapter 380, an incentive to the Company to promote continued local development within the City; and

NOW, THEREFORE, in consideration of the mutual benefits and premises contained herein and for other good and valuable consideration (including the application fee paid by or on behalf of the Company to the City), the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Authorization.

The City has concluded that this Agreement is authorized by Chapter 380, and is authorized by Resolution of the City.

2. Definitions.

The following definitions shall apply to the terms used in this Agreement:

“Agreement” has the meaning set forth in the introductory paragraph of this Agreement.

“Chapter 380” has the meaning set forth in the recitals to this Agreement.

“City” has the meaning set forth in the introductory paragraph of this Agreement.

“Company” has the meaning set forth in the introductory paragraph of this Agreement.

“Company Affiliate” means any Person, directly or indirectly controlling, controlled by, or under common control with the Company. As used in this definition, the term “control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership of voting securities, by contract or otherwise.

“Effective Date” has the meaning set forth in the introductory paragraph of this Agreement.

“Electric Generation Facility” has the meaning set forth in the recitals to this Agreement.

“Force Majeure” means, without limitation, acts of God, or the public enemy, war, terrorism, criminal acts by unrelated third parties, riot, civil commotion, insurrection, governmental or de facto governmental action other than the City’s legislative zoning authority, fire, explosions, floods, strikes, adverse weather, or any other extraordinary event beyond the control of the Company (including, without limitation, broad based extraordinary economic events) that makes it reasonably impracticable to accomplish a desired objective.

“Grant Certification” has the meaning set forth in Section 5(a) of this Agreement.

“Person” means an individual or a corporation, partnership, trust, estate, unincorporated organization, association, or other entity.

“Project Site” has the meaning set forth in the recitals to this Agreement.

“Tax Code” means the Texas Tax Code, as amended from time to time.

“Term” has the meaning set forth in Section 3 of this Agreement.

All references in this Agreement to a “tax year” mean a calendar year.

3. Term.

This Agreement shall be effective as of the Effective Date and shall remain in full force and effect until the grant incentive described in Section 4 of this agreement is paid.

4. Grant Incentive:

(a) Cash Grant. Subject to Section 4(b), Section 4(c), and Section 4(d), the City shall, make a grant (in cash) to the Company of Sixty Thousand Dollars (\$60,000.00)

(b) Operation Covenant. The Company shall operate the Electric Generation Facility in accordance with prudent industry standards and applicable law.

(c) Property Tax Covenant. Throughout the term of this Agreement, the Company shall timely pay all property taxes for the Project and real and personal property located therein due and owing by it to all relevant taxing jurisdictions.

(d) Payment of Grant. Grant shall be paid to the Company not later than forty-five (45) days after the Company or a Company Affiliate has paid met the Certification/Verification requirements set forth in Section 5 of this agreement. The City hereby agrees that it has available and dedicated funds to make the grants contemplated by this Agreement.

5. Certification/Verification

On or before September 1, 2015 the Company shall certify in writing to the City whether the conditions set forth in Sections 4(b) and (c), hereof have been met (each, a "Grant Certification").

6. Default.

If the City defaults with respect to any of its obligations hereunder and fails, within thirty (30) days after delivery of written notice of such default from the Company, to cure such default, then the Company, by action or proceeding at law or in equity, may be awarded its damages for such default, including all reasonable attorneys' fees and costs incurred in connection with such default. If the Company defaults with respect to any of its obligations hereunder and fails, within sixty (60) days after delivery of written notice of such default from the City, to cure such default or such longer time as is reasonably necessary to address a default due to Force Majeure or to address a default that cannot be cured within such 60-day period provided that the Company is diligently attempting to cure, then the City may terminate this Agreement.

The Company's failure to meet a condition set forth in Sections 4(b) or (c) hereof shall result the loss of the grant incentive contemplated by this agreement. The Company's only liability for failing to meet a condition or breach shall be those set forth in this Section 6 and Section 4.

7. Mutual Assistance.

The City and the Company shall take all reasonable measures that are necessary or appropriate to carry out the terms and provisions of this Agreement and to aid and assist each other in carrying out such terms and provisions.

8. Representations and Warranties.

The City represents and warrants to the Company that this Agreement is within the scope of its authority and the provisions of its charter, and that it is duly authorized and empowered to enter into this Agreement under Chapter 380.

9. INDEMNIFICATION

- A. **IN ADDITION TO THE OTHER REMEDIES AFFORDED TO THE CITY IN THIS AGREEMENT, COMPANY SHALL INDEMNIFY, DEFEND AND HOLD HARMLESS THE CITY, ITS COUNCIL MEMBERS, OFFICERS, EMPLOYEES, ATTORNEYS, CONTRACTORS, OR AGENTS (HEREINAFTER “CITY’S INDEMNIFIED PARTY”) FOR, FROM AND AGAINST ANY AND ALL LOSSES, LIENS, CAUSES OF ACTION, SUITS, JUDGMENTS AND EXPENSES (INCLUDING, WITHOUT LIMITATION, COURT COSTS, REASONABLE ATTORNEYS’ FEES AND COSTS OF INVESTIGATION, REMOVAL AND REMEDIATION, AND GOVERNMENTAL OVERSIGHT COSTS), ENVIRONMENTAL OR OTHERWISE, OF ANY NATURE, KIND OR DESCRIPTION OF ANY PERSON OR ENTITY RESULTING FROM COMPANY’S CONSTRUCTION AND OPERATION OF THE ELECTRIC GENERATION FACILITY.**
- B. Notice of Indemnified Loss. The City’s Indemnified Party shall promptly notify Company of any indemnified Losses or Claim for indemnified Losses in respect of which the City’s Indemnified Party may be entitled to indemnification under this Section 9. Such notice shall be given as soon as reasonably practicable after the City’s Indemnified Party becomes aware of the Loss or Claim for Losses.
- C. Defense of Third Party Claims. In the event any action or proceeding shall be brought against the City’s Indemnified Party by reason of any matter for which the City’s Indemnified Party is indemnified hereunder, Company shall, upon notice from the City’s Indemnified Party or its authorized agents or representatives, at Company’s sole cost and expense, resist and defend the same with legal counsel selected by Company; provided, however, that Company shall not admit liability in any such matter on behalf of the City’s Indemnified Party without the City’s express written consent. Nothing herein shall be deemed to prevent the City’s Indemnified Party at its election and at its own expense from cooperating with Company and participating in the defense of any litigation by their own counsel. If Company fails to retain defense counsel within ten (10) business days after receipt of City’s Indemnified Party written notice that the City’s Indemnified Party is invoking its right to indemnification under this Agreement, the City’s Indemnified Party shall have the right to retain defense counsel on their own behalf, and Company shall be liable for all usual and customary defense costs incurred by the City’s Indemnified Party.

- D. Limitation on Indemnity. The amount owing to a City Indemnified Party will be the amount of the City Indemnified Party's Losses net of any insurance proceeds received by the City Indemnified Party following a reasonable effort by the City Indemnified Party to obtain such insurance proceeds.

10. Section or Other Headings.

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

11. Attorneys Fees.

In the event any legal action or proceeding is commenced to enforce or interpret provisions of this Agreement, the prevailing party in any such legal action shall be entitled to recover its reasonable attorneys' fees and expenses incurred by reason of such action.

12. Entire Agreement.

This Agreement contains the entire agreement between the parties with respect to the transactions contemplated herein.

13. Amendment.

This Agreement may only be amended, altered, or revoked by written instrument signed by the Company and the City.

14. Successors and Assigns.

This Agreement shall be binding on and inure to the benefit of the parties to this Agreement and all Company Affiliates, and their respective successors and assigns. The Company may assign all or part of its rights and obligations hereunder (irrespective of whether the Company ever owns all or any part of the Project Site) (a) without the prior written approval of the City, to any Company Affiliate, (b) without the prior written approval of the City, to any Person that acquires all or a portion of the Project Site or any improvement thereon and then leases such property to the Company or any Company Affiliate, (c) without the prior written approval of the City, to any assignee that can meet the conditions set forth in Sections 4(b) (if still applicable), (c), and (d) above; and (d) to any Person not described in clause (a), (b) or (c) above, with the prior written approval of the City, which shall not be unreasonably withheld, conditioned or delayed. Any assignment in violation of this Section 15 shall (i) not affect any grants with respect to which the Company or any Company Affiliate is already entitled.

15. Notice.

Any notice and/or statement required and permitted to be delivered shall be deemed delivered by depositing same in the United States mail, certified with return receipt requested, postage prepaid, hand delivered or sent by overnight delivery service (by any method of delivery

offered by such overnight carrier), addressed to the appropriate party at the following addresses, or at such other addresses provided by the parties in writing:

<u>Company:</u>	Panda Sherman Power, LLC 5001 Spring Valley Road, Suite 1150 West Dallas, Texas 75244 Attention: General Counsel
<u>City:</u>	City Manager City of Sherman 220 West Mulberry Sherman, Texas 75091-1106

16. Interpretation.

Regardless of the actual drafter of this Agreement, this Agreement shall, in the event of any dispute over its meaning or application, be interpreted fairly and reasonably, and neither more strongly for or against any party.

17. Applicable Law.

This Agreement is made, and shall be construed and interpreted under the laws of the State of Texas and venue shall lie in a court located in Grayson County, Texas.

18. Severability.

In the event any provision of this Agreement is illegal, invalid, or unenforceable under present or future laws, then, and in that event, it is the intention of the parties hereto that the remainder of this Agreement shall not be affected thereby, and it is also the intention of the parties to this Agreement that in lieu of each clause or provision that is found to be illegal, invalid, or unenforceable a provision be added to this Agreement which is legal, valid and enforceable and is as similar in terms as possible to the provision found to be illegal, invalid or unenforceable.

19. Counterparts.

This Agreement may be executed in multiple counterparts (and may be delivered by telecopy, in addition to other means, with originals to follow), each of which shall be considered an original, but all of which shall constitute one instrument.

CITY OF SHERMAN, TEXAS

By: _____
Carolyn S. Wacker, Mayor

ATTEST:

Linda Ashby, City Clerk

**CITY OF SHERMAN, TEXAS
APPROVED AS TO FORM
AND LEGALITY:**

Brandon Shelby, CITY ATTORNEY

Date: _____

**PANDA SHERMAN POWER, LLC,
a Delaware limited liability company**

(CORPORATE SEAL)

By: _____
Name: **Ralph T. Killian**
Title: **Partner**
Address: **5001 Spring Valley Road**
Suite 1150 West
Dallas, Texas 75244

CITY ACKNOWLEDGMENT

THE STATE OF TEXAS §
§
COUNTY OF GRAYSON §

BEFORE ME, the undersigned authority, on this day personally appeared Carolyn S. Wacker, Mayor of the CITY OF SHERMAN, TEXAS, a municipal corporation, known to me to be the person acknowledged to me that the same was the act of the said CITY OF SHERMAN, TEXAS, a municipal corporation, that he was duly authorized to perform the same by appropriate resolution of the City Council of the City of Sherman, Texas, and that he executed the same as the act of the said City for the purposes and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this _____ day of _____, 2015.

Notary Public in and for
the State of Texas

Notary's Printed Name

My Commission Expires:

COMPANY ACKNOWLEDGMENT

THE STATE OF TEXAS §
§
COUNTY OF DALLAS §

BEFORE ME, the undersigned authority, on this day personally appeared Ralph T. Killian, Partner of PANDA SHERMAN POWER, LLC, a Delaware limited liability company, 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 expressed, in the capacity therein stated and as the act and deed of said entities.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this _____ day of _____, 2015.

Notary Public in and for
the State of Texas

Notary's Printed Name

My Commission Expires:

EXHIBIT A
“THE PROJECT SITE”

INDUSTRIAL REINVESTMENT ZONE, NUMBER 072015-1,
CITY OF SHERMAN, TEXAS

TRACT ONE

Situated in the City of Sherman, Grayson County, Texas, being a part of the William Martin Survey, Abstract No. 765, and being a part of the (1) 109.760 acre tract of land and all of the (2) 37.22 acre tract of land conveyed to the Sherman Economic Development Corporation by deed of record in Volume 2633, Page 498 of the Official Public Records, Grayson County, Texas, and all of the (3) 70.68 acre tract of land and the (4) 23.63 acre tract of land conveyed to the Sherman Economic Development Corporation by deed of record in Volume 4019, Page 369 of said Official Public Records, and all of the (5) 40.03 acre tract of land conveyed to the Sherman Economic Development Corporation by deed of record in Volume 4418, Page 896 of said Official Public Records, and being more particularly described as follows:

Beginning at a ½” steel rod found in the south right-of-way line of Progress Drive for the northwest corner of said 40.03 acre tract and the northwest corner of the herein described tract;

Thence North 74°20'51" East with the south right-of-way line of Progress Drive a distance of 1,405.92 feet to a point in the center of a creek for the northeast corner of the herein described tract;

Thence in a Southerly direction with the center of said creek the following calls and distances:

South 29°38'08" East a distance of 52.73 feet;
South 07°41'27" West a distance of 50.97 feet;
South 10°23'40" East a distance of 190.88 feet;
South 43°02'42" East a distance of 117.85 feet;
North 55°32'33" East a distance of 98.58 feet;
South 49°20'09" East a distance of 53.51 feet;
South 18°07'17" West a distance of 38.00 feet;
South 07°06'09" East a distance of 138.45 feet;
South 38°21'11" East a distance of 176.76 feet;
South 19°26'00" East a distance of 72.46 feet;
North 77°12'24" East a distance of 66.97 feet;
North 23°22'22" East a distance of 64.10 feet;
South 54°32'17" East a distance of 121.05 feet;
South 11°39'13" East a distance of 48.16 feet;
South 36°21'36" East a distance of 35.59 feet;
South 73°22'59" East a distance of 114.32 feet;
South 31°03'16" West a distance of 100.19 feet;
South 00°09'28" West a distance of 64.42 feet;
South 47°26'23" East a distance of 85.75 feet;
North 30°10'37" East a distance of 76.04 feet;
South 84°38'12" East a distance of 66.35 feet;
South 01°40'43" West a distance of 79.47 feet;
South 50°16'00" West a distance of 96.85 feet;

North 57°22'55" West a distance of 45.79 feet;
South 63°16'29" West a distance of 43.89 feet;
South 01°41'19" West a distance of 22.44 feet;
South 02°25'44" West a distance of 43.58 feet;
South 37°45'00" East a distance of 29.17 feet;
South 08°21'33" East a distance of 45.56 feet;
South 04°26'27" East a distance of 51.46 feet;
South 00°50'35" West a distance of 62.57 feet;
South 24°29'48" East a distance of 22.65 feet;
South 87°38'34" East a distance of 81.83 feet;
North 86°58'42" East a distance of 76.97 feet;
South 69°06'08" East a distance of 27.15 feet;
South 38°57'22" East a distance of 60.17 feet;
South 42°11'21" East a distance of 37.74 feet;
South 22°49'34" East a distance of 51.56 feet;
South 43°04'06" East a distance of 74.45 feet;
North 75°10'46" East a distance of 26.87 feet;
North 22°44'42" East a distance of 45.25 feet;
North 82°53'37" East a distance of 29.22 feet;
South 34°11'16" East a distance of 63.18 feet;
South 33°21'17" East a distance of 52.56 feet;
North 88°03'00" East a distance of 15.73 feet;
North 38°15'30" East a distance of 35.39 feet;
North 64°33'50" East a distance of 29.29 feet;
South 57°50'11" East a distance of 13.24 feet;
South 34°26'35" East a distance of 70.92 feet;
South 69°42'17" East a distance of 14.77 feet;
North 61°13'38" East a distance of 14.46 feet;
North 47°06'21" East a distance of 34.11 feet;
South 43°45'37" East a distance of 71.54 feet;
South 83°14'43" East a distance of 65.53 feet;
North 37°01'17" East a distance of 43.53 feet;
North 22°28'00" East a distance of 26.12 feet;
South 86°49'32" East a distance of 11.89 feet;
South 39°32'08" East a distance of 24.06 feet;
South 48°02'49" East a distance of 87.83 feet;
North 53°17'04" East a distance of 43.15 feet;
South 80°11'10" East a distance of 38.20 feet;
South 09°43'07" East a distance of 52.00 feet;
South 07°14'11" West a distance of 78.30 feet;
South 08°18'33" West a distance of 65.33 feet;
South 22°29'44" East a distance of 44.41 feet;
South 68°25'46" East a distance of 48.38 feet;
North 87°52'00" East a distance of 52.17 feet;
South 01°27'35" East a distance of 67.50 feet;
South 19°47'23" West a distance of 46.81 feet;
South 36°22'56" West a distance of 61.15 feet;
South 10°41'37" East a distance of 70.35 feet;
South 46°15'08" West a distance of 57.80 feet;
South 64°21'19" West a distance of 27.36 feet;
South 78°50'20" West a distance of 43.28 feet;

South 33°00'37" West a distance of 34.00 feet;
South 02°43'09" East a distance of 32.65 feet;
South 48°26'47" East a distance of 51.14 feet;
South 03°17'43" West a distance of 33.29 feet;
South 69°04'59" West a distance of 41.28 feet;
South 42°36'20" West a distance of 19.21 feet;
South 23°51'00" East a distance of 41.21 feet;
South 23°55'19" East a distance of 55.18 feet;
South 24°06'58" West a distance of 40.71 feet;
South 46°42'41" East a distance of 27.78 feet;
South 64°57'16" East a distance of 57.68 feet;
South 11°37'31" East a distance of 21.44 feet;
South 33°46'22" West a distance of 35.17 feet;
South 10°22'28" West a distance of 28.69 feet;
South 07°22'17" East a distance of 69.82 feet to a point in the north line of the BNSF Railroad right-of-way for the southeast corner of the herein described tract;

Thence South 63°21'20" West with said north right-of-way line, a distance of 952.18 feet to a 1/2" steel rod set for the southeast corner of the 0.857 acre tract of land conveyed to the City of Sherman, Texas by deed of record in Volume 1153, Page 32 of the Deed Records, Grayson County, Texas;

Thence North 15°37'10" West a distance of 240.00 feet to a 1/2" steel rod found for the northeast corner of said 0.857 acre tract and the southeast corner of said 70.68 acre tract;

Thence South 63°21'20" West a distance of 200.00 feet to a 1/2" steel rod found for the northwest corner of said 0.857 acre tract;

Thence South 15°37'10" East a distance of 240.00 feet to a 1/2" steel rod found in said north right-of-way line for the southwest corner of said 0.857 acre tract;

Thence South 63°21'20" West with said north right-of-way line, a distance of 1,172.66 feet to a 1/2" steel rod found for the southwest corner of said 70.68 acre tract, said rod being the southeast corner of the 34.835 acre tract of land (Tract 1) conveyed to Weldon Moore, III by deed of record in Volume 2438, Page 278 of said Official Public Records;

Thence North 16°09'06" West with the east line of said 34.835 acre tract, a distance of 1,404.98 feet to a 1/2" steel rod found at the southeast corner of the 104.321 acre tract of land conveyed to Dennis D. Topletz, Trustee by deed of record in Volume 1712, Page 244 of said Deed Records, said rod being the northeast corner of said 34.835 acre tract;

Thence North 15°03'24" West with the east line of said 104.321 acre tract, a distance of 972.88 feet to a 1/2" steel rod found at the southwest corner of said 40.03 acre tract;

Thence North 15°38'56" West a distance of 1,106.26 feet to the Point-of-Beginning and containing 147.95 acres of land.

TRACT TWO

Situated in the City of Sherman, Grayson County, Texas, being a part of the William Martin Survey, Abstract No. 765, and being all of the (1) 37.22 acre tract of land conveyed to the Sherman Economic Development Corporation by deed of record in Volume 2633, Page 498 of the Official Public Records, Grayson County, Texas, and all of the (2) 23.63 acre tract of land conveyed to the Sherman Economic Development Corporation by deed of record in Volume 4019, Page 369 of said Official Public Records, and being more particularly described as follows:

Beginning at a ½" steel rod found in the south right-of-way line of the BNSF Railroad for the northwest corner of said 23.63 acre tract and the northwest corner of the herein described tract, said rod also being the northeast corner of the 14.270 acre tract of land (Tract 2) conveyed to Weldon L. Moore, III by deed of record in Volume 2438, Page 278 of said Official Public Records;

Thence North 63°21'20" East with said south right-of-way line, a distance of 3,218.78 feet to a 1/2" steel rod set for the northwest corner of the 21.006 acre tract of land conveyed to Texas Instruments Inc., by deed of record in Volume 3317, Page 177, of said Official Public Records, said rod being the northeast corner of said 37.22 acre tract;

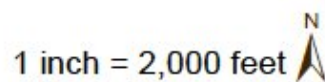
Thence South 14°27'38" East with the west line of said 21.006 acre tract, a distance of 1,036.49 feet to a 1/2" steel rod set on the north bank of Choctaw Creek for the southeast corner of said 37.22 acre tract;;

Thence in a Westerly direction with the meanders of said north bank and the south lines of said 37.22 acre tract and 23.63 acre tract;

North 89°08'07" West a distance of 50.63 feet;
South 61°50'06" West a distance of 129.18 feet;
North 65°31'21" West a distance of 213.45 feet;
South 43°38'09" West a distance of 143.38 feet;
North 76°35'12" West a distance of 305.86 feet;
South 82°00'24" West a distance of 199.24 feet;
South 07°28'29" West a distance of 447.48 feet;
South 28°46'19" West a distance of 60.92 feet;
South 78°00'17" West a distance of 242.38 feet;
South 53°19'01" West a distance of 279.39 feet;
North 81°47'10" West a distance of 158.75 feet;
South 70°57'29" West a distance of 16.05 feet;
North 46°51'54" West a distance of 71.47 feet;
North 64°55'47" West a distance of 89.81 feet;
North 74°52'56" West a distance of 94.21 feet;
South 84°55'33" West a distance of 34.55 feet;
South 65°12'48" West a distance of 69.31 feet;
South 84°39'24" West a distance of 132.97 feet;
South 42°55'42" West a distance of 71.85 feet;
South 31°29'48" West a distance of 63.23 feet;
South 42°51'36" West a distance of 154.98 feet;
South 38°33'13" West a distance of 90.82 feet;
South 27°05'10" West a distance of 74.40 feet;
South 57°08'24" West a distance of 143.66 feet;
North 58°57'02" West a distance of 75.25 feet;

North 47°55'51" West a distance of 74.03 feet;
North 58°06'24" West a distance of 46.14 feet;
South 66°03'24" West a distance of 76.50 feet;
North 70°16'10" West a distance of 22.67 feet;
South 43°33'46" West a distance of 17.61 feet;
South 12°20'55" East a distance of 18.54 feet;
South 22°13'20" West a distance of 49.55 feet;
South 35°23'00" West a distance of 93.28 feet;
South 67°23'43" West a distance of 67.60 feet to a ½" steel rod found at the southwest corner of said 23.63 acre tract and the southeast corner of said 14.270 acre tract;

Thence North 16°09'06" West with the east line of said 14.270 acre tract, a distance of 777.82 feet to the Point-of-Beginning and containing 60.85 acres of land.





SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

Agenda Item No. C. 4.

Meeting Date: 08/03/2015

Prepared By: Clay Barnett, Director of Public Works and Engineering

Approved By: Robby Hefton, City Manager

Caption:

RESOLUTION NO. 5992

Awarding a Bid to and Authorizing Execution of a Contract with East Valley Golf, LTD. dba Revegetation Services based on an Invitation to Bid for Construction of the Erosion Protection for Hunt Street

Issue:

To consider awarding a bid to and authorizing execution of a contract with East Valley Golf, LTD. dba Revegetation Services based on an Invitation to Bid for construction of the Erosion Protection for Hunt Street

Background:

The City of Sherman experienced an inordinate amount of rainfall this past spring that has caused a plethora of issues. Among the issues that we have experienced is a slope failure that occurred on Hunt Street on May 21, 2015. This project will correct the slope failure and repair the roadway. It consists of installing a box culvert at the base of the failure, placing fill around the box culvert and a flume on top of the fill, thus preventing any future slope failures or erosion issues.

An Invitation to Bid for Erosion Protection for Hunt Street (Bid No. 2015-07) was made and, on July 21, 2015, bids were received and opened. Five (5) bids were received with the lowest bid being submitted by East Valley Golf, LTD. dba Revegetation Services in the amount of \$161,552.00. A bid tabulation is attached. Based on a combination of price, level of qualifications and past experience, City staff recommends contracting with East Valley Golf, LTD. dba Revegetation Services.

Origination:

Department of Public Works

Financial Consideration:

Funding for this construction is available in the Capital Improvement Project fund for FY 2015.

Staff Recommendation:

It is recommended that the bid be awarded for construction of the Erosion Protection for Hunt Street to the low bidder, East Valley Golf, LTD. dba Revegetation Services, in the amount of \$161,552.00. It is also recommended that the City Manager be authorized to execute the required contract documents.

Alternatives:

As may be directed by the City Council

Attachments

Resolution No. 5992

Contract Agreement

Bid Tabulation

Location Map

RESOLUTION NO. 5992

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AWARDING A BID TO AND AUTHORIZING EXECUTION OF A CONTRACT WITH EAST VALLEY GOLF, LTD. DBA REVEGETATION SERVICES BASED ON AN INVITATION TO BID FOR CONSTRUCTION OF THE EROSION PROTECTION FOR HUNT 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 of Sherman hereby approves the contract with East Valley Golf, LTD. dba Revegetation Services, in the total amount of One-Hundred and Sixty-One Thousand, Five Hundred and Fifty-Two dollars and zero cents (\$161,552.00) for the construction of the Erosion Protection for Hunt Street; and that the City Manager be and is hereby authorized and directed, subject to all contract documents being properly completed and approved as to form and content by the City Attorney.

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 _____, 2015.

CITY OF SHERMAN, TEXAS

BY: _____
CAROLYN S. WACKER, MAYOR

ATTEST:

BY: _____
LINDA ASHBY, CITY CLERK

APPROVED AS TO FORM AND CONTENT:

BY: _____
BRANDON S. SHELBY,
CITY ATTORNEY

CONTRACT AGREEMENT

STATE OF TEXAS

COUNTY OF GRAYSON

THIS AGREEMENT is made and entered into this 3rd day of August, **2015**, by and between the City of Sherman, of the County of Grayson and State of Texas, acting through its City Manager, thereunto duly authorized so to do, Party of the First Part, hereinafter termed the OWNER, and East Valley Golf, LTD. DBA Revegetation Services, of the City of Higley, County of Maricopa, State of Arizona, Party of the Second Part, hereinafter termed CONTRACTOR.

WITNESSETH: That for and in consideration of the payment and agreement hereinafter mentioned, to be made and performed by the OWNER, the said CONTRACTOR hereby agrees with the said OWNER to commence and complete construction of certain improvements as follows:

EROSION PROTECTION FOR HUNT STREET

and all extra work in connection therewith, under the terms as stated in the General and Specific Conditions of the AGREEMENT; and at his own proper cost and expense to furnish all the materials, supplies, machinery, equipment, tools, superintendence, labor, insurance and other accessories and services necessary to complete the said construction, in accordance with the conditions and prices stated in the Proposal attached hereto and in accordance with the Advertisement for Bids, Instructions to Bidders, General Provisions, Special Provisions, Plans, and other drawings and printed or written explanatory matter thereof, and the Technical Specifications and Addenda thereto, as prepared by the OWNER, each of which has been identified by the endorsement of the CONTRACTOR and the OWNER thereon, together with the CONTRACTOR's written Proposal and the General Provisions, all of which are made a part hereof and collectively evidence and constitute the entire AGREEMENT.

The CONTRACTOR hereby agrees to commence work within ten (10) calendar days after the date of written notice to do so shall have been given to him, to complete the work within seventy five (**75**) calendar days, after he commences work, subject to such extensions of time as are provided by the General Provisions.

The OWNER agrees to pay the CONTRACTOR One Hundred Sixty One Thousand Five Hundred Fifty Two Dollars (**\$161,552.00**) in current funds for the performance of the Contract in accordance with the Proposal submitted thereof, subject to additions and deductions, as provided in the General Provisions, and to make payments of account thereof as provided therein.

IN WITNESS WHEREOF, the parties of these presents have executed this AGREEMENT in the year and day first above written.

CITY OF SHERMAN, TEXAS (OWNER)

ATTEST:

By: _____
Robby Hefton, City Manager

By: _____
Linda Ashby, City Clerk

(CONTRACTOR)

ATTEST:

By: _____

By: _____

The following to be executed if the CONTRACTOR is a corporation:

I, _____ certify that I am the secretary of the corporation named as CONTRACTOR herein; that _____, who signed this Contract on behalf of the CONTRACTOR is the _____ (official title) of said corporation; that said Contract was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

Signed: _____

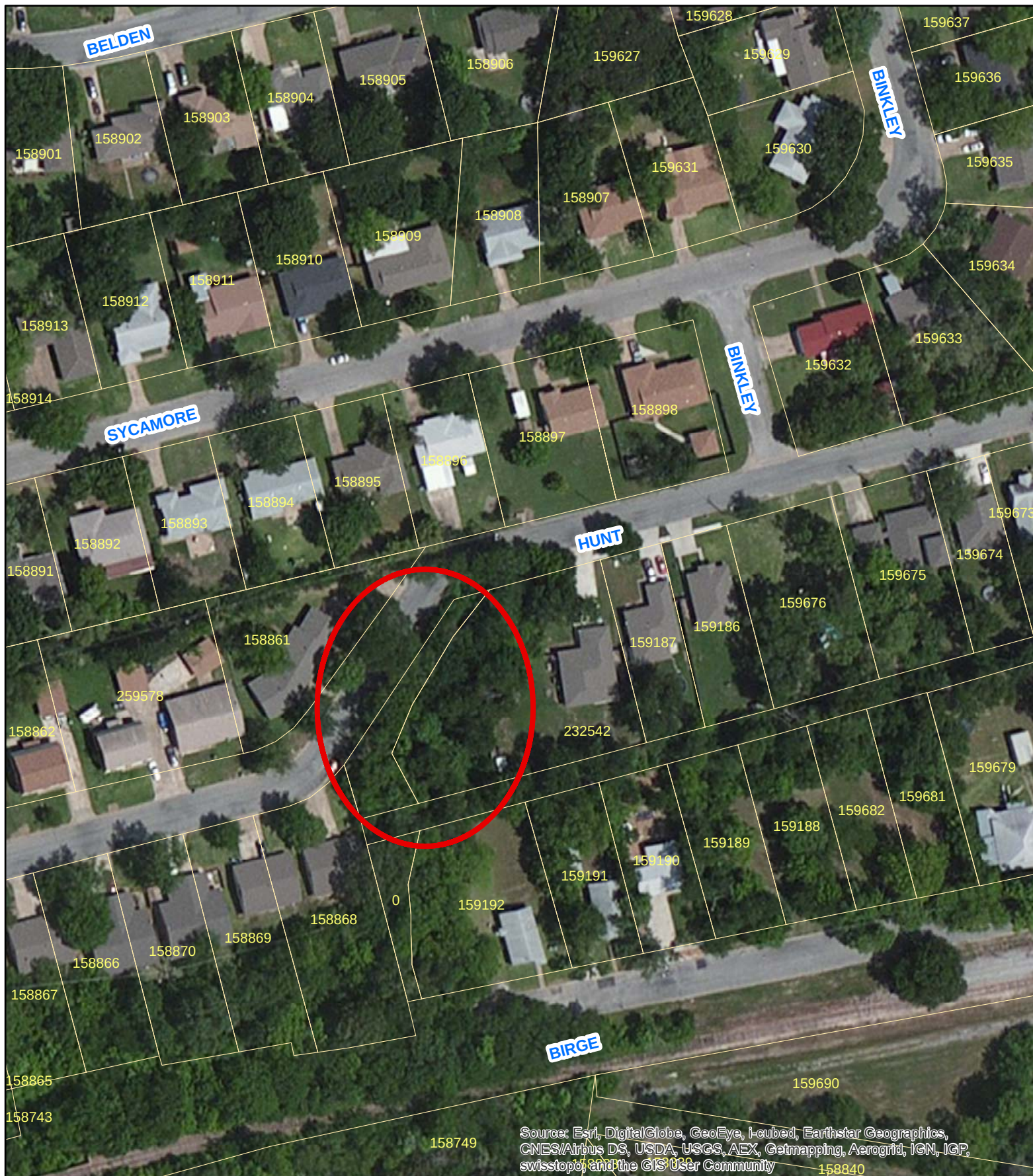
Corporate Seal

List of Bid Items

Hunt Street Stabilization - Box Culvert

City of Sherman

				East Valley Golf / Reveg. Servs		North Texas Contracting		SJ and J Construction		Jerry Paul Higgins		Lynn Vessels Construction	
Item	Qty	Description	Unit	Unit	Total	Unit	Total	Unit	Total	Unit	Total	Unit	Total
1	1	Site Preparation	LS	5,800.00	5,800.00	35,000.00	35,000.00	20,000.00	20,000.00	46,983.00	46,983.00	45,000.00	45,000.00
2	1	Temp Erosion Control Measures	LS	2,500.00	2,500.00	5,000.00	5,000.00	20,000.00	20,000.00	500.00	500.00	6,000.00	6,000.00
3	600	Earthwork	CY	40.00	24,000.00	35.00	21,000.00	35.00	21,000.00	87.48	52,488.00	50.00	30,000.00
4	1	Demolition and Connection	LS	6,000.00	6,000.00	10,000.00	10,000.00	12,000.00	12,000.00	23,496.00	23,496.00	15,000.00	15,000.00
5	122	5'x5' Box Culvert with Curb	LF	582.00	71,004.00	520.00	63,440.00	800.00	97,600.00	627.14	76,511.08	718.00	87,596.00
6	1	7'x4' Precast Junction Box	EA	4,800.00	4,800.00	17,000.00	17,000.00	15,000.00	15,000.00	20,863.00	20,863.00	16,670.04	16,670.04
7	1	Sloped Headwall and Cut Off Wall	LS	16,500.00	16,500.00	11,000.00	11,000.00	15,000.00	15,000.00	5,570.00	5,570.00	14,250.00	14,250.00
8	14	3' Concrete Flume	SY	124.00	1,736.00	120.00	1,680.00	120.00	1,680.00	250.00	3,500.00	126.15	1,766.10
9	34	PVC Coated Gabion Mattress (12 in)	SY	132.00	4,488.00	200.00	6,800.00	250.00	8,500.00	146.58	4,983.72	215.74	7,335.16
10	650	Propex Landlok 450 TRM	SF	8.00	5,200.00	3.00	1,950.00	12.00	7,800.00	0.85	552.50	2.01	1,306.50
11	1	Site Restoration	LS	6,144.00	6,144.00	15,000.00	15,000.00	28,000.00	28,000.00	7,047.00	7,047.00	16,482.00	16,482.00
12	60	Street Pavement Repair and Rplac	SY	142.00	8,520.00	120.00	7,200.00	110.00	6,600.00	150.91	9,054.60	245.00	14,700.00
13	90	Street Curb Replacement	LF	54.00	4,860.00	41.00	3,690.00	45.00	4,050.00	39.00	3,510.00	42.88	3,859.20
					161,552.00	198,760.00		257,230.00		255,058.90		259,965.00	





SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

Agenda Item No. C. 5.

Meeting Date: 08/03/2015

Prepared By: Otis Henry, Police Chief

Approved By: Robby Hefton, City Manager

Caption:

RESOLUTION NO. 5993

Authorizing Approval and Execution of an Interlocal Agreement with the Texoma Council of Governments regarding the Sharing and Remote Hosting of Emergency Communications E911 Systems

Issue:

The City of Sherman Police Department (SPD) houses and manages the Communications Dispatch Center, commonly known as a Public Safety Answering Point (PSAP). Currently the system is described as a "stand alone" system in that the SPD Communications Center operates independently. As a local and regional benefit to our community, the SPD desires to enter into a cooperative agreement with the Texoma Council of Governments (TCOG), resulting in the sharing of equipment costs and creating redundancy in the event of equipment failure or destruction.

Background:

This agenda item is a companion to Resolution No. 5994. TCOG has recently implemented a Next Generation (NG911) system being offered regionally, thereby enabling the region to offer this enhanced service once the State comes online with their program. The City of Sherman's participation will allow the City and the region as a whole to benefit. Our Communications Center will connect into the existing TCOG host-remote 911 system, connecting us to the remote host servers and allowing for redundancy in case of equipment failure or destruction. In addition, through the sharing of equipment and associated technologies, equipment costs are reduced.

Origination:

The Police Department

Financial Consideration:

The purchase of this necessary, critical equipment to continue to operate as a stand alone PSAP would be \$239,854. Entering into this agreement with TCOG would mean purchasing less equipment, due to the equipment sharing component of the agreement, resulting in equipment replacement costs of \$140,109. There would be a \$99,745 savings to the City. The funding for this equipment is generated by the assessment of 911 fees through cell, land line, and VoIP (Voice Over Internet Protocol) telephone service.

Staff Recommendation:

Staff recommends the approval and execution of this cooperative agreement with TCOG.

Alternatives:

Continue to operate as a "stand alone" E911 Communications Center

Attachments

Resolution No. 5993

Interlocal Agreement

AT&T Quote E911 Equipment - TCOG

AT&T Quote E911 Equipment - Stand Alone

RESOLUTION NO. 5993

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING APPROVAL AND EXECUTION OF AN INTERLOCAL AGREEMENT WITH THE TEXOMA COUNCIL OF GOVERNMENTS REGARDING THE SHARING AND REMOTE HOSTING OF EMERGENCY COMMUNICATIONS E911 SYSTEMS; FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS RESOLUTION IS PASSED WAS NOTICED AND IS OPEN TO THE PUBLIC AS REQUIRED BY LAW.

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

SECTION 1. That the City Manager be and is hereby authorized, subject to all contract documents being properly completed and approved as to form and content by the City Attorney, to execute an Interlocal Agreement with the Texoma Council of Governments (TCOG) for sharing and remote hosting of emergency communications E911 systems, in accordance with the terms and provisions of the contract documents attached hereto and incorporated herein for all purposes.

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

PASSED AND APPROVED on this the ____ day of _____, 2015.

CITY OF SHERMAN, TEXAS

ATTEST:

BY: _____
LINDA ASHBY, CITY CLERK

BY: _____
CAROLYN S. WACKER, MAYOR

**APPROVED AS TO FORM
AND CONTENT:**

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

INTERLOCAL AGREEMENT
Interlocal Cooperation Act Agreement for
Shared Host/Remote 9-1-1 System
BETWEEN
The Texoma Council of Governments
AND
The City of Sherman, Texas

1. AGREEMENT

This Cooperative Agreement is for connectivity and maintenance of the City of Sherman Public Safety Answering Point (PSAP) with the Texoma Council of Governments existing emergency communication/911 system. This agreement is entered into by the Texoma Council of Governments (TCOG,) and the City of Sherman, Texas (Sherman) in compliance with the provisions of Texas Government Code Annotated Chapter 791.001, the Interlocal Cooperation Act.

2. CONTRACTING PARTIES

The Parties to this Interlocal Agreement are as follows: Texoma Council of Governments (TCOG,) and the City of Sherman, Texas (Sherman). Addresses for the parties are:

Texoma Council of Governments
1117 Gallagher Drive
Sherman, Texas 75090

The City of Sherman
220 West Mulberry Street
Sherman, Texas 75090

This agreement creates no separate entity, joint board and no separate legal entity.

3. PURPOSE

The intent of this agreement is to allow the Sherman Public Safety Answering Point (PSAP) to connect into the existing TCOG host-remote emergency communications/911 system. The City of Sherman will be a remote site connected into the TCOG host site servers. Connecting into the TCOG 9-1-1 System will aide in the transition to NG 9-1-1 for our region and will provide opportunities for cost sharing going forward.

Next Generation 9-1-1 (NG 9-1-1) technology provides new avenues that allow a variety of options for service. Collaboration with our local public safety agencies will be paramount as we transition to NG 9-1-1. Benefits to our region in this collaboration will lead to better caller location information when calls are transferred between agencies, a unified regional deployment of text to 9-1-1, and fiscal responsibility to our citizens.

4. BACKGROUND

In 2014, the TCOG 9-1-1 Program installed a Geo-Diverse Dual Host/Remote Emergency 9-1-1 System. The existing TCOG 9-1-1 Program PSAPS include: Bonham, Texas Police Department, Fannin County, Texas, Sheriff's Office, Grayson County, Texas, Sheriff's Office, Whitesboro, Texas, Police Department, Gainesville, Texas, Police Department, and the Cooke County, Texas, Sheriff's Office.

This system is Next Generation compatible and through pre-planning the system is expandable to add additional remote sites.

5. BASIS FOR CALCULATING COSTS

In an Amendment to this Interlocal Agreement, signed by all the parties, the per-entity shared costs will be delineated. Until amended to identify and state the shared costs, there are no shared costs; each entity is responsible for its own costs.

Future TCOG 9-1-1 System shared host equipment replacement costs will be based on shared proportions. TCOG 9-1-1 System replacement will follow guidance from the CSEC PPS-028 Equipment Replacements and the TCOG Equipment Replacement Schedule and allocated funding.

6. CONTRACT AMOUNT

At execution, there are no shared costs among the parties.

7. TERM OF CONTRACT

This contract shall begin on the date of execution, as stated below and supersedes any previous agreements and will remain in effect indefinitely unless a party to the ILA requests termination or modification of this agreement. This ILA shall be reviewed by each party in January of each calendar year and shall automatically renew unless one party wishes to terminate the agreement.

8. TERMINATION

This agreement shall remain in full force and effect unless and until terminated as provided herein. Either party that does not desire to renew this agreement shall notify the other parties in writing at least six months before the end of the annual term. Upon termination, each party shall take immediate possession of its individually-owned assets. Distribution of any shared assets shall occur within six months of termination.

9. INDEMNIFICATION AND INSURANCE.

Each Party agrees to defend, indemnify and hold the other parties, officers, officials, employees, agencies harmless from any and all claims, injuries, damages, losses or suits including reasonable attorney fees arising out of or in connection with the indemnifying Parties

performance of this Agreement, including injuries and damages caused by the negligence of the indemnifying Parties officers, officials, agents and employees.

10. DISPUTE RESOLUTION

The Parties to this Agreement agree to the extent possible and not in contravention of any applicable State or Federal law or procedure established for dispute resolution, to attempt to resolve any dispute between them regarding this Agreement informally through voluntary mediation or other local dispute mediation process, before resorting to litigation.

11. GOVERNING LAW/VENUE

This Agreement shall be governed by and construed in accordance with the laws of the State of Texas. The mandatory and exclusive venue for the adjudication or resolution of any dispute arising out of this Agreement shall be in Grayson County, Texas.

12. RESPONSIBILITIES:

TCOG Responsibilities:

- Upload GIS Data as provided for 9-1-1 Mapping Updates
- Notification of System outage/issues
- Notification of Planned Network Upgrade/Expansion
- Notification of Planned Equipment Replacement

Sherman Responsibilities:

- All costs for remote site equipment and spares, installation, maintenance paid to Sherman's vendor of choice
- All costs for network installation and recurring costs paid to Sherman's vendor of choice.
- Compatible ALI Database Provider & future GIS Database Provider
- Provide GIS Data in appropriate format to TCOG GIS for Mapping Updates
- Managed Services Equal to or Greater than TCOG Managed Services
- Compatible/Similar network transport
- Notification of 9-1-1 outage to TCOG 9-1-1 Staff
- Access to equipment for shared maintenance and upgrades

13. CERTIFICATION OF PARTIES

THE UNDERSIGNED parties do hereby certify that:

- a) the services specified above are necessary and essential for activities that are properly within the statutory functions and programs of the affected parties of Local, State, and/or Federal Government
- b) the proposed arrangements serve the interest of efficient and economical administration of Local, State, and/or Federal Government
- c) each has the authority to contract for the above services by authority granted in the Interlocal Cooperation Act

TEXOMA COUNCIL OF GOVERNMENTS

Print Name:

Title: Executive Director

Signature

Date

THE CITY OF SHERMAN

Robby Hefton

Title: City Manager
City of Sherman

Signature

Date



Quote Date: 6/5/2015
 Quote No.: ATT55747-1C
 Site No.: 100382
 Account No: N/A
 Original Quote Date: 4/6/2015

Sherman PD Remote PSAP

VESTA 911

Customer Information

Customer: Sherman PD
 Contact: Bob Fair
 Phone:
 E-Mail: bobf@ci.sherman.tx.us

AT&T Contact

TSC Marty Saucedo
 Phone: 512 438 6330
 E-Mail: marty.s@att.com

Account Exec: Phill Ryan
 Phone:
 E-Mail:

VESTA 9-1-1

Qty.	Part No.	Description	Unit Price	U/M	Total
VESTA 9-1-1					
1	04000-01584	BLKBX TL158A-R4 DATACAST	\$465.60	EA	\$465.60
1	04000-01010	CBL DB25M/DB25M 10FT	\$9.60	EA	\$9.60
1	04000-RS232	BLKBX TL601A-R2 DATASHARE	\$442.80	EA	\$442.80
1	04000-01751	TS-4 PORT TERMINAL SVR	\$777.60	EA	\$777.60
2	65000-00182	CBL RJ45-10P/DB25M 4FT	\$25.20	EA	\$50.40
VM Server Bundles					
1	04000-00394	SVR WIN2008 CAL 5-PK	\$223.20	EA	\$223.20
VESTA - Basic Operations					
<i>Note: Existing (3) Position VESTA Pallas, support current through 12/31/15</i>					
1	PS-0SQ-VSML	VS BSC MLTP PER SEAT LIC	\$2,400.00	EA	\$2,400.00
3	PS-0SQ-VSML-M	VS BSC MLTP SEAT LIC NFEE	\$0.00	EA	\$0.00
3	PS-0AC-VSSL-M	VESTA COMP REG	\$82.80	EA	\$248.40
3	SS-0SQ-VSSL-3YR	SPT VS BSC 3YR	\$3,168.00	EA	Optional
3	SS-0SQ-VSSL-5YR	SPT VS BSC 5YR	\$4,620.00	EA	\$13,860.00
3	809800-35130	R4 SW SPT TRNSFR	\$0.00	EA	\$0.00
Geo Diverse Add On License					
3	PA-MGD-VSSL	GEO-DIV LIC	\$900.00	EA	\$2,700.00
VESTA Basic to VESTA Prime Licenses					
3	PA-0PR-VSSL	VPRIME LIC ADD-ON	\$3,300.00	EA	\$9,900.00
VESTA Workstation Equipment					
3	61000-409605SFF	WKST HP Z230 SFF	\$1,474.80	EA	\$4,424.40
3	65000-47001	TWR STAND SFF Z220/Z230	\$50.40	EA	\$151.20
3	64007-50016	KEYPAD 24KEY USB 12FT CBL	\$132.00	EA	\$396.00
3	04000-01005	KVM SWITCH DVI 4-PORT	\$289.20	EA	\$867.60
3	853004-00401	SAM EXT SPKR KIT	\$201.60	EA	\$604.80
3	853030-00302	R4 SAM HDWR KIT	\$1,982.40	EA	\$5,947.20
3	809800-35109	R4 IWS CFG	\$240.00	EA	\$720.00
3	809800-35108	R4 IWS STG FEE	\$360.00	EA	\$1,080.00
1	870890-07501	CPR/SYSPREP IMAGING	\$0.00	EA	\$0.00
VESTA 9-1-1 Modules					
VESTA 9-1-1 IRR Module					
3	870899-01601	R4 IRR UPGD W/HASP	\$588.00	EA	\$1,764.00
1	873099-00502	R4 IRR LIC/DOC/MED	\$1,194.00	EA	\$1,194.00
3	809800-35112	R4 IRR SW SPT 3YR	\$573.60	EA	Optional
3	809800-35114	R4 IRR SW SPT 5YR	\$716.40	EA	\$2,149.20
3	809800-35130	R4 SW SPT TRNSFR	\$0.00	EA	\$0.00

Sherman PD Remote PSAP

VESTA 911

3	873099-01102	VESTA 9-1-1 CDR Module R4 CDR PER SEAT LIC	\$108.00	EA	\$324.00
2	04000-29616	Network Equipment SWITCH 2960 + CBL 24-PORT	\$1,152.00	EA	\$2,304.00
2	04000-02969	WAR 2960 24P 2T 3YR 24X7	\$778.80	EA	Optional
2	04000-02971	WAR 2960 24P 2T 5YR 24X7	\$1,576.80	EA	\$3,153.60
2	2213936-1-SR1	Peripherals & Gateways FXO GATEWAY 4-PORT	\$957.60	EA	\$1,915.20
2	2213938-1-SR1	FXS GATEWAY 4-PORT	\$865.20	EA	\$1,730.40
4	04000-00178	SW SPT ANALOG GATEWAY 3YR	\$216.00	EA	Optional
4	04000-00180	SW SPT ANALOG GATEWAY 5YR	\$360.00	EA	\$1,440.00
1	06500-55053	Rack & Peripheral Equipment 7FT EQUIPMENT RACK 19IN	\$330.00	EA	\$330.00
1	863014-00201	REMOTE PERIPHERAL KIT	\$1,191.60	EA	\$1,191.60
VESTA 9-1-1 Subtotal					\$62,764.80

VESTA 9-1-1 IP Phones

Qty.	Part No.	Description	Unit Price	U/M	Total
1	873010-00202	VESTA 9-1-1 Phones/Voice Mail Option IP PHN LIC ENH	\$960.00	EA	\$960.00
1	04000-06757	AASTRA 6757I SIP PHN	\$421.20	EA	\$421.20
1	04000-01675	AASTRA 675I 20K EXP MOD	\$270.00	EA	\$270.00
1	809800-10201	IP PHN CFG FEE PER PHN	\$60.00	EA	\$60.00
VESTA 9-1-1 IP Phones Subtotal					\$1,711.20

VESTA Locate

Qty.	Part No.	Description	Unit Price	U/M	Total
1	PA-0SG-OV00	VESTA Locate Mapping Multi Product Purchase ORVL MED/DOC ADD-ON	\$0.00	EA	\$0.00
3	PA-0SG-OVSL	ORVL LIC ADD-ON	\$3,000.00	EA	\$9,000.00
3	SA-0SG-OVSL-3Y	SPT ORION VELA 3YR	\$1,440.00	EA	Optional
3	SA-0SG-OVSL-5Y	SPT ORION VELA 5YR	\$2,100.00	EA	\$6,300.00
1	61000-409605SFF	VESTA Locate Workstation Equipment WKST HP Z230 SFF	\$1,474.80	EA	\$1,474.80
1	65000-47001	TWR STAND SFF Z220/Z230	\$50.40	EA	\$50.40
1	63000-221691	MNTR FP WIDE SCR LCD 22IN	\$394.80	EA	\$394.80
1	809800-00101	OR WKST CFG SVCS	\$300.00	EA	\$300.00
1	870890-07501	CPR/SYSPREP IMAGING	\$0.00	EA	\$0.00
1	PA-0SG-OVSL	ORVL LIC ADD-ON	\$3,000.00	EA	\$3,000.00
1	SA-0SG-OVSL-3Y	SPT ORION VELA 3YR	\$1,440.00	EA	Optional
1	SA-0SG-OVSL-5Y	SPT ORION VELA 5YR	\$2,100.00	EA	\$2,100.00
3	871399-10204.1	ORDS 4.1 CLIENT	\$180.00	EA	Optional
3	809800-01362	ORDS CLIENT SPT 3YR	\$86.40	EA	Optional
3	809800-01360	ORDS CLIENT SPT 5YR	\$108.00	EA	Optional
1	871390-06401	VESTA Locate Pictometry Integration <i>Note: Customer is responsible for providing Pictometry imagery license and storage device.</i> ORVL 3.0 PICT LIC/DOC/MED	\$270.00	EA	\$270.00
3	871391-06401	ORVL 3.0 PICTOM LIC ONLY	\$270.00	EA	\$810.00
VESTA Locate Subtotal					\$23,700.00

ORION DataSync

Qty.	Part No.	Description	Unit Price	U/M	Total
3	871399-10204.1	ORION DataSync 4.1 (LAN) ORDS 4.1 CLIENT	\$180.00	EA	Optional
3	809800-01362	ORDS CLIENT SPT 3YR	\$86.40	EA	Optional
3	809800-01360	ORDS CLIENT SPT 5YR	\$108.00	EA	Optional

Sherman PD Remote PSAP

VESTA 911

ORION DataSync Subtotal					Optional

Managed Services

Qty.	Part No.	Description	Unit Price	U/M	Total
		Monitoring & Response Activation Fee			
		Monitoring & Response License & Support Fees			
3	871499-01211	M&R 3.0 WKST LIC	\$85.20	EA	\$255.60
3	809800-16163	M&R 3.0 WKST SRVC 3YR	\$1,188.00	EA	Optional
3	809800-16165	M&R 3.0 WKST SRVC 5YR	\$1,857.60	EA	\$5,572.80
6	871499-01210	M&R 3.0 IP DEVICES LIC <i>Note: Includes (4) Gateways, (2) Cisco Switches,</i>	\$85.20	EA	\$511.20
6	809800-16168	M&R 3.0 IP DEV SRVC 3YR	\$1,188.00	EA	Optional
6	809800-16170	M&R 3.0 IP DEV SRVC 5YR	\$1,857.60	EA	\$11,145.60
		Managed Services - Implementation Fee			
3	809800-14152	MGD SERV DEV & IMPL	\$90.00	EA	\$270.00
		Anti-Virus Solution			
3	809800-14173	VIRUS PROTECT 3.0 SVC 3YR	\$291.60	EA	Optional
3	809800-14175	VIRUS PROTECT 3.0 SVC 5YR	\$475.20	EA	\$1,425.60
		Patch Management Solution			
3	809800-16213	PATCH MGMT 3.2 SVC 3YR	\$781.20	EA	Optional
3	809800-16215	PATCH MGMT 3.2 SVC 5YR	\$1,255.20	EA	\$3,765.60
Managed Services Subtotal					\$22,946.40

Extended Warranties

Qty.	Part No.	Description	Unit Price	U/M	Total
		Workstation Extended Warranty			
3	04000-01586	WARR 24X7 Z220/230 5YR <i>Note: Warranty upgrade from 3 yrs warranty 9x5 NBD to 5 yrs 24x7, 4 hour response.</i>	\$542.40	EA	\$1,627.20
Extended Warranties Subtotal					\$1,627.20

Airbus DS Communications Services

Qty.	Part No.	Description	Unit Price	U/M	Total
		Field Engineering Services			
90	809800-17101	FIELD ENG-PRIMARY	\$120.00	UN	\$10,800.00
		Project Management Services			
		<i>Note: If Project Management services are not purchased, only project coordination services will be provided. This service option requires the channel to assume all project management responsibilities. Airbus DS Communications will engage the Project Coordinator to act as a single point of contact whose responsibility is limited to assisting with the scheduling and coordinating of purchased services only.</i>			
16	809800-51004	PROJECT MGMT-SECONDARY	\$120.00	UN	optional
		Training			
		<i>Note: Training is provided at the customer site using the customer owned equipment. Prices are per student unless otherwise indicated. Minimum number of students is 6 and maximum number of students is 8 per class and 2 students per position.</i>			
2	000001-06701	VSENT 4.X AGENT TRNG	\$1,440.00	EA	\$2,880.00

Sherman PD Remote PSAP

VESTA 911

		<i>Note: VESTA/Sentinel 4/X Agent bundle includes (1) 1/2 day class of Agent training for up to 8 students. Includes trainer's daily training expenses and travel. VESTA/Sentinel 4.X Agent training does not include training on the SIP phones. SIP phone training is a separate class and can be quoted upon request.</i>			
1	000001-06704	VSENT 4.X ADMIN TRNG <i>Note: VESTA/Sentinel 4/X Admin bundle includes (1) 1 1/2 day class of Admin training for up to 8 students. Includes trainer's daily training expenses and travel.</i>	\$4,800.00	EA	\$4,800.00
2	000001-45711	ORVL AGENT TRNG <i>Note: VESTA Locate Agent bundle includes (1) 1/2 day class of Admin training for up to 8 students. Includes trainer's daily training expenses and travel.</i>	\$1,440.00	SU	\$2,880.00
1	000001-25714	ORVL ADMIN TRNG <i>Note: VESTA Locate Admin bundle includes (1) 3 day class of Admin training for up to 8 students. Includes trainer's daily training expenses and travel.</i>	\$7,200.00	SU	Optional
1	000001-25804	ORDS ADMIN TRNG <i>Note: ORION DataSync Admin bundle includes (1) 1 day class of Admin training for up to 8 students. Includes trainer's daily training expenses and travel.</i>	\$2,400.00	SU	Optional
1	000001-08538	Cutover Coaching CUTOVER COACHING <i>Note: Cutover Coaching includes (1) 8 hour session within a 24 hour day. Includes trainer's daily training expenses and travel.</i>	\$2,400.00	SU	optional
Airbus DS Communications Services Subtotal					\$21,360.00

Quote Summary

PRODUCT	TOTAL
VESTA 9-1-1	\$62,764.80
VESTA IP Phones	\$1,711.20
VESTA Locate	\$23,700.00
ORION DataSync	Optional
Managed Services	\$22,946.40
AT&T Cisco router 2921/2901 and configuration	\$4,000.00
AT&T installation cost	\$2,000.00
Extended Warranties	\$1,627.20
Airbus DS Communications Services	\$21,360.00
TOTAL QUOTE	\$140,109.60
GRAND TOTAL	\$140,109.60

Power Draw Information

Product	Total Amps
VESTA 9-1-1	12.3
VESTA Locate	1.72
ORION DataSync	0
Managed Services	0
Total Amps	14.02
Total Watts/VA	1682.4
Total KVA	1.6824
BTU's	4594.6344

Configuration Notes

Adding Remote to existing VESTA 911 R2 System

Sherman PD Remote PSAP

VESTA 911

Additional Comments

Quote is valid for 120 days from the original Quote Date or until Software Support expires, whichever comes first. Subsequent revisions are valid for 120 days from the original quote date.

** NOTE: Airbus DS Communications Discounts/Incentive Codes are provided for Airbus DS Communication's internal use only. Discounts/Incentive Codes do not have to be ordered on customer PO's using the codes shown and instead can be applied as a bottom line discount.*

*** Airbus DS Communications will apply any remaining software support on the current system to the new system. This will be issued in the form of a credit that will be applied to the new system order. The amount of the credit will be determined based on the date of shipment of the new system.*

Note: Cassidian Communications, became Airbus DS Communications effective August 1, 2014. All references to Cassidian Communications within this quote, will apply to Airbus DS Communications.

Any line items listed as "Optional" in this quote are not included in the Product Totals, Product Summaries, Quotation Summary, or the Total Quoted Price. These items are not considered to be part of the system. The "Total Quoted Price" on the Quotation Summary page reflects the quote value. This figure includes any and all applicable charges, fees, and or discounts. Costs for actual freight will be added to your invoice. All pricing is in U.S. Dollars unless otherwise stated.

No order based on this Quote shall be accepted in the absence of a signed master purchase agreement or other purchase agreement with Airbus DS Communications governing the terms of sale.

Strategic Incentives, Discounts, etc.

Any strategic incentives, discounts, etc. that are applied to this quote are based on the purchase of all non-optional items listed within the quote. If the quote should change or if items are removed, the incentive is subject to change.

Budgetary Quotes:

Quotes marked Budgetary are nonbinding and subject to change. This quote is being provided as an estimate of approximate pricing and cannot serve as the basis for any order.

Support Renewals:

Note: If this is a first time renewal and is subject to the agreed upon grace period, then reinstatement fees will not apply as long as the PO is received prior to the expiration of the grace period. For questions regarding your support renewal term, please contact Jennifer York at 951-719-2142.

Software Support Start and End Dates are based on active software support agreements. Dates and pricing are subject to change once existing software support agreements expire.

**Lead Time: 4 - 12 Weeks ARO on all Airbus DS Communications standard products. 8 - 12 weeks for ORION ARIES.
Issued by: Airbus DS Communications, formerly known as Cassidian Communications, Inc.**

**AIRBUS DS Communications | home of VESTA®**

Quote Date: 3/5/2015

Quote No.: ATT55093

Site No.: 102079

Account No: 2208

Original Quote Date: 3/15/2015

Sherman PD - TX
VESTA 911, Analytics, Locate**Customer Information**

Customer: Sherman PD Texas

Contact: Tracy Stenger

Phone: 903 892 7185

E-Mail:

Airbus DS Communications Contact Information

Sales Configuration Spec: Marty Saucedo

Phone: 512 438 6330

E-Mail: marty_s@att.com

Account Exec: Phill Ryan

Phone:

E-Mail:

Quote Summary

Site No.	Site Name	Quote No.	No. of Pos	TOTAL
102079	Sherman PD - TX	ATT55093	4	\$235,354.40
	Cisco Firewall5512 and configuration	New		\$2,500.00
	AT&T Monthly Maintains will stay the same			\$0.00
	AT&T Installation			\$2,000.00
	TOTAL QUOTE		4	\$239,854.40
	GRAND TOTAL			\$239,854.40

Additional Comments

Quote is valid for 120 days from the original Quote Date or until Software Support expires, whichever comes first. Subsequent revisions are valid for 120 days from the original quote date.

Note: Cassidian Communications, became Airbus DS Communications effective August 1, 2014. All references to Cassidian Communications within this quote, will apply to Airbus DS Communications.

Any line items listed as "Optional" in this quote are not included in the Product Totals, Product Summaries, Quotation Summary, or the Total Quoted Price. These items are not considered to be part of the system. The "Total Quoted Price" on the Quotation Summary page reflects the quote value. This figure includes any and all applicable charges, fees, and or discounts. Costs for actual freight will be added to your invoice. All pricing is in U.S. Dollars unless otherwise stated.

No order based on this Quote shall be accepted in the absence of a signed master purchase agreement or other purchase agreement with Airbus DS Communications governing the terms of sale.

Strategic Incentives, Discounts, etc.

Any strategic incentives, discounts, etc. that are applied to this quote are based on the purchase of all non-optional items listed within the quote. If the quote should change or if items are removed, the incentive is subject to change.

Budgetary Quotes:

Quotes marked Budgetary are nonbinding and subject to change. This quote is being provided as an estimate of approximate pricing and cannot serve as the basis for any order.

Support Renewals:

Note: If this is a first time renewal and is subject to the agreed upon grace period, then reinstatement fees will not apply as long as the PO is received prior to the expiration of the grace period. For questions regarding your support renewal term, please contact Jennifer York at 951-719-2142.

Lead Time: 4 - 12 Weeks ARO on all Airbus DS Communications standard products. 8 - 12 weeks for ORION ARIES.
Issued by: Airbus DS Communications, formerly known as Cassidian Communications.



Quote Date: 3/5/2015
 Quote No.: ATT55093
 Site No.: 102079
 Account No.: 2208
 Original Quote Date: 3/15/2015

Sherman PD - TX
 VESTA 911, Analytics, Locate

Customer Information

Customer: Sherman PD Texas
 Contact: Tracy Stenger
 Phone: 903 892 7185
 E-Mail:

AT&T Team

TSC II AT&T Marty Saucedo
 Phone: 512 438 6330
 E-Mail: marty_s@att.com

Account Exec: Phill Ryan
 Phone:
 E-Mail:

VESTA 9-1-1

Qty	Part No.	Description	Unit Price	U/M	Total
VESTA 9-1-1					
2	870899-0104R3.1	VESTA 4 R3.1 U/D/M	\$1,800.00	EA	\$3,600.00
2	873099-03002	R4 CAD INTF LIC	\$600.00	EA	\$1,200.00
			\$0.00		
1	04000-01584	BLKBX TL158A-R4 DATACAST	\$465.60	EA	\$465.60
2	04000-01010	CBL DB25M/DB25M 10FT	\$9.60	EA	\$19.20
1	04000-01751	TS-4 PORT TERMINAL SVR	\$777.60	EA	\$777.60
2	65000-00182	CBL RJ45-10P/DB25M 4FT	\$25.20	EA	\$50.40
VM Server Bundles					
VM Small Server Bundle					
<i>Note: The Small Server Bundle is for PSAP's up to 10 positions with an annual call volume of 100,000 or less.</i>					
1	853031-MLSSVRSG	V-ML SVR BNDL SML SGL	\$16,996.80	EA	\$16,996.80
			\$0.00		
2	04000-68007	V-SVR BASIC SPT 3YR	\$343.20	EA	Optional
2	04000-68009	V-SVR BASIC SPT 5YR	\$571.20	EA	\$1,142.40
VESTA - Basic Operations					
<i>Note: Existing (3) Position VESTA Pallas, support current through 12/31/15</i>					
1	PS-0SQ-VSML	VS SML MLTP PER SEAT LIC	\$2,400.00	EA	\$2,400.00
3	PS-0SQ-VSML-M	VS SML MLTP SEAT LIC NFEE	\$0.00	EA	\$0.00
3	PS-0AC-VSSL-M	VESTA COMP REG	\$82.80	EA	\$248.40
4	SS-0SQ-VSSL-3Y	SPT VS SML 3YR	\$3,168.00	EA	Optional
4	SS-0SQ-VSSL-5Y	SPT VS SML 5YR	\$4,620.00	EA	\$18,480.00
3	809800-35130	R4 SW SPT TRNSFR	\$0.00	EA	\$0.00
VESTA Basic to VESTA Prime Licenses					
4	PA-0PR-VSSL	VPRIME LIC ADD-ON	\$3,300.00	EA	Optional
VESTA Workstation Equipment					
<i>Note: AT&T to provide monitors</i>					
4	61000-409605SFF	WKST HP Z230 SFF	\$1,474.80	EA	\$5,899.20
4	65000-47001	TWR STAND SFF Z220/Z230	\$50.40	EA	\$201.60
4	64007-50016	KEYPAD 24KEY USB 12FT CBL	\$132.00	EA	\$528.00
4	04000-01005	KVM SWITCH DVI 4-PORT	\$289.20	EA	\$1,156.80
4	853004-00401	SAM EXT SPKR KIT	\$201.60	EA	\$806.40
4	853030-00302	R4 SAM HDWR KIT	\$1,982.40	EA	\$7,929.60
4	809800-35109	R4 IWS CFG	\$240.00	EA	\$960.00
4	809800-35108	R4 IWS STG FEE	\$360.00	EA	\$1,440.00
1	870890-07501	CPR/SYSPREP IMAGING	\$0.00	EA	\$0.00
8	AT&T part number	Dell 22" Monitors	\$250.00	EA	\$2,000.00
VESTA 9-1-1 Modules					
VESTA 9-1-1 IRR Module					
3	870899-01601	R4 IRR UPGD WHASP	\$588.00	EA	\$1,764.00
1	873099-00502	R4 IRR LIC/DOC/MED	\$1,194.00	EA	\$1,194.00
4	809800-35112	R4 IRR SW SPT 3YR	\$573.60	EA	Optional
4	809800-35114	R4 IRR SW SPT 5YR	\$716.40	EA	\$2,865.60
3	809800-35130	R4 SW SPT TRNSFR	\$0.00	EA	\$0.00

Sherman PD - TX

VESTA 911, Analytics, Locate

Network Equipment					
<i>Note: AT&T provide Firewall.</i>					
2	04000-29616	SWITCH 2960 + CBL 24-PORT	\$1,152.00	EA	\$2,304.00
2	04000-02969	WAR 2960 24P 2T 3YR 24X7	\$778.80	EA	Optional
2	04000-02971	WAR 2960 24P 2T 5YR 24X7	\$1,576.80	EA	\$3,153.60
Peripherals & Gateways					
2	2213936-1-SR1	FXO GATEWAY 4-PORT	\$957.60	EA	\$1,915.20
2	2213938-1-SR1	FXS GATEWAY 4-PORT	\$865.20	EA	\$1,730.40
4	04000-00178	SW SPT ANALOG GATEWAY 3YR	\$216.00	EA	Optional
4	04000-00180	SW SPT ANALOG GATEWAY 5YR	\$360.00	EA	\$1,440.00
Rack & Peripheral Equipment					
1	06500-55053	7FT EQUIPMENT RACK 19IN	\$330.00	EA	\$330.00
1	63002-172805	MNTR NEC 17IN	\$262.80	EA	\$262.80
1	04000-004B4	KVM 4-PORT SWITCH	\$530.40	EA	\$530.40
1	04000-00607	CBL KVM USB CONSOLE	\$165.60	EA	\$165.60
4	04000-60611	CBL KVM USB 10FT	\$99.60	EA	\$398.40
1	04000-RMM19	BRKT 19IN RACK MTG/ARBITR	\$38.40	EA	\$38.40
Time Synchronization Equipment					
1	04000-09485	NETCLOCK 9483 +OCXO+3PORT	\$8,373.60	EA	\$8,373.60
1	04000-08230	GPS/GNSS OUTDOOR ANTENNA	\$388.80	EA	\$388.80
1	04000-08231	GPS ANTENNA POST MT KIT	\$111.60	EA	\$111.60
1	04000-08235	GPS PVC POST MNT	\$26.40	EA	Optional
1	04000-08226	GPS ANTENNA SURG PROTECTR	\$337.20	EA	\$337.20
1	04000-20600	GND KIT FOR 8226	\$471.60	BL	\$471.60
1	04000-07050	CBL GPS ANTENNA 50FT	\$242.40	EA	\$242.40
1	04000-07200	CBL GPS ANTENNA 200FT	\$706.80	EA	\$706.80
VESTA 9-1-1 Subtotal					\$95,026.40

VESTA Analytics

Qty.	Part No.	Description	Unit Price	U/M	Total
VESTA Analytics - LITE Multi Product Purchase					
1	873399-00102.2	AURORA 2.2 DOC/MED	\$0.00	EA	\$0.00
1	873391-04003	AURORA LITE LIC	\$0.00	EA	\$0.00
1	873391-04002	AURORA LITE USER LIC	\$450.00	EA	\$450.00
1	04000-00339	SQL 2008R2 CAL RUN ENT	\$211.20	EA	\$211.20
			\$0.00		
4	PA-SSG-ALSL	AURORA LITE PER SEAT LIC	\$660.00	EA	\$2,640.00
4	SA-SSG-ALSL-3Y	SPT AURORA LITE 3YR	\$316.80	EA	Optional
4	SA-SSG-ALSL-5Y	SPT AURORA LITE 5YR	\$462.00	EA	\$1,848.00
VESTA Analytics LITE Server Equipment for Virtualized Server Bundle - ML310a/G8					
<i>Note: Additional Hardware to be installed in DDS-B Server.</i>					
1	64000-40093	4GB RAM ML350P/DL380P/G8	\$178.80	EA	\$178.80
1	04000-00340	SQL 2008R2 SVR RUN ENT	\$82.80	EA	\$82.80
1	62033-1GB2T02	SVR NAS 2TB BNDL	\$1,113.60	EA	Optional
1	65000-00227	NIC ETHERNET ADPTR 2-PORT	\$290.40	EA	\$290.40
1	809800-51101	AURORA COHAB STG FEE	\$240.00	EA	\$240.00
VESTA Analytics Subtotal					\$5,941.20

VESTA Locate

Qty.	Part No.	Description	Unit Price	U/M	Total
VESTA Locate Mapping Multi Product Purchase					
1	PA-0SG-OV00	ORVL MED/DOC ADD-ON	\$0.00	EA	\$0.00
4	PA-0SG-OVSL	ORVL LIC ADD-ON	\$3,000.00	EA	\$12,000.00
4	SA-0SG-OVSL-3Y	SPT ORION VELA 3YR	\$1,440.00	EA	Optional
4	SA-0SG-OVSL-5Y	SPT ORION VELA 5YR	\$2,100.00	EA	\$8,400.00
Map Build and Centerline Reports - VESTA Locate					
1	861390-00101	ORVL MAP BUILD-STD	\$2,499.60	EA	\$2,499.60
1	861363-00101	ORVL MAP-RPT CTRLN	\$793.20	EA	\$793.20
1	861363-00201	ORVL MAP-RPT ADDRESS	\$793.20	EA	Optional
1	861390-00201	ORVL MAP BLD-ADD LAYER	\$1,269.60	EA	Optional
VESTA Locate Subtotal					\$23,692.80

Sherman PD - TX

VESTA 911, Analytics, Locate
Managed Services

Qty.	Part No.	Description	Unit Price	U/M	Total
1	809800-14150	Monitoring & Response Activation Fee M&R ACT FEE SMALL SITE	\$2,040.00	EA	\$2,040.00
2	871499-01206	Monitoring & Response License Fees M&R 3.0 LIC SVR <i>Note: Includes (2) DDS Server.</i>	\$466.80	EA	\$933.60
5	871499-01211	M&R 3.0 WKST LIC <i>Note: Includes (4) Workstations, (1) Management Console</i>	\$85.20	EA	\$426.00
8	871499-01210	M&R 3.0 IP DEVICES LIC <i>Note: Includes (2) MDS Servers, (4) Gateways, (2) Virtual Machines</i>	\$85.20	EA	\$681.60
2	809800-14163	Monitoring & Response Support Fees M&R 3.0 SVR SRVC 3YR	\$4,290.00	EA	Optional
2	809800-14165	M&R 3.0 SVR SRVC 5YR	\$6,708.00	EA	\$13,416.00
5	809800-16163	M&R 3.0 WKST SRVC 3YR	\$1,188.00	EA	Optional
5	809800-16165	M&R 3.0 WKST SRVC 5YR	\$1,857.60	EA	\$9,288.00
8	809800-16168	M&R 3.0 IP DEV SRVC 3YR	\$1,188.00	EA	Optional
8	809800-16170	M&R 3.0 IP DEV SRVC 5YR	\$1,857.60	EA	\$14,860.80
7	809800-14152	Managed Services - Implementation Fee MGD SERV DEV & IMPL	\$0.00 \$90.00	EA	\$630.00
7	809800-14173	Anti-Virus Solution VIRUS PROTECT 3.0 SVC 3YR	\$291.60	EA	Optional
7	809800-14175	VIRUS PROTECT 3.0 SVC 5YR	\$475.20	EA	\$3,326.40
7	809800-16213	Patch Management Solution PATCH MGMT 3.2 SVC 3YR	\$781.20	EA	Optional
7	809800-16215	PATCH MGMT 3.2 SVC 5YR	\$1,255.20	EA	\$8,786.40
Managed Services Subtotal					\$54,388.80

Optional Parts/Spares

Qty.	Part No.	Description	Unit Price	U/M	Total
1	2213936-SPARE	VESTA 9-1-1 Equipment - Recommended Spares FXO GATEWAY 4-PORT SPARE	\$1,149.12	EA	Optional
1	2213938-SPARE	FXS GATEWAY 4-PORT SPARE	\$1,038.24	EA	Optional
1	04000-29616	SWITCH 2960 + CBL 24-PORT	\$1,382.40	EA	Optional
1	04000-02969	WAR 2960 24P 2T 3YR 24X7	\$934.56	EA	Optional
1	04000-02971	WAR 2960 24P 2T 5YR 24X7	\$1,892.16	EA	Optional
1	61000-40960SFF	z230 Workstation Equipment - Recommended WKST HP Z230 SFF	\$1,769.76	EA	Optional
1	65000-47001	TWR STAND SFF Z220/Z230	\$60.48	EA	Optional
1	64007-50016	KEYPAD 24KEY USB 12FT CBL	\$158.40	EA	Optional
1	04000-01005	KVM SWITCH DVI 4-PORT	\$347.04	EA	Optional
1	853004-00401	SAM EXT SPKR KIT	\$241.92	EA	Optional
1	853030-00302	R4 SAM HDWR KIT	\$2,378.88	EA	Optional
1	809800-00102	GENERIC WKST CFG FEE	\$360.00	EA	Optional
1	04000-01585	WARR 24X7 Z220/230 3YR	\$285.12	EA	Optional
1	04000-01586	WARR 24X7 Z220/230 5YR	\$650.88	EA	Optional
1	04000-01587	WARR NBD Z220/230 5YR	\$280.80	EA	Optional
Optional Parts/Spares Subtotal					\$0.00

Extended Warranties

Qty.	Part No.	Description	Unit Price	U/M	Total
2	04000-01561	Server Extended Warranty <i>Note: Includes (2) VESTA 9-1-1 Servers</i> WARR 24X7 ML310E/G8 3YR <i>Note: Upgrade & uplift from 1 yr warranty 9x5 NBD to 3 yrs, 24x7, 4 hour response time.</i>	\$390.00	EA	Optional
2	04000-01562	WARR 24X7 ML310E/G8 5YR <i>Note: Upgrade & uplift from 1 yr warranty 9x5 NBD to 5 yrs, 24x7, 4 hour response time.</i>	\$688.80	EA	Optional
2	04000-01564	WARR NBD ML310E 5YR <i>Note: Upgrade & uplift from 3 yr warranty 9x5 NBD to 5 yrs, 9x5 NBD response time.</i>	\$340.80	EA	\$681.60

Sherman PD - TX

VESTA 911, Analytics, Locate

		Workstation Extended Warranty <i>Note: Includes (4) Workstations, (1) Management Console</i>			
5	04000-01585	WARR 24X7 Z220/230 3YR <i>Note: Warranty upgrade from 3 yrs warranty 9x5 NBD to 3 yrs 24x7, 4 hour response.</i>	\$237.60	EA	Optional
5	04000-01586	WARR 24X7 Z220/230 5YR <i>Note: Warranty upgrade from 3 yrs warranty 9x5 NBD to 5 yrs 24x7, 4 hour response.</i>	\$542.40	EA	Optional
5	04000-01587	WARR NBD Z220/230 5YR <i>Note: Warranty upgrade from 3 yrs warranty 9x5 NBD to 5 yrs 9x5 NBD</i>	\$234.00	EA	\$1,170.00
Extended Warranties Subtotal					\$1,851.60

Airbus DS Communications Services

Qty.	Part No.	Description	Unit Price	U/M	Total
136	809800-17101	Field Engineering Services FIELD ENG-PRIMARY Project Management Services <i>Note: If Project Management services are not purchased, only project coordination services will be provided. This service option requires the channel to assume all project management responsibilities. Airbus DS Communications will engage the Project Coordinator to act as a single point of contact whose responsibility is limited to assisting with the scheduling and coordinating of purchased services only.</i>	\$120.00	UN	\$16,320.00
160	809800-51004	PROJECT MGMT-SECONDARY Training <i>Note: Training is provided at the customer site using the customer owned equipment. Prices are per student unless otherwise indicated. Minimum number of students is 6 and maximum number of students is 8 per class and 2 students per position.</i>	\$120.00	UN	\$19,200.00
2	000001-06701	VSENT 4.X AGENT TRNG	\$1,440.00	EA	\$2,880.00

Sherman PD - TX

VESTA 911, Analytics, Locate

		<i>Note: VESTA/Sentinel 4/X Agent bundle includes (1) 1/2 day class of Agent training for up to 8 students. Includes trainer's daily training expenses and travel. VESTA/Sentinel 4/X Agent training does not include training on the SIP phones. SIP phone training is a separate class and can be quoted upon request.</i>			
1	000001-06704	VSENT 4 X ADMIN TRNG <i>Note: VESTA/Sentinel 4/X Admin bundle includes (1) 1 1/2 day class of Admin training for up to 8 students. Includes trainer's daily training expenses and travel.</i>	\$4,800.00	EA	\$4,800.00
1	000000-24407	AURORA LITE ONSITE TRNG <i>Note: VESTA Analytics Lite Onsite Training includes two hours of Admin training for up to 8 students. This course is for VESTA Analytics Lite customers who require an instructor-led course at the customers site. This course is provided during the regular system training.</i>	\$1,173.60	EA	\$1,173.60
1	000000-24406	AURORA LITE REMOTE TRNG <i>Note: VESTA Analytics Lite comes standard with a demo video on the use of VESTA Analytics Lite. This course is an optional course for those customers that require an instructor led course. VESTA Analytics Lite Remote Training is a 2 Hour Remote course that is typically provided 30 - 45 days post cul.</i>	\$810.00	EA	Optional
2	000001-45711	ORVL AGENT TRNG <i>Note: VESTA Locate Agent bundle includes (1) 1/2 day class of Admin training for up to 8 students. Includes trainer's daily training expenses and travel.</i>	\$1,440.00	SU	\$2,880.00
1	000001-25714	ORVL ADMIN TRNG <i>Note: VESTA Locate Admin bundle includes (1) 3 day class of Admin training for up to 8 students. Includes trainer's daily training expenses and travel.</i>	\$7,200.00	SU	\$7,200.00
2	000001-08538	Cutover Coaching CUTOVER COACHING <i>Note: Cutover Coaching includes (1) 8 hour session within a 24 hour day. Includes trainer's daily training expenses and travel.</i>	\$2,400.00	SU	Optional
Airbus DS Communications Services Subtotal					\$54,453.60

Quote Summary

PRODUCT	TOTAL
VESTA 9-1-1	\$95,026.40
VESTA Analytics	\$5,941.20
VESTA Locate	\$23,692.80
Managed Services	\$54,388.80
Optional Parts/Spares	\$0.00
Extended Warranties	\$1,851.60
Airbus DS Communications Services	\$54,453.60
TOTAL QUOTE	\$235,354.40
GRAND TOTAL	\$235,354.40

Power Draw Information

Product	Total Amps
VESTA 9-1-1	23.45
VESTA Analytics	0
VESTA Locate	0
Managed Services	0
Total Amps	23.45
Total Watts/VA	2814
Total KVA	2.814
BTU's	7685.034



SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

Agenda Item No. C. 6.

Meeting Date: 08/03/2015

Prepared By: Otis Henry, Police Chief

Approved By: Robby Hefton, City Manager

Caption:

RESOLUTION NO. 5994

Authorizing Execution of an Agreement with AT&T for the Purchase of a New Vesta E911 System

Issue:

To authorize the purchase of a new E911 Vesta System, providing for complete new equipment and software as the current system has reached its end of life

Background:

The existing E911 Vesta System was purchased in 2010 and has reached its end of life. This system needs to be replaced to ensure continuous and uninterrupted E911 service. Certain replacement parts are no longer available for the current system. This critical system is purchased from AT&T and is used in the management and processing of all E911 calls for service. The new system will include all new equipment, software, and maintenance support. The system will be Next Generation 911, and I3 Text to 911 compatible once these upgrades become available.

This purchase request is a companion to Resolution No. 5993 requesting to enter into an Interlocal Cooperative Agreement with the Texoma Council of Governments (TCOG) to provide connectivity and maintenance between the City's public safety answering point (PSAP E911), and TCOG's existing emergency communications 911 system.

Origination:

Police Department

Financial Consideration:

The purchase of this equipment is quoted by AT&T at \$140,109.60 and the purchase will be made through AT&T based on pricing through the HGAC contract number EC07-14 entitled Equipment and Emergency.

Staff Recommendation:

Approve the purchase of this necessary equipment

Alternatives:

Due to the critical nature of this equipment, other alternatives are not available.

Attachments

Resolution No. 5994

AT&T Quote

AT&T Statement of Work

RESOLUTION NO. 5994

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF AN AGREEMENT WITH AT&T FOR THE PURCHASE OF A NEW VESTA E911 SYSTEM; 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 and content by the City Attorney, to execute an Agreement with AT&T to purchase a new Vesta E911 system for the Sherman Police Department, in accordance with all contract documents attached hereto and incorporated herein for all purposes.

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

PASSED AND APPROVED on this the ____ day of _____, 2015.

CITY OF SHERMAN, TEXAS

BY: _____

CAROLYN S. WACKER, MAYOR

ATTEST:

BY: _____

LINDA ASHBY, CITY CLERK

APPROVED AS TO FORM AND CONTENT:

BY: _____

**BRANDON S. SHELBY,
CITY ATTORNEY**



Quote Date: 6/5/2015
 Quote No.: ATT55747-1C
 Site No.: 100382
 Account No: N/A
 Original Quote Date: 4/6/2015

Sherman PD Remote PSAP

VESTA 911

Customer Information

Customer: Sherman PD
 Contact: Bob Fair
 Phone:
 E-Mail: bobf@ci.sherman.tx.us

AT&T Contact

TSC Marty Saucedo
 Phone: 512 438 6330
 E-Mail: marty.s@att.com

Account Exec: Phill Ryan
 Phone:
 E-Mail:

VESTA 9-1-1

Qty.	Part No.	Description	Unit Price	U/M	Total
VESTA 9-1-1					
1	04000-01584	BLKBX TL158A-R4 DATACAST	\$465.60	EA	\$465.60
1	04000-01010	CBL DB25M/DB25M 10FT	\$9.60	EA	\$9.60
1	04000-RS232	BLKBX TL601A-R2 DATASHARE	\$442.80	EA	\$442.80
1	04000-01751	TS-4 PORT TERMINAL SVR	\$777.60	EA	\$777.60
2	65000-00182	CBL RJ45-10P/DB25M 4FT	\$25.20	EA	\$50.40
VM Server Bundles					
1	04000-00394	SVR WIN2008 CAL 5-PK	\$223.20	EA	\$223.20
VESTA - Basic Operations					
<i>Note: Existing (3) Position VESTA Pallas, support current through 12/31/15</i>					
1	PS-0SQ-VSML	VS BSC MLTP PER SEAT LIC	\$2,400.00	EA	\$2,400.00
3	PS-0SQ-VSML-M	VS BSC MLTP SEAT LIC NFEE	\$0.00	EA	\$0.00
3	PS-0AC-VSSL-M	VESTA COMP REG	\$82.80	EA	\$248.40
3	SS-0SQ-VSSL-3Y	SPT VS BSC 3YR	\$3,168.00	EA	Optional
3	SS-0SQ-VSSL-5Y	SPT VS BSC 5YR	\$4,620.00	EA	\$13,860.00
3	809800-35130	R4 SW SPT TRNSFR	\$0.00	EA	\$0.00
Geo Diverse Add On License					
3	PA-MGD-VSSL	GEO-DIV LIC	\$900.00	EA	\$2,700.00
VESTA Basic to VESTA Prime Licenses					
3	PA-0PR-VSSL	VPRIME LIC ADD-ON	\$3,300.00	EA	\$9,900.00
VESTA Workstation Equipment					
3	61000-409605SFF	WKST HP Z230 SFF	\$1,474.80	EA	\$4,424.40
3	65000-47001	TWR STAND SFF Z220/Z230	\$50.40	EA	\$151.20
3	64007-50016	KEYPAD 24KEY USB 12FT CBL	\$132.00	EA	\$396.00
3	04000-01005	KVM SWITCH DVI 4-PORT	\$289.20	EA	\$867.60
3	853004-00401	SAM EXT SPKR KIT	\$201.60	EA	\$604.80
3	853030-00302	R4 SAM HDWR KIT	\$1,982.40	EA	\$5,947.20
3	809800-35109	R4 IWS CFG	\$240.00	EA	\$720.00
3	809800-35108	R4 IWS STG FEE	\$360.00	EA	\$1,080.00
1	870890-07501	CPR/SYSPREP IMAGING	\$0.00	EA	\$0.00
VESTA 9-1-1 Modules					
VESTA 9-1-1 IRR Module					
3	870899-01601	R4 IRR UPGD W/HASP	\$588.00	EA	\$1,764.00
1	873099-00502	R4 IRR LIC/DOC/MED	\$1,194.00	EA	\$1,194.00
3	809800-35112	R4 IRR SW SPT 3YR	\$573.60	EA	Optional
3	809800-35114	R4 IRR SW SPT 5YR	\$716.40	EA	\$2,149.20
3	809800-35130	R4 SW SPT TRNSFR	\$0.00	EA	\$0.00

Sherman PD Remote PSAP

VESTA 911

3	873099-01102	VESTA 9-1-1 CDR Module R4 CDR PER SEAT LIC	\$108.00	EA	\$324.00
2	04000-29616	Network Equipment SWITCH 2960 + CBL 24-PORT	\$1,152.00	EA	\$2,304.00
2	04000-02969	WAR 2960 24P 2T 3YR 24X7	\$778.80	EA	Optional
2	04000-02971	WAR 2960 24P 2T 5YR 24X7	\$1,576.80	EA	\$3,153.60
2	2213936-1-SR1	Peripherals & Gateways FXO GATEWAY 4-PORT	\$957.60	EA	\$1,915.20
2	2213938-1-SR1	FXS GATEWAY 4-PORT	\$865.20	EA	\$1,730.40
4	04000-00178	SW SPT ANALOG GATEWAY 3YR	\$216.00	EA	Optional
4	04000-00180	SW SPT ANALOG GATEWAY 5YR	\$360.00	EA	\$1,440.00
1	06500-55053	Rack & Peripheral Equipment 7FT EQUIPMENT RACK 19IN	\$330.00	EA	\$330.00
1	863014-00201	REMOTE PERIPHERAL KIT	\$1,191.60	EA	\$1,191.60
VESTA 9-1-1 Subtotal					\$62,764.80

VESTA 9-1-1 IP Phones

Qty.	Part No.	Description	Unit Price	U/M	Total
1	873010-00202	VESTA 9-1-1 Phones/Voice Mail Option IP PHN LIC ENH	\$960.00	EA	\$960.00
1	04000-06757	AASTRA 6757I SIP PHN	\$421.20	EA	\$421.20
1	04000-01675	AASTRA 675I 20K EXP MOD	\$270.00	EA	\$270.00
1	809800-10201	IP PHN CFG FEE PER PHN	\$60.00	EA	\$60.00
VESTA 9-1-1 IP Phones Subtotal					\$1,711.20

VESTA Locate

Qty.	Part No.	Description	Unit Price	U/M	Total
1	PA-0SG-OV00	VESTA Locate Mapping Multi Product Purchase ORVL MED/DOC ADD-ON	\$0.00	EA	\$0.00
3	PA-0SG-OVSL	ORVL LIC ADD-ON	\$3,000.00	EA	\$9,000.00
3	SA-0SG-OVSL-3Y	SPT ORION VELA 3YR	\$1,440.00	EA	Optional
3	SA-0SG-OVSL-5Y	SPT ORION VELA 5YR	\$2,100.00	EA	\$6,300.00
1	61000-409605SFF	VESTA Locate Workstation Equipment WKST HP Z230 SFF	\$1,474.80	EA	\$1,474.80
1	65000-47001	TWR STAND SFF Z220/Z230	\$50.40	EA	\$50.40
1	63000-221691	MNTR FP WIDE SCR LCD 22IN	\$394.80	EA	\$394.80
1	809800-00101	OR WKST CFG SVCS	\$300.00	EA	\$300.00
1	870890-07501	CPR/SYSPREP IMAGING	\$0.00	EA	\$0.00
1	PA-0SG-OVSL	ORVL LIC ADD-ON	\$3,000.00	EA	\$3,000.00
1	SA-0SG-OVSL-3Y	SPT ORION VELA 3YR	\$1,440.00	EA	Optional
1	SA-0SG-OVSL-5Y	SPT ORION VELA 5YR	\$2,100.00	EA	\$2,100.00
3	871399-10204.1	ORDS 4.1 CLIENT	\$180.00	EA	Optional
3	809800-01362	ORDS CLIENT SPT 3YR	\$86.40	EA	Optional
3	809800-01360	ORDS CLIENT SPT 5YR	\$108.00	EA	Optional
1	871390-06401	VESTA Locate Pictometry Integration <i>Note: Customer is responsible for providing Pictometry imagery license and storage device.</i> ORVL 3.0 PICT LIC/DOC/MED	\$270.00	EA	\$270.00
3	871391-06401	ORVL 3.0 PICTOM LIC ONLY	\$270.00	EA	\$810.00
VESTA Locate Subtotal					\$23,700.00

ORION DataSync

Qty.	Part No.	Description	Unit Price	U/M	Total
3	871399-10204.1	ORION DataSync 4.1 (LAN) ORDS 4.1 CLIENT	\$180.00	EA	Optional
3	809800-01362	ORDS CLIENT SPT 3YR	\$86.40	EA	Optional
3	809800-01360	ORDS CLIENT SPT 5YR	\$108.00	EA	Optional

Sherman PD Remote PSAP

VESTA 911

ORION DataSync Subtotal					Optional

Managed Services

Qty.	Part No.	Description	Unit Price	U/M	Total
		Monitoring & Response Activation Fee			
		Monitoring & Response License & Support Fees			
3	871499-01211	M&R 3.0 WKST LIC	\$85.20	EA	\$255.60
3	809800-16163	M&R 3.0 WKST SRVC 3YR	\$1,188.00	EA	Optional
3	809800-16165	M&R 3.0 WKST SRVC 5YR	\$1,857.60	EA	\$5,572.80
6	871499-01210	M&R 3.0 IP DEVICES LIC <i>Note: Includes (4) Gateways, (2) Cisco Switches,</i>	\$85.20	EA	\$511.20
6	809800-16168	M&R 3.0 IP DEV SRVC 3YR	\$1,188.00	EA	Optional
6	809800-16170	M&R 3.0 IP DEV SRVC 5YR	\$1,857.60	EA	\$11,145.60
		Managed Services - Implementation Fee			
3	809800-14152	MGD SERV DEV & IMPL	\$90.00	EA	\$270.00
		Anti-Virus Solution			
3	809800-14173	VIRUS PROTECT 3.0 SVC 3YR	\$291.60	EA	Optional
3	809800-14175	VIRUS PROTECT 3.0 SVC 5YR	\$475.20	EA	\$1,425.60
		Patch Management Solution			
3	809800-16213	PATCH MGMT 3.2 SVC 3YR	\$781.20	EA	Optional
3	809800-16215	PATCH MGMT 3.2 SVC 5YR	\$1,255.20	EA	\$3,765.60
Managed Services Subtotal					\$22,946.40

Extended Warranties

Qty.	Part No.	Description	Unit Price	U/M	Total
		Workstation Extended Warranty			
3	04000-01586	WARR 24X7 Z220/230 5YR <i>Note: Warranty upgrade from 3 yrs warranty 9x5 NBD to 5 yrs 24x7, 4 hour response.</i>	\$542.40	EA	\$1,627.20
Extended Warranties Subtotal					\$1,627.20

Airbus DS Communications Services

Qty.	Part No.	Description	Unit Price	U/M	Total
		Field Engineering Services			
90	809800-17101	FIELD ENG-PRIMARY	\$120.00	UN	\$10,800.00
		Project Management Services			
		<i>Note: If Project Management services are not purchased, only project coordination services will be provided. This service option requires the channel to assume all project management responsibilities. Airbus DS Communications will engage the Project Coordinator to act as a single point of contact whose responsibility is limited to assisting with the scheduling and coordinating of purchased services only.</i>			
16	809800-51004	PROJECT MGMT-SECONDARY	\$120.00	UN	optional
		Training			
		<i>Note: Training is provided at the customer site using the customer owned equipment. Prices are per student unless otherwise indicated. Minimum number of students is 6 and maximum number of students is 8 per class and 2 students per position.</i>			
2	000001-06701	VSENT 4.X AGENT TRNG	\$1,440.00	EA	\$2,880.00

Sherman PD Remote PSAP

VESTA 911

		<i>Note: VESTA/Sentinel 4/X Agent bundle includes (1) 1/2 day class of Agent training for up to 8 students. Includes trainer's daily training expenses and travel. VESTA/Sentinel 4.X Agent training does not include training on the SIP phones. SIP phone training is a separate class and can be quoted upon request.</i>			
1	000001-06704	VSENT 4.X ADMIN TRNG <i>Note: VESTA/Sentinel 4/X Admin bundle includes (1) 1 1/2 day class of Admin training for up to 8 students. Includes trainer's daily training expenses and travel.</i>	\$4,800.00	EA	\$4,800.00
2	000001-45711	ORVL AGENT TRNG <i>Note: VESTA Locate Agent bundle includes (1) 1/2 day class of Admin training for up to 8 students. Includes trainer's daily training expenses and travel.</i>	\$1,440.00	SU	\$2,880.00
1	000001-25714	ORVL ADMIN TRNG <i>Note: VESTA Locate Admin bundle includes (1) 3 day class of Admin training for up to 8 students. Includes trainer's daily training expenses and travel.</i>	\$7,200.00	SU	Optional
1	000001-25804	ORDS ADMIN TRNG <i>Note: ORION DataSync Admin bundle includes (1) 1 day class of Admin training for up to 8 students. Includes trainer's daily training expenses and travel.</i>	\$2,400.00	SU	Optional
1	000001-08538	Cutover Coaching CUTOVER COACHING <i>Note: Cutover Coaching includes (1) 8 hour session within a 24 hour day. Includes trainer's daily training expenses and travel.</i>	\$2,400.00	SU	optional
Airbus DS Communications Services Subtotal					\$21,360.00

Quote Summary

PRODUCT	TOTAL
VESTA 9-1-1	\$62,764.80
VESTA IP Phones	\$1,711.20
VESTA Locate	\$23,700.00
ORION DataSync	Optional
Managed Services	\$22,946.40
AT&T Cisco router 2921/2901 and configuration	\$4,000.00
AT&T installation cost	\$2,000.00
Extended Warranties	\$1,627.20
Airbus DS Communications Services	\$21,360.00
TOTAL QUOTE	\$140,109.60
GRAND TOTAL	\$140,109.60

Power Draw Information

Product	Total Amps
VESTA 9-1-1	12.3
VESTA Locate	1.72
ORION DataSync	0
Managed Services	0
Total Amps	14.02
Total Watts/VA	1682.4
Total KVA	1.6824
BTU's	4594.6344

Configuration Notes

Adding Remote to existing VESTA 911 R2 System

Sherman PD Remote PSAP

VESTA 911

Additional Comments

Quote is valid for 120 days from the original Quote Date or until Software Support expires, whichever comes first. Subsequent revisions are valid for 120 days from the original quote date.

** NOTE: Airbus DS Communications Discounts/Incentive Codes are provided for Airbus DS Communication's internal use only. Discounts/Incentive Codes do not have to be ordered on customer PO's using the codes shown and instead can be applied as a bottom line discount.*

*** Airbus DS Communications will apply any remaining software support on the current system to the new system. This will be issued in the form of a credit that will be applied to the new system order. The amount of the credit will be determined based on the date of shipment of the new system.*

Note: Cassidian Communications, became Airbus DS Communications effective August 1, 2014. All references to Cassidian Communications within this quote, will apply to Airbus DS Communications.

Any line items listed as "Optional" in this quote are not included in the Product Totals, Product Summaries, Quotation Summary, or the Total Quoted Price. These items are not considered to be part of the system. The "Total Quoted Price" on the Quotation Summary page reflects the quote value. This figure includes any and all applicable charges, fees, and or discounts. Costs for actual freight will be added to your invoice. All pricing is in U.S. Dollars unless otherwise stated.

No order based on this Quote shall be accepted in the absence of a signed master purchase agreement or other purchase agreement with Airbus DS Communications governing the terms of sale.

Strategic Incentives, Discounts, etc.

Any strategic incentives, discounts, etc. that are applied to this quote are based on the purchase of all non-optional items listed within the quote. If the quote should change or if items are removed, the incentive is subject to change.

Budgetary Quotes:

Quotes marked Budgetary are nonbinding and subject to change. This quote is being provided as an estimate of approximate pricing and cannot serve as the basis for any order.

Support Renewals:

Note: If this is a first time renewal and is subject to the agreed upon grace period, then reinstatement fees will not apply as long as the PO is received prior to the expiration of the grace period. For questions regarding your support renewal term, please contact Jennifer York at 951-719-2142.

Software Support Start and End Dates are based on active software support agreements. Dates and pricing are subject to change once existing software support agreements expire.

**Lead Time: 4 - 12 Weeks ARO on all Airbus DS Communications standard products. 8 - 12 weeks for ORION ARIES.
Issued by: Airbus DS Communications, formerly known as Cassidian Communications, Inc.**

Sherman PD AirBus Vesta Remote

9-1-1 Equipment Replacement,

Scope of Work



Prepared by:

Marty Saucedo
Technical Sale Consultant

Rhon Green
Applications Sales Executive PSS

Debbie Gee
Sr. Project Manager



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Statement of Work

Executive Summary

The purpose of this Statement of Work (SOW) is to detail the responsibilities of AT&T and **Sherman PD** ("Customer") regarding the scope of work, deliverables, and terms and conditions of the replacement of the Cassidian equipment currently in use by the **City of Sherman** with the Cassidian Communications (formerly Plant/CML) suite of public safety products (Vesta 4, Aurora MIS, Vela Mapping). This system is being purchased directly from AT&T. **City of Sherman** will own the equipment and AT&T will maintain the system in accordance with the agreed upon maintenance contract between the two parties.

Contact Information

(i) Customer Contact Information			
Customer Name	City of Sherman (Sherman PD) _____		
Address	317 South Travis Sherman, Texas 75091		
Contact Position	Contact Name	Contact Number	
Communications Manager	Tracy Stenger	903 892 7185	
Second Contact	Asst. Chief Bob Fair	903 892 7337	

(ii) AT&T Contact Information			
Position	Contact Name	Contact Number	
Applications Sales Executive PSS	Rhon Green	713 567 4646	
Technical Sales Specialist	Marty Saucedo	512 438-6330	
Project Manager	Debbie Gee	817 212 4774	
Comm. Consultant	Letty Tamez	817 212-4980	



Contact Members' roles and Responsibilities

The AT&T Project Manager will be the Primary Point of Contact for this project. In the absence of the Project manager the chain of contact will be the Data Network Specialist, the Applications Sales Executive, the Applications Sales Manager, and then the Communications Consultant.

Each member's role is defined as follows:

Project Manager: Coordinate implementation of 9-1-1 systems with all internal departments. Ensure due dates are met and databases updated. Chair meetings as necessary. Maintain internal documentation of all 9-1-1 systems, including system drawings, trunk groups, circuit ID's, etc.

Applications Sales Executive (Account Manager): Team Direction denotes the activity at the team member level to achieve the goals and objectives. Responsible for leadership, team meetings on a regular basis. Prioritize opportunity. The Applications Sales Executive is responsible for maintaining a high level of customer contact with all accounts in the Account Manager's module.

Technical Sales Specialist: Define equipment components required for entire application. Develop schematic drawing of application. Insure operability & customer satisfaction. Provide Tier II field support after implementation.

Communications Consultant: The Communications Consultant shall be responsible for the issuance of all service order activity requested by the Area Manager E9-1-1 and or any customer requested (Demand) service order activity. It is the Communications Consultant's responsibility to coordinate with all responsible personnel to ensure the service requested meets the customers expectations and requested due dates. If the Communications Consultant cannot gain commitment the request should be escalated through lines of management in the Communications Consultant's organization.



Scope of Work

Overview

This project will replace the existing CASSIDIAN (AirBus) 9-1-1 call-taking system with the new AirBus Vesta 4 Remote. The Vesta 4 workstations will also be running Vela Mapping. Vela Mapping is a mapped-ALI system that will display the locations of callers (wireline and wireless) on a computerized map. The Aurora Management Information System or like equipment (ECaT's) will gather statistics on each call received, and provide a variety of reports for the PSAP manager.

AT&T will provide on-site first-tier support for all of the hardware that AT&T and AirBus are providing. AT&T will provide first-tier software support for Vesta 4, Vela Mapping, and Aurora or ECaTs. CASSIDIAN will provide second-tier (and above) support on the entire system (hardware and software). **City of Sherman** has purchased five years of Software and Hardware warranties from AirBus which will provide **City of Sherman** with all updates to Vesta 4, Vela and Aurora or ECaTs; as well as equipment repair.

AT&T will bill the **City of Sherman**, and **City of Sherman** agrees to pay on the terms set forth in the Equipment and Services Agreement. AT&T will bill, and **City of Sherman** agrees to pay, the remainder of the project price upon acceptance by **City of Sherman** of the installation by AT&T of the System.

Installation

The AT&T Project Manager will be the primary contact for **City of Sherman**. The AT&T Project manager will be the primary interface with AirBus. All requests or issues for this project must go through the AT&T Project manager.

Pre-installation Activity

Based on the info provided at the Site Survey, the AT&T technicians will begin reconfiguring the backroom and the cabling that can be done without seriously impacting the PSAP's operations. This could involve cabling between the PSAP and the controller location, and cabling between the backroom and the workstation positions. Each vendor will take information gathered and prepare the necessary equipment accordingly.

Shipping

The equipment is expected to arrive at the AT&T location in late 2015. The AT&T Project Manager will coordinate with the shipping company for deliver to



provide the exact date the equipment will arrive with at least 24 hours notice. The AT&T Project Manager. will inventory the shipment completely before accepting it from the Carrier.

Installation Strategy

All installation work will be done during normal business hours (8AM-5PM) with no weekend or holiday work. Any work requested by Customer to be performed outside of these hours will be performed as resources are available and at additional cost to Customer, which will be quoted at the time the work is requested.

E911 Equipment installation: AT&T/AirBus will install the Vesta 4 remote PSAP equipment at the **_City of Sherman** PSAP locations. AT&T will coordinate system testing to ensure proper performance.

Acceptance Testing: AT&T will provide **_City of Sherman** with a Acceptance and Turn-up plan. AT&T, **_City of Sherman** and AirBus will perform acceptance testing in accordance with the Acceptance and Turn-up plan. AT&T and **_City of Sherman** will work together to agree on total network and equipment acceptance.

Equipment Installation

Prior to the installation of any equipment, the Network connection will need to be tested and working to acceptable standards. AirBus and AT&T will need this network connection up to configure to both host before acceptance and testing can take place.

Vela Mapping– GIS Data Validation

Complete installation is done by AirBus on customer-provided equipment at the facilities designated by the customer, according to a schedule agreed upon with the customer.

AirBus will conduct three separate analyses utilizing the existing digital map files and data files provided by the **_City of Sherman** (see **_City of Sherman** responsibilities below). These three analyses are:

1. Map Data Audit
2. MSAG Audit
3. Database Audit

The audit report provided back to the **_City of Sherman** would include a description and listing of the possible errors. These errors could be due to map data, MSAG or database errors. This process will not identify all errors in the map data, MSAG or database, because the process has been designed to identify areas of major concern. The results will vary and are directly dependant



on the accuracy of the MSAG, map data and 9-1-1 database. This simulation will help the **City of Sherman** identify the majority of the errors in these 3 components by directly comparing them to each other, ultimately resulting in a report that can lead to the direct synchronization of the MSAG, map data and 9-1-1 database.

The clean up of the map data, MSAG and 9-1-1 database are the responsibility of the **City of Sherman**. Airbus can assist in this clean up process under an additional addendum.

AirBus

At installation time, Airbus's installation engineer will work with the AT&T technicians to install the Vesta 4, the servers and associated equipment, and the workstations in the appropriate area

Training

The AT&T Project Manager, Debbie Gee, will work with **City of Sherman** to ensure the training is done at an acceptable and appropriate time. A detailed schedule will be setup by AT&T and Airbus after the call flow meeting.

AirBus, the manufacturer of the Vesta 4, will provide Vesta 4 User & Administrator Training, Vela administrator Training and Aurora Administrator Training. User training sessions will be scheduled by **City of Sherman** and AT&T personnel. Each dispatcher will need to attend one session of user training. Airbus will provide additional training on request, at an additional charge to be quoted at the time of the request.

General Requirements

As part of this SOW, AT&T Project manager will discuss a cutover plan detailing the migration process from the existing CPE to the new CPE. There will be regularly scheduled project meeting as deemed necessary by AT&T and **City of Sherman**.



Proposed Project Timeline & Implementation Plan

Map data due (Customer)	Date TBD
Site Survey	Date TBD
Final Scope of Work	Date TBD
Map validation report due	Date TBD
Map Data Review	Date TBD
911 test trunks	Date TBD
Network installation	Date TBD
AirBus Equipment delivery	Date TBD
Inventory & Pre-install Activity (AT&T)	Date TBD
Install begins (Vesta 4/Vela/Aurora)	Date TBD
Vesta 4/Vela/Aurora install/testing	Date TBD
Vesta 4/Vela/Aurora User Training	Date TBD
Vesta 4/Vela/Aurora Admin Training	Date TBD
Vesta 4/Vela/Aurora cutover	Date TBD
Complete System Acceptance	Date TBD



Responsibilities of the Parties

AT&T Responsibilities

AT&T will be the integrator on this project. All information will flow through the AT&T project manager. All subcontractors involved will communicate to the customer through the AT&T project manager.

AT&T will perform installation and maintenance provisions specified elsewhere in this Agreement.

AT&T will perform maintenance and service in accordance with the signed maintenance contract.

Any additional work to be performed outside of this Statement of Work will require additional charges.

AirBus Responsibilities

Vesta 4 backroom Installation/configuration

The installation of the Vesta 4 at the customer's site by AirBus Technicians includes verification of the equipment received, back board mounting, mounting of equipment into cabinet(s), cabling of equipment within cabinet(s)/racks, verification of configuration, testing.

Vesta 4 workstation installation

The Installation of Vesta 4 IWS (Workstations, Server, Vesta 4 Software) at the customer's site by AirBus Technicians includes Verification of the equipment received, Installation of the DataBase server, Physical installation of the Server, racking and wiring, Installation of the network HUB for the LAN, Verification of Configuration of Vesta 4, Installation of each Vesta 4 IWS position.

Training

AirBus will provide user and administrative training during days decided by __ **City of Sherman** and AT&T. User training should take approximately four hours per class, and will include Vesta 4 and Mapping instruction. Administrative training will take two days, and will include routine administrative tasks for Vesta 4, Mapping, and Aurora MIS or ECaTs.



Maintenance Information

AT&T Maintenance:

The E911 Assurance Center is the trouble-reporting center for our priority Public Safety Agencies. The center is responsible for receiving *Agency* reports and electronically relaying the reports to the responsible work groups for resolution, 24 hours a day, 365 days a year. The E911 Assurance Center can escalate trouble reports and put you in contact with management personnel responsible for resolving the trouble you have reported.

The Priority Repair Service number is: (866) 722-3911

Due to the complexity of the services we provide it is important that you provide as much information as possible when reporting to AT&T. A few extra minutes to properly identify, isolate and report a trouble can save hours in resolution time. Reporting the wrong trouble or circuit number may cause extended delays in our ability to deploy the appropriate work crew to repair the problem.

When you call in a report, please be ready to provide the following information:

1. Your name and call back telephone number.
2. Address and the location of trouble.
3. Telephone numbers or circuit number in trouble.
4. Nature of the trouble/condition.
5. Application the circuit is used for.
6. Access restrictions we may have to resolve trouble report.
7. Any terminal access problems or arrangements before dispatch.
8. The name of the contact person and their office number is a must!
9. Identification of Major or Minor Failure. (Defined below)
10. For urgent restorations you can ask for an hourly status from the Plant Control Office/PCO.

Major Failure - Definition Of Major Failure: Any hardware, software or circuitry failure that prevents the 9-1-1 PSAP call taker from making voice contact or viewing ANI/ALI information for a person who has dialed 9-1-1. Upon verbal notification by the *Agency*, or electronic notification by the 9-1-1 system itself of a major failure, AT&T will meet the required response time detailed below:

ONSITE RESPONSE: A factory-trained technician will respond on-site with spare parts/software within two (2) hours, or less, to diagnose and commence repair of a major failure. Within two (2) hours, or less, the responding technician will notify the PSAP of the nature of failure and an estimated time to repair.

Minor Failure - Definition of Minor Failure: Any hardware, software or circuitry failure that prevents the normal operation of any feature of the 9-1-1 system.



Upon verbal notification by the *Agency* or electronic notification by the 9-1-1 system itself, of a minor failure AT&T will meet the required response time detailed below:

ONSITE RESPONSE: During the initial notification by the PSAP *Agency* of a minor failure, the Contractor shall provide to the PSAP *Agency* an estimated time for on-site diagnostics/repairs to begin. A factory trained technician will respond on-site with spare parts/software within twenty-four (24) hours, or less, to diagnose and repair a minor failure. Within twenty-four (24) hours, or less, the responding technician will notify the PSAP of the nature of failure and an estimated time to repair.

Customer Acknowledgment

Customer, by signing below, indicates that the Statement of Work has been read and the terms outlined within have been accepted. This signature constitutes Customer's Authorization to Proceed with the Project. This Statement of Work is made part of AT&T's Service Agreement. Customer also is aware that any delays incurred because failure by Customer to comply with all items listed in the Customer Responsibilities section will cause AT&T to bill, and Customer agrees to pay, for associated additional work. Any questions concerning AT&T's responsibilities and the work to be done should be directed to the AT&T representative.

City of Sherman

AT&T

Signature

Signature

Name (type/print)

Name (type/print)

Title (type/print)

Title (type/print)

Date

Date



SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

Agenda Item No. C. 7.

Meeting Date: 08/03/2015

Prepared By: Mary Lawrence, Director of Finance

Approved By: Robby Hefton, City Manager

Caption:

*** RESOLUTION NO. 5995**

Appointing and Authorizing the Execution of an Agreement with Adami, Lindsey & Company, L.L.P. to Perform the Fiscal Year 2015 Audit

Issue:

Independent audit services for fiscal year (FY) 2015

Background:

By Charter, we are required to annually appoint an independent auditor to perform a financial audit for the City (and SEDCO). Adami, Lindsey & Company, L.L.P. (ALC) performed the FY 2014 and FY 2013 audits. The staff and Council Audit Committee were pleased with the firm's performance and are recommending the reappointment of ALC for the FY 2015 Audit.

Origination:

Council Audit Committee
Mary Lawrence, Director of Finance

Financial Consideration:

The fee estimate for these services is \$44,750.00 for the City and \$5,250.00 for SEDCO. Funds have been allocated in the FY 2016 budget for this expenditure.

Staff Recommendation:

The staff recommends the City Council accept the recommendation of the Council Audit Committee to appoint Adami, Lindsey & Company, L.L.P. to perform the annual audit for the fiscal year ending September 30, 2015.

Alternatives:

The City Council could instruct the staff to solicit proposals from firms outside the City.

Attachments

Resolution No. 5995

Memo to Audit Committee

Engagement Letter

RESOLUTION NO. 5995

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, APPOINTING AND AUTHORIZING THE EXECUTION OF AN AGREEMENT WITH ADAMI, LINDSEY & COMPANY, L.L.P. TO PERFORM THE FISCAL YEAR 2015 AUDIT; FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS RESOLUTION IS PASSED WAS NOTICED AND IS OPEN TO THE PUBLIC AS REQUIRED BY LAW.

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

SECTION 1. That the City Council hereby appoints Adami, Lindsey & Company, L.L.P. to perform the annual audit for the City of Sherman for fiscal year ending September 30, 2015.

SECTION 2. That the City Manager be and is hereby authorized and directed, subject to all agreement documents being properly completed and approved as to form and content by the City Attorney, to execute a contract with Adami, Lindsey & Company, L.L.P. to perform the annual audit for the City of Sherman for fiscal year ending September 30, 2015.

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

PASSED AND APPROVED on this the ____ day of _____, 2015.

CITY OF SHERMAN, TEXAS

BY: _____
CAROLYN S. WACKER, MAYOR

ATTEST:

BY: _____
LINDA ASHBY, CITY CLERK

**APPROVED AS TO FORM
AND CONTENT:**

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

DATE: Tuesday, July 28, 2015

TO: The Council Audit Committee
The Honorable David Plyler, Deputy Mayor
The Honorable Ryan Johnson, Council Member
The Honorable Lawrence Davis, Council Member

CC: The Honorable Mayor Cary Wacker and Sherman City Council Members
Don Keene, Director of Administration and Finance

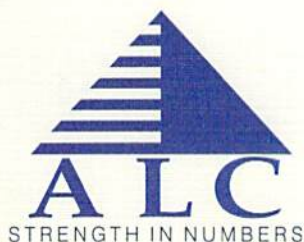
FROM: Mary Lawrence, Director of Finance

SUBJECT: **Reappointment of Adami Lindsey Company, Inc. (ALC) as Independent Auditor for the Fiscal Year Ended September 30, 2015 Audit**

Adami Lindsey & Company, L.L.P. (ACL), a Certified Public Accounting firm in Sherman, has performed the annual audit for the City the past two years. Subject to Audit Committee and City Council approval, the staff proposes to engage ALC for the annual audit for the year ended September 30, 2015.

The engagement letter (contract) has been received from ALC and is attached for your review. ALC has agreed to provide the audit services for the upcoming fiscal year for \$52,000.00, including the audit of SEDCO, and \$2,000.00 more than the fee for last year. Audit field work is expected to begin in August with the report draft received by January 29, 2016.

The engagement letter will be on the August 3, 2015 agenda for approval. If you have any questions about this, please feel free to contact me.



ADAMI, LINDSEY & COMPANY, L.L.P.
Certified Public Accountants

123 NORTH CROCKETT STREET, SUITE 100
SHERMAN, TEXAS 75090

(903) 892-2727

FACSIMILE: (903) 868-9682

www.adamilindsey.com

DAROLD P. ADAMI
JAMES A. LINDSEY
DAROLD P. ADAMI, JR.
BELINDA W. DEVINCENTIS

July 23, 2015

Ms. Mary Lawrence,
Director of Finance
City of Sherman, Texas

Re: **Audit of Financial Statements for the Year Ending September 30, 2015**

Dear Ms. Lawrence:

We are pleased to confirm our understanding of the services we are to provide the City of Sherman, Texas (City) as of and for the year ended September 30, 2015. We will audit the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the City's basic financial statements as of and for the year ended September 30, 2015. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the City's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the City's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1. Management's discussion and analysis
2. Budgetary comparison schedule – General Fund
3. Supplementary pension and OPEB information

We have also been engaged to report on supplementary information other than RSI that accompanies the City's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and we will provide an opinion on it in relation to the financial statements as a whole, in a report combined with our auditor's report on the financial statements:

1. Combining and individual fund financial statements and schedules

The following other information accompanying the financial statements will not be subjected to the auditing procedures applied in our audit of the financial statements, and our auditor's report will not provide an opinion or any assurance on that other information.

1. Introductory and statistical sections of Comprehensive Annual Financial Report (CAFR)

Audit Objectives

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of the accounting records and other procedures we consider necessary to enable us to express such opinions. We will issue a written report upon completion of our audit of the City's financial statements. Our report will be addressed to the Honorable Mayor and Members of the City Council of the City. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions on the financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or may withdraw from this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and on compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The paragraph will also state that the report is not suitable for any other purpose. If during our audit we become aware that the City is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

Audit Procedures – General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. Our responsibility as auditors is limited to the period covered by our audit and does not extend to later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

Audit Procedures – Internal Control

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

Audit Procedures – Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the City's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

Other Services

We will also assist in preparing the financial statements and related notes of the City in conformity with U.S. generally accepted accounting principles based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*.

Management Responsibilities

Management is responsible for establishing and maintaining effective internal controls, including evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management is reliable and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the financial statements in conformity with U.S. generally accepted accounting principles, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the City involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws, regulations, contracts, agreements, and grants and for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts or grant agreements, or abuse that we report.

You are responsible for the preparation of the supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

You agree to assume all management responsibilities relating to the financial statements and related notes and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements and related notes and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash or other confirmations we request and will locate any documents selected by us for testing.

We will provide ten (10) copies of our Audit Report, twenty (20) copies of the CAFR, and a PDF copy of all reports to the City; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Adami, Lindsey & Company, LLP and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to the U.S. Department of Housing and Urban Development or its designee, a federal agency providing direct or indirect funding, or the U.S. General Accounting Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Adami, Lindsey & Company, LLP personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide to, distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the City's cognizant or oversight agency. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

We expect to begin preliminary audit procedures in August 2015 and to issue a draft of our reports no later than January 29, 2016. We will issue our final reports on or before February 26, 2016 and in time to present to the City Council at their first meeting in March, 2016. James A. Lindsey is the engagement partner and is responsible for signing the reports or authorizing another individual to sign them. Brian Grisham will be responsible for supervising the engagement. Our fees for these services, including the report on the Sherman Economic Development Corporation will be based on our standard hourly rates (discounted approximately 25%) plus out-of-pocket costs (such as report production, word processing, postage, travel, copies, telephone, etc.) except that we agree our gross fee will not exceed \$46,500 for the year ended September 30, 2015. The fee for the current year will be allocated \$41,000 to the City and \$5,500 to SEDCO. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered periodically as work progresses and are payable on presentation. The above fees are based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

You have requested that we provide you with a copy of our most recent external peer review report and any subsequent reports received during the contract period. Accordingly, our 2014 peer review report accompanies this letter.

You may request that we perform additional services not addressed in this engagement letter. If this occurs, we will communicate with you regarding the scope of the additional services and the estimated fees. We also may issue a separate engagement letter covering the additional services. In the absence of any other written communication from us documenting such additional services, our services will continue to be governed by the terms of this engagement letter.

Ms. Mary Lawrence
July 23, 2015
Page 6

We appreciate the opportunity to be of service to the City of Sherman, Texas and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

Adami, Lindsey & Company, L.L.P.

Adami, Lindsey & Company, L.L.P.

RESPONSE:

This letter correctly sets forth the understanding of the City of Sherman, Texas.

Mary Lawrence

Mary Lawrence, Director of Finance

7/28/15

Date

System Review Report

July 8, 2014

To the Partners of
Adami, Lindsey & Company, LLP
and the Peer Review Committee of the Texas Society of Certified Public Accountants

We have reviewed the system of quality control for the accounting and auditing practice of **Adami, Lindsey & Company, LLP** (the firm) in effect for the year ended December 31, 2013. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. As a part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under *Government Auditing Standards* and an audit of employee benefit plans.

In our opinion, the system of quality control for the accounting and auditing practice of **Adami, Lindsey & Company, LLP** in effect for the year ended December 31, 2013, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. **Adami, Lindsey & Company, LLP** has received a peer review rating of *pass*.

Davis Kinard & Co, PC
Certified Public Accountants



SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

Agenda Item No. C. 8.

Meeting Date: 08/03/2015

Prepared By: Pamela Cloer, Assistant to the City Manager

Approved By: Robby Hefton, City Manager

Caption:

*** RESOLUTION NO. 5996**

Declaring the City of Sherman's Eligibility and Intention to Renew its Tax Abatement Program to Promote Development/Redevelopment in the Central Business District of the City; Establishing Guidelines and Criteria

Issue:

To renew the guidelines and criteria established for the Central Business District Tax Abatement Program

Background:

Every two years, the City Council is required to pass a new resolution to keep the Central Business District Tax Abatement Program active. This program was first adopted at the City Council's July 6, 2004 meeting. At the August 1, 2005 meeting, the City Council revised the program's guidelines and criteria to promote the development or redevelopment of commercial structures in the Central Business District, whether they are retail, service, or professional in purpose, with improvements valued in excess of \$25,000.00. A certificate of occupancy must be issued to qualify; and the City Council has the opportunity to review and approve all tax abatement applications. Once approved, 100% of taxes on the improvements only are abated for five (5) years. The program was last renewed at the August 5, 2013 meeting of the City Council, with no revisions made.

Origination:

Mayor and City Council

Financial Consideration:

There is no immediate financial impact to renewing the guidelines and criteria. The impact of a particular abatement is judged when the abatement agreement is presented to the City Council for approval.

Staff Recommendation:

It is recommended that the City Council approve Resolution No. 5996 to renew the Central Business District Tax Abatement Program.

Alternatives:

The City Council could decide not to participate in this tax abatement program or could revise the guidelines and criteria.

Attachments

Resolution No. 5996

Central Business District Tax Reinvestment Zone

RESOLUTION NO. 5996

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, DECLARING THE CITY OF SHERMAN'S ELIGIBILITY AND INTENTION TO RENEW ITS TAX ABATEMENT PROGRAM TO PROMOTE DEVELOPMENT/REDEVELOPMENT IN THE CENTRAL BUSINESS DISTRICT OF THE CITY; ESTABLISHING GUIDELINES AND CRITERIA; FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS RESOLUTION IS PASSED WAS NOTICED AND IS OPEN TO THE PUBLIC AS REQUIRED BY LAW.

WHEREAS, the City Council of the City of Sherman, Texas, desires to promote the development/redevelopment of the Central Business District within its jurisdiction; and

WHEREAS, the City of Sherman, Texas, is authorized to enter into Tax Abatement Agreements for commercial-industrial or residential purposes as authorized by Chapter 312 of the Texas Property Tax Code; and

WHEREAS, the Code requires the City of Sherman, Texas, to renew its guidelines and criteria for the designation of reinvestment zones for Tax Abatement Agreements;

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

SECTION 1. That the City of Sherman, Texas, declares it is eligible for and intends to renew its Tax Abatement Program.

SECTION 2. That the City of Sherman, Texas, hereby renews the following Guidelines and Criteria for Tax Abatement for use in its Tax Abatement Program:

CITY OF SHERMAN TAX ABATEMENT GUIDELINES AND CRITERIA

GENERAL PURPOSE AND OBJECTIVES

The City of Sherman is committed to an expansion of its tax base, an increase to its population, the promotion of development in all parts of the City, and to an ongoing improvement in the quality of life for its citizens. As these objectives are generally served by the enhancement and expansion of the local economy, the City of Sherman will offer a downtown tax abatement as a stimulus for economic development in Sherman. The policy of the City of Sherman is to make downtown tax abatement available to new structures and to the modernization of existing structures. It is the policy of the City of Sherman that such tax abatement will be provided in accordance with the procedures and criteria outlined in this document and as permitted by State statute. The guidelines and criteria herein adopted shall expire two (2) years from and after adoption. The provisions herein are severable and, if any provision or requirement of these guidelines or criteria is declared or found to be illegal or invalid, such illegality or invalidity

shall not affect the remaining provisions, since the City Council would have adopted these guidelines and criteria without the incorporation of the portions found to be invalid.

DEFINITION OF TERMS

Act — means the Property Redevelopment and Tax Abatement Act, Texas Tax Code Ann. 312.001, et seq., as amended from time to time.

Agreement — means a contractual agreement between a property owner and the City of Sherman for the purposes of tax abatement.

Applicant — means an owner of real property who requests tax abatement in accordance with these guidelines.

Base Year Value — means the assessed value of eligible property on January 1 preceding the date of execution of the agreement.

Economic Life — means the number of years a property improvement is expected to be in service.

Modernization — means the replacement, expansion and upgrading of commercial improvements for purposes of reconditioning, refurbishing or expanding.

New Structure — means commercial improvements made to a property previously undeveloped which is placed into use by means other than or in conjunction with expansion or modernization.

Reinvestment Zone — means a contiguous geographic area in the jurisdiction of the municipality in which tax abatements may be granted to promote commercial development or redevelopment if the governing body determines that commercial development or redevelopment would not occur solely through private investment in the reasonably foreseeable future.

Commercial Improvements — means the construction of commercial building(s), and all the appurtenances thereto, whether retail, service, or professional in purpose, and includes modernization and new structures.

Total Facility — means all buildings and structures along with the appurtenances thereto.

ELIGIBILITY

A new structure or modernization of a structure anywhere within the Central Business District of Sherman of a value in excess of TWENTY-FIVE THOUSAND DOLLARS (\$25,000.00) may receive abatement. As provided in the Act, abatement may only be granted for the value of eligible property subsequent to and listed in an abatement agreement between the City of Sherman and the property owner.

Eligible Property — Abatement will be extended to the increased value of real estate, buildings, structures, and site improvements along with the appurtenances thereto. A Certificate of Occupancy issued by the City of Sherman’s building official must be obtained at the completion of each project for it to be eligible for abatement.

Value and Term of Abatement — Upon determination that all requirements for tax abatement have been satisfied by the applicant, the value and terms of the abatement will be for a period of five (5) years in accordance with the following schedule for the abatement of taxes on the added value above the base year value. Abatement shall be granted effective with the January 1 valuation date immediately following the date of completion of the improvements. Applicant agrees that the eligible property for which the abatement is granted shall be occupied and operational during the entire abatement period.

SCHEDULE OF TAXES ASSESSED

<u>TAX YEAR</u>	<u>ABATEMENT</u>
1	100%
2	100%
3	100%
4	100%
5	100%

CRITERIA

Any request for tax abatement shall be reviewed for completeness. The City staff shall determine whether the application satisfies the guidelines and criteria. Tax abatement shall be based upon an evaluation of the following criteria which each applicant will be requested to address in narrative format:

Fiscal Impact

Addition of real property improvements to the tax rolls.

No utility construction by the City would be required other than routine.

Community Impact

The project is compatible with the City’s comprehensive plan.

No adverse environmental impact will be created by the project.

PROCEDURES

Any person, partnership, organization, corporation or other entity desiring that the City of Sherman consider providing tax abatement to encourage location within the Central Business District of Sherman shall be required to comply with the following procedural guidelines:

1. Preliminary Application Steps

- A. Applicant shall submit an “Application for Tax Abatement” contemporaneously with the application for a building permit, and shall pay a filing fee of \$75.00 to cover publication, notice cost, review and processing. If the applicant for the building permit is not the owner of the real estate and does not make application for tax abatement on behalf of the owner, the City staff shall notify the owner by certified mail, return receipt requested, that tax abatement must be filed with the City within ten (10) business days of receipt of the notice.
- B. If the applicant does not wish to apply for tax abatement at the time that the building permit is issued or if the owner fails to respond to the written notice of availability for tax abatement, the opportunity for tax abatement is waived. The staff shall prepare forms necessary to reflect the refusal of an applicant to participate and to document the lack of response by the owner to the written notice. The refusal or waiver to participate in tax abatement by the owner or applicant shall be binding on subsequent owners of the real property.
- C. The City may request applicant to provide substantiation of economic feasibility of the overall project to assist in determining the long-term benefit to the City.
- D. A complete legal description shall be provided.
- E. Applicant shall complete all forms and information detailed above and submit them to the City of Sherman.

2. All information in the application package detailed above will be reviewed for completeness and accuracy. Additional information may be requested as needed.

If necessary, applicant will meet with City to discuss details of the application and prepare for presentation of application to the City Council.

3. The application shall include the total capital investment for real property improvements and type of project.

LEGAL DOCUMENTATION PREPARATION

The City will be responsible for drafting the proposed agreement pursuant to the approved Tax Abatement, as well as all associated documentation.

The legal document is to include the following:

- 1. Estimated value of modernization or new construction to be abated.
- 2. Percent of value to be abated each year.

3. Commencement date and the termination date of abatement.
4. Proposed use of the facility, nature of construction, time schedule, map, property description and improvements list as provided in the application.
5. Contractual obligations in the event of default, violation of terms or conditions, delinquent taxes, recapture and administration.

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

PASSED AND APPROVED on this the ____ day of _____, 2015.

CITY OF SHERMAN, TEXAS

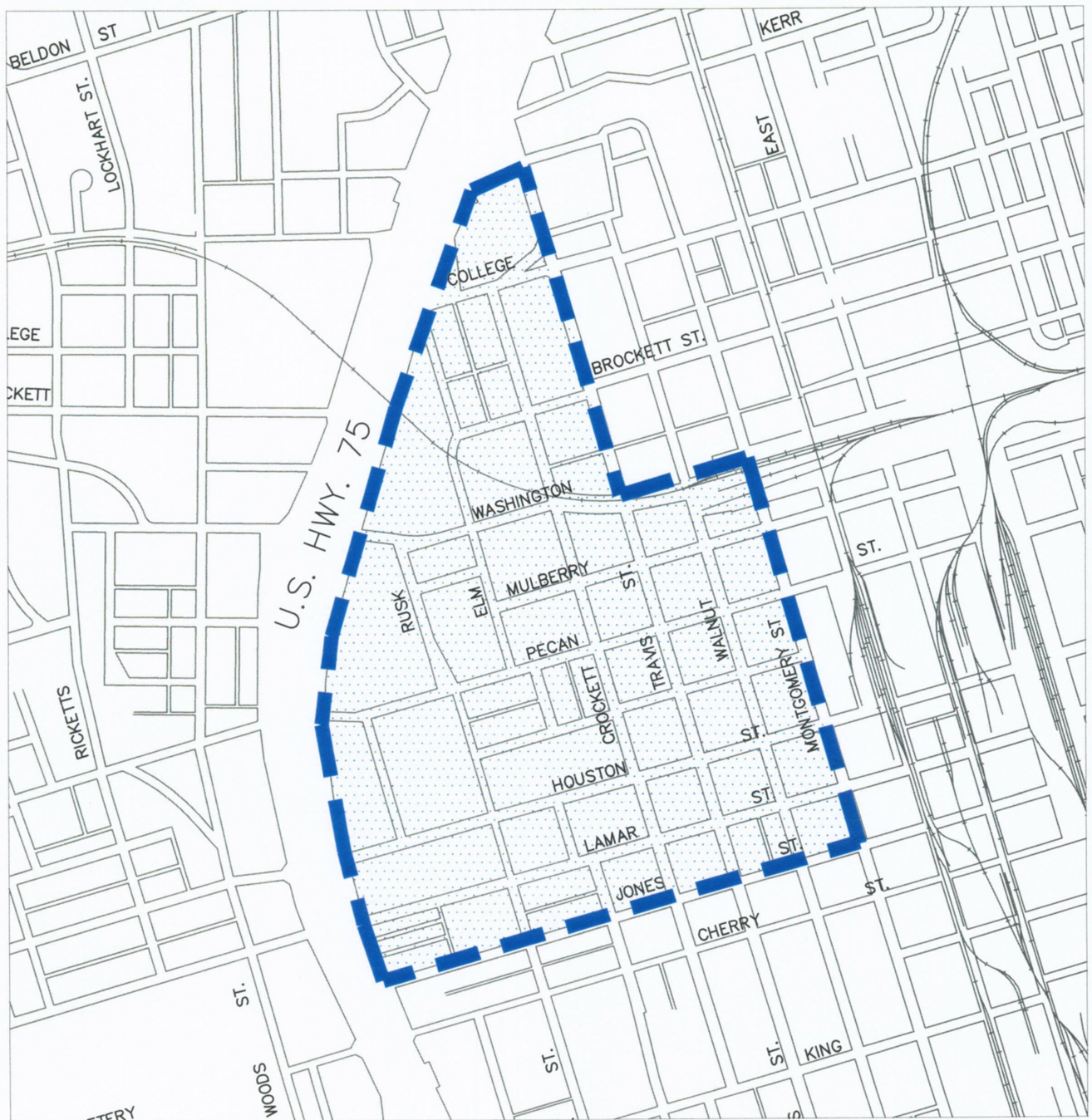
BY: _____
CAROLYN S. WACKER, MAYOR

ATTEST:

BY: _____
LINDA ASHBY, CITY CLERK

**APPROVED AS TO FORM
AND CONTENT:**

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



CITY OF SHERMAN, TEXAS

THE TAX REINVESTMENT ZONE
FOR THE CENTRAL BUSINESS DISTRICT

Department of Developmental Services





SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

Agenda Item No. D. 1.

Meeting Date: 08/03/2015

Prepared By: Otis Henry, Police Chief

Approved By: Robby Hefton, City Manager

Caption:

OTHER BUSINESS

Receiving Police Chief Otis Henry's Update on New Recruiting Initiatives

Issue:

Presentation on new recruiting initiatives

Background:

Update on new recruiting tactics being utilized to attract more qualified applicants for the Police Department's September 2015 entry level test.

Origination:

Police Department

Financial Consideration:

There is no financial impact.

Staff Recommendation:

The City Council need take no action on this agenda item.



SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

Agenda Item No. D. 2.

Meeting Date: 08/03/2015

Prepared By: Pamela Cloer, Assistant to the City Manager

Approved By: Robby Hefton, City Manager

Caption:

OTHER BUSINESS

Consider Scheduling a Joint Meeting of the City Council and the Sherman Economic Development Corporation Board of Directors for 12:00 noon on Tuesday, September 15, 2015, to Review and Approve SEDCO's Annual Budget and Work Plan

Issue:

To consider scheduling a joint meeting of the City Council and the Sherman Economic Development Corporation (SEDCO) Board of Directors for 12:00 noon on Tuesday, September 15, 2015, to review and approve SEDCO's annual budget and work plan

Background:

The SEDCO Bylaws require an annual meeting of their Board of Directors with the City Council. Topics for consideration are (1) SEDCO's annual budget and (2) SEDCO's work plan for the upcoming 2015-2016 fiscal year.

Origination:

SEDCO Executive Vice President Frank Gadek
City Manager Robby Hefton

Financial Consideration:

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

Staff Recommendation:

It is recommended that the City Council schedule a joint meeting with the SEDCO Board of Directors for 12:00 noon on Tuesday, September 15th in the City Council Chambers.

Alternatives:

An alternate date, if needed, is Wednesday, September 16, 2015.

Attachments

SEDCO's Joint Meeting Request

July 21, 2015

Ms. Cary Wacker
Mayor, City of Sherman
220 W. Mulberry St.
Sherman, Texas 75090

Dear Mayor Wacker:

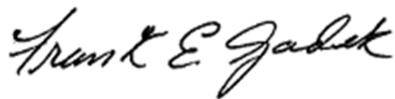
The Bylaws of the Sherman Economic Development Corporation require the organization to present an annual work plan and budget to the Sherman City Council.

Sherman Economic Development Corporation requests a joint meeting of the SEDCO Board of Directors and Sherman City Council to be held at 12:00 noon on either Tuesday, September 15 or Wednesday September 16, 2015 at Sherman City Hall.

At the meeting, SEDCO will present the results of the 2014-15 Plan of Work, the proposed 2015-16 Plan of Work and the proposed budget for 2015-16.

Thank you for your consideration of this request.

Best Regards,



Frank Gadek, CEcD
Executive Vice President



SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

Agenda Item No. D. 3.

Meeting Date: 08/03/2015

Prepared By: Clay Barnett, Director of Public Works and Engineering

Approved By: Robby Hefton, City Manager

Caption:

OTHER BUSINESS

Review Draft Capital Improvement Program (CIP) 2015-2020 and Set Public Hearing for Tuesday, September 8, 2015

Issue:

To review the draft CIP 2015-2020 and set the public hearing on such for Tuesday, September 8, 2015

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 CIP.

Origination:

Department of Engineering

Financial Consideration:

General Fund	\$32,961,500
Utility Fund	\$41,895,000
Total Funding for 2015-2020	\$74,856,500

Staff Recommendation:

It is recommended that the City Council review the City's 2015-2020 Capital Improvement Program and set the public hearing on said 2015-2020 CIP for Tuesday, September 8, 2015.

Alternatives:

Those as may be directed by the City Council

Attachments

CIP Summary

GENERAL SERVICES

2015 - 2016

	Drainage	Streets	Facilities	Parks	Water	Sewer	Totals
Loy Lake Road Construction (US Hwy 82 to Sara Swamy Drive)		\$2,540,000					**** \$2,540,000
Grand Avenue Pedestrian Improvements		\$60,000					\$60,000
Ellsworth Branch Flood Study	\$30,000						\$30,000
Floodplain Property Acquisition	\$150,000						\$150,000
Subdivision Ordinance Update		\$60,000					\$60,000
Downtown Streetscape, Phase II		\$150,000					*** \$150,000
Communication Center Relocation			\$40,000				\$40,000
Police Department Basement Renovation			\$25,000				\$25,000
Fire Station #3 Building Repair			\$50,000				\$50,000
Fairview Park Tot Playground				\$50,000			\$50,000
Downtown Sidewalk Improvements		\$20,000					**** \$20,000
Total 2015-2016	\$180,000	\$2,830,000	\$115,000	\$50,000	\$0	\$0	\$3,175,000

*** TAP Grant

**** TIF

2016-2017

	Drainage	Streets	Facilities	Parks	Water	Sewer	Totals
Northeast Fire Station Site			\$3,500,000				* \$3,500,000
FM 1417 Street Improvements between SH 56 and US Hwy 82 - Preliminary Engineering		\$1,500,000					\$1,500,000
Travis Street Property Acquisition		\$275,000					\$275,000
Starlight Alley Rebuild		\$700,000					\$700,000
Northside Fire Station 5 Renovation			\$300,000				\$300,000
Sherman Armory Building Repair, Phase I			\$300,000				\$300,000
Northside Station 5 Driveway and Parking Lot			\$70,000				\$70,000
Storm Water Utility Fee Study	\$112,500						\$112,500
Canyon Creek Drive Improvements Between FM 1417 and Silverado Trail		\$250,000					\$250,000
Thoroughfare Plan Update 2nd Quarter		\$50,000					\$50,000
Library Upper Roof Replacement			\$380,000				\$380,000
Fire Station 1, New Roof			\$200,000				\$200,000
Police Department Front Remodel			\$40,000				\$40,000
Luckett Street Improvements Between Dugan and Dorchester		\$60,000					\$60,000
Sherman Armory Building Repair, Phase II			\$150,000				\$150,000
Sherman Armory Building Repair, Phase III			\$150,000				\$150,000
Senior Center Building Repair			\$60,000				\$60,000
Municipal Airport Apron Rehab			\$172,000				\$172,000
Municipal Airport Terminal Repair			\$60,000				\$60,000
Municipal Airport Hangar Roof Replacement			\$180,000				\$180,000
Municipal Airport Hangar Taxiway Rehabilitation			\$30,000				\$30,000
Hawn Park Field Lighting				\$200,000			\$200,000
Martin Luther King Park Restroom				\$150,000			\$150,000
Fairview Park Field Lighting				\$150,000			\$150,000
Hawn Skateboard Renovation - Phase II				\$80,000			\$80,000
Ely Park Playground				\$80,000			\$80,000
Downtown Sidewalk Improvements		\$20,000					\$20,000
Total 2016-2017	\$112,500	\$2,855,000	\$5,592,000	\$660,000	\$0	\$0	\$9,219,500

* Bonded

2017-2018

	Drainage	Streets	Facilities	Parks	Water	Sewer	Totals
Southwest Fire Station			\$5,200,000				* \$5,200,000
Archer Drive and Westwood Street Property Acquisition	\$1,083,750						\$1,083,750
Cypress Grove Rd. Rebuild - Rex Cruse to Redbud - Preliminary Engineering and ROW		\$200,000					\$200,000
Municipal Airport Runway and Taxiway Rehab			\$402,000				\$402,000
Travis Street Bridge Repair	\$180,000						\$180,000
Bridge Erosion Repair (West McGee, Taylor St, W Washington Street at Post Oak Creek)	\$143,000						\$143,000
Thoroughfare Plan Update 3rd Quarter		\$50,000					\$50,000
Police Station Roof Replacement			\$200,000				\$200,000
Library Boiler/HVAC Replacement			\$70,000				\$70,000
Municipal Airport Quonset Hangar Roof Replacement			\$50,000				\$50,000
Hawn Park Pavilion				\$75,000			\$75,000
Rosedale Park Restroom				\$150,000			\$150,000
Baker Park Pavilion				\$75,000			\$75,000
Aerial Photographs Update			\$110,000				\$110,000
Downtown Sidewalk Improvements		\$20,000					\$20,000
Site 8A and Site 10A - Acquire Access Easements	\$15,000						\$15,000
Total 2017-2018	\$1,421,750	\$270,000	\$6,032,000	\$300,000	\$0	\$0	\$8,023,750

2018-2019

	Drainage	Streets	Facilities	Parks	Water	Sewer	Totals
Cypress Grove Rd. Rebuild - Rex Cruse to Redbud		\$1,430,000					\$1,430,000
Municipal Airport Runway Lighting Replacement			\$384,000				\$384,000
Regency Drive and W. Washington Street, Property Acquisition	\$287,750						\$287,750
Archer Drive Detention Pond Construction	\$214,250						\$214,250
S. Sam Rayburn Frwy and Contemporary Street Property Acquisition	\$72,000						\$72,000
Fallon Drive Construction - Preliminary Engineering and ROW		\$200,000					\$200,000
Rex Cruse Drive Rebuild - Preliminary Engineering and ROW		\$260,000					\$260,000
Thoroughfare Plan Update 4th Quarter		\$50,000					\$50,000
Rosedale Park Playground				\$60,000			\$60,000
Rosedale Park Field Lighting				\$50,000			\$50,000
Hawn Park Sprayground Expansion				\$300,000			\$300,000
Hillcrest Park Renovation				\$150,000			\$150,000
Bridge Erosion Repair (W Pecan St, Lamberth Rd, Centennial St and Blue Flame Rd)	\$73,000						\$73,000
Bridge Erosion Repair (Hillcrest St and N. Woods St)	\$64,000						\$64,000
Downtown Sidewalk Improvements		\$20,000					\$20,000
Total 2018-2019	\$711,000	\$1,960,000	\$384,000	\$560,000	\$0	\$0	\$3,615,000

2019-2020

	Drainage	Streets	Facilities	Parks	Water	Sewer	Totals
Fallon Drive West Construction to U.S. Hwy 75		\$1,250,000					\$1,250,000
U.S. Highway 75 Fallon Drive Ramps		\$3,600,000				**	\$3,600,000
Rex Cruse Drive Rebuild		\$1,860,000					\$1,860,000
Loy Lake Road Improvements Between Texoma Parkway and Taylor Street		\$700,000					\$700,000
Substantial Repetative Loss Property Acquisition	\$163,750						\$163,750
N Sam Rayburn / N Travis St Property Acquisition	\$122,500						\$122,500
Shady Oaks Drive Reconstruction Between Canyon Creek Drive and the City Limits		\$50,000					\$50,000
Center Street Improvements Between Baker Park Drive and Herman Baker Park Entrance		\$370,000					\$370,000
Center Street Bridge Repair (at Post Oak Creek)	\$185,000						\$185,000
Bridge Erosion Repair (Center St. at Sand Creek and N. Ricketts St.)	\$57,000						\$57,000
Fairview Park Pavilions				\$50,000			\$50,000
Fairview Park Spray Ground and Splash Expansion				\$500,000			\$500,000
Downtown Sidewalk Improvements		\$20,000					\$20,000
Total 2019-2020	\$528,250	\$7,850,000	\$0	\$550,000	\$0	\$0	\$8,928,250

** SEDCO Funded

GENERAL GRAND TOTAL	\$2,953,500	\$15,765,000	\$12,123,000	\$2,120,000	\$0	\$0	\$32,961,500
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UTILITY SERVICES

2015-2016

	Drainage	Streets	Facilities	Parks	Water	Sewer	Totals
WTP Expansion Construction					\$15,000,000		* \$15,000,000
Southwest Elevated Storage Tank					\$3,300,000		* \$3,300,000
Harrison Elevated Tank Painting					\$1,250,000		\$1,250,000
Blalock Industrial Sewer Replacement						\$1,000,000	** \$1,000,000
WTP - Sludge Dewatering Basin					\$350,000		\$350,000
North Travis Street Water Main Replacement					\$250,000		\$250,000
U.S. Highway 75 South Water Crossing Replacement					\$175,000		\$175,000
Utility Main Oversizing					\$25,000	\$25,000	\$50,000
TOTAL 2015-2016	\$0	\$0	\$0	\$0	\$20,350,000	\$1,025,000	\$21,375,000

* Bonded

** SEDCO Funded

2016-2017

	Drainage	Streets	Facilities	Parks	Water	Sewer	Totals
Brine Disposal from WTP					\$2,000,000		* \$2,000,000
Ida Road Ground Storage Tank Repair and Painting					\$1,500,000		\$1,500,000
WWTP Automated Dissolved Oxygen Control, Phase 1						\$200,000	* \$200,000
WWTP - Nutrient Removal Preliminary Engineering						\$1,500,000	* \$1,500,000
Laboratory Building Expansion			\$400,000				\$400,000
WWTP - Study Digester Upgrade and Cost Recovery (8%)						\$220,000	\$220,000
WWTP Automated Dissolved Oxygen Control Study, Phase 2						\$1,000,000	\$1,000,000
WWTP - Digester Firebreak and Sludge Basin Erosion Control			\$50,000				\$50,000
Texoma Parkway Sewer Replacement						\$200,000	\$200,000
Blanton Drive Water Main Replacement					\$75,000		\$75,000
Oxford Street Water Main Replacement					\$100,000		\$100,000
Grant Street Water Main Replacement					\$100,000		\$100,000
Utility Main Oversizing					\$50,000	\$50,000	\$100,000
TOTAL 2016-2017	\$0	\$0	\$450,000	\$0	\$3,825,000	\$3,170,000	\$7,445,000

* Bonded

2017-2018

	Drainage	Streets	Facilities	Parks	Water	Sewer	Totals
WWTP - Nutrient Removal Process						\$8,000,000	* \$8,000,000
WWTP Control Building Upgrade			\$500,000				\$500,000
WWTP - Repair/Replace Perimeter Fencing			\$100,000				\$100,000
Relief Sewer D-1						\$290,000	\$290,000
South Sherman Trunk Sewer						\$135,000	\$135,000
Texoma Parkway Water Replacement - Phase V					\$300,000		* \$300,000
Utility Main Oversizing					\$50,000	\$50,000	\$100,000
TOTAL 2017-2018	\$0	\$0	\$600,000	\$0	\$350,000	\$8,475,000	\$9,425,000

* Bonded

2018-2019

	Drainage	Streets	Facilities	Parks	Water	Sewer	Totals
Fairview Elevated Tank Repair					\$1,250,000		\$1,250,000
S.H. Highway 289 Sewerline 'C"						\$1,300,000	** \$1,300,000
WWTP Reline Storage Basin						\$200,000	\$200,000
WWTP Security Upgrade			\$150,000				\$150,000
WWTP Lab Road Repair						\$100,000	\$100,000
Utility Main Oversizing					\$50,000	\$50,000	\$100,000
TOTAL 2018-2019	\$0	\$0	\$150,000	\$0	\$1,300,000	\$1,650,000	\$3,100,000

* Bonded

2019-2020

	Drainage	Streets	Facilities	Parks	Water	Sewer	Totals
WWTP Demolish Sludge Drying Beds						\$250,000	\$250,000
WWTP Odor Abatement Study						\$200,000	\$200,000
Utility Main Oversizing					\$50,000	\$50,000	\$100,000
TOTAL 2019-2020	\$0	\$0	\$0	\$0	\$50,000	\$500,000	\$550,000

** SEDCO Funded

UTILITY GRAND TOTAL	\$0	\$0	\$1,200,000	\$0	\$25,875,000	\$14,820,000	\$41,895,000
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TOTAL CIP	\$2,953,500	\$15,765,000	\$13,323,000	\$2,120,000	\$25,875,000	\$14,820,000	\$74,856,500
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SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

Agenda Item No. D. 4.

Meeting Date: 08/03/2015

Prepared By: Mary Lawrence, Director of Finance

Approved By: Robby Hefton, City Manager

Caption:

*** OTHER BUSINESS**

Approve Quarterly Investment Report for Quarter Ended June 30, 2015

Issue:

To approve the Investment Report for the quarterly period ending June 30, 2015

Background:

This report is being presented in accordance with the state law that requires at least quarterly presentation to the Council. The report was given to the Investment Committee prior to submittal to the Council.

As of June 30, 2015, the portfolio was in compliance with applicable state laws and the Investment Policy. The operating investment portfolio had a book value of about \$19.9 million, a slight decrease of about \$250,000 from the prior quarter of \$20.1 million. The underlying investments were adequately diversified among four different types of securities. This portfolio is appropriately liquid; and its weighted-average maturity was about 485 days, down from 490 days last period. The portfolio yield of 0.665% for the quarter is higher than the benchmark yield of 0.28%. The portfolio value on the City's books is essentially equal to the market value of the overall portfolio.

Origination:

Finance

Financial Consideration:

None

Staff Recommendation:

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

Alternatives:

The Council could offer suggestions for improvement or could request more frequent reporting.

Attachments

Investment Committee Memo with Quarterly Investment Report



memorandum

DATE: Tuesday, July 28, 2015

TO: The City of Sherman Investment Committee
Councilman Jason Sofey
Councilman Tom Watt

FROM: Mary Lawrence, Director of Finance

CC: Don Keene, Director of Administration and Finance

SUBJECT: Investment Report for Quarter Ended June 30, 2015

Enclosed is a copy of the quarterly investment report for the quarter ended June 30, 2015. As of that date, the City was in compliance with all applicable state laws and internal policies for the portfolio.

The total operating portfolio balance of about \$19.9 million decreased slightly by about \$250,000 during the quarter, compared to the balance at March 31, 2015 of \$20.1 million. The underlying investments were adequately diversified among four different types of securities. The portfolio had a weighted-average maturity of about 485 days, down slightly from 490 days from last quarter. The portfolio yield of 0.665% was higher than our benchmark 1-year Constant Maturity Treasury Index of 0.28%. Book value closely approximated market value.

This investment report will be on the August 3, 2015 City Council agenda for their review and approval. Please call me if you have any questions about this item.

attachment (as stated above)

CITY OF SHERMAN, TEXAS
INVESTMENT PORTFOLIO SUMMARY
For the Quarter Ending June 30, 2015

Total Portfolio Summary			
	Current Quarter 6/30/2015	Prior Quarter 3/31/2015	Change From Prior Quarter
Book Value	\$ 19,907,770	\$ 20,157,791	\$ (250,021)
Market Value	\$ 19,906,221	\$ 20,164,038	\$ (257,817)
Weighted Average Maturity - Days	485	490	(5)
Weighted Average Yield	0.665%	0.605%	0.060%
Earned Income	\$ 31,977	\$ 29,829	\$ 2,148
Earned Income - Year-to-Date	\$ 81,479	\$ 49,502	\$ 31,977

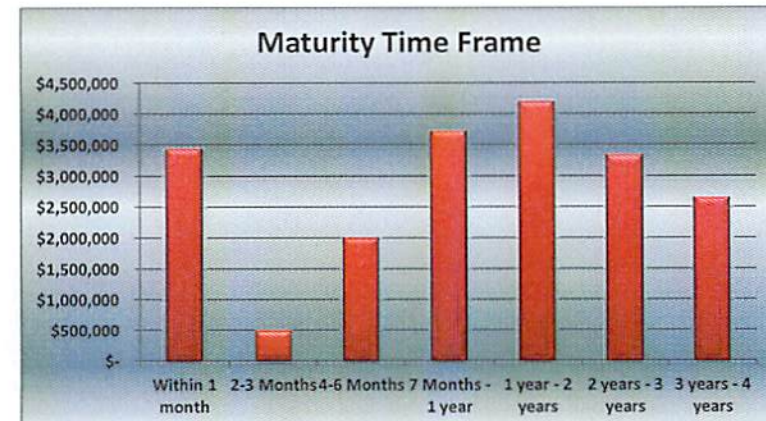
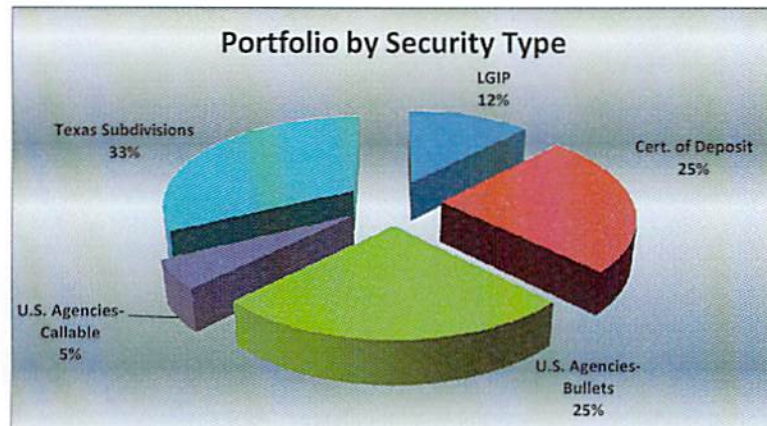
This report complies with the requirements of the public funds investment law and covers all the funds of the City of Sherman that are subject to that law.

As of June 30, 2015, the City's portfolio had a book value of about \$19.9 million, which approximates the market value. Of this amount, \$2.5 million was held in Local Government Investment Pools (LGIP), \$5.0 million was held in Certificates of Deposit (CD), \$6.0 million was held in U.S. Agency Securities and \$6.4 million was held in State of Texas political subdivision obligations.

The portfolio value decreased by \$0.2 million from the previous quarter due to maturity of a U.S. Treasury Security (\$1 million) and called U.S. Agency Securities (\$1.5 million) with purchases of State of Texas political subdivision obligations (\$1.3 million) and U.S. Agency Securities (\$1 million).

The weighted average yield on the portfolio was .665%, 38 basis points above the 1-year Constant Maturity Treasury Index of .28% and 6 basis points above the previous quarter.

The weighted average maturity of the portfolio decreased from 490 days at March 31, 2015 to 485 days at June 30, 2015.



Mary Lawrence

Mary Lawrence, Finance Director and City of Sherman Investment Officer

Tammy Davis

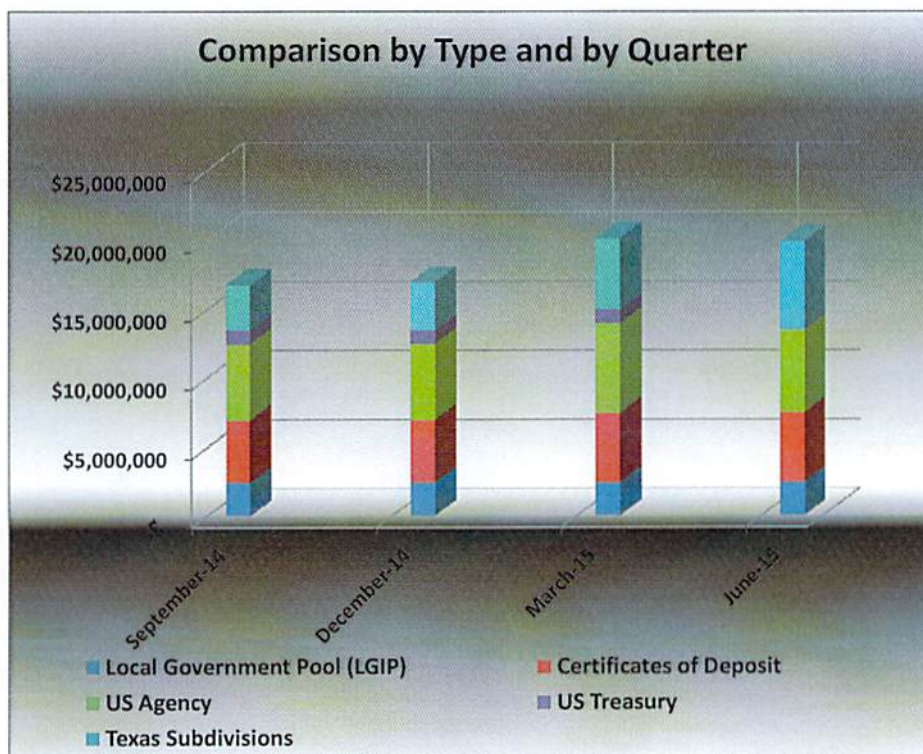
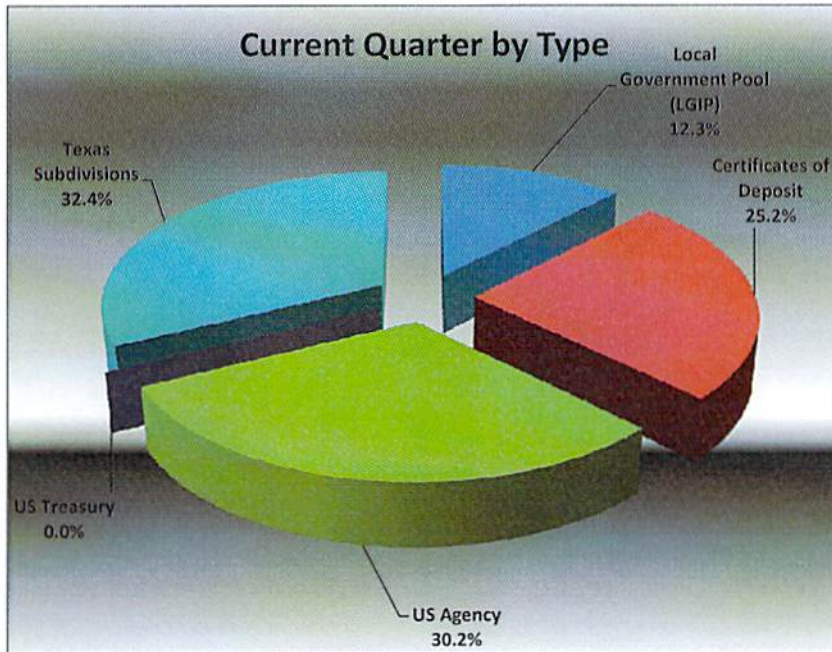
Tammy Davis, Controller and City of Sherman Investment Officer

CUSIP	Settlement Date	Security Type	Security Description	CPN Rate	Maturity Date	Credit Rating	Par Value	Purchase Price	Original Cost	Book Value	Market Price	Market Value	Days to Maturity	YTM
Tex-Pool		LGIP	TexPool			AAAm	\$ 1,058,866	100.00	\$ 1,058,866	\$ 1,058,866	100.00	\$ 1,058,908	1	0.06%
TexStar		LGIP	TexSTAR			AAAm	1,383,587	100.00	1,383,587	1,383,587	100.01	1,383,700	1	0.07%
CD 4176804278	01/14/2014	CD	Landmark Bank	0.30%	07/14/2015		1,000,000	100.00	1,000,000	1,003,745	100.00	1,003,745	14	0.30%
CD 4176804781	09/28/2014	CD	Landmark Bank	0.32%	10/01/2015		1,000,000	100.00	1,000,000	1,001,597	100.00	1,001,597	93	0.32%
CD 4176804997	12/22/2014	CD	Landmark Bank	0.50%	03/22/2016		1,000,000	100.00	1,000,000	1,002,495	100.00	1,002,495	266	0.50%
CD 4176805135	04/08/2015	CD	Landmark Bank	0.35%	04/08/2016		1,000,000	100.00	1,000,000	1,000,000	100.00	1,000,000	283	0.35%
CD 4176804344	02/20/2014	CD	Landmark Bank	0.50%	10/20/2016		500,000	100.00	500,000	503,117	100.00	503,117	478	0.50%
CD 4176805036	01/12/2015	CD	Landmark Bank	0.50%	11/12/2016		500,000	100.00	500,000	500,616	100.00	500,616	501	0.50%
623742EJ8	08/15/2014	Texas Subdivision	Mt. Vernon TX ISD	4.00%	08/15/2015	AAA	510,000	103.70	528,875	512,379	99.92	511,994	46	0.25%
313371VFO	03/11/2013	Agency Bullet	FHLB	1.63%	12/11/2015	AA+	1,000,000	103.23	1,032,320	1,005,274	100.07	1,005,962	164	0.44%
667825RN5	05/23/2013	Texas Subdivision	Northwest ISD	4.60%	02/15/2016	Aaa	350,000	110.88	388,087	358,839	100.13	359,314	230	0.55%
129703EQ3	02/01/2014	Texas Subdivision	Calhoun Cnty TX ISD	3.00%	02/15/2016	AAA	500,000	105.19	525,965	508,515	99.99	508,475	230	0.38%
82620TMZ4	04/10/2015	Texas Subdivision	Sienna Plantation MUI	2.00%	03/01/2016	A3	115,000	101.28	116,469	116,104	99.88	115,964	245	0.57%
414941MY7	03/27/2015	Texas Subdivision	Harris Cnty MUD	2.00%	04/01/2016	A3	185,000	101.41	187,612	186,943	99.79	186,543	276	0.60%
914729JM1	05/23/2013	Texas Subdivision	Univ of North Texas	4.50%	04/15/2016	Aa2	250,000	111.26	278,153	257,768	99.98	257,705	290	0.55%
54810C6X3	05/23/2013	Texas Subdivision	Lower CO River Auth	5.00%	05/15/2016	A1	290,000	112.86	327,300	301,021	100.08	301,264	320	0.61%
796456DW8	02/14/2013	Texas Subdivision	St Augustine ISD	1.00%	08/15/2016	AAA	500,000	101.21	506,050	501,962	100.03	502,105	412	0.65%
346805EY6	03/25/2015	Texas Subdivision	Ft Bend Cnty TX MUD	2.00%	09/01/2016	A3	185,000	101.46	187,701	187,206	99.96	187,122	429	0.97%
3134G4WJ3	03/19/2014	Agency Callable	FHLMC	0.63%	09/19/2016	AA+	1,000,000	100.00	1,000,000	1,000,000	100.11	1,001,057	447	0.56%
129703ER1	02/01/2014	Texas Subdivision	Calhoun Cnty TX ISD	3.00%	02/15/2017	AAA	500,000	107.20	535,985	519,637	99.82	518,685	596	0.57%
313379VE6	02/20/2015	Agency Bullet	FHLB	1.01%	08/19/2017	AA+	1,000,000	100.40	1,003,970	1,003,363	100.31	1,006,485	720	0.84%
887127TM0	02/24/2015	Texas Subdivision	Timberline TX UD	2.00%	08/01/2017	AA	475,000	102.64	487,559	485,779	99.69	484,282	763	0.90%
3130AOWJ5	03/06/2014	Agency Bullet	FHLB	1.02%	08/07/2017	AA+	1,000,000	100.24	1,002,385	1,001,467	100.14	1,002,877	769	0.95%
3136G2B89	01/14/2015	Agency Bullet	FNMA	1.20%	12/26/2017	AA+	1,000,000	100.01	1,000,100	1,000,000	100.00	999,963	910	1.19%
67381PKE1	12/17/2014	Texas Subdivision	Oakmont PUD	2.00%	03/01/2018	A3	225,000	100.00	225,000	228,926	99.55	227,898	975	1.33%
667489FV5	02/24/2015	Texas Subdivision	NW Harris Cnty MUD	2.00%	04/01/2018	A2	210,000	102.74	215,748	215,108	98.89	212,724	1,006	1.10%
643161HB1	05/21/2015	Texas Subdivision	New Caney TX MUD	2.00%	04/01/2018	Aa3	270,000	101.36	273,672	273,544	99.85	273,137	1,006	1.51%
414911JL2	02/25/2015	Texas Subdivision	Harris Cnty MUD	2.00%	05/01/2018	A3	135,000	102.81	138,789	138,381	99.92	138,267	1,036	1.10%
41421GFW4	02/27/2015	Texas Subdivision	Harris Cnty MUD	2.00%	09/01/2018	A3	740,000	102.47	758,248	756,498	100.28	758,611	1,159	1.28%
82620YFZ1	06/19/2015	Texas Subdivision	Sienna Plantation MUI	1.67%	09/01/2018	A3	230,000	100.86	231,978	231,975	101.02	234,349	1,159	1.73%
34680CDA4	06/23/2015	Texas Subdivision	Ft Bend Cnty TX MUD	2.00%	09/01/2018	A3	650,000	102.02	663,130	663,058	99.13	657,261	1,159	1.35%
3130A5LB3	06/30/2015	Agency Bullet	FHLB	1.50%	12/28/2018	AA+	1,000,000	100.00	1,000,000	1,000,000	100.00	1,000,000	1,277	1.50%
Total							\$ 19,762,453		\$ 20,057,549	\$ 19,907,770		\$ 19,906,221		

CUSIP	Settle Date	Security Description	Maturity Date	Market Value 3/31/2015	Change in Market Value	Market Value 6/30/2015
Tex-Pool		TexPool		\$ 1,058,734	\$ 174	\$ 1,058,908
TexStar		TexSTAR		1,383,419	281	1,383,700
CD 4176804435	04/02/2014	Landmark Bank	04/02/2015	1,002,111	(1,002,111)	-
CD 4176804278	01/14/2014	Landmark Bank	07/14/2015	1,003,003	742	1,003,745
CD 4176804781	10/01/2014	Landmark Bank	10/01/2015	1,000,807	790	1,001,597
CD 4176805036	01/12/2015	Landmark Bank	01/12/2016	500,000	616	500,616
CD 4176804997	12/22/2014	Landmark Bank	03/22/2015	1,001,233	1,262	1,002,495
CD 4176805135	04/08/2015	Landmark Bank	04/08/2016	-	1,000,000	1,000,000
CD 4176804344	02/20/2014	Landmark Bank	10/20/2016	502,505	612	503,117
912828NLO	01/06/2012	Treasury Note	06/30/2015	1,004,297	(1,004,297)	-
623742EJ8	08/15/2014	Mt. Vernon ISD	08/15/2015	516,727	(4,733)	511,994
313371VFO	03/11/2013	FHLB	12/11/2015	1,009,785	(3,823)	1,005,962
667825RN5	05/23/2013	Northwest ISD	02/15/2016	363,360	(4,047)	359,314
129703EQ3	02/01/2014	Calhoun Cnty TX ISD	02/15/2016	512,085	(3,610)	508,475
82620TMZ4	04/10/2015	Sienna Plantation MUC	03/01/2016	-	115,964	115,964
414941MY7	03/27/2016	Harris Cnty MUD	04/01/2016	187,324	(781)	186,543
914729JM1	05/23/2013	Univ of N. Texas	04/15/2016	260,848	(3,143)	257,705
54810C6X3	05/23/2013	Lower CO River Auth	05/15/2016	304,813	(3,549)	301,264
796456DW8	02/14/2013	St Augustine ISD	08/15/2016	503,000	(895)	502,105
346805EY6	03/25/2015	Ft. Bend Cnty TX MUD	09/01/2016	187,668	(546)	187,122
3134G4WJ3	03/19/2014	FHLMC	09/19/2016	1,000,868	189	1,001,057
129703ER1	02/15/2017	Calhoun Cnty TX ISD	02/15/2017	522,235	(3,550)	518,685
3130A1LJ5	04/28/2014	FHLB	04/28/2017	500,513	(500,513)	-
313379VE6	02/20/2015	FHLB	06/19/2017	1,006,446	39	1,006,485
887127TM0	02/24/2015	Timberline TX UD	08/01/2017	485,493	(1,212)	484,282
3130AOWJ5	03/06/2014	FHLB	08/07/2017	1,002,251	626	1,002,877
3136G2B89	01/14/2015	FNMA	12/26/2017	1,000,695	(732)	999,963
67381PKE1	12/17/2014	Oakmont PUD	03/01/2018	228,605	(707)	227,898
667489FV5	02/24/2015	NW Harris Cnty MUD	04/01/2018	213,379	(655)	212,724
643161HB1	05/21/2015	New Caney TX MUD	04/01/2018	-	273,137	273,137
414911JL2	02/25/2015	Harris Cnty MUD	05/01/2018	138,193	74	138,267
41421GFW4	02/27/2015	Harris Cnty MUD	09/01/2018	761,541	(2,930)	758,611
3136G2AA5	11/28/2014	FNMA	11/28/2018	1,002,100	(1,002,100)	-
8260YFZ1	06/19/2015	Sienna Plantation MUC	09/01/2018	-	234,349	234,349
34680CDA4	06/23/2015	Ft. Bend Cnty TX MUD	09/01/2018	-	657,261	657,261
3130A5LB3	06/30/2015	FHLB	12/28/2018	-	1,000,000	1,000,000
Total				\$ 20,164,038	\$ (257,817)	\$ 19,906,221

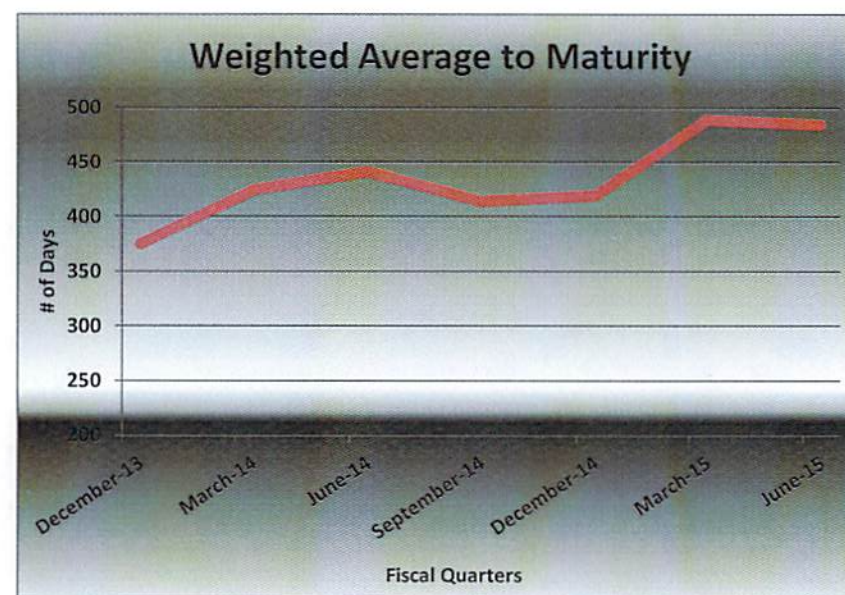
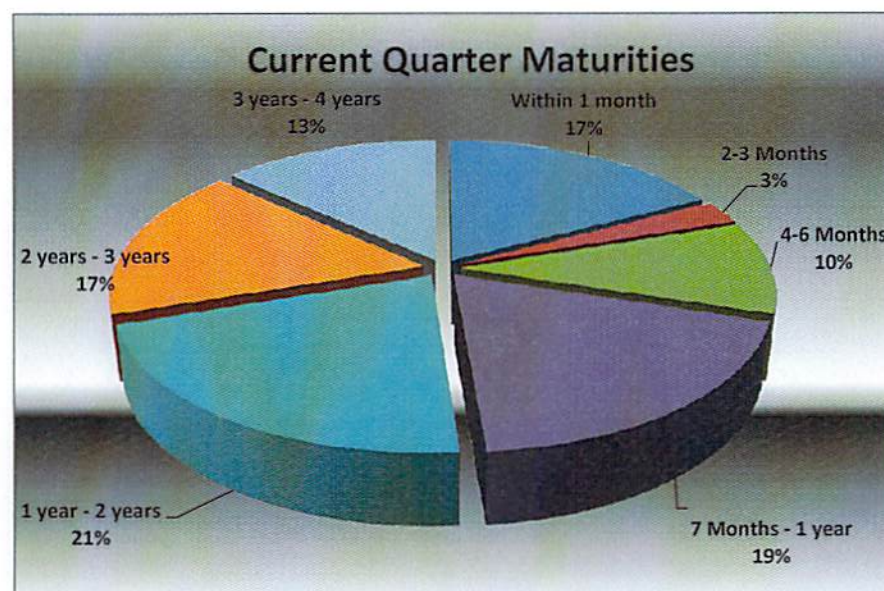
Trade Date	Settle Date	CUSIP	Security Description	Coupon	Maturity Date	Call Date	Par Value	Principal Amount	Interest Purchased/Received	Total Amount	YTM
Maturities											
	04/10/2015	CD 4176804435	Landmark Bank	0.28%	04/10/2015		\$ 1,000,000	\$ 1,002,111	\$ 746	\$ 1,002,857	0.28%
	04/28/2015	3130A1LJ5	FHLMC	1.63%	04/28/2017	04/28/2015	500,000	504,055	4,063	508,118	0.45%
	05/28/2015	3136G2AA5	FNMA	1.55%	11/28/2018	05/28/2015	1,000,000	1,000,000	7,750	1,007,750	1.55%
	06/30/2015	912828NLO	US Treasury	1.88%	06/30/2015		1,000,000	1,001,100	9,375	1,010,475	0.52%
Purchases											
	04/08/2015	CD 4176805135	Landmark Bank	0.35%	04/08/2016		1,000,000	1,000,000	-	1,000,000	0.35%
	04/10/2015	82620TMZ4	Sienna Plant TX MUD	2.00%	03/01/2016		115,000	116,468	45	116,513	0.57%
	05/21/2015	643161HB1	New Caney TX MUD	2.00%	04/01/2018		270,000	273,688	300	273,988	1.51%
	06/19/2015	8260YFZ1	Sienna Plant TX MUD	1.67%	09/01/2018		230,000	231,994	217	232,211	1.73%
	06/30/2015	3130A5LB3	FHLB	1.50%	12/28/2018		1,000,000	1,000,000	-	1,000,000	1.50%
	06/23/2015	34680CDA4	Ft Bend Cnty TX MUD	2.00%	09/01/2018		650,000	663,136	794	663,930	1.35%
Income Payments											
	06/30/2015	Tex-Pool	LGIP	0.06%			1,058,866		145	145	0.06%
	06/30/2015	TexStar	LGIP	0.07%			1,383,587		196	196	0.07%
	04/01/2015	CD 4176804781	Landmark Bank	0.32%	10/01/2015		1,000,000		790	790	0.32%
	04/12/2015	CD 4176805036	Landmark Bank	0.50%	01/12/2016		500,000		616	616	0.50%
	04/14/2015	CD 4176804278	Landmark Bank	0.30%	07/14/2015		1,000,000		742	742	0.30%
	05/20/2015	CD 4176804344	Landmark Bank	0.50%	10/20/2016		500,000		613	613	0.50%
	06/22/2015	CD 4176804997	Landmark Bank	0.50%	03/22/2016		1,000,000		1,262	1,262	0.50%
	04/15/2015	914729JM1	UNT	4.50%	04/15/2016		250,000		5,625	5,625	0.55%
	05/01/2015	414911JL2	Harris Cnty MUD#119	2.00%	05/01/2018		135,000		675	675	1.10%
	05/15/2015	54810C6X3	LCRA	5.00%	05/15/2015		290,000		7,250	7,250	0.61%
	06/19/2015	313379VE6	FHLB	1.01%	06/19/2017		1,000,000		5,050	5,050	0.84%
	06/11/2015	313371VFO	FHLB	1.63%	12/11/2015		1,000,000		8,125	8,125	0.44%
	06/26/2015	3138G2B89	FNMA	1.20%	12/26/2017		1,000,000		6,000	6,000	1.19%
Total									\$ 60,379		

Cash/Investment Type	Balance 9/30/2014	Balance 12/31/2014	Balance 3/31/2015	Balance 6/30/2015	Percent of Portfolio	Portfolio Cap
Local Government Pool (LGIP)	\$ 2,441,522	\$ 2,441,757	\$2,442,070	\$ 2,442,453	12.27%	50.00%
Certificates of Deposit	4,511,526	4,505,522	5,009,659	5,011,570	25.17%	50.00%
US Agency	5,520,060	5,516,990	6,517,738	6,010,104	30.19%	50.00%
US Treasury	1,010,018	1,006,642	1,003,339	-	0.00%	50.00%
Texas Subdivisions	3,277,842	3,486,319	5,184,986	6,443,643	32.37%	50.00%
Total	\$ 16,760,967	\$ 16,957,230	\$ 20,157,792	\$ 19,907,770	100.00%	



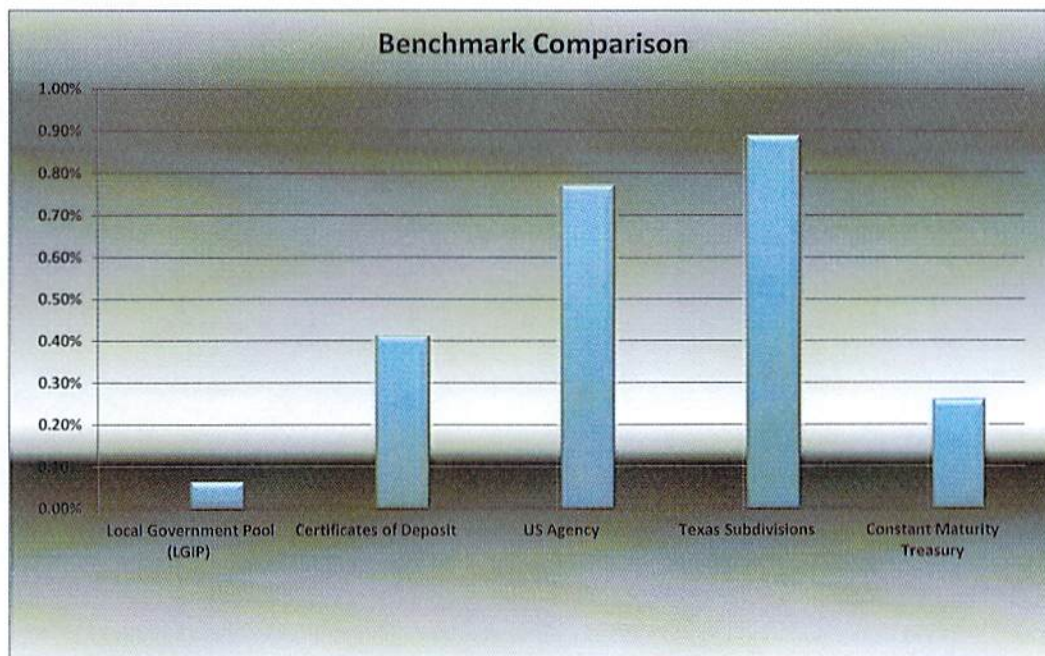
Maturity Time Frame	Balance 9/30/2014	Balance 12/31/2014	Balance 3/31/2015	Balance 6/30/2015	Percent of Portfolio
Within 1 month	\$ 2,441,522	\$ 2,441,757	\$ 3,444,181	\$ 3,446,198	17.31%
2-3 Months	1,002,254	1,255,565	-	512,379	2.57%
4-6 Months	1,255,447	1,001,404	2,006,342	2,006,871	10.08%
7 Months - 1 year	4,544,743	4,541,863	3,026,871	3,731,685	18.74%
1 year - 2 years	3,980,129	4,455,050	4,819,850	4,215,901	21.18%
2 years - 3 years	2,536,873	2,031,938	4,519,232	3,343,205	16.79%
3 years - 4 years	1,000,000	1,229,653	2,341,316	2,651,531	13.32%
4 years - 5 years	-	-	-	-	0.00%
	\$ 16,760,968	\$ 16,957,230	\$ 20,157,792	\$ 19,907,770	100.00%

Liquidity Indicator	Maximum Allowable				
Weighted Average Maturity	414.94	420.21	489.69	485.03	500.00



Date Received/ Purchased	CUSIP	Security Description	Coupon	YTM	Interest Purchased/ Received	Accrued Interest/ Amortization	Income Earned
6/30/2015	Tex-Pool	TexPool		0.06%	\$ 145	-	\$ 145
6/30/2015	TexStar	TexSTAR		0.07%	196	-	196
4/1/2015	CD 4176804781	Landmark Bank	0.32%	0.32%	790	9	799
4/10/2015	CD 4176804435	Landmark Bank	0.28%	0.28%	746	(677)	69
4/12/2015	CD 4176805036	Landmark Bank	0.50%	0.50%	616	15	631
4/14/2015	CD 4176804278	Landmark Bank	0.30%	0.30%	742	8	750
5/20/2015	CD 4176804344	Landmark Bank	0.50%	0.50%	613	13	626
6/22/2015	CD 4176804997	Landmark Bank	0.50%	0.50%	1,262	(14)	1,248
6/30/2015	CD 4176805135	Landmark Bank	0.35%	0.35%	-	796	796
4/10/2015	82620TMZ4	Sienna Plantation TX MUI	2.00%	0.57%	45	120	165
4/15/2015	914729JM1	Univ of NorthTexas	4.50%	0.55%	5,625	(5,250)	375
4/28/2015	3130A1LJ5	FHLMC	1.63%	0.45%	4,063	(3,580)	483
5/1/2015	414911JL2	Harris Cnty MUD	2.00%	1.10%	675	(336)	339
5/15/2015	54810C6X3	Lower CO River Auth	5.00%	0.61%	7,250	(6,759)	491
5/28/2015	3136G2AA5	FNMA	1.55%	1.55%	7,750	(3,923)	3,827
5/21/2015	643161HB1	New Caney TX MUD	2.00%	1.51%	300	155	455
6/11/2015	313371VFO	FHLB	1.63%	0.44%	8,125	(6,978)	1,147
6/19/2015	313379VE6	FHLB	1.01%	0.84%	5,050	(3,173)	1,877
6/19/2015	82620YFZ1	Sienna Plantation TX MUI	1.67%	1.73%	217	(95)	122
6/23/2015	3468CDA4	Ft. Bend Cnty TX MUD	2.00%	1.35%	794	(584)	210
6/26/2015	3136G2B89	FNMA	1.20%	1.19%	6,000	(3,047)	2,953
6/30/2015	3130A0WJ5	FHLB	1.02%	0.95%	-	2,405	2,405
6/30/2015	667825RN5	Northwest ISD	4.60%	0.55%	-	572	572
6/30/2015	129703ER1	US Treasury	1.88%	0.52%	-	757	757
6/30/2015	796456DW8	St Augustine ISD	1.21%	0.65%	-	826	826
6/30/2015	129703ER1	Calhoun Cnty TX ISD	3.00%	0.38%	-	495	495
6/30/2015	623742EJ8	Mt Vernon ISD	4.00%	0.25%	-	451	451
6/30/2015	887127TM0	Timberline TX UD	2.00%	0.90%	-	1,116	1,116
6/30/2015	667489FV5	NW Harris Cnty MUD	2.00%	1.10%	-	630	630
6/30/2015	41421FGW4	Harris Cnty MUD	2.00%	1.28%	-	2,543	2,543
6/30/2015	67381PKE1	Oakmont PUD	2.00%	1.33%	-	759	759
6/30/2015	3134G4WJ3	FHLMC	0.63%	0.56%	-	1,580	1,580
6/30/2015	346805EY6	Ft. Bend Cnty TX MUD	2.00%	0.97%	-	482	482
6/30/2015	414941MY7	Harris Cnty MUD	2.00%	0.60%	-	309	309
6/30/2015	912828NLO	Treasury Note	1.88%	0.52%	9,375	(8,027)	1,348
6/30/2015	3130A5LB3	FHLB	1.50%	1.50%	-	-	-

\$ 60,379 \$ (28,402) \$ 31,977





SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

Agenda Item No. D. 5.

Meeting Date: 08/03/2015

Prepared By: Pamela Cloer, Assistant to the City Manager

Approved By: Robby Hefton, City Manager

Caption:

*** OTHER BUSINESS**

Consider Calling a Special Meeting of the City Council for Tuesday, September 8, 2015, 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 8, 2015, to make up for the first regular meeting in September, which falls on the Federal Holiday of Labor Day

Background:

The City Charter provides that City Council regular meetings shall fall “on the first and third Mondays of each month, excluding holidays, at its discretion.” The regular date for the Council’s first meeting in September is Monday, September 7th, 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 7th.

Alternatives:

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



SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

Agenda Item No. I.

Meeting Date: 08/03/2015

Prepared By: Pamela Cloer, Assistant to the City Manager

Approved By: Robby Hefton, City Manager

Caption:

COUNCIL CALENDAR

Attachments

2015 Council Calendar

2015

JANUARY						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

FEBRUARY						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28

MARCH						
S	M	T	W	T	F	S
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8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

APRIL						
S	M	T	W	T	F	S
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12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

MAY						
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					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						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

JULY						
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19	20	21	22	23	24	25
26	27	28	29	30	31	

AUGUST						
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9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

SEPTEMBER						
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13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

OCTOBER						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

NOVEMBER						
S	M	T	W	T	F	S
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8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

DECEMBER						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

1/5/2015	Regular City Council Meeting - Cancelled
4/21/2015	Called Budget Planning Meeting in Council Chambers
06/25-26/2015	Called Budget Workshop in Council Chambers - Second Day Cancelled
9/8/2015	Labor Day/Called Council Meeting on 09/8/2015
