CITY OF SHERMAN
CITY COUNCIL REGULAR MEETING AGENDA
COUNCIL CHAMBERS OF THE CITY HALL
220 WEST MULBERRY STREET
SHERMAN, TEXAS
MONDAY, AUGUST 2, 2010
5:00 P.M.

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

A.2 PLEDGE OF ALLEGIANCE

A.3 INVOCATION BY COUNCIL MEMBER ROBERT G. SOFTLY

A.4 APPROVE MINUTES OF THE REGULAR CITY COUNCIL MEETING OF JULY 19, 2010

Public Hearing

B.1 INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 5659
Providing for Permanent "Four-Way Stop" Signs at the Intersection of King Street and First Street within the City Limits of the City of Sherman; Providing for a Penalty Provision

B.2 INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 5660
Providing for Permanent "No Parking" Signs Restricting Parking along the South Side of the 2900 Block of East Fallon Drive within the City Limits of the City of Sherman; Providing for a Penalty Provision

Close Public Hearing and Consider Adoption of Ordinances

B.3 ADOPTION OF ORDINANCES
Consider Adoption of Ordinance Numbers:
(a) 5659
(b) 5660

B.4 TABLED AT THE JANUARY 19, 2009 COUNCIL MEETING
ADOPTION OF ORDINANCE NO. 5586
Amending Chapter 3 of the Code of Ordinances, entitled "Building Regulations", at Article 3.07, entitled "Plumbing Code", to Provide for Section 3.07.007 to be entitled "Minimum Standards for Installation of Irrigation Systems"

B.5 CONSENT AGENDA

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

Resolutions

C.1 ** RESOLUTION NO. 5510*

Authorizing Continued Participation with the Atmos Cities Steering Committee; Authorizing the Payment of Two Cents ($0.02) Per Capita to the Atmos Cities Steering Committee to Fund Regulatory and Related Activities Related to Atmos Energy Corporation

C.2 ** RESOLUTION NO. 5511*

Authorizing the Purchase of 100-Gallon Residential Automated Trash Carts for the Solid Waste Services Department through the Texas Comptroller of Public Accounts Cooperative Purchasing Program

C.3 RESOLUTION NO. 5512

Authorizing Execution of a Professional Services Agreement with Freeman-Millican, Inc. for Peak Flow Storage Improvements Phase 1, Peak Flow Storage Improvements Phase 2, and the 2010-2013 Biosolids Project at the Wastewater Treatment Plant

Request to Advertise

D.1 REQUEST TO ADVERTISE

2010-2013 Biosolids Project

Change Orders

D.2 ** CHANGE ORDER NO. 1*

U.S. Highway 75 North Sewer Project – Contract "D"; Howard-Estruct JV, LLC.; $93,457.00, Decrease

D.3 ** CHANGE ORDER NO. 1*

Stephens #2 Trinity Pump Retrieval and Well Evaluation Project; Weisinger Water Well, Incorporated; $335.60, Increase

Other Business

D.4 OTHER BUSINESS

Consider Request of United Way of Grayson County to Temporarily Close Certain Streets for the "United Way Hustle for Health" on Saturday, August 28, 2010

D.5 OTHER BUSINESS
Consider Calling a Special Meeting of the City Council for 5:00 p.m. on Monday, August 9, 2010, to Hold a Public Hearing on Charter Amendments proposed by the Charter Review Commission for the November 2, 2010 Special Election

D.6 ** OTHER BUSINESS*
Consider Calling a Special Meeting of the City Council for Tuesday, September 7, 2010, due to Conflict with a Federal Holiday

D.7 OTHER BUSINESS
Review 2010-2011 Draft Budget

D.8 OTHER BUSINESS
Discussion of the Proposed Tax Rate for Fiscal Year 2010-2011 and Scheduling Public Hearings for the Budget and Proposed Tax Rate

D.9 OTHER BUSINESS
Review Draft Capital Improvement Program (CIP) 2010-2015 and Set Public Hearing for Tuesday, September 7, 2010

D.10 ** OTHER BUSINESS*
Approve Quarterly Investment Reports for Period ending June 30, 2010

D.11 CITIZEN REQUESTS

D.12 MEDIA QUESTIONS

D.13 COUNCIL COMMENTS

Executive Session

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

Section 551.071 Consultation with City Attorney Concerning Pending or Contemplated Litigation:
(a) Receive the City Attorney's Briefing on Pending Litigation

Section 551.074 Personnel Matters:
(a) Consider the Qualifications, Appointment or Removal of Members to Boards and Commissions:
(i) Planning and Zoning Commission (1)

The Council reconvenes into General Session

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

F.2 ADJOURNMENT

COUNCIL CALENDAR

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 8-2-2010

Subject: Agenda Item No. A.1

CALL TO ORDER, QUORUM DETERMINED, MEETING DECLARED OPEN

The Honorable Willie Steele, Deputy Mayor

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 8-2-2010

Subject: Agenda Item No. A.2

PLEDGE OF ALLEGIANCE

The Honorable Robert G. Softly, Council Member

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 8-2-2010

Subject: Agenda Item No. A.3

INVOCATION BY COUNCIL MEMBER ROBERT G. SOFTLY

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 8-2-2010

Subject: Agenda Item No. A.4

APPROVE MINUTES
OF THE REGULAR CITY COUNCIL MEETING OF JULY 19, 2010

STATE OF TEXAS §

July 19, 2010

COUNTY OF GRAYSON §

BE IT REMEMBERED THAT A Regular Meeting of the City Council of the City of Sherman, Grayson County, Texas was begun and held in the Council Chambers of City Hall on July 19, 2010.

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

MEMBERS ABSENT: NONE.

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

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

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

The Council reviewed the Minutes of the Called City Council Meeting (Budget Workshop) of June 17, 2010, and the Regular City Council Meeting of June 21, 2010. Council Member Smith moved to approve the Minutes as presented; Second by Council Member Wacker. All present voted AYE. MOTION CARRIED.

<u>INTRODUCTION AND PUBLIC HEARING OF ORDINANCES</u>

ORD 5656
ABANDON ALLEY SEGMENTS FOR AUSTIN COLLEGE

Mayor Magers introduced Ordinance 5656 and called for a public hearing:
AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, CLOSING AND ABANDONING THREE ALLEY SEGMENTS WITHIN THE MILDRED HEIGHTS ADDITION TO THE CITY OF SHERMAN, TEXAS, BOUNDED BY GRAND AVENUE, LUCKETT STREET, DUGAN STREET AND DORCHESTER STREET, PORTIONS OF SAID PROPERTY TO BE MAINTAINED AS A UTILITY EASEMENT; CONVEYING THE INTEREST IN SAID RIGHT-OF-WAY TO THE ABUTTING AND ADJACENT PROPERTY OWNER, AUSTIN COLLEGE.

No citizens appeared before the City Council to discuss Ordinance 5656.

ORD 5657
ZONE CHANGE (GRAND AVE. & LUCKETT ST.)

Mayor Magers introduced Ordinance 5657 and called for a public hearing:
AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 12, ORDINANCE NO. 2280, SO AS TO INCLUDE CERTAIN PROPERTIES WITHIN THE R-2 (MULTI-FAMILY RESIDENTIAL) DISTRICT IN THE 1100-1200 BLOCKS OF NORTH GRAND AVENUE AND THE 1100-1200 BLOCKS OF NORTH LUCKETT STREET; BLOCK 1 – BEING 1.68 ACRES IN THE CHARLES CARTER SURVEY, ABSTRACT NO. 220; BLOCK 2 – BEING ALL OF LOTS 1-4, BLOCK 3, MILDRED HEIGHTS ADDITION,

CONTAINING 0.70 ACRES; BLOCK 3 – BEING ALL OF LOTS 6-8, BLOCK 3, MILDRED HEIGHTS ADDITION, CONTAINING 0.50 ACRES; BLOCK 4 – BEING ALL OF LOTS 4-7, BLOCK 6, MILDRED HEIGHTS ADDITION, CONTAINING 0.99 ACRES, FOR A TOTAL OF 3.87 ACRES (AUSTIN COLLEGE, OWNERS; HEIDI ELLIS, AUSTIN COLLEGE REPRESENTATIVE; TODD WILLIAMS, KANGAROO HOUSING INVESTORS, LLC, DEVELOPER / APPLICANT; MATTHEW CAIN, CAIN CONSULTING AND ENGINEERING SERVICES, ENGINEERS; ARCHITECTURE DEMAREST, ARCHITECT; AND SARTIN & ASSOCIATES, INC., SURVEYORS); PROVIDING FOR A REPEALER.

No citizens appeared before the City Council to discuss Ordinance 5657.

ORD 5658
ZONE CHANGE
(BROCKETT, PACIFIC, WILLOW, PORTER STS.)

Mayor Magers introduced Ordinance 5658 and called for a public hearing:
AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 12, ORDINANCE NO. 2280, SO AS TO INCLUDE CERTAIN PROPERTIES WITHIN THE R-2 (MULTI-FAMILY RESIDENTIAL) DISTRICT IN THE 900 BLOCKS OF EAST BROCKETT AND EAST PACIFIC STREETS AND THE 600 BLOCKS OF NORTH WILLOW AND NORTH PORTER STREETS, BEING 1.69 ACRES IN THE J.B. McANAIR SURVEY, ABSTRACT NO. 763 (HUBERT McINTOSH AND AUSTIN COLLEGE, OWNERS; HEIDI ELLIS, AUSTIN COLLEGE REPRESENTATIVE; TODD WILLIAMS, KANGAROO HOUSING INVESTORS, LLC, DEVELOPER / APPLICANT; MATTHEW CAIN, CAIN CONSULTING AND ENGINEERING SERVICES, ENGINEERS; ARCHITECTURE DEMAREST, ARCHITECT; AND SARTIN & ASSOCIATES, INC., SURVEYORS); PROVIDING FOR A REPEALER.

Mayor Magers verified with Scott Shadden, Director of Development Services, that the variance on the upcoming Planning and Zoning Commission agenda does not pertain to the current issue and is for property on Brockett Street.

<u>Matthew Cain, Cain Consulting and Engineering Services, 6136 Frisco Square Blvd., Suite 400, Frisco, Texas</u>
Mr. Cain appeared representing the request from Austin College for zone changes and right-of-way abandonment for their proposed student housing project. The right-of-way abandonment applies only to the Grand N Addition.

In addition to the recommendation and approvals received from the Planning and Zoning Commission, they have a Board of Adjustment hearing for the building height on the Brockett SW Addition. The current allowance is for 45 feet, but because of the Victorian style of the building, they are requesting a height of 52 or 57 feet. They are trying to match the Victorian style of homes in the surrounding neighborhood.

Mr. Cain explained that the Brockett SW Addition is an apartment style building and consists of approximately 94 bedrooms comprised of 21 four-bedroom units and 5 two-bedroom units.

The Grand N Addition is a more residential theme styled development and consists of three separate units inside a building made to look like a matching façade, with a series of single four-bedroom units along the front on Grand Avenue and Luckett Streets.

Mr. Cain added that they are in agreement with the staff recommendations and feel this is a much needed addition to the College. Mayor Magers verified that the project will "take Roo Suites a little further west."

No other citizens appeared before the City Council to discuss Ordinance 5658.

The Public Hearing was closed.

CLOSE PUBLIC HEARING

ADOPTION OF ORDINANCES

Ordinance 5656

ORD 5656 ABANDON ALLEY SEGMENTS FOR AUSTIN COLLEGE

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, CLOSING AND ABANDONING THREE ALLEY SEGMENTS WITHIN THE MILDRED HEIGHTS ADDITION TO THE CITY OF SHERMAN, TEXAS, BOUNDED BY GRAND AVENUE, LUCKETT STREET, DUGAN STREET AND DORCHESTER STREET, PORTIONS OF SAID PROPERTY TO BE MAINTAINED AS A UTILITY EASEMENT; CONVEYING THE INTEREST IN SAID RIGHT-OF-WAY TO THE ABUTTING AND ADJACENT PROPERTY OWNER, AUSTIN COLLEGE.

Ordinance 5657

ORD 5657 ZONE CHANGE (GRAND AVE. & LUCKETT ST.)

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 12, ORDINANCE NO. 2280, SO AS TO INCLUDE CERTAIN PROPERTIES WITHIN THE R-2 (MULTI-FAMILY RESIDENTIAL) DISTRICT IN THE 1100-1200 BLOCKS OF NORTH GRAND AVENUE AND THE 1100-1200 BLOCKS OF NORTH LUCKETT STREET; BLOCK 1 – BEING 1.68 ACRES IN THE CHARLES CARTER SURVEY, ABSTRACT NO. 220; BLOCK 2 – BEING ALL OF LOTS 1-4, BLOCK 3, MILDRED HEIGHTS ADDITION, CONTAINING 0.70 ACRES; BLOCK 3 – BEING ALL OF LOTS 6-8, BLOCK 3, MILDRED HEIGHTS ADDITION, CONTAINING 0.50 ACRES; BLOCK 4 – BEING ALL OF LOTS 4-7, BLOCK 6, MILDRED HEIGHTS ADDITION, CONTAINING 0.99 ACRES, FOR A TOTAL OF 3.87 ACRES (AUSTIN COLLEGE, OWNERS; HEIDI ELLIS, AUSTIN COLLEGE REPRESENTATIVE; TODD WILLIAMS, KANGAROO HOUSING INVESTORS, LLC, DEVELOPER / APPLICANT; MATTHEW CAIN, CAIN CONSULTING AND ENGINEERING SERVICES, ENGINEERS; ARCHITECTURE DEMAREST, ARCHITECT; AND SARTIN & ASSOCIATES, INC., SURVEYORS); PROVIDING FOR A REPEALER.

Ordinance 5658
AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 12, ORDINANCE NO. 2280, SO AS TO INCLUDE CERTAIN PROPERTIES WITHIN THE R-2 (MULTI-FAMILY RESIDENTIAL) DISTRICT IN THE 900 BLOCKS OF EAST BROCKETT AND EAST PACIFIC STREETS AND THE 600 BLOCKS OF NORTH WILLOW AND NORTH PORTER STREETS, BEING 1.69 ACRES IN THE J.B. McANAIR SURVEY, ABSTRACT NO. 763 (HUBERT McINTOSH AND AUSTIN COLLEGE, OWNERS; HEIDI ELLIS, AUSTIN COLLEGE REPRESENTATIVE; TODD WILLIAMS, KANGAROO HOUSING INVESTORS, LLC, DEVELOPER / APPLICANT; MATTHEW CAIN, CAIN CONSULTING AND ENGINEERING SERVICES, ENGINEERS; ARCHITECTURE DEMAREST, ARCHITECT; AND SARTIN & ASSOCIATES, INC., SURVEYORS); PROVIDING FOR A REPEALER.

ORD 5658
ZONE CHANGE (BROCKETT, PACIFIC, WILLOW, PORTER STS.)

RESOLUTION NO. 5503 – AUTHORIZING EXECUTION OF A DEED WITHOUT WARRANTY TO AUSTIN COLLEGE FOR THE CONVEYANCE OF THREE ALLEY SEGMENTS WITHIN THE MILDRED HEIGHTS ADDITION TO THE CITY OF SHERMAN, TEXAS, BOUNDED BY GRAND AVENUE, LUCKETT STREET, DUGAN STREET AND DORCHESTER STREET, PORTIONS OF SAID PROPERTY TO BE MAINTAINED AS A UTILITY EASEMENT

RES 5503
CONVEY ALLEY SEGMENTS TO AUSTIN COLLEGE (MILDRED HEIGHTS ADDITION)

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF A DEED WITHOUT WARRANTY TO AUSTIN COLLEGE FOR THE CONVEYANCE OF THREE ALLEY SEGMENTS WITHIN THE MILDRED HEIGHTS ADDITION TO THE CITY OF SHERMAN, TEXAS, BOUNDED BY GRAND AVENUE, LUCKETT STREET, DUGAN STREET AND DORCHESTER STREET, PORTIONS OF SAID PROPERTY TO BE MAINTAINED AS A UTILITY EASEMENT.

Deputy Mayor Steele asked what the view would be on Willow Street. Mr. Cain said there will be an open courtyard with a gazebo and an entrance for parking on Willow Street. The building fronts on Brockett Street.

Council Member Adami asked to include Resolution No. 5503 in the motion to approve the ordinances. The resolution authorizes execution of a deed without warranty to Austin College for the conveyance of the three alley segments,

ACTION TAKEN.
Motion by Council Member Adami to approve Ordinance Nos. 5656, 5657, and 5658 and Resolution No. 5503, as presented. Second by Deputy Mayor Steele.
VOTING AYE: Adami, Howeth, Smith, Softly, Steele.
VOTING NAY: None.
ABSTAIN: Wacker.
MOTION CARRIED.

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

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

<u>RESOLUTIONS</u>

<u>RESOLUTION NO. 5504 – RELATING TO GREATER TEXOMA UTILITY AUTHORITY CONTRACT REVENUE BONDS, SERIES 2010 (LAKE TEXOMA WATER STORAGE PROJECT); APPROVING THE ISSUANCE THEREOF AND THE PROJECT BEING FINANCED BY THE AUTHORITY TO ACQUIRE, DEVELOP AND UTILIZE SURFACE WATER RIGHTS AND WATER STORAGE FACILITIES IN LAKE TEXOMA FOR USE BY THE CITY</u>

RES 5504
LAKE TEXOMA
WATER STORAGE

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, RELATING TO GREATER TEXOMA UTILITY AUTHORITY CONTRACT REVENUE BONDS, SERIES 2010 (LAKE TEXOMA WATER STORAGE PROJECT); APPROVING THE ISSUANCE THEREOF AND THE PROJECT BEING FINANCED BY THE AUTHORITY TO ACQUIRE, DEVELOP AND UTILIZE SURFACE WATER RIGHTS AND WATER STORAGE FACILITIES IN LAKE TEXOMA FOR USE BY THE CITY.

Jerry Chapman, General Manager, Greater Texoma Utility Authority, ask the Council's approval of an ordinance for the sale of bonds to the Texas Water Development Board. The City has previously agreed to participate in the acquisition and storage of water in Lake Texoma.

There are 13 participating retail water suppliers involved in the acquisition of 50,000 acre feet. The City requested about 10,800 acre feet of this allotment.

The actual interest rate on the bonds is 1.89%. If approved, the bond sale should be complete by August 5, 2010. Mayor Magers commended Mr. Chapman on a job well done. He also confirmed that all water had been spoken for.

ACTION TAKEN.

> **Motion by Council Member Wacker to approve Resolution No. 5504, as presented. Second by Council Member Howeth.**

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

<u>RESOLUTION NO. 5505 – APPROVING THE GREATER TEXOMA UTILITY AUTHORITY'S INTENTION TO CONTRACT WITH JERRY PAUL HIGGINS, LTD. FOR SHERMAN WASTEWATER TREATMENT PLANT PEAK FLOW STORAGE IMPROVEMENTS, PHASE I</u>

RES 5505
WWTP PEAK FLOW
STORAGE
IMPROVEMENTS

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, APPROVING THE GREATER TEXOMA UTILITY AUTHORITY'S INTENTION TO CONTRACT WITH

JERRY PAUL HIGGINS, LTD. FOR SHERMAN WASTEWATER TREATMENT PLANT PEAK FLOW STORAGE IMPROVEMENTS, PHASE I.
CONSENT AGENDA.

RES 5506
HERITAGE PARK DEVELOPERS AGREEMENT

RESOLUTION NO. 5506 – AUTHORIZING EXECUTION OF A DEVELOPMENT AGREEMENT WITH GRAYSON COUNTY PHYSICIANS PROPERTY, LLC FOR THE CONSTRUCTION OF PUBLIC FACILITIES IN THE HERITAGE PARK ADDITION, PHASE 2 TO THE CITY OF SHERMAN
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF A DEVELOPMENT AGREEMENT WITH GRAYSON COUNTY PHYSICIANS PROPERTY, LLC FOR THE CONSTRUCTION OF PUBLIC FACILITIES IN THE HERITAGE PARK ADDITION, PHASE 2 TO THE CITY OF SHERMAN.
CONSENT AGENDA.

RES 5507
CONSTRUCTION EASEMENT
(2108 JONI CIRCLE)

RESOLUTION NO. 5507 – AUTHORIZING EXECUTION OF AN ENCROACHMENT EASEMENT TO FRANK PURDOM FOR THE CONSTRUCTION OF AN ATTACHED GARAGE IN THE UTILITY EASEMENT AT 2108 JONI CIRCLE
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF AN ENCROACHMENT EASEMENT TO FRANK PURDOM FOR THE CONSTRUCTION OF AN ATTACHED GARAGE IN THE UTILITY EASEMENT AT 2108 JONI CIRCLE.
CONSENT AGENDA.

RES 5508
ABANDON DRAINAGE EASEMENT
(NORTH HAVEN ADDITION)

RESOLUTION NO. 5508 – ABANDONING A TWENTY FOOT (20’) CITY UTILITY AND DRAINAGE EASEMENT LOCATED THROUGH LOTS 11-14, BLOCK D OF THE NORTH HAVEN ADDITION AND DESCRIBED IN VOLUME 2046, PAGE 729 OF THE REAL PROPERTY RECORDS OF GRAYSON COUNTY, TEXAS
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, ABANDONING A TWENTY FOOT (20’) CITY UTILITY AND DRAINAGE EASEMENT LOCATED THROUGH LOTS 11-14, BLOCK D OF THE NORTH HAVEN ADDITION AND DESCRIBED IN VOLUME 2046, PAGE 729 OF THE REAL PROPERTY RECORDS OF GRAYSON COUNTY, TEXAS.
CONSENT AGENDA.

RES 5509
REGIONAL SOLID WASTE GRANT

RESOLUTION NO. 5509 – AUTHORIZING THE FILING AND ACCEPTANCE OF A GRANT APPLICATION WITH THE TEXOMA COUNCIL OF GOVERNMENTS (TCOG), IN COOPERATION WITH THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY (TCEQ), FOR A FISCAL YEAR 2010-2011 REGIONAL SOLID WASTE GRANT; AUTHORIZING THE EXECUTIVE DIRECTOR OF PLANNING AND PUBLIC WORKS TO ACT ON BEHALF OF THE CITY OF SHERMAN IN ALL MATTERS RELATED TO THE APPLICATION; PLEDGING THAT, IF A GRANT IS RECEIVED, THE CITY OF SHERMAN WILL COMPLY WITH THE GRANT REQUIREMENTS OF TCOG, TCEQ, AND THE STATE OF TEXAS

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING THE FILING AND ACCEPTANCE OF A GRANT APPLICATION WITH THE TEXOMA COUNCIL OF GOVERNMENTS (TCOG), IN COOPERATION WITH THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY (TCEQ), FOR A FISCAL YEAR 2010-2011 REGIONAL SOLID WASTE GRANT; AUTHORIZING THE EXECUTIVE DIRECTOR OF PLANNING AND PUBLIC WORKS TO ACT ON BEHALF OF THE CITY OF SHERMAN IN ALL MATTERS RELATED TO THE APPLICATION; PLEDGING THAT, IF A GRANT IS RECEIVED, THE CITY OF SHERMAN WILL COMPLY WITH THE GRANT REQUIREMENTS OF TCOG, TCEQ, AND THE STATE OF TEXAS.
CONSENT AGENDA.

Mayor Magers asked for clarification on Resolution 5509. George Olson, City Manager, explained that the City is applying for a grant from the Texoma Council of Governments and the Texas Commission on Environmental Quality, for a regional solid waste grant. The project will put recycling containers in the parks and at special events.

Mayor Magers confirmed that there is absolutely no cost to the City of Sherman and no matching funds required. The total project would cost approximately $16,000, and the City must oversee if for about one year.

CHANGE ORDER NO. 1
BRENTS STREET SEWER REPLACEMENT; DICKERSON CONSTRUCTION CO., INC.; $18,084.50, DECREASE

CHANGE ORDER BRENTS ST. SEWER REPLACEMENT

The City Council approved Change Order No. 1, which is a final reconciliatory change order to adjust the final project quantities for the Brents Street Sewer Replacement Project. The change order results in a decrease of $18,084.50 to the original contract amount, yielding a final contract price of $27,885.
CONSENT AGENDA.

OTHER BUSINESS
RECEIVE QUARTERLY PROGRESS REPORT FROM SHERMAN ECONOMIC DEVELOPMENT CORPORATION BOARD VICE CHAIRMAN RAD RICHARDSON AND SEDCO PRESIDENT JOHN BOSWELL

QUARTERLY REPORT FROM SEDCO

John Boswell, President of the Sherman Economic Development Corporation, presented the quarterly progress report on the Board's activities. Rad Richardson, Vice Chairman of SEDCO, was scheduled to present the report, but was unable to attend the meeting due to an illness in his family.

Over the past quarter, Mr. Boswell said, the SEDCO Board has met twice and their primary focus has been on existing businesses. The new prospect leads have been slow so they are making sure they aren't getting any "leakage" out of the existing businesses.

The marketing activities have been expanded over the past quarter and a new promotional piece has been created to show Sherman's attributes and to promote Progress Industrial Park I.

Mr. Boswell said Frank Gadek, Vice President of SEDCO, is currently attending a trade show in Chicago trying to develop additional leads. SEDCO is concentrating on outreach and marketing.

Mayor Magers asked SEDCO to find industries that are water users and bring them to Sherman. The community has plenty of water and would like to concentrate on additional water sales. Mr. Boswell said they are very aggressive now and when the economy turns around and businesses start to expand, they will be in a position to capture the growth that is out there.

Council Member Adami asked that during the report next quarter, SEDCO outline the specific things done to attract large water users and to sell the water. Mayor Magers added that he would like to see a plan to accomplish this, and to target industries that need water. Council Member Wacker reiterated she would like to see a list of industries targeted.

APPROVE FINAL PLAT GRAND N ADDITION (GRAND AVE. & LUCKETT ST.)

FINAL PLAT APPROVAL OF GRAND N ADDITION, BEING PART OF A REPLAT OF BLOCKS 3 & 6, MILDRED HEIGHTS ADDITION; AUSTIN COLLEGE, OWNERS; HEIDI ELLIS, AUSTIN COLLEGE REPRESENTATIVE; TODD WILLIAMS, KANGAROO HOUSING INVESTORS, LLC, DEVELOPER / APPLICANT; MATTHEW CAIN, CAIN CONSULTING AND ENGINEERING SERVICES, ENGINEERS; ARCHITECTURE DEMAREST, ARCHITECT; AND SARTIN & ASSOCIATES, INC., SURVEYORS (1100-1200 BLOCKS OF NORTH GRAND AVENUE AND 1100-1200 BLOCKS OF NORTH LUCKETT STREET)
The City Council considered the approval of the Final Plat of the Grand N Addition, which is a replat of Blocks 3 and 6 of the Mildred Heights Addition, located in the 1100 to 1200 blocks of North Grand Avenue and 1100 to 1200 blocks of North Luckett Street.

Austin College, owner of the property, would like to plat the property into four lots for construction of 22 cottage style homes for student housing. The Planning and Zoning Commission recommended approval of the Final Plat.

APPROVE FINAL PLAT BROCKETT SW ADDITION (BROCKETT, PACIFIC, WILLOW, PORTER STS.)

FINAL PLAT APPROVAL OF BROCKETT SW ADDITION; HUBERT McINTOSH AND AUSTIN COLLEGE, OWNERS; HEIDI ELLIS, AUSTIN COLLEGE REPRESENTATIVE; TODD WILLIAMS, KANGAROO HOUSING INVESTORS, LLC, DEVELOPER / APPLICANT; MATTHEW CAIN, CAIN CONSULTING AND ENGINEERING SERVICES, ENGINEERS; ARCHITECTURE DEMAREST, ARCHITECT; AND SARTIN & ASSOCIATES, INC., SURVEYORS (900 BLOCKS OF EAST BROCKETT AND EAST PACIFIC STREETS AND 600 BLOCKS OF NORTH WILLOW AND NORTH PORTER STREETS)

The City Council considered the approval of the Final Plat of the Brockett SW Addition, which is located in the 900 blocks of East Brockett and East Pacific Streets and the 600 blocks of North Willow and North Porter Streets.

Hubert McIntosh and Austin College, owners of the property, would like to plat the property into one lot for construction of a 94 bed, three-story student apartment building. The Planning and Zoning Commission recommended approval of the Final Plat.

ACTION TAKEN.

> **Motion by Deputy Mayor Steele to approve the Final Plat of the Grand N Addition, located in the 1100-1200 blocks of N. Grand and 1100-1200 blocks of N. Luckett Streets and the Final Plat of the Brockett SW Addition, located in the 900 blocks of E. Brockett and E. Pacific Streets and the 600 blocks of N. Willow and N. Porter Streets, as presented. Second by Council Member Howeth.**

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

<u>FINAL PLAN APPROVAL OF CRESCENT OAKS PLAZA; ET JOINT VENTURE, OWNERS; AND SARTIN AND ASSOCIATES, INC., SURVEYORS (1600-1700 BLOCKS OF U.S. HIGHWAY 75 NORTH)</u>

APPROVE FINAL PLAT CRESCENT OAKS PLAZA (HWY 75 NORTH)

The City Council approved the Final Plat of Crescent Oaks Plaza, located in the 1600 to 1700 blocks of U.S. Highway 75 North, between Texoma Parkway and Taylor Street. The owners would like to plat the property into four lots for commercial development. The Planning and Zoning Commission recommended approval of the Final Plat.
CONSENT AGENDA.

<u>CITIZENS REQUESTS</u>
<u>WEST LAMBERTH ROAD SEWER ISSUE</u>

WEST LAMBERTH ROAD SEWER ISSUE

Mayor Magers verified that many citizens in the audience were in attendance to talk about the recent sewer issue at Carriage Estates. He explained that normally non-Sherman citizens don't attend City Council Meetings.

He allocated 10 minutes for public comments from those attending. He also explained that in the public comment section, the Council cannot comment, deliberate, or vote. They can ask factual questions and clarify issues, but cannot engage in dialogue.

Mayor Magers briefed the City Council on a meeting he attended on June 17, 2010 between residents of Carriage Estates and the TCEQ. During the meeting, three possible outcomes were discussed: residents could install septic tanks; residents could obtain a packing unit, which is a self-contained water and sewer unit; or they could approach the City of Sherman for sewer service. At the meeting, Jerry

White, Grayson County Director of Planning, indicated the County would be flexible with those residents wanting to install septic tanks.

At the meeting they also discussed an engineering study which was estimated to cost between $10,000 and $25,000, which would help the City make an informed decision about the condition of the system.

Mayor Magers spoke at the meeting as the Mayor, but not for the City Council, saying that the residents live outside the City limits and are not City of Sherman residents. By definition, this is a County issue and he encouraged the residents to contact the Grayson County Judge. At this time that has not yet occurred.

Mayor Magers said he also told the residents that he felt the issue was "a tar baby" and is a mess and no one knows what it entails. He wanted to make sure that everyone understood that he was not prepared to ask the Sherman taxpayers to pay "one dime" of a bill for someone that lives outside the City of Sherman.

On July 6, 2010, Mr. Olson responded to a request by Carriage Estates resident Randy Kinnison for the issue to be placed on the City Council's Agenda. He read a portion of the letter saying that the "holder of a Certificate of Convenience and Necessity (CCN) does have an obligation to provide sewer service within the boundaries of the certified area, pursuant to appropriately adopted terms and conditions" which includes the engineering study to determine exactly what the conditions are.

The letter also stated that the residents would need to consider some type of method to collect monthly fees from homeowners for the sewer service, since the City does not serve this area with water.

When the homeowners group has a preliminary engineering report, the letter states that the City would be able to discuss the costs of service and determine if an agreement for services can be reached.

Mayor Magers said the City Council is sensitive to the homeowners' situation and will listen to Mr. Kinnison's comments. He asked if the residents had retained an engineering firm. Mr. Kinnison said they have not. Mayor Magers asked if the group has had any more discussions about the logistics of tying onto the City's system. Mr. Kinnison said they have not. Mayor Magers asked if the homeowners association was active. Mr. Kinnison said they are not. Mayor Magers asked Mr. Kinnison for whom he was speaking. Mr. Kinnison said he was representing "the communities of West Lamberth in the City of Sherman." It is not just a Carriage Estates problem.

Mayor Magers questioned whether or not these residents were citizens of Sherman. Mr. Kinnison admitted that they were not inside the City limits of Sherman.

Randy Kinnison, 203 Montclaire
Mr. Kinnison appeared representing the West Lamberth communities and not just Carriage Estates. Residents effected include the homes on the north side of Lamberth Road, the Carriage Estates community, the homes on Lamberth Road, and three homes at the north end of Norwood.

He addressed the recent abandonment of the sewer system that serves these approximately 130 to 140 homes. On April 29, 2010 the State received a letter from the developer, owner and operator, that he was abandoning the system, effective May 1, 2010. As a result, Mr. Kinnison said the residents, the City, and the County have all been "left holding the bag."

A meeting was held with residents, TCEQ officials, Grayson County officials, and City of Sherman officials to consider possible solutions. During the meeting, it was determined that the City holds a CCN for sewer service in the area in question. Also, the State was unaware of the operation of the current system and should have been informed by Grayson County. As of 2000, the State no longer allows leach field systems and has assigned the system an emergency status.

Mr. Kinnison said through the CCN, residents must request that the City of Sherman help and look at providing the sewer service through the CCN process. He added this is an emergency situation because the system is not being maintained, monitored, or overseen. If the system overflows or shuts down, the sewage will enter Sand Creek, which flows through Sherman.

To prevent this from happening, Mr. Kinnison said an emergency solution is needed, then they would like to work with the City on an interim plan and a long-term plan.

Council Member Adami asked what cooperation Mr. Kinnison was asking for from the City. Mr. Kinnison said they don't have any experience at operating or maintaining a sewer system and they have no engineering or funds. The homeowners association has been inactive for many years and has not been collecting fees. He added that they need to work with an expert, such as the City.

Mayor Magers confirmed with Mark Gibson, Director of Engineering and Public Works, that the City has no experts with knowledge of how to operate a leach field system.

Mr. Kinnison said normally leach field systems are only used for between five and ten homes, not 140 such as this system. He said the residents are asking the City for help during the

interim and during an emergency. They are having difficulty getting anyone to work on or even touch the system because it is a liability. They would like to be a part of the City on all services possible including water, sewer, and annexation.

Council Member Adami asked if they had received the response from Mr. Olson that was mentioned earlier. Did they understand the spirit of cooperation from the City and realize that there is a connection to the City that must be reached with the system. He asked if they wanted the City to step in and provide sewer service to all citizens whether or not they currently have a septic system.

Mr. Kinnison said he did understand that there was a sense of cooperation with the City, however they need to find out where the limit is and how much cooperation the City can offer. Up to now they have been told that the total cost of the system would be on the residents of these communities. He said this would be over $1 million on a new sewer system. He felt that the residents would want to have a new water system too, but the sewer is a more pressing issue.

Council Member Adami asked if everyone was in the same predicament, because without a homeowners association, it was hard to tell. Mr. Kinnison said everyone is in the same predicament.

Council Member Smith asked for clarification because he understood there were some residents that did not wish to have a City sewer system. Mr. Kinnison admitted that some residents are on stand alone systems and do not need City sewer. He added that it is hard to say who has a stand alone system because Grayson County's records are not correct. There are no plats or drawings for reference.

Mr. Kinnison said the homeowners association does have a meeting scheduled for July 26, 2010 to try an reorganize and determine what can be done to raise funds to put something in place.

Mayor Magers reiterated that the residents need an engineering study and once the homeowners group has a preliminary engineering study, the City will discuss the cost of services and see if an agreement can be worked out. Mr. Kinnison reiterated that this is an emergency situation now.

WEST LAMBERTH ROAD SEWER ISSUE

WEST LAMBERTH ROAD SEWER ISSUE

Mark Deans, 427 Norwood, said he considers himself to be a resident of Sherman. As the area grows, it will eventually be considered a part of the City of Sherman. He did not want to become an island in that area of growth.

Carriage Estates doesn't have an active homeowners association because the homes there are already built. They

do have an architectural review committee that reviews new construction to make sure things stay consistent. No dues are currently being paid.

In the 1970's, there was documentation about when the owner / operator ultimately decided he could turn it over to the community. The community did not recognize that this situation existed. Within a two or three day span, they were notified of this decision and are now trying to deal with the situation.

The homeowners association does not know how to manage and operate a sewer system, and since the City of Sherman holds the CCN for the area, they would ultimately have to approve the system anyway.

MEDIA QUESTIONS

MEDIA QUESTIONS

There were no media questions.

COUNCIL COMMENTS

WEST LAMBERTH ROAD SEWER ISSUE

WEST LAMBERTH ROAD SEWER ISSUE

Mayor Magers said the City Council has empathy for the residents on West Lamberth Road that are dealing with the sewer issue. He felt that once the residents take the first step and get the facts as to what the situation is, then the Council can be more specific about what the City can and can't do. However, until that first step is taken, there is not enough information to make a decision.

ADJOURNMENT

ADJOURNMENT

On Motion duly made and carried, the meeting adjourned at 5:49 p.m.

____

MAYOR

____

CITY CLERK

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 8-2-2010

Subject: Agenda Item No. B.1

INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 5659
Providing for Permanent "Four-Way Stop" Signs
at the Intersection of King Street and First Street within the City Limits
of the City of Sherman; Providing for a Penalty Provision

Issue

To consider introducing, seeking public input, and adopting an ordinance providing for a permanent four-way stop intersection at King Street and First Street

Background

Earlier this year, two calls were received from residents requesting that the intersection of King Street and First Street be made a four-way stop. After evaluating the intersection, the Street Department found that there was sufficient cause to change the controls to make it a four-way stop for a 90-day trial period. Problems observed with the intersection are its offset alignment, visibility, and an unusual right turn lane for northbound traffic on First Street. These features make traffic mobility and safety a concern. During the trial period, only one call was received from the driver of a large truck (18-wheeler) indicating that it was difficult to turn when another car is stopped at the intersection.

Origination

Sherman Citizens and Department of Public Works

Financial Consideration

The only financial consideration is the City's cost for installing two "Four-Way Stop" signs, totaling $335.90 (time and materials).

Staff Recommendation

It is recommended that the City Council adopt the proposed ordinance creating a four-way stop at the intersection of King Street and First Street.

Alternatives

The Council could reject the proposed ordinance.

Attachments

Ordinance No. 5659
Exhibit "A" (Location Map)

Prepared by:
Don Keene, Exec. Director - Planning & Public Works

Approved by:
George Olson, City Manager

ORDINANCE NO. 5659

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, PROVIDING FOR PERMANENT "FOUR-WAY STOP" SIGNS AT THE INTERSECTION OF KING STREET AND FIRST STREET WITHIN THE CITY LIMITS OF THE CITY OF SHERMAN; PROVIDING FOR A PENALTY PROVISION; 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, from and after the passage of this ordinance permanent "Four-Way Stop" signs shall be in place at the following location within the corporate limits of the City of Sherman, Texas:

> At the intersection of King Street and First Street, stopping north and south bound traffic on First Street and east and west traffic on King Street as shown by the Exhibit "A", attached hereto and incorporated herein for all purposes.

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

SECTION 3. That, from and after the erection of the stop signs herein authorized, it shall be unlawful for the driver of any vehicle approaching such stop signs to fail to bring such vehicle to a complete stop at a clearly-marked stop line; but, if none, then at the point nearest the intersecting roadway where the driver has a view of approaching traffic on the intersecting roadway before entering the intersection. Violators of this ordinance shall be subject to fine as provided in Section 1-6 of the Code of Ordinances of the City of Sherman, Texas, codified.

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 _________________, 2010.

ADOPTED on this the ________________ day of _________________, 2010.

EFFECTIVE DATE on this the _________ day of _________________, 2010.

CITY OF SHERMAN, TEXAS

BY: ______________________________
BILL MAGERS, MAYOR

ATTEST:

BY: ______________________________
LINDA ASHBY, CITY CLERK

APPROVED AS TO FORM
AND CONTENT:

BY: ______________________________
BRANDON S. SHELBY,
CITY ATTORNEY

Exhibit "A"

City of Sherman, Texas
Engineering Department

**PROPOSED STOP SIGNS
FOR FOUR WAY STOP AT
KING STREET AT FIRST STREET**

N

SCALE: 1 IN. = 30 FT.

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 8-2-2010

Subject: Agenda Item No. B.2

INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 5660
Providing for Permanent "No Parking" Signs Restricting Parking along the South Side of the 2900 Block of East Fallon Drive within the City Limits of the City of Sherman; Providing for a Penalty Provision

Issue
To consider introducing, seeking public input, and adopting an ordinance concerning the establishment of parking restrictions along the south side of the 2900 block of East Fallon Drive

Background
The Operations Manager from Cooper B-Line contacted the City in April 2010 and requested that parking restrictions be placed on a short section of the south side of East Fallon Drive adjacent to their property. The reason for his request was to provide adequate space for large trucks turning into a new business across the street from Cooper B-Line. Cooper B-Line was willing to give up the street parking spaces so their employees' cars would not risk being damaged and in the interest of better relations with a nearby business. No complaints about the parking restrictions have been received.

Origination
Sherman Business and Public Works Department

Financial Consideration
The Street Department has incurred costs of $258.99 for labor and materials to install three "No Parking" signs.

Staff Recommendation
Adopt the proposed ordinance to provide for the restricted parking along the south side of the 2900 block of East Fallon Drive.

Alternatives
The Council could reject the proposed ordinance.

Attachments
Ordinance No. 5660
Request Letter from Cooper-B Line
Exhibit "A" (Location Map)

Prepared by:
Don Keene, Exec. Director - Planning & Public Works

Approved by:
George Olson, City Manager

ORDINANCE NO. 5660

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, PROVIDING FOR PERMANENT "NO PARKING" SIGNS RESTRICTING PARKING ALONG THE SOUTH SIDE OF THE 2900 BLOCK OF EAST FALLON DRIVE WITHIN THE CITY LIMITS OF THE CITY OF SHERMAN; PROVIDING FOR A PENALTY PROVISION; PROVIDING FOR REPEALER; PROVIDING FOR SEVERABILITY; FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS ORDINANCE IS PASSED WAS NOTICED AND IS OPEN TO THE PUBLIC AS REQUIRED BY LAW.

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

SECTION 1. That, from and after the passage of this ordinance, permanent "NO PARKING" signs will be erected within the corporate limits of the City of Sherman and parking is prohibited in the following locations:

Along the south side of the 2900 block of East Fallon Drive from its intersection with Marshall Street, thence easterly 200 feet, as shown by Exhibit "A" attached hereto and incorporated herein for all purposes.

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

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

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

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

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

INTRODUCED on this the _____________ day of _________________, 2010.

ADOPTED on this the ________________ day of _________________, 2010.

EFFECTIVE DATE on this the _________ day of _________________, 2010.

CITY OF SHERMAN, TEXAS

BY: ______________________________
BILL MAGERS, MAYOR

ATTEST:

BY: ______________________________
LINDA ASHBY, CITY CLERK

APPROVED AS TO FORM
AND CONTENT:

BY: ______________________________
BRANDON S. SHELBY,
CITY ATTORNEY

Miller, Jeff

From: Baas, Ken [Ken.Baas@CooperIndustries.com]

Sent: Wednesday, April 14, 2010 9:44 AM

To: Cullen, Jim

Cc: Miller, Jeff

Subject: RE: ci.sherman.tx.us

Jim, I am certain that we purchased the poles and installed them ourselves. Is it the type of pole that is in violation? We did not take anything city signs off and put our up if that is what you mean?

Jeff, I would like to request 4 no parking signs along our property or equivalent to allow no parking along the street directly in front of the business that just moved in across the street. They receive large shipment containers from China on a regular basis and the street is tight for the trucks if cars are parked in this specific area. This is an attempt to be proactive in seeing that no one's car get hit and/or damaged by the heavy trucking about to start with this new business. Is this feasible?

Regards,

Ken Baas
EHS / Operations
Project Manager
Cooper B-Line
4900 Marshall Street
Sherman, Texas 75090
Phone: (903) 813-1746 ex 1921
Cell: (903) 819-5095
Fax: (903) 813-1747

Exhibit "A"

City of Sherman, Texas
Engineering Department

No Parking Zone Proposal
Fallon Dr. at Marshall St.

N

SCALE : 1 In. = 100 FT.

SHERMAN CITY COUNCIL

Agenda Communication Form

From: The Office of the City Manager **Date:** 8-2-2010

Subject: Agenda Item No. B.3

ADOPTION OF ORDINANCES
Consider Adoption of Ordinance Numbers: 5659 and 5660

B.1 INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 5659
Providing for Permanent “Four-Way Stop” Signs at the Intersection of King Street and First Street within the City Limits of the City of Sherman; Providing for a Penalty Provision

B.2 INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 5660
Providing for Permanent “No Parking” Signs Restricting Parking along the South Side of the 2900 Block of East Fallon Drive within the City Limits of the City of Sherman; Providing for a Penalty Provision

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 8-2-2010

Subject: Agenda Item No. B.4

TABLED AT THE JANUARY 19, 2009 COUNCIL MEETING:
ADOPTION OF ORDINANCE NO. 5586
Amending Chapter 3 of the Code of Ordinances, entitled "Building Regulations", at Article 3.07, entitled "Plumbing Code", to Provide for Section 3.07.007 to be entitled "Minimum Standards for Installation of Irrigation Systems"

Issue
To consider amending Chapter 3 of the Code of Ordinances, "Building Regulations", to add a new section adopting minimum standards for the installation of irrigation systems. This ordinance was tabled following public hearing at the January 19, 2009 City Council meeting. A motion and order are required to remove the item from the table for City Council discussion.

Background
During the 2007 legislative session, the Texas Legislature adopted House Bill 1656 which amended Chapter 401 of the Texas Local Government Code to require a city with a population of 20,000 or more to regulate the installation of irrigation systems within the corporate limits of the city as well as within the city's extraterritorial jurisdiction. The installer of an irrigation system must be licensed with the Texas Commission on Environmental Quality (TCEQ) and must obtain a permit before installing an irrigation system. This ordinance will adopt standards and specifications for designing, installing, and operating irrigation systems and include, at a minimum, any rules adopted by the TCEQ related to landscape irrigation.

Origination
Texas Legislature House Bill 1656

Staff Recommendation
It is recommended that the City adopt the proposed ordinance and the mandated standards and specifications for designing, installing and operating irrigation systems and include, at a minimum any rules adopted by the TCEQ related to landscape irrigation.

Alternatives
As may be directed by the City Council

Attachments
Ordinance No. 5586
House Bill 1656

Prepared by:
Scott Shadden, Development Services Director

Approved by:
George Olson, City Manager

ORDINANCE NO. 5586

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING CHAPTER 3 OF THE CODE OF ORDINANCES, ENTITLED "BUILDING REGULATIONS", AT ARTICLE 3.07, ENTITLED "PLUMBING CODE", TO PROVIDE FOR SECTION 3.07.007 TO BE ENTITLED "MINIMUM STANDARDS FOR INSTALLATION OF IRRIGATION SYSTEMS"; PROVIDING FOR INCLUSION IN THE CODE OF ORDINANCES; PROVIDING FOR SEVERABILITY; PROVIDING FOR A PENALTY PROVISION FOR VIOLATION OF THE CODE; 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 has determined that water conservation and environmental protection are important issues and concerns affecting the city; and

WHEREAS, properly-installed irrigation systems will conserve water, help avoid wasteful use, and improve the overall quality of life for the citizens of Sherman, Texas; and

WHEREAS, during the 2007 legislative session, the Texas Legislature adopted House Bill 1656; and

WHEREAS, House Bill 1656 amended Chapter 401 of the Texas Local Government Code to require a city with a population of 20,000 or more to regulate the installation of irrigation systems within the corporate limits of the city as well as within the city's extraterritorial jurisdiction; and

WHEREAS, the provisions herein are necessary to promote and protect the health, safety, and welfare of the public by creating an urban environment that is protective of the city's water supply and provides an enhanced quality of life for the citizens of the City of Sherman, Texas;

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

SECTION 1. That Chapter 3, Article 3.07 of the Code of Ordinances of the City of Sherman, Texas, shall be and is hereby amended by adding Section 3.07.007, said section to read as follows:

Sec. 3.07.007 Minimum Standards for Installation of Irrigation Systems.

Definitions

The following words and terms, when used in this ordinance, have the following meanings, unless the context clearly indicates otherwise.

(1) ***Air gap***--*A complete physical separation between the free flowing discharge end of a potable water supply pipeline and an open or non-pressure receiving vessel.*

(2) ***Atmospheric Vacuum Breaker***--*An assembly containing an air inlet valve, a check seat, and an air inlet port. The flow of water into the body causes the air inlet valve to close the air inlet port. When the flow of water stops the air inlet valve falls and forms a check against back-siphonage. At the same time it opens the air inlet port allowing air to enter and satisfy the vacuum. Also known as an Atmospheric Vacuum Breaker Back-Siphonage Prevention Assembly.*

(3) ***Backflow prevention***--*The mechanical prevention of reverse flow, or back siphonage, of nonpotable water from an irrigation system into the potable water source.*

(4) ***Backflow prevention assembly***--*Any assembly used to prevent backflow into a potable water system. The type of assembly used is based on the existing or potential degree of health hazard and backflow condition.*

(5) ***Completion of irrigation system installation***--*When the landscape irrigation system has been installed, all minimum standards met, all tests performed, and the irrigator is satisfied that the system is operating correctly.*

(6) ***Consulting***--*The act of providing advice, guidance, review or recommendations related to landscape irrigation systems.*

(7) ***Cross-connection***--*An actual or potential connection between a potable water source and an irrigation system that may contain contaminates or pollutants or any source of water that has been treated to a lesser degree in the treatment process.*

(8) ***Design***--*The act of determining the various elements of a landscape irrigation system that will include, but not be limited to, elements such as collecting site specific information, defining the scope of the project, defining plant watering needs, selecting and laying out emission devices, locating system components, conducting hydraulics calculations, identifying any local regulatory requirements, or scheduling irrigation work at a site. Completion of the various components will result in an irrigation plan.*

(9) ***Design pressure***--*The pressure that is required for an emission device to operate properly. Design pressure is calculated by adding the operating pressure necessary at an emission device to the total of all pressure losses accumulated from an emission device to the water source.*

(10) ***Double Check Valve****--An assembly that is composed of two independently acting, approved check valves, including tightly closed resilient seated shutoff valves attached at each end of the assembly and fitted with properly located resilient seated test cocks. Also known as a Double Check Valve Backflow Prevention Assembly.*

(11) ***Emission device****--Any device that is contained within an irrigation system and that is used to apply water. Common emission devices in an irrigation system include, but are not limited to, spray and rotary sprinkler heads, and drip irrigation emitters.*

(12) ***Employed****--Engaged or hired to provide consulting services or perform any activity relating to the sale, design, installation, maintenance, alteration, repair, or service to irrigation systems. A person is employed if that person is in an employer-employee relationship as defined by Internal Revenue Code, 26 United States Code Service, §3212(d) based on the behavioral control, financial control, and the type of relationship involved in performing employment related tasks.*

(13) ***Head-to-head spacing****--The spacing of spray or rotary heads equal to the manufacturer's published radius of the head.*

(14) ***Health hazard****--A cross-connection or potential cross-connection with an irrigation system that involves any substance that may, if introduced into the potable water supply, cause death or illness, spread disease, or have a high probability of causing such effects.*

(15) ***Hydraulics****--The science of dynamic and static water; the mathematical computation of determining pressure losses and pressure requirements of an irrigation system.*

(16) ***Inspector****--A licensed plumbing inspector, water district operator, other governmental entity, or irrigation inspector who inspects irrigation systems and performs other enforcement duties for a municipality or water district as an employee or as a contractor.*

(17) ***Installer****--A person who actually connects an irrigation system to a private or public raw or potable water supply system or any water supply, who is licensed according to Title 30, Texas Administrative Code, Chapter 30 (relating to Occupational Licenses and Registrations).*

(18) ***Irrigation inspector****--A person who inspects irrigation systems and performs other enforcement duties for a municipality or water district as an employee or as a contractor and is required to be licensed under Title 30, Texas Administrative Code, Chapter 30 (relating to Occupational Licenses and Registrations).*

(19) ***Irrigation plan****--A scaled drawing of a landscape irrigation system which lists required information, the scope of the project, and represents the changes made in the installation of the irrigation system.*

(20) ***Irrigation services--****Selling, designing, installing, maintaining, altering, repairing, servicing, permitting, providing consulting services regarding, or connecting an irrigation system to a water supply.*

*(21) **Irrigation system**--An assembly of component parts that is permanently installed for the controlled distribution and conservation of water to irrigate any type of landscape vegetation in any location, and/or to reduce dust or control erosion. This term does not include a system that is used on or by an agricultural operation as defined by Texas Agricultural Code, §251.002.*

*(22) **Irrigation technician**--A person who works under the supervision of a licensed irrigator to install, maintain, alter, repair, service or supervise installation of an irrigation system, including the connection of such system in or to a private or public, raw or potable water supply system or any water supply, and who is required to be licensed under Title 30, Texas Administrative Code, Chapter 30 (relating to Occupational Licenses and Registrations).*

*(23) **Irrigation zone**--A subdivision of an irrigation system with a matched precipitation rate based on plant material type (such as turf, shrubs, or trees), microclimate factors (such as sun/shade ratio), topographic features (such as slope) and soil conditions (such as sand, loam, clay, or combination) or for hydrological control.*

*(24) **Irrigator**--A person who sells, designs, offers consultations regarding, installs, maintains, alters, repairs, services or supervises the installation of an irrigation system, including the connection of such system to a private or public, raw or potable water supply system or any water supply, and who is required to be licensed under Title 30, Texas Administrative Code, Chapter 30.*

*(25) **Irrigator-in-Charge**--The irrigator responsible for all irrigation work performed by an exempt business owner, including, but not limited to obtaining permits, developing design plans, supervising the work of other irrigators or irrigation technicians, and installing, selling, maintaining, altering, repairing, or servicing a landscape irrigation system.*

*(26) **Landscape irrigation**--The science of applying the necessary amount of water to promote or sustain healthy growth of plant material or turf.*

*(27) **License**--An occupational license that is issued by the Texas Commission on Environmental Quality under Title 30, Texas Administrative Code, Chapter 30 to an individual that authorizes the individual to engage in an activity that is covered by Title 30, Texas Administrative Code, Chapter 30.*

*(28) **Mainline**--A pipe within an irrigation system that delivers water from the water source to the individual zone valves.*

*(29) **Maintenance checklist**--A document made available to the irrigation system's owner or owner's representative that contains information regarding the operation and maintenance of the irrigation system, including, but not limited to: checking and repairing the irrigation system, setting the automatic controller, checking the rain or moisture sensor, cleaning filters, pruning grass and plants away from irrigation emitters, using and operating the irrigation system, the precipitation rates of each irrigation zone within the system, any water conservation measures currently in effect from the water purveyor, the name of the water purveyor, a suggested seasonal or monthly watering schedule based on current evapotranspiration data for the*

geographic region, and the minimum water requirements for the plant material in each zone based on the soil type and plant material where the system is installed.

(30) ***Major maintenance, alteration, repair, or service****--Any activity that involves opening to the atmosphere the irrigation main line at any point prior to the discharge side of any irrigation zone control valve. This includes, but is not limited to, repairing or connecting into a main supply pipe, replacing a zone control valve, or repairing a zone control valve in a manner that opens the system to the atmosphere.*

(31) ***Master valve****--A remote control valve located after the backflow prevention device that controls the flow of water to the irrigation system mainline.*

(32) ***Matched precipitation rate****--The condition in which all sprinkler heads within an irrigation zone apply water at the same rate***.**

(33) ***New installation****--An irrigation system installed at a location where one did not previously exist.*

(34) ***Pass-through contract****--A written contract between a contractor or builder and a licensed irrigator or exempt business owner to perform part or all of the irrigation services relating to an irrigation system.*

(35) ***Potable water****--Water that is suitable for human consumption.*

(36) ***Pressure Vacuum Breaker****--An assembly containing an independently operating internally loaded check valve and an independently operating loaded air inlet valve located on the discharge side of the check valve. Also known as a Pressure Vacuum Breaker Back-siphonage Prevention Assembly.*

(37) ***Reclaimed water****--Domestic or municipal wastewater which has been treated to a quality suitable for beneficial use, such as landscape irrigation.*

(38) ***Records of landscape irrigation activities****—The irrigation plans, contracts, warranty information, invoices, copies of permits, and other documents that relate to the installation, maintenance, alteration, repair, or service of a landscape irrigation system.*

(39) ***Reduced Pressure Principle Backflow Prevention Assembly****--An assembly containing two independently acting approved check valves together with a hydraulically operating mechanically independent pressure differential relief valve located between the two check valves and below the first check valve.*

(40) ***Static water pressure****--The pressure of water when it is not moving.*

(41) ***Supervision****--The on-the-job oversight and direction by a licensed irrigator who is fulfilling his or her professional responsibility to the client and/or employer in compliance with local or state requirements. Also a licensed installer working under the direction of a licensed*

irrigator or beginning January 1, 2009, an irrigation technician who is working under the direction of a licensed irrigator to install, maintain, alter, repair or service an irrigation system.

*(42) **Water conservation**--The design, installation, service, and operation of an irrigation system in a manner that prevents the waste of water, promotes the most efficient use of water, and applies the least amount of water that is required to maintain healthy individual plant material or turf, reduce dust, and control erosion.*

*(43) **Zone flow**--A measurement, in gallons per minute or gallons per hour, of the actual flow of water through a zone valve, calculated by individually opening each zone valve and obtaining a valid reading after the pressure has stabilized. For design purposes, the zone flow is the total flow of all nozzles in the zone at a specific pressure.*

*(44) **Zone valve**--An automatic valve that controls a single zone of a landscape irrigation system.*

Valid License Required

Any person who connects an irrigation system to the water supply within the city or the city's extraterritorial jurisdiction, commonly referred to as the ETJ, must hold a valid license, as defined by Title 30, Texas Administrative Code, Chapter 30 and required by Chapter 1903 of the Texas Occupations Code, or as defined by Chapter 365, Title 22 of the Texas Administrative Code and required by Chapter 1301 of the Texas Occupations Code.

> *Exemptions*
> *A property owner is not required to be licensed in accordance with Texas Occupations Code, Title 12, §1903.002(c)(1) if he or she is performing irrigation work in a building or on a premises owned or occupied by the person as the person's home. A home or property owner who installs an irrigation system must meet the standards contained in Title 30, Texas Administrative Code, Chapter 344 regarding spacing, water pressure, spraying water over impervious materials, rain or moisture shut-off devices or other technology, backflow prevention and isolation valves. See Texas Occupations Code §1903.002 for other exemptions to the licensing requirement.*

Permit Required

Any person installing an irrigation system within the territorial limits or extraterritorial jurisdiction of the city is required to obtain a permit from the city. Any plan approved for a permit must be in compliance with the requirements of this chapter.

> *Exemptions*
> *(1) An irrigation system that is that an on-site sewage disposal system, as defined by Section 355.002, Health and Safety Code; or*
> *(2) An irrigation system used on or by an agricultural operation as defined by Section 251.002, Agriculture Code; or*

(3) An irrigation system connected to a groundwater well used by the property owner for domestic use.

Backflow Prevention Methods and Devices

(a) Any irrigation system that is connected to the potable water supply must be connected through a backflow prevention method approved by the Texas Commission on Environmental Quality (TCEQ). The backflow prevention device must comply with the International Plumbing Code® and/or the Uniform Plumbing Code® and must be certified by the American Society of Sanitary Engineers (ASSE); or the Foundation for Cross-Connection Control and Hydraulic Research, University of Southern California; or International Code Council – Evaluation Service (ICC-ES); or the International Association of Plumbing and Mechanical Officials – Research and Testing (IAPMO R&T); or any other certifying agencies that has equivalent capabilities for both the laboratory and field evaluation of backflow prevention assemblies. The backflow prevention device must be installed in accordance with the laboratory approval standards or if the approval does not include specific installation information, the manufacturer's current published recommendations.

(b) If conditions that present a health hazard exist, one of the following methods must be used to prevent backflow;

(1) An air gap may be used if:

(A) there is an unobstructed physical separation; and

(B) the distance from the lowest point of the water supply outlet to the flood rim of the fixture or assembly into which the outlet discharges is at least one inch or twice the diameter of the water supply outlet, whichever is greater.

(2) Reduced pressure principle backflow prevention assemblies may be used if:

(A) the device is installed at a minimum of 12 inches above ground in a location that will ensure that the assembly will not be submerged; and

(B) drainage is provided for any water that may be discharged through the assembly relief valve.

(3) Pressure vacuum breakers may be used if:

(A) no back-pressure condition will occur; and

(B) the device is installed at a minimum of 12 inches above any downstream piping and the highest downstream opening. Pop-up sprinklers are measured from the retracted position from the top of the sprinkler.

(4) Atmospheric vacuum breakers may be used if:

(A) no back-pressure will be present;

(B) there are no shutoff valves downstream from the atmospheric vacuum breaker;

(C) the device is installed at a minimum of six inches above any downstream piping and the highest downstream opening. Pop-up sprinklers are measured from the retracted position from the top of the sprinkler;

(D) there is no continuous pressure on the supply side of the atmospheric vacuum breaker for more than 12 hours in any 24-hour period; and

(E) a separate atmospheric vacuum breaker is installed on the discharge side of each irrigation control valve, between the valve and all the emission devices that the valve controls.

(c) Backflow prevention devices used in applications designated as health hazards must be tested upon installation and annually thereafter.

(d) If an existing irrigation system without a backflow-prevention assembly requires major maintenance, alteration, repair, or service, the system must be connected to the potable water supply through an approved, properly installed backflow prevention method before any major maintenance, alteration, repair, or service is performed.

(e) The irrigator shall ensure the backflow prevention device is tested by a licensed Backflow Prevention Assembly Tester prior to being placed in service and the test results provided to the local water purveyor and the irrigation system's owner or owner's representative within ten business days of testing of the backflow prevention device

Specific Conditions and Cross-Connection Control

(a) Before any chemical is added to an irrigation system connected to the potable water supply, the irrigation system must be connected through a reduced pressure principle backflow prevention assembly or air gap.

(b) Connection of any additional water source to an irrigation system that is connected to the potable water supply can only be done if the irrigation system is connected to the potable water supply through a reduced-pressure principle backflow prevention assembly or an air gap.

(c) Irrigation system components with chemical additives induced by aspiration, injection, or emission system connected to any potable water supply must be connected through a reduced pressure principle backflow device.

(d) If an irrigation system is designed or installed on a property that is served by an on-site sewage facility, as defined in Title 30, Texas Administrative Code, Chapter 285, then:

(1) all irrigation piping and valves must meet the separation distances from the On-Site Sewage Facilities system as required for a private water line in Title 30, Texas Administrative Code, Section 285.91(10);

(2) any connections using a private or public potable water source that is not the city's potable water system must be connected to the water source through a reduced pressure principle backflow prevention assembly as defined in Title 30, Texas Administrative Code, Section 344.50; and

(3) any water from the irrigation system that is applied to the surface of the area utilized by the On-Site Sewage Facility system must be controlled on a separate irrigation zone or zones so as to allow complete control of any irrigation to that area so that there will not be excess water that would prevent the On-Site Sewage Facilities system from operating effectively.

Water Conservation

All irrigation systems shall be designed, installed, maintained, altered, repaired, serviced, and operated in a manner that will promote water conservation as defined in the Definitions section of this ordinance.

Irrigation Plan Design: Minimum Standards

(a) An irrigator shall prepare an irrigation plan for each site where a new irrigation system will be installed. A paper or electronic copy of the irrigation plan must be on the job site at all times during the installation of the irrigation system. A drawing showing the actual installation of the system is due to each irrigation system owner after all new irrigation system installations. During the installation of the irrigation system, variances from the original plan may be authorized by the licensed irrigator if the variance from the plan does not:

(1) diminish the operational integrity of the irrigation system;

(2) violate any requirements of this ordinance; and

(3) go unnoted in red on the irrigation plan.

(b) The irrigation plan must include complete coverage of the area to be irrigated. If a system does not provide complete coverage of the area to be irrigated, it must be noted on the irrigation plan.

(c) All irrigation plans used for construction must be drawn to scale. The plan must include, at a minimum, the following information:

(1) the irrigator's seal, signature, and date of signing;

(2) all major physical features and the boundaries of the areas to be watered;

(3) a North arrow;

(4) a legend;

(5) the zone flow measurement for each zone;

(6) location and type of each:

(A) controller; and

(B) sensor (for example, but not limited to, rain, moisture, wind, flow, or freeze);

(7) location, type, and size of each:

(A) water source, such as, but not limited to a water meter and point(s) of connection;

(B) backflow prevention device;

(C) water emission device, including, but not limited to, spray heads, rotary sprinkler heads, quick-couplers, bubblers, drip, or micro-sprays;

(D) valve, including but not limited to, zone valves, master valves, and isolation valves;

(E) pressure regulation component; and

(F) main line and lateral piping.

(8) the scale used; and

(9) the design pressure.

Design and Installation: Minimum Requirements

(a) No irrigation design or installation shall require the use of any component, including the water meter, in a way which exceeds the manufacturer's published performance limitations for the component.

*(b)	Spacing.*

*(1)	The maximum spacing between emission devices must not exceed the manufacturer's published radius or spacing of the device(s). The radius or spacing is determined by referring to the manufacturer's published specifications for a specific emission device at a specific operating pressure.*

*(2)	New irrigation systems shall not utilize above-ground spray emission devices in landscapes that are less than 48 inches not including the impervious surfaces in either length or width and which contain impervious pedestrian or vehicular traffic surfaces along two or more perimeters. If pop-up sprays or rotary sprinkler heads are used in a new irrigation system, the sprinkler heads must direct flow away from any adjacent surface and shall not be installed closer than four inches from a hardscape, such as, but not limited to, a building foundation, fence, concrete, asphalt, pavers, or stones set with mortar.*

*(3)	Narrow paved walkways, jogging paths, golf cart paths or other small areas located in cemeteries, parks, golf courses or other public areas may be exempted from this requirement if the runoff drains into a landscaped area.*

*(c)	Water pressure. Emission devices must be installed to operate at the minimum and not above the maximum sprinkler head pressure as published by the manufacturer for the nozzle and head spacing that is used. Methods to achieve the water pressure requirements include, but are not limited to, flow control valves, a pressure regulator, or pressure compensating spray heads.*

*(d)	Piping. Piping in irrigation systems must be designed and installed so that the flow of water in the pipe will not exceed a velocity of five feet per second for polyvinyl chloride (PVC) pipe.*

*(e)	Irrigation Zones. Irrigation systems shall have separate zones based on plant material type, microclimate factors, topographic features, soil conditions, and hydrological requirements.*

*(f)	Matched precipitation rate. Zones must be designed and installed so that all of the emission devices in that zone irrigate at the same precipitation rate.*

*(g)	Irrigation systems shall not spray water over surfaces made of concrete, asphalt, brick, wood, stones set with mortar, or any other impervious material, such as, but not limited to, walls, fences, sidewalks, streets, etc.*

*(h)	Master valve. When provided, a master valve shall be installed on the discharge side of the backflow prevention device on all new installations.*

*(i)	PVC pipe primer solvent. All new irrigation systems that are installed using PVC pipe and fittings shall be primed with a colored primer prior to applying the PVC cement in accordance with the Uniform Plumbing Code (Section 316) or the International Plumbing Code (Section 605).*

(j) Rain or moisture shut-off devices or other technology. All new automatically controlled irrigation systems must include sensors or other technology designed to inhibit or interrupt operation of the irrigation system during periods of moisture or rainfall. Rain or moisture shut-off technology must be installed according to the manufacturer's published recommendations. Repairs to existing automatic irrigation systems that require replacement of an existing controller must include a sensor or other technology designed to inhibit or interrupt operation of the irrigation system during periods of moisture or rainfall.

(k) Isolation valve. All new irrigation systems must include an isolation valve between the water meter and the backflow prevention device.

(l) Depth coverage of piping. Piping in all irrigation systems must be installed according to the manufacturer's published specifications for depth coverage of piping.

> *(1) If the manufacturer has not published specifications for depth coverage of piping, the piping must be installed to provide minimum depth coverage of six inches of select backfill, between the top of the pipe and the natural grade of the topsoil. All portions of the irrigation system that fail to meet this standard must be noted on the irrigation plan. If the area being irrigated has rock at a depth of six inches or less, select backfill may be mounded over the pipe. Mounding must be noted on the irrigation plan and discussed with the irrigation system owner or owner's representative to address any safety issues.*
>
> *(2) If a utility, man-made structure, or roots create an unavoidable obstacle, which makes the six-inch depth coverage requirement impractical, the piping shall be installed to provide a minimum of two inches of select backfill between the top of the pipe and the natural grade of the topsoil.*
>
> *(3) All trenches and holes created during installation of an irrigation system must be backfilled and compacted to the original grade.*

(m) Wiring irrigation systems.

> *(1) Underground electrical wiring used to connect an automatic controller to any electrical component of the irrigation system must be listed by Underwriters Laboratories as acceptable for burial underground.*
>
> *(2) Electrical wiring that connects any electrical components of an irrigation system must be sized according to the manufacturer's recommendation.*
>
> *(3) Electrical wire splices which may be exposed to moisture must be waterproof as certified by the wire splice manufacturer.*
>
> *(4) Underground electrical wiring that connects an automatic controller to any electrical component of the irrigation system must be buried with a minimum of six inches of select backfill.*

(n) Water contained within the piping of an irrigation system is deemed to be non-potable. No drinking or domestic water usage, such as, but not limited to, filling swimming pools or decorative fountains, shall be connected to an irrigation system. If a hose bib (an outdoor water faucet that has hose threads on the spout) is connected to an irrigation system for the purpose of providing supplemental water to an area, the hose bib must be installed using a quick coupler key on a quick coupler installed in a covered purple valve box and the hose bib and any hoses connected to the bib must be labeled "non potable, not safe for drinking." An isolation valve must be installed upstream of a quick coupler connecting a hose bib to an irrigation system.

(o) Beginning January 1, 2010, either a licensed irrigator or a licensed irrigation technician shall be on-site at all times while the landscape irrigation system is being installed. When an irrigator is not onsite, the irrigator shall be responsible for ensuring that a licensed irrigation technician is on-site to supervise the installation of the irrigation system.

Completion of Irrigation System Installation

Upon completion of the irrigation system, the irrigator or irrigation technician who provided supervision for the on-site installation shall be required to complete four items:

(1) A final "walk through" with the irrigation system's owner or the owner's representative to explain the operation of the system;

(2) The maintenance checklist on which the irrigator or irrigation technician shall obtain the signature of the irrigation system's owner or owner's representative and shall sign, date, and seal the checklist. If the irrigation system's owner or owner's representative is unwilling or unable to sign the maintenance checklist, the irrigator shall note the time and date of the refusal on the irrigation system's owner or owner's representative's signature line. The irrigation system owner or owner's representative will be given the original maintenance checklist and a duplicate copy of the maintenance checklist shall be maintained by the irrigator. The items on the maintenance checklist shall include but are not limited to:

(A) the manufacturer's manual for the automatic controller, if the system is automatic;

(B) a seasonal (spring, summer, fall, winter) watering schedule based on either current/real time evapotranspiration or monthly historical reference evapotranspiration (historical ET) data, monthly effective rainfall estimates, plant landscape coefficient factors, and site factors;

(C) a list of components, such as the nozzle, or pump filters, and other such components; that require maintenance and the recommended frequency for the service; and

(D) the statement, "This irrigation system has been installed in accordance with all applicable state and local laws, ordinances, rules, regulations or

orders. I have tested the system and determined that it has been installed according to the Irrigation Plan and is properly adjusted for the most efficient application of water at this time."

(3) A permanent sticker which contains the irrigator's name, license number, company name, telephone number and the dates of the warranty period shall be affixed to each automatic controller installed by the irrigator or irrigation technician. If the irrigation system is manual, the sticker shall be affixed to the original maintenance checklist. The information contained on the sticker must be printed with waterproof ink and include:

(4) The irrigation plan indicating the actual installation of the system must be provided to the irrigation system's owner or owner representative.

Maintenance, Alteration, Repair, or Service of Irrigation Systems

(a) The licensed irrigator is responsible for all work that the irrigator performed during the maintenance, alteration, repair, or service of an irrigation system during the warranty period. The irrigator or business owner is not responsible for the professional negligence of any other irrigator who subsequently conducts any irrigation service on the same irrigation system.

(b) All trenches and holes created during the maintenance, alteration, repair, or service of an irrigation system must be returned to the original grade with compacted select backfill.

(c) Colored PVC pipe primer solvent must be used on all pipes and fittings used in the maintenance, alteration, repair, or service of an irrigation system in accordance with the Uniform Plumbing Code (Section 316) or the International Plumbing Code (Section 605).

(d) When maintenance, alteration, repair or service of an irrigation system involves excavation work at the water meter or backflow prevention device, an isolation valve shall be installed, if an isolation valve is not present.

Advertisement Requirements

(a) All vehicles used in the performance of irrigation installation, maintenance, alteration, repair, or service must display the irrigator's license number in the form of "LI________" in a contrasting color of block letters at least two inches high, on both sides of the vehicle.

(b) All forms of written and electronic advertisements for irrigation services must display the irrigator's license number in the form of "LI___________." Any form of advertisement, including business cards, and estimates which displays an entity's or individual's name other than that of the licensed irrigator must also display the name of the licensed irrigator and the licensed irrigator's license number. Trailers that advertise irrigation services must display the irrigator's license number.

(c) The name, mailing address, and telephone number of the commission must be prominently displayed on a legible sign and displayed in plain view for the purpose of addressing complaints at the permanent structure where irrigation business is primarily conducted and irrigation records are kept.

Contracts

(a) All contracts to install an irrigation system must be in writing and signed by each party and must specify the irrigator's name, license number, business address, current business telephone numbers, the date that each party signed the agreement, the total agreed price, and must contain the statement, "Irrigation in Texas is regulated by the Texas Commission on Environmental Quality (TCEQ), MC-178, P.O. Box 13087, Austin, Texas 78711-3087. TCEQ's website is: www. tceq.state.tx.us." All contracts must include the irrigator's seal, signature, and date.

(b) All written estimates, proposals, bids, and invoices relating to the installation or repair of an irrigation system(s) must include the irrigator's name, license number, business address, current business telephone number(s), and the statement: "Irrigation in Texas is regulated by the Texas Commission On Environmental Quality (TCEQ) (MC-178), P.O. Box 13087, Austin, Texas 78711-3087. TCEQ's web site is: www.tceq.state.tx.us."

(c) An individual who agrees by contract to provide irrigation services as defined in Title 30, Texas Administrative Code, Section 344.30 (relating to License Required) shall hold an irrigator license issued under Title 30, Texas Administrative Code, Chapter 30 (relating to Occupational Licenses and Registrations) unless the contract is a pass-through contract as defined in Title 30, Texas Administrative Code, Section 344.1(36) (relating to Definitions). If a pass-through contract includes irrigation services, then the irrigation portion of the contract can only be performed by a licensed irrigator. If an irrigator installs a system pursuant to a pass-through contract, the irrigator shall still be responsible for providing the irrigation system's owner or through contract, the irrigator shall still be responsible for providing the irrigation system's owner or owner's representative a copy of the warranty and all other documents required under this chapter. A pass-through contract must identify by name and license number the irrigator that will perform the work and must provide a mechanism for contacting the irrigator for irrigation system warranty work.

(d) The contract must include the dates that the warranty is valid.

Warranties for Systems

(a) On all installations of new irrigation systems, an irrigator shall present the irrigation system's owner or owner's representative with a written warranty covering materials and labor furnished in the new installation of the irrigation system. The irrigator shall be responsible for adhering to terms of the warranty. If the irrigator's warranty is less than the manufacturer's warranty for the system components, then the irrigator shall provide the irrigation system's owner or the owner's representative with applicable information regarding the manufacturer's

warranty period. The warranty must include the irrigator's seal, signature, and date. If the warranty is part of an irrigator's contract, a separate warranty document is not required.

(b) An irrigator's written warranty on new irrigation systems must specify the irrigator's name, business address, and business telephone number(s), must contain the signature of the irrigation system's owner or owner's representative confirming receipt of the warranty and must include the statement: "Irrigation in Texas is regulated by the Texas Commission on Environmental Quality (TCEQ), MC-178, P.O. Box 130897, Austin, Texas 78711-3087. TCEQ's website is: www.tceq.state.tx.us."

(c) On all maintenance, alterations, repairs, or service to existing irrigation systems, an irrigator shall present the irrigation system's owner or owner's representative a written document that identifies the materials furnished in the maintenance, alteration, repair, or service. If a warranty is provided, the irrigator shall abide by the terms. The warranty document must include the irrigator's name and business contact information.

Duties and Responsibilities of City Irrigation Inspectors

A licensed irrigation inspector shall enforce the ordinance of the city, and shall be responsible for:

(1) Verifying that the appropriate permits have been obtained for an irrigation system and that the irrigator and installer or irrigation technician, if applicable, are licensed;

(2) Inspecting the irrigation system;

(3) Determining that the irrigation system complies with the requirements of this chapter;

(4) Determining that the appropriate backflow prevention device was installed, tested, and test results provided to the city;

(5) Investigating complaints related to irrigation system installation, maintenance, alteration, repairs, or service of an irrigation system and advertisement of irrigation services; and

(6) Maintaining records according to this chapter.

Items not covered by this ordinance

Any item not covered by their ordinance and required by law shall be governed by the Texas Occupations Code, the Texas Water Code, Title 30 of the Texas Administrative Code, and any other applicable state statute or Texas Commission on Environmental Quality rule.

Fees

The city council may create a schedule of fees for obtaining and renewing an irrigation permit. These fees will be in amounts sufficient to cover the city's costs in issuing and renewing the permits, including, but not limited to, staff time and other overhead costs. This schedule will be kept at the city offices.

Enforcement

(a) The city shall have the power to administer and enforce the provisions of this chapter as may be required by governing law. Any person, firm, corporation or agent who shall violate a provision of this code, or fails to comply therewith, or with any of the requirements thereof, is subject to suit for injunctive relief as well as prosecution for criminal violations. Any violation of the ordinance codified in this chapter is declared to be a nuisance.

(b) Any person violating any provision of chapter shall, upon conviction, be fined a sum not exceeding $2000.00. Each day that a provision of this chapter is violated shall constitute a separate offense. An offense under this chapter is a Class C misdemeanor, punishable by a fine of up to $2000.00.

(c) Nothing in this chapter shall be construed as a waiver of the city's right to bring a civil action to enforce the provisions of this chapter and to seek remedies as allowed by law, including, but not limited to the following:

> *(1) Injunctive relief to prevent specific conduct that violates the ordinance or to require specific conduct that is necessary for compliance with the ordinance; and*
>
> *(2) Other available relief.*

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 violators of this ordinance shall be subject to criminal penalty, Class C misdemeanor not to exceed Two Thousand Dollars ($2,000.00).

SECTION 6. That all ordinances or parts of ordinances in conflict with the provisions of this ordinance are hereby repealed.

SECTION 7. That, because this ordinance has a penalty for violation, it shall become effective upon its publication as required by the city charter (home rule), which date is expected to be January 19, 2009.

SECTION 8. That it is hereby officially found and determined that the meetings at which this ordinance was introduced and passed were open to the public and that public notice of the time, place and purpose of said meetings were given all as required by law.

INTRODUCED on this the _____________ day of _________________, 2010.

ADOPTED on this the ________________ day of _________________, 2010.

EFFECTIVE DATE on this the _________ day of _________________, 2010.

CITY OF SHERMAN, TEXAS

BY: ______________________________
BILL MAGERS, MAYOR

ATTEST:

BY: ___________________________________
LINDA ASHBY, CITY CLERK

APPROVED AS TO FORM AND CONTENT:

BY: ___________________________________
BRANDON S. SHELBY,
CITY ATTORNEY

H.B. No. 1656

AN ACT

relating to regulation of irrigation systems and irrigators.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 1903.251, Occupations Code, is amended to read as follows:

Sec. 1903.251. LICENSE REQUIRED. (a) A person must hold a license issued by the commission under Chapter 37, Water Code, if the person:

(1) sells, designs, installs, maintains, alters, repairs, or services an irrigation system;

(2) provides consulting services relating to an irrigation system; [or]

(3) connects an irrigation system to a private or public, raw or potable water supply system or any water supply; or

(4) inspects an irrigation system for a municipality or water district.

(b) A person is ineligible for a license under Subsection (a)(4) if the person engages in or has a financial or advisory interest in an entity that engages in an activity under Subsection (a)(1), (2), or (3).

SECTION 2. Subchapter H, Chapter 49, Water Code, is amended by adding Section 49.238 to read as follows:

Sec. 49.238. IRRIGATION SYSTEMS. (a) A district may adopt and enforce rules that require an installer of an irrigation system:

(1) to hold a license issued under Section 1903.251, Occupations Code; and

(2) to obtain a permit before installing a system within the boundaries of the district.

(b) If a district adopts rules under Subsection (a), the rules shall include minimum standards and specifications for designing, installing, and operating irrigation systems in accordance with Section 1903.053, Occupations Code, and any rules adopted by the Texas Commission on Environmental Quality under that section.

(c) A district may employ or contract with a licensed plumbing inspector, a licensed irrigation inspector, the district's operator, or another governmental entity to enforce the rules.

(d) A district may charge an installer of an irrigation system a fee for obtaining or renewing a permit under Subsection (a)(2). The district shall set the fee in an amount sufficient to enable the district to recover the cost of administering this section.

(e) This section does not apply to:

(1) an on-site sewage disposal system, as defined by Section 366.002, Health and Safety Code; or

(2) an irrigation system:

(A) used on or by an agricultural operation as defined by Section 251.002, Agriculture Code; or

(B) connected to a groundwater well used by the property owner for domestic use.

SECTION 3. Chapter 401, Local Government Code, is amended by adding Section 401.006 to read as follows:

Sec. 401.006. IRRIGATION SYSTEMS. (a) A municipality with a population of 20,000 or more by ordinance shall require an installer of an irrigation system:

(1) to hold a license issued under Section 1903.251, Occupations Code; and

(2) to obtain a permit before installing a system within the territorial limits or extraterritorial jurisdiction of the municipality.

(b) The ordinance shall include minimum standards and specifications for designing, installing, and operating irrigation systems in accordance with Section 1903.053, Occupations Code, and any rules adopted by the Texas Commission on Environmental Quality under that section.

(c) A municipality may employ or contract with a licensed plumbing inspector or a licensed irrigation inspector to enforce the ordinance.

(d) A municipality may charge an installer of an irrigation system a fee for obtaining or renewing a permit under Subsection (a)(2). The municipality shall set the fee in an amount sufficient to enable the municipality to recover the cost of administering this section.

(e) This section does not apply to:

(1) an on-site sewage disposal system, as defined by Section 366.002, Health and Safety Code; or

(2) an irrigation system:

(A) used on or by an agricultural operation as defined by Section 251.002, Agriculture Code; or

(B) connected to a groundwater well used by the property owner for domestic use.

SECTION 4. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2007.

President of the Senate

Speaker of the House

I certify that H.B. No. 1656 was passed by the House on May 1, 2007, by the following vote: Yeas 116, Nays 26, 1 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 1656 was passed by the Senate on May 22, 2007, by the following vote: Yeas 31, Nays 0.

____
Secretary of the Senate

APPROVED: _____________________
Date

____
Governor

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 8-2-2010

Subject: Agenda Item No. B.5

CONSENT AGENDA

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

C.1 **** RESOLUTION NO. 5510***
Authorizing Continued Participation with the Atmos Cities Steering Committee; Authorizing the Payment of Two Cents ($0.02) Per Capita to the Atmos Cities Steering Committee to Fund Regulatory and Related Activities Related to Atmos Energy Corporation

C.2 **** RESOLUTION NO. 5511***
Authorizing the Purchase of 100-Gallon Residential Automated Trash Carts for the Solid Waste Services Department through the Texas Comptroller of Public Accounts Cooperative Purchasing Program

D.2 **** CHANGE ORDER NO. 1***
U.S. Highway 75 North Sewer Project – Contract “D”; Howard-Estruct JV, LLC.; $93,457.00, Decrease

D.3 **** CHANGE ORDER NO. 1***
Stephens #2 Trinity Pump Retrieval and Well Evaluation Project; Weisinger Water Well, Incorporated; $335.60, Increase

D.6 **** OTHER BUSINESS***
Consider Calling a Special Meeting of the City Council for Tuesday, September 7, 2010, due to Conflict with a Federal Holiday

D.10 **** OTHER BUSINESS***
Approve Quarterly Investment Reports for Period ending June 30, 2010

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 8-2-2010

Subject: Agenda Item No. C.1

**** RESOLUTION NO. 5510***

Authorizing Continued Participation with the Atmos Cities Steering Committee; Authorizing the Payment of Two Cents ($0.02) Per Capita to the Atmos Cities Steering Committee to Fund Regulatory and Related Activities Related to Atmos Energy Corporation

Issue

This resolution authorizes the continued participation with the Atmos Cities Steering Committee (ACSC) and authorizes the payment of the Committee's annual assessment.

Background

The original Gas Cities Steering Committee was formed several years ago in response to a gas rate filing by Lone Star Gas Company (TXU Gas and Atmos Energy's predecessor). Over the past several years, the gas distribution systems have been consolidated; and the gas company has filed rate cases annually. In 2006, a formal organizational structure was adopted for the Committee, which includes 149 member cities. The Committee's activities have focused on minimizing the impact of rate increases on consumers and increasing transparency in the way that Atmos reports its results and pays franchise fees. The Committee will have authority to act for members, with each member retaining the ability to opt out of any proposed rate case action.

Origination

Finance

Financial Consideration

A participation fee of two cents ($0.02) per capita, based upon the City of Sherman's population figures reflected in the latest TML Directory of City Officials (37,710), is required totaling $754.20.

Staff Recommendation

The staff recommends approval of this resolution and authorization of the required payment.

Alternatives

The City Council could deny this resolution.

Attachments

Resolution No. 5510; ACSC Co-Chairs Memorandum on 2010 Membership Assessment; Staff Report on ACSC Assessment Resolution; List of ACSC Cities

Prepared by:
Robby Hefton, Assistant City Manager/CFO

Approved by:
George Olson, City Manager

RESOLUTION NO. 5510

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING CONTINUED PARTICIPATION WITH THE ATMOS CITIES STEERING COMMITTEE; AUTHORIZING THE PAYMENT OF TWO CENTS ($0.02) PER CAPITA TO THE ATMOS CITIES STEERING COMMITTEE TO FUND REGULATORY AND RELATED ACTIVITIES RELATED TO ATMOS ENERGY CORPORATION; 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 of Sherman is a regulatory authority under the Gas Utility Regulatory Act (GURA) and has exclusive original jurisdiction over the rates and services of Atmos Energy Corporation, Mid-Tex Division (Atmos) within the municipal boundaries of the city; and

WHEREAS, the Atmos Cities Steering Committee (ACSC) has historically intervened in Atmos rate proceedings and gas utility related rulemakings to protect the interests of municipalities and gas customers residing within municipal boundaries; and

WHEREAS, ACSC is participating in Railroad Commission dockets and projects, as well as court proceedings, affecting gas utility rates; and

WHEREAS, the City is a member of ACSC; and

WHEREAS, in order for ACSC to continue its participation in these activities which affects the provision of gas utility service and the rates to be charged, it must assess its members for such costs;

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

SECTION 1. That the City is authorized to continue its membership with the Atmos Cities Steering Committee to protect the interests of the City of Sherman and to protect the interests of the customers of Atmos Energy Corporation, Mid-Tex Division residing and conducting business within the city limits.

SECTION 2. That it is further authorized to pay its 2010 assessment to the ACSC in the amount of two cents ($0.02) per capita based on the population figures for the City shown in the latest TML Directory of City Officials.

SECTION 3. That a copy of this Resolution and the approved assessment fee payable to "Atmos Cities Steering Committee" shall be sent to:

Mary Bunkley, Treasurer
Atmos Cities Steering Committee
℅ Arlington City Attorney's Office
Mail Stop 63-0300
Post Office Box 90231
Arlington, Texas 76004-3231

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

PASSED AND APPROVED on this the _____ day of ________________, 2010.

CITY OF SHERMAN, TEXAS

BY: ______________________________
BILL MAGERS, MAYOR

ATTEST:

BY: ______________________________
LINDA ASHBY, CITY CLERK

APPROVED AS TO FORM
AND CONTENT:

BY: ______________________________
BRANDON S. SHELBY,
CITY ATTORNEY

MEMORANDUM

TO: Atmos Cities Steering Committee
FROM: Jay Doegey and Odis Dolton, Co-Chairs, Atmos Cities Steering Committee
DATE: July 21, 2010
RE: 2010 Membership Assessment

Earlier this year, the Executive Committee of the Atmos Cities Steering Committee (ACSC) met to plan for upcoming natural gas issues and approve the assessment for ACSC membership. Based upon the population-based assessment protocol previously adopted by the ACSC, the assessment for 2010 is a per capita fee of $0.02 based upon the population figures for each city shown in the latest TML Directory of City Officials.

ACSC protects the authority of municipalities over the monopoly natural gas provider and defends the interests of the residential and small commercial customers within the cities. Cities are the only consumer advocates that work to keep natural gas rates reasonable. The work undertaken by ACSC has saved ratepayers millions of dollars in unreasonable charges. The past year, in particular, has been an active one for ACSC.

On March 15, 2010 Atmos filed its annual rate review mechanism ("RRM"). This is the third and final RRM filing authorized by the Settlement Agreement between ACSC and the Company to resolve Atmos' 2007 rate case and to replace the controversial Gas Reliability Infrastructure Program ("GRIP") surcharge process. ACSC has received copies of the filing and has begun to conduct its review of the application. Because this is the final RRM proceeding, the parties are discussing whether to continue the RRM process and whether modifications to the existing process are appropriate. The ACSC has formed a Settlement Committee to begin considering changes to the RRM process. In addition, Atmos recently revealed that approximately 850,000 of its 1.5 million service lines are outdated and in need of replacement. ACSC has been in discussions with the Company about adopting a more comprehensive service line replacement program that reduces costs, sets a timeframe for completing the project and minimizes the impact on cities. Finally, it appears that Atmos has failed to pay the appropriate amount of franchise fees. ACSC has engaged a consultant to audit the franchise fee agreements in order to ensure that cities have received the appropriate level of payments.

In order to continue to be an effective voice at the Railroad Commission, at the Legislature, and in the courts, ACSC must have your support. Please take action to pay the membership assessment as soon as possible. Payment of the membership assessment fee shall be deemed to be agreement with the terms of the ACSC participation agreement.

Although ACSC does not require that your city take action by resolution to approve the assessment, some members have requested a model resolution authorizing payment of the 2010 membership assessment. To assist you in the assessment process, we have attached several documents to this memorandum for your use: 1) *Model resolution approving the 2010 assessment*; 2) *Model staff report supporting the resolution*; 3) *List of ACSC members; and 4) assessment invoice.*

Forward the membership assessment fee and, if applicable, the signed resolution to Mary Bunkley, Treasurer, Atmos Cities Steering Committee, c/o City Attorney's Office, Mail Stop 63-0300, P.O. Box 90231, Arlington, Texas 76004-3231. Checks should be made payable to: *Atmos Cities Steering Committee*.

If you have any questions, please contact ACSC Co-Chairmen Jay Doegey (817/459-6878), or Odis Dolton (325/676-6496.) ACSC's counsel, Geoffrey Gay (ggay@lglawfirm.com) and Thomas Brocato (tbrocato@lglawfirm.com) at 512/322-5857 are also available to assist you.

MODEL STAFF REPORT ON ATMOS CITIES STEERING COMMITTEE ASSESSMENT RESOLUTION

Purpose of the Resolution:

Most municipalities have retained original jurisdiction over gas utility rates and services within municipal limits. The Atmos Cities Steering Committee ("ACSC") is composed of municipalities in the service area of Atmos Energy Corporation, Mid-Tex Division regardless of whether original jurisdiction has been retained. Atmos is a monopoly provider of natural gas. Because Atmos has no competitors, regulation of the rates that it charges its customers is the only way that cities can ensure that natural gas rates are fair. Working as a coalition to review the rates charged by Atmos allows cities to accomplish more collectively than each city could do acting alone. Cities have more than 100 years experience in regulating natural gas rates in Texas.

ACSC is the largest coalition of cities served by Atmos Gas-Mid Tex. There are 149 ACSC member cities, which represent more than 60 percent of the total load served by Atmos-Mid Tex. ACSC protects the authority of municipalities over the monopoly natural gas provider and defends the interests of residential and small commercial customers within the cities. Although many of the activities undertaken by ACSC are connected to rate cases (and therefore expenses are reimbursed by the utility), ACSC also undertakes additional activities on behalf of municipalities for which it needs funding support from its members.

The ACSC Membership Assessment Supports Important Activities:

ACSC is actively involved in rate cases, appeals, rulemakings, and legislative efforts impacting the rates charged by Atmos within the City. These activities will continue throughout the calendar year. It is possible that additional efforts will be necessary on new issues that arise during the year, and it is important that ACSC be able to fund its participation on behalf of its member cities. A per capita assessment has historically been used, and is a fair method for the members to bear the burdens associated with the benefits received from that membership.

Explanation of Resolution Paragraphs:

1. This paragraph authorizes the continuation of the City's membership in ACSC.
2. This paragraph authorizes payment of the City's assessment to the ACSC in the amount of two cents ($0.02) per capita, based on the population figure for the City as shown in the latest TML Directory of City Officials.
3. This paragraph requires notification that the City has adopted the Resolution.

Payment of Assessment

The assessment payment check should be made out to "***Atmos Cities Steering Committee***" and mailed to Mary Bunkley, Treasurer, Atmos Cities Steering Committee, c/o Arlington City Attorney's Office, Mail Stop 63-0300, PO Box 90231, Arlington, Texas 76004-3231.

ACSC Cities

Abilene
Addison
Allen
Alvarado
Angus
Anna
Argyle
Arlington
Bedford
Bellmead
Benbrook
Beverly Hills
Blossom
Blue Ridge
Bowie
Boyd
Bridgeport
Brownwood
Buffalo
Burkburnett
Burleson
Caddo Mills
Carrollton
Cedar Hill
Celeste
Celina
Cisco
Cleburne
Clyde
College Station
Colleyville
Colorado City
Comanche
Coolidge
Coppell
Corinth
Corral City
Crandall
Crowley
Dalworthington Gardens
Denison
DeSoto
Duncanville
Eastland
Edgecliff Village
Emory
Ennis
Euless
Everman
Fairview
Farmers Branch
Farmersville
Fate
Flower Mound
Forest Hill
Fort Worth
Frisco
Frost
Gainesville
Garland
Garrett
Grand Prairie
Grapevine
Haltom City
Harker Heights
Haskell
Haslet
Hewitt
Highland Park
Highland Village
Honey Grove
Hurst
Iowa Park
Irving
Justin
Kaufman
Keene
Keller
Kemp
Kennedale
Kerrville
Killeen
Krum
Lakeside
Lake Worth
Lancaster
Lewisville
Lincoln Park
Little Elm
Lorena
Malakoff
Mansfield
McKinney
Melissa
Mesquite
Midlothian
Murphy
Nocona
North Richland Hills
Northlake
Oak Leaf
Ovilla
Palestine
Pantego
Paris
Parker
Pecan Hill
Plano
Ponder
Pottsboro
Prosper
Quitman
Red Oak
Reno (Parker County)
Richardson
Richland
Richland Hills
Roanoke
Robinson
Rockwall
Roscoe
Rowlett
Sachse
Saginaw
Seagoville
Sherman
Snyder
Southlake
Springtown
Stamford
Stephenville
Sulphur Springs
Sweetwater
Temple
Terrell
The Colony
Tyler
University Park
Venus
Vernon
Waco
Watauga
Waxahachie
Westlake
Whitesboro
White Settlement
Wichita Falls
Woodway
Wylie

Updated February 17, 2010

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 8-2-2010

Subject: Agenda Item No. C.2

**** RESOLUTION NO. 5511***
Authorizing the Purchase of 100-Gallon Residential Automated Trash Carts for the Solid Waste Services Department through the Texas Comptroller of Public Accounts Cooperative Purchasing Program

Issue
To authorize staff to purchase replacement 100-gallon residential automated trash carts

Background
Periodically, Solid Waste Services must purchase 100-gallon automated trash carts to replace those that are currently in service but no longer repairable and to make carts available for new homes. Staff recently received four quotes for 100-gallon carts that meet program specifications from municipal purchasing cooperatives. To keep the unit price as low as possible, it is necessary to purchase one truck load, totaling approximately 630 carts. The low quote was received from Toter, Inc. through the Texas Comptroller of Public Accounts Cooperative Purchasing Program (CPA Co-Op), formerly the General Services Commission Cooperative Purchasing Program. This is one of several purchasing contracts the City uses to increase our purchasing power and simplify purchasing procedures. Toter is the manufacturer of nearly all the carts we currently have in service.

Origination
Department of Public Works

Financial Consideration
The 100-gallon residential automated trash carts will be purchased from Toter, Inc. through the CPA Co-Op at a total cost of $29,243.28. Funds for the purchase were appropriated in the Solid Waste Services tools and equipment budget.

Staff Recommendation
It is recommended that staff be authorized to purchase the residential automated trash carts through the CPA Co-Op.

Alternatives
None recommended

Attachments
Resolution No. 5511; Bid Tabulation; Toter/State of Texas Contract Quote; CPA Co-Op Membership Confirmation

Prepared by:
Don Keene, Exec. Director – Planning & Public Works

Approved by:
George Olson, City Manager

RESOLUTION NO. 5511

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING THE PURCHASE OF 100-GALLON RESIDENTIAL AUTOMATED TRASH CARTS FOR THE SOLID WASTE SERVICES DEPARTMENT THROUGH THE TEXAS COMPTROLLER OF PUBLIC ACCOUNTS COOPERATIVE PURCHASING PROGRAM; FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS RESOLUTION IS PASSED WAS NOTICED AND IS OPEN TO THE PUBLIC AS REQUIRED BY LAW.

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

SECTION 1. That the City Manager be and is hereby authorized and directed to purchase from Toter, Inc., through the Texas Comptroller of Public Accounts Cooperative Purchasing Program, 100-gallon residential automated trash carts at a total purchase price of $29,243.28, in accordance with the provisions of the Toter/State of Texas Contract proposal and its terms and conditions, attached hereto and made a part hereof for all purposes. Any agreements related to the purchase must be approved 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 ________________, 2010.

CITY OF SHERMAN, TEXAS

BY: ________________________________
BILL MAGERS, MAYOR

ATTEST:

BY: ________________________________
LINDA ASHBY, CITY CLERK

APPROVED AS TO FORM AND CONTENT:

BY: ________________________________
BRANDON S. SHELBY, CITY ATTORNEY

City of Sherman
Bid Tabulation
100-Gallon Automated Residential Trash Carts

Bidder Name	Unit Price / Cart	Amount
Toter, Inc. (State Contract)	$45.98	$29,243.28
Toter, Inc.	$48.50	$30,846.00
Cascade Engineering	$53.50	$34,026.00
Rehrig Pacific Co.	$59.35	$37,746.60

*Toter, Inc. bid through State Contract included shipping of carts, no other bids included shipping.
*All bids from HGAC Catalog unless otherwise noted.

Toter® INCORPORATED
A WASTEQUIP COMPANY

CUSTOMER SALES QUOTATION

QUOTE #: 10-804 **June 7, 2010**

PREPARED FOR:	SHIP TO:
City of Sherman Attn: Mr. Aubrey Henderson Sherman, TX	Sherman, TX

DESCRIPTION	QUANTITY	UNIT PRICE
Toter 96 Gallon – Model 57596 - EVR II Universal ❖ Color – Green body and lid ❖ Serial Numbers – serial number hot stamped on body in white ❖ Insert – custom lid insert ❖ Wheels – Standard 10" Sunburst ❖ Cart Assembly – Unassembled ❖ Warranty – Container body, lid, wheels, axle, stop bar and all attachments are covered by a 10 year unprorated warranty (special exclusions may apply to non-standard options)	636	$45.98

ADDITIONAL INFORMATION:

Freight: Included in price of container

Payment Terms: Net 30 days after shipment

Delivery: 4-6 weeks after receipt of purchase order.

PRICING OFF STATE OF TEXAS CONTRACT- REFERENCE BID # 450-A2

This proposal is subject to Toter's Standard Terms and Conditions following. Toter prices do not include state and local taxes, if applicable. Delivery is subject to availability at time of order entry. Pricing is based on current resin cost and freight which must be confirmed by Toter in writing before acceptance of order. This quote supersedes any past proposal on the same item.

TOTER INCORPORATED:

Linda Lassiter
Sales Service Representative

ACCEPTED BY:

City of Sherman Date

PO#

cc: Donald Siptak

TOTER® INC.

STANDARD TERMS AND CONDITIONS
Of This Quotation and Any Sale Resulting Thereof

1. **ACCEPTANCE:** All orders and sales contracts are subject to acceptance or rejection by Toter and are not binding until accepted. Acceptance by Toter constitutes a complete and binding contract governed by the terms and conditions of sale herein and by the laws of the State of North Carolina. Acceptance is subject to availability and may be subject to a written agreement, signed by both Buyer and Toter.

2. **BROKEN CARTONS:** All products will be shipped in full cartons only.

3. **CANCELLATION PENALTY:** Cancelled orders received twenty-four (24) hours after order date are subject to a 15% cancellation charge. All cancellation requests must be confirmed in writing. In no event may any order be cancelled after goods have left point of shipment.

4. **CASH TERMS:** Standard payment terms are **NET THIRTY (30) DAYS** after invoice date unless specifically indicated otherwise. Buyer will be charged 1½% interest per month (18% per annum) on any payment received after terms indicated on invoice. Terms are contingent on credit approval, Toter reserves the right to modify credit and payment terms at any time. Invoices are payable in U.S. currency, unless otherwise specified by Toter. Toter retains a security interest in all of the goods described on the reverse side hereof until such time as the entire purchase price is paid in full.

5. **DAMAGED GOODS:** If any part of any shipment is damaged or missing when it arrives **TAKE DELIVERY AT ONCE** and have delivery carrier acknowledge damage or shortage, and make proper notation on your freight receipt. Failure to have carrier acknowledge damage may void any warranty and continue Buyer responsibility for payment in full.

6. **SHIPPING ESTIMATES/DELIVERY:** The shipping date shown on this form is an approximation only and does not, in any way, represent a contract by Seller to ship or deliver on said date. Seller will not be liable for any or all damages resulting from any delay or early shipment, regardless of the cause of the delay or early shipment. Unless otherwise expressly stated, Toter shall have the right to make delivery in installments. In the event of war, fire, flood, strike, labor trouble, accident, riot, act of God, act of governmental authority or any other contingencies beyond the control of Toter interfering with the production, supply, transportation, or consumption of the goods covered by this agreement or with the supply of any raw material used in connection therewith, quantities so affected may be eliminated from the agreement without liability but the agreement shall otherwise remain unaffected. Toter may during any period of shortage due to any of said cause, prorate its supply of such goods among its customers under this and other orders and agreements in such manner as Toter may deem fair and practicable.

7. **FREIGHT:** Any quotation of freight, transportation, shipping, handling or similar charges are **ESTIMATES** only. Buyer is solely responsible for all charges connected with freight, transportation, shipping, handling, insurance, demurrage or similar functions, unless otherwise agreed to in writing by Toter. If such charges are by the terms of sale included in the price, any increase in rates becoming effective after the date hereof shall be for the account of the Buyer.

8. **MINIMUM ORDER:** One hundred ($100.00) dollar minimum, excluding freight, taxes, etc.

9. **MODIFICATIONS:** Modifications will only be accepted within twenty-four (24) hours of date the original order is placed with Toter's Customer Service Department.

10. **PRICES:** All prices quoted are F.O.B. Shipping point, unless specifically indicated otherwise, and supercede all previous prices and quotations.

11. **RETURNS:** A Return Authorization Number must be obtained from Toter within five (5) days of receipt of goods and before merchandise may be returned for credit. Returns must be completed within sixty (60) days of invoice date. All transportation charges for returned merchandise must be **PREPAID** by the shipper. Returned saleable merchandise accepted by Toter for credit is subject to a 15% restocking charge. If any portion of the goods delivered to Buyer are defective or are otherwise not in accordance with contract specifications, Toter shall have the right in its discretion either to replace such defective goods or to refund the portion of the purchase price applicable thereto. No goods shall be returned to Toter without Toter's written consent. In no event shall Toter be liable for the cost of processing, lost profits, injury to goodwill or any other special incidental or consequential damages.

12. **SPECIFICATIONS:** Toter reserves the right to substitute materials and modify product features provided that the resulting quality is equal or improved. If an inspection or testing of the goods has been agreed upon, such inspection or testing shall be made at Toter's plant or other source of supply before shipment of the goods, and approval or rejection shall be made promptly and in any event before shipment. No claims will be entertained thereafter. In all other cases Buyer is required to give written notice to Toter of any claim promptly upon receipt of the goods and in any event within five (5) days thereafter, and Toter shall thereupon be afforded a reasonable opportunity to inspect the goods.

13. **TAXES:** Prices do not include city, county, state, federal, or any other taxes. All applicable taxes shall be paid by the Buyer unless a proper exemption certification is furnished.

14. **WARRANTY:** THERE ARE NO WARRANTIES, EXPRESSED OR IMPLIED, WHICH EXTEND BEYOND THE SEPARATE WRITTEN WARRANTY REFERENCED ON THE FACE HEREOF. NON-PAYMENT SIXTY (60) DAYS PAST THE DATE OF AN INVOICE MAY VOID WARRANTY END USE: DETERMINATION OF THE SUITABILITY OF THE GOODS COVERED BY THIS AGREEMENT FOR THE USE CONTEMPLATED BY THE BUYER OR BUYER'S CUSTOMERS IS THE SOLE RESPONSIBILITY OF THE BUYER IN CONNECTION THERWITH, BUYER ASSUMES ALL RISK AND LIABILITY FOR LOSS, DAMAGE OR INJURY ARISING OUT OF OR INCIDENT TO THE USE OR POSSESSION OF THE GOODS FURNISHED UNDER THIS AGREEMENT.

15. **ENTIRE AGREEMENT:** The above terms and conditions represent the entire agreement between Toter and Buyer with respect to the sales of goods supplied hereunder. This agreement cannot be modified except in writing signed by an officer of Toter and Buyer covering the sales of said goods.

SUSAN	TEXAS COMPTROLLER *of* PUBLIC ACCOUNTS
COMBS	WWW.WINDOW.STATE.TX.US

January 26, 2010

MARY ANN WINKLER, PURCH AGENT
CITY OF SHERMAN
PO BOX 1106
SHERMAN TX 75091-1106

Re: Cooperative Purchasing Program
Membership Renewal

Account Number: M0913

Dear Ms. Winkler:

We are pleased that you have renewed your partnership in the Texas Comptroller of Public Accounts (CPA) Cooperative Purchasing Program (Co-Op). Your renewal payment has been received, extending your membership through March 18, 2011.

For your convenience, all state term contracts are accessible via the CPA Internet website (www.window.state.tx.us). The website is updated weekly, giving you the most current data. We hope you will be able to utilize this valuable tool to simplify your procurement practices and increase productivity. In addition, the CPA Co-Op manual is available on line at http://www.cpa.state.tx.us/procurement/prog/coop under Publications and CPA Co-Op manual.

The CPA Co-Op Team wishes to ensure that your membership meets all expectations. For further assistance, contact us by phone at 512/463-3368 or email us at coop@cpa.state.tx.us.

Sincerely,

CR

State of Texas CO-OP Representative

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 8-2-2010

Subject: Agenda Item No. C.3

RESOLUTION NO. 5512
Authorizing Execution of a Professional Services Agreement with Freeman-Millican, Inc. for Peak Flow Storage Improvements Phase 1, Peak Flow Storage Improvements Phase 2, and the 2010-2013 Biosolids Project at the Wastewater Treatment Plant

Issue
To consider a contract for professional engineering services with Freeman-Millican, Inc. for the design of Peak Flow Storage Improvements Phase 1, Peak Flow Storage Improvements Phase 2, and the 2010-2013 Biosolids Project at the Wastewater Treatment Plant

Background
The current Capital Improvement Program contains the two Wastewater Plant improvements referenced above (Peak Flow Storage Improvements Phases 1 and 2). Engineering services are required to design the improvements in a timely manner. Engineering services are also required to develop the future Biosolids Disposal Program at the Wastewater Treatment Plant.

Origination
Utilities and Engineering, Department 119

Financial Consideration
The total fee for engineering services for the three projects will be $105,300.00. The two Peak Flow Storage Improvement projects will be funded through Greater Texoma Utility Authority. The Biosolids engineering will funded by the City through funds budgeted for the Biosolids Disposal Program in the FY2010 budget.

Staff Recommendation
It is recommended that the contract with Freeman-Millican, Inc. for professional engineering services for the three projects at the Wastewater Treatment Plant be approved.

Alternatives
As may be directed by the City Council

Attachments
Resolution No. 5512
Contract for Professional Services
Location Map

Prepared by:
Mark Gibson, Director of Engineering & Public Works

Approved by:
George Olson, City Manager

RESOLUTION NO. 5512

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF A PROFESSIONAL SERVICES AGREEMENT WITH FREEMAN-MILLICAN, INC. FOR PEAK FLOW STORAGE IMPROVEMENTS PHASE 1, PEAK FLOW STORAGE IMPROVEMENTS PHASE 2, AND THE 2010-2013 BIOSOLIDS PROJECT AT THE WASTEWATER TREATMENT PLANT; FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS RESOLUTION IS PASSED WAS NOTICED AND IS OPEN TO THE PUBLIC AS REQUIRED BY LAW.

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

SECTION 1. That the City Manager be and is hereby authorized and directed, subject to all contract documents being properly completed and approved as to form and content by the City Attorney, to execute a Professional Services Agreement with Freeman-Millican, Inc. for Peak Flow Storage Improvements Phase 1, Peak Flow Storage Improvements Phase 2, and the 2010-2013 Biosolids Project at the Wastewater Treatment Plant, in accordance with all contract documents attached hereto and made a part hereof for all purposes.

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

PASSED AND APPROVED on this the _____ day of ________________, 2010.

CITY OF SHERMAN, TEXAS

BY: ______________________________
BILL MAGERS, MAYOR

ATTEST:

BY: ______________________________
LINDA ASHBY, CITY CLERK

APPROVED AS TO FORM AND CONTENT:

BY: ______________________________
BRANDON S. SHELBY,
CITY ATTORNEY

ENGINEERING SERVICES AGREEMENT

THIS AGREEMENT is made and entered by and between the CITY OF SHERMAN, a Home-Rule Municipality, organized and existing under the laws of the state of Texas, hereinafter referred to as "City", and, Freeman-Millican, Inc. hereinafter referred to as "Engineer", to be effective upon the date indicated below.

WITNESSETH:

WHEREAS, the City desires to engage the services of the Engineer to prepare construction plans, specifications, details and special provisions and to perform other related engineering services in connection with the **2010 WASTEWATER TREATMENT PLANT IMPROVEMENTS** in the City of Sherman, Texas, hereinafter referred to as the "Project"; and

WHEREAS, the Engineer desires to render such engineering services for the City subject to the terms and conditions provided herein.

NOW, THEREFORE, in consideration of the covenants contained herein, and for the mutual benefits to be obtained hereby, the parties hereto agree as follows:

1. **Employment of the Engineer.** The City hereby agrees to retain the Engineer to perform professional engineering services in connection with the Project. Engineer agrees to perform such services in accordance with the terms and conditions of this Agreement.

2. **Scope of Work.** The parties agree that Engineer shall perform such services as are set forth and described in Exhibit "1", which is attached hereto and made a part of this Agreement. The parties understand and agree that deviations or modifications in the form of written contract modifications may be authorized from time to time by the City. Engineer agrees to submit all final documents in a form acceptable to the City.

3. **Time of the Essence.** Time is of the essence. Engineer agrees to commence work immediately upon execution of this Agreement and to proceed diligently to completion except for delays beyond Engineer's reasonable control.

4. **Compensation and Method of Payment.** The parties agree that Engineer shall be compensated for all services provided pursuant to this Agreement in the amount described and set forth in Exhibit "1".

5. **Access to the Site:** City agrees to provide access to the Project area necessary for Engineer to complete his work.

6. **Insurance.** Engineer agrees to procure the following insurance:

   a. Workers' Compensation as required by law.

   b. Professional Liability Insurance in an amount not less than $1,000,000 in the aggregate.

c. Comprehensive General Liability and Property Damage Insurance with minimum limits of $1,000,000 for injury or death of any one person, $1,000,000 for each occurrence, and $1,000,000 for each occurrence of damage to or destruction of property.

d. Comprehensive Automobile and Truck Liability Insurance covering owned, hired, and non-owned vehicles, with minimum limits of $1,000,000 for injury or death of any one person, $1,000,000 for each occurrence, and $1,000,000 for property damage.

e. The Engineer shall include the City as an additional insured under the policies, with the exception of the Professional Liability Insurance and Workers' Compensation. Certificates of Insurance and endorsements shall be furnished to the City before work commences. Each insurance policy shall be endorsed to state that coverage shall not be suspended, voided, canceled, and/or reduced in coverage or in limits ("Change in Coverage") except with prior written consent of the City and only after the City has been provided with written notice of such Change in Coverage, such notice to be sent to the City either by hand delivery to the City Manager or by certified mail, return receipt requested, and received by the City no fewer than thirty (30) days prior to the effective date of such Change in Coverage. Prior to commencing services under this Contract. Engineer shall furnish City with Certificates of Insurance, or formal endorsements as required by this Contract, issued by Engineer's insurer(s), as evidence that policies providing the required coverage, conditions, and limits required by this Contract are in full force and effect.

7. **Indemnity and Duty to Defend.**

a. Engineer shall release, defend, indemnify and hold city and its officers, agents and employees harmless from and against all damages, injuries (including death), claims, property damages (including loss of use), losses, demands, suits, judgments and costs, including reasonable attorney's fees and expenses, in any way arising out of, related to, or resulting from the services provided by engineer and to the extent caused by the negligent act or omission or intentional wrongful act or omission of engineer, its officers, agents, employees, subcontractors, licensees, invitees or any other third parties for whom engineer is legally responsible. This agreement does not waive, nor shall it be deemed to waive, any immunity or defense, including, but not limited to governmental immunity that would otherwise be available to the City against claims arising from the exercise of governmental powers and functions.

b. Engineer is expressly required to defend the City against all Claims for which the City becomes liable. In its sole discretion, City shall have the right to select or to approve defense counsel to be retained by Engineer in fulfilling its obligation hereunder to defend and indemnify City, unless such a right is expressly waived by City in writing by the City Manager, approved by the City Attorney, and properly authorized by the City's Council. City reserves the right to provide a portion or all of its own defense; however, City is under no obligation to do so. Any such action by City is not to be construed as a waiver of Engineer's obligation to defend the City or as a waiver of Engineer's obligation to indemnify the City pursuant to this Contract. Engineer shall retain City approved defense counsel within seven (7) business days of City's written notice that City is invoking its right to indemnification under this Contract. If Engineer fails to retain Counsel within such time period, City shall have the right to retain defense counsel on its own behalf, and Engineer shall be liable for all costs incurred by City in defense of Claims for which Engineer is liable under this Paragraph.

c. This indemnification and duty to defend is subject to and does not waive any governmental immunity available to the City under Texas law, and any defenses of the parties under Texas law. The provisions of this paragraph are solely for the benefit of the parties hereto and not intended to create or grant any rights, contractual or otherwise, to any other person or entity.

8. **Independent Contractor.** Engineer is an independent contractor and not an officer, agent, servant or employee of City. Engineer shall have exclusive control of and exclusive right to control the details of the work performed hereunder and all persons performing same, and shall be responsible for the acts and omissions of its officers, agents, employees, contractors, subcontractors and consultants; that the doctrine of respondent superior shall not apply as between City and Engineer, its officers, agents, employees, contractors, subcontractors and consultants, and nothing herein shall be construed as creating a partnership or joint enterprise between City and Engineer.

9. **Assignment and Subletting.** The Engineer agrees that neither this Agreement nor the work to be performed hereunder will be assigned or sublet without the prior written consent of the City. The Engineer further agrees that the assignment or subletting of any portion or feature of the work or materials required in the performance of this Agreement shall not relieve the Engineer from its full obligations to the City as provided by this Agreement.

10. **Contract Termination.** The parties agree that City shall have the right to terminate this Agreement with or without cause upon thirty (30) days written notice to Engineer. In the event of such termination, Engineer shall deliver to City all finished or unfinished documents, data, studies, surveys, drawings, maps, models, reports, photographs or other items prepared by Engineer in connection with this Agreement. Engineer shall be entitled to compensation for any and all work completed to the satisfaction of City in accordance with the provisions of this Agreement prior to termination. In the event this Agreement is terminated, the City shall have the option of entering into an Agreement with another party for the completion of the work.

11. **Ownership of Documents.** Original drawings and specifications are the property of the Engineer; however, the Project is the property of the City and Engineer may not use the drawings and specifications therefore for any purpose not relating to the Project without City's consent. City shall be furnished with such reproductions of drawings and specifications as City may reasonably require. Upon completion of the work or any earlier termination of this Agreement under Paragraph 10, Engineer will revise drawings, if necessary, and he will promptly furnish the City with one (1) complete set of reproducible record prints. Prints shall be furnished, as an additional service, at any other time requested by City. All such reproductions shall be the property of the City who may use them without Engineer's permission for any proper purpose including, but not limited to, additions to or completion of the Project. Engineer also acknowledges that such information shall become subject to the Public Information Laws of this State and that Engineer agrees to waive any copyright claims to the information once the information is submitted to the City.

12. **Complete Contract.** This Agreement, including Exhibit "1", constitutes the entire agreement by and between the parties regarding the subject matter hereof and supersedes all prior or contemporaneous written or oral understandings. To the extent that any of the provisions in Exhibit "1" conflicts with this Agreement, the provisions in the Agreement control over the provisions in the exhibit(s). This Agreement may only be amended, supplemented, modified or canceled by a duly executed written instrument.

13. **Mailing of Notices.** Unless instructed otherwise in writing, Engineer agrees that all notices or communications to City permitted or required under this Agreement shall be addressed to City at the following address:

Director of Utilities & Engineering
City of Sherman
P.O. Box 1106
Sherman. TX. 75090

City agrees that all notices or communications to Engineer permitted or required under this Agreement shall be addressed to Engineer at the following address:

Terry Millican
Freeman-Millican, Inc.
12225 Greenville Ave., Suite 121
Dallas, Texas 75243

All notices or communications required to be given in writing by one party or the other shall be considered as having been given to the addressee on the date such notice or communication is posted by the sending party.

14. **Miscellaneous**.

a. Paragraph Headings. The paragraph headings contained herein are for convenience only and are not intended to define or limit the scope of any provision in this Agreement.

b. Contract Interpretation. Although this Agreement is drafted by the City, should any part be in dispute, the parties agree that the Agreement shall not be construed more favorably for either party.

c. Venue/Governing Law. The parties agree that the laws of the State of Texas shall govern this Agreement. Exclusive venue shall lie in Grayson County, Texas.

d. Successors and Assigns. City and Engineer, and their partners, successors, subcontractors, executors, legal representatives, and administrators are hereby bound to the terms and conditions of this Agreement.

e. Severability. In the event a term, condition, or provision of this Agreement is determined to be void, unenforceable, or unlawful by a court of competent jurisdiction, then that term, condition, or provision, shall be deleted and the remainder of the Agreement shall remain in full force and effect.

f. Effective Date. This Agreement shall be effective from and after execution by both parties hereto.

SIGNED on the date indicated below.

CITY OF SHERMAN:

BY: ____________________________

George Olson
City Manager

DATE: ____________________________

ENGINEER:

BY: T. T. Millican

Terry Millican, P.E.
President

DATE: 27 Jul 10

APPROVED AS TO FORM:

____

Brandon S. Shelby
City Attorney

EXHIBIT "1"
ENGINEERING SERVICES AGREEMENT

City of Sherman, Texas
2010 Wastewater Treatment Plant Improvements
Scope of Professional Services

OWNER and ENGINEER, in consideration of their mutual covenants herein, agree in respect of the performance of professional engineering services by ENGINEER and the payment for those services by OWNER as set forth below.

ENGINEER shall provide professional engineering services for OWNER in all phases of the Project to which this Agreement applies, serve as OWNER'S professional engineering representative for the Project as set forth below, and shall give professional engineering consultation and advice to OWNER during the performance of services hereunder.

OWNER intends to construct, through Prime Contractor(s) the following tasks:

1. Peak Flow Storage Improvements Phase 1,

2. Peak Flow Storage Improvements Phase 2,

3. 2010-2013 Biosolids Project.

These tasks are hereinafter called the "Project".

SECTION 1 - BASIC SERVICES OF ENGINEER

1.1 GENERAL

1.1.1 ENGINEER shall perform professional services as hereinafter stated which include customary civil, structural, mechanical, and electrical engineering services and customary architectural services incidental thereto.

1.2 PRELIMINARY DESIGN PHASE

After authorization to proceed with the Preliminary Design Phase, ENGINEER shall:

1.2.1 In consultation with OWNER, determine the extent of the Project.

1.2.2 Advise OWNER as to the necessity of OWNER'S providing, or obtaining from others, data or services of the types described in paragraph 3.3, and act as OWNER'S representative in connection with any such services.

1.2.3 Prepare preliminary design documents consisting of final design criteria, preliminary drawings, and outline specifications.

1.2.4 Based on the information contained in the preliminary design documents, submit a revised opinion of probable Project Costs.

1.2.5 Furnish 3 copies of the above preliminary design documents and present and review them in person with OWNER.

1.3 FINAL DESIGN PHASE

After authorization to proceed with the Final Design Phase, ENGINEER shall:

1.3.1 On the basis of comments from the review of the preliminary design documents and the revised opinion of probable Project Cost, prepare for incorporation in the Contract Documents final drawings to show the character and extent of the Project (hereinafter called "Drawings") and Specifications.

1.3.2 Furnish to OWNER such documents and design data as may be required for, and assist in the preparation of, the required documents so that OWNER may apply for approvals of such governmental authorities as have jurisdiction over design criteria applicable to the Project, and assist in obtaining such approvals by participating in submissions to and negotiations with appropriate authorities.

1.3.3 Advise OWNER of any adjustments to the latest opinion of probable Project Cost caused by changes in extent or design requirements of the Project or Construction Costs and furnish a revised opinion of probable Project Cost based on the Drawings and Specifications.

1.3.4 Prepare for review and approval by OWNER, his legal counsel, and other advisors, contract agreement forms, general conditions and supplementary conditions, and (where appropriate) bid forms, invitations to bid and instructions to bidders, and assist in the preparation of other related documents.

1.3.5 Submit plans, specifications, and contract documents to applicable regulatory agencies for approval.

1.3.6 Furnish 3 copies of the above documents and present and review them in person with OWNER. Make any needed final revisions.

1.4 BIDDING PHASE

After authorization to proceed with the Bidding Phase, ENGINEER shall:

1.4.1 Assist OWNER in obtaining bids for each separate prime contract for construction, materials, equipment, and services.

1.4.2 Consult with and advise OWNER as to the acceptability of subcontractors and other persons and organizations proposed by the prime contractor(s) (hereinafter called "Contractor(s)") for those portions of the work as to which such acceptability is required by the bidding documents.

1.4.3 Prepare a tabulation of bids and assist OWNER in evaluating bids and in assembling and awarding contracts.

1.5 CONSTRUCTION PHASE

During the Construction Phase ENGINEER shall:

1.5.1 Consult with and advise OWNER and act as his representative as provided in the General Conditions of the Construction Contract. All of OWNER'S instructions to Contractor(s) will be issued through ENGINEER who will have authority to act on behalf of OWNER to the extent provided in said General Conditions except as otherwise provided in writing.

1.5.2 Make visits to the site at intervals appropriate to the various stages of construction to observe as an experienced and qualified design professional the progress and quality of the executed work of Contractor(s) and to determine in general if such work is proceeding in accordance with the Contract Documents. ENGINEER shall not be required to make exhaustive or continuous on-site inspections to check the quality or quantity of such work. ENGINEER shall not be responsible for the means, methods, techniques, sequences or procedures of construction selected by Contractor(s) or the safety precautions and programs incident to the work of Contractor(s). ENGINEER'S efforts will be directed toward providing a greater degree of confidence for OWNER that the completed work of Contractor(s) will conform to the Contract Documents, but ENGINEER shall not be responsible for the failure of Contractor(s) to perform the work in accordance with the Contract Documents. During such visits and on the basis of on-site observations ENGINEER shall keep OWNER informed of the progress of the work and shall endeavor to guard OWNER against defects and deficiencies in such work and may disapprove or reject work failing to conform to the Contract Documents.

1.5.3 Review Shop Drawings and samples, the results of tests and inspections and other data which each Contractor is required to submit, but only for conformance with the design concept of the Project and general compliance with the information given in the Contract Documents (but such review and approval or other action shall not extend to means, methods, sequences, techniques or procedures of construction or to safety precautions and programs incident thereto); determine the acceptability of substitute materials and equipment proposed by Contractor(s): and receive and review (for general content as required by the Specifications) maintenance and operating instructions, schedules, guarantees, bonds and certificates of inspection which are to be assembled by Contractor(s) in accordance with the Contract Documents.

1.5.4 Issue all instructions of OWNER to Contractor(s); issue necessary interpretations and clarifications of the Contract Documents and in connection therewith prepare change orders as required; have authority, as OWNER'S representative, to require special inspection or testing of the work; act as initial interpreter of the requirements of the Contract Documents and judge of the acceptability of the work thereunder and make decisions on all claims of OWNER and Contractor(s) relating to the acceptability of the work or the interpretation of the requirements of the Contract Documents pertaining to the execution and progress of the work; but ENGINEER shall not be liable for the results of any such interpretations or decisions rendered by him in good faith.

1.5.5 Based on ENGINEER'S on-site observations as an experienced and qualified design professional and on review of applications for payment and the accompanying data and schedules, determine the amounts owing to Contractor(s) and recommend in writing payments to Contractor(s) in such amounts: such recommendations of payment will constitute a representation to OWNER, based on such observations and review, that the work has progressed to the point indicated, that, to the best of ENGINEER'S knowledge, information and belief, the quality of such work is in accordance with the Contract Documents (subject to an evaluation of such work as a functioning Project upon Substantial Completion, to the results of any subsequent tests called for in the Contract Documents, and to any qualifications stated in his recommendation), and that payment of the amount recommended is due Contractor(s); but by recommending any payment ENGINEER will not thereby be deemed to have represented that continuous or exhaustive examinations have been made by ENGINEER to check the quality or quantity of the work or to review the means, methods, sequences, techniques or procedures of construction or safety precautions or programs incident thereto or that ENGINEER has made an examination to ascertain how or for what purposes any Contractor has used the moneys paid on account of the Contract Price, or that title to any of the work, materials or equipment has passed to OWNER free and clear of any lien, claims, security interests or encumbrances, or that Contractor(s) have completed their work exactly in accordance with the Contract Documents.

1.5.6 Conduct in company with OWNER, an inspection to determine if the Project is substantially complete and a final inspection for compliance with the Contract Documents and if each Contractor has fulfilled all of his obligations thereunder so that ENGINEER may recommend, in writing, final payment to each Contractor and may give written notice to OWNER and the Contractor(s) that the work is acceptable (subject to any conditions therein expressed), but any such recommendation and notice shall be subject to the limitations expressed in paragraph 1.5.5.

1.5.7 ENGINEER shall not be responsible for the acts or omissions of any Contractor, or subcontractor, or any of the Contractor(s)' or subcontractors' agents or employees or any other persons (except ENGINEER'S own employees and agents) at the site or otherwise performing any of the Contractor(s)' work; however, nothing contained in paragraphs 1.5.1 through 1.5.7, inclusive, shall be construed to release ENGINEER from liability for failure to properly perform duties undertaken by him in the Contract Documents.

1.5.8 Revise contract drawings (unless redrawing is required), with the assistance of the OWNER and Contractor(s), and furnish one (1) set of Mylar reproducible record drawings, one set of AutoCAD drawings and one set in Adobe Acrobat Portable Document Format (pdf).

SECTION 2 - ADDITIONAL SERVICES OF ENGINEER

2.1 GENERAL

If authorized in writing by OWNER, ENGINEER shall furnish or obtain from others Additional Services of the following types which are not considered normal or customary Basic Services

2.1.1 Preparation of applications and supporting documents for governmental grants, loans or advances in connection with the Project; preparation or review of environmental assessments and impact statements; review and evaluation of the effect on the design requirements of the Project of any such statements and documents prepared by others; and assistance in obtaining approvals of authorities having jurisdiction over the anticipated environmental impact of the Project.

2.1.2 Services to make measured drawings of or to investigate existing conditions or facilities, or to verify the accuracy of drawings or other information furnished by OWNER.

2.1.3 Services resulting from significant changes in extent of the Project or its design including, but not limited to, changes in size, complexity, OWNER'S schedule, or character of construction or method of financing; and revising previously accepted studies, reports, design documents or Contract Documents when such revisions are due to causes beyond ENGINEER'S control.

2.1.4 Providing renderings or models for OWNER'S use.

2.1.5 Furnishing the services of special consultants for other than the normal civil, structural, mechanical and electrical engineering and normal architectural design incidental thereto, such as consultants for interior design, furniture, furnishings, communications, acoustics, kitchens and landscaping; and providing data or services of the types described in paragraph 3.3 when OWNER authorizes ENGINEER to provide such data or services in lieu of furnishing the same in accordance with paragraph 3.3.

2.1.6 Services resulting from the arranging for performance by persons other than the principal prime contractors of services for the OWNER and administering OWNER'S contracts for such services.

2.1.7 Providing any type field surveys for design purposes and engineering surveys and staking to enable Contractor(s) to proceed with their work; and providing other special field surveys.

2.1.8 Services during out-of-town travel required of ENGINEER other than visits to the site and OWNER'S office as required by SECTION 1 and authorized by OWNER.

2.1.9 Additional or extended services during construction made necessary by (1) work damaged by fire or other cause during construction, (2) a significant amount of defective or neglected work of Contractor(s), (3) prolongation of the contract time of any prime contract by more than sixty days, (4) acceleration of the progress schedule involving services beyond normal working hours, and (5) default by Contractor(s).

2.1.10 Preparation of operating and maintenance manuals; protracted or extensive assistance in the utilization of any equipment or system (such as initial startup, testing, adjusting and balancing); and training personnel for operation and maintenance.

2.1.11 Services after completion of the Construction Phase, such as inspections during any guarantee period and reporting observed discrepancies under guarantees called for in any contract for the Project.

2.1.12 Preparing to serve or serving as a consultant or witness for OWNER in any litigation, public hearing or other legal or administrative proceeding involving the Project (except as agreed to under Basic Services).

2.1.13 Additional services in connection with the Project, including services normally furnished by OWNER and services not otherwise provided for in this Agreement.

2.1.14 Preparation of property or easement descriptions.

2.1.15 Additional copies of reports (over agreed number) and additional sets of Contract Documents (over agreed number).

2.1.16 Services of a resident Project representative, and other field personnel as required, for on-the-site observation of construction.

2.1.17 Any other special or miscellaneous assignments specifically authorized by OWNER.

SECTION 3 - OWNER'S RESPONSIBILITIES

OWNER shall:

3.1 Provide all criteria and full information as to OWNER'S requirements for the Project, including design objectives and constraints, space, capacity and performance requirements, flexibility and expandability, and any budgetary limitations; and furnish copies of all design and construction standards which OWNER will require to be included in the Drawings and Specifications.

3.2 Assist ENGINEER by placing at his disposal all available information pertinent to the Project including previous reports and any other data relative to design or construction of the Project.

3.3 Furnish to ENGINEER, as required for performance of ENGINEER'S Basic Services, data prepared by or services of others, including without limitation core borings, probings and subsurface explorations, hydrographic surveys, laboratory tests and inspections of samples, materials and equipment; appropriate professional interpretations of all of the foregoing; environmental assessment and impact statements; property, boundary, easement, right-of-way, topographic and utility surveys; property descriptions; zoning, deed and other land use restrictions; and other special data or consultations not covered in SECTION 2; all of which ENGINEER may rely upon in performing his services.

3.4 Provide field control surveys and establish reference points and base lines to enable Contractor(s) to proceed with the layout of the work.

3.5 Arrange for access to and make all provisions for ENGINEER to enter upon public and private property as required for ENGINEER to perform his services.

3.6 Examine all studies, reports, sketches, Drawings, Specifications, proposals and other documents presented by ENGINEER, obtain advice of an attorney, insurance counselor and other consultants as OWNER deems appropriate for such examination and render in writing decisions pertaining thereto within a reasonable time so as not to delay the services of ENGINEER.

3.7 Furnish approvals and permits from all governmental authorities having jurisdiction over the Project and such approvals and consents from others as may be necessary for completion of the Project.

3.8 Provide such accounting, independent cost estimating and insurance counseling services as may be required for the Project, such legal services as OWNER may require or ENGINEER may reasonably request with regard to legal issues pertaining to the Project including any that may be raised by Contractor(s), such auditing service as OWNER may require to ascertain how or for what purpose any Contractor has used the moneys paid to him under the construction contract and such inspection services as OWNER may require to ascertain that Contractor(s) are complying with any law, rule or regulation applicable to their performance of the work.

3.9 Designate in writing a person to act as OWNER'S representative with respect to the services to be rendered under this Agreement. Such person shall have complete authority to transmit instructions, receive information, interpret and define OWNER'S policies and decisions with respect to materials, equipment, elements and systems pertinent to ENGINEER'S services.

3.10 Give prompt written notice to ENGINEER whenever OWNER observes or otherwise becomes aware of any development that affects the scope or timing of ENGINEER'S services, or any defect in the work of Contractor(s).

3.11 Furnish, or direct ENGINEER to provide, necessary Additional Services as stipulated in Section 2 of this Agreement or other services as required.

3.12 Bear all costs incident to compliance with the requirements of this Section 3.

SECTION 4 - PERIOD OF SERVICE

4.1 The provisions of this Section 4 and the various rates of compensation for ENGINEER'S services provided for elsewhere in this Agreement have been agreed to in anticipation of the orderly and continuous progress of the Project through completion of the Construction Phase. ENGINEER'S obligation to render services hereunder will extend for a period which may reasonably be required for the design, award of contracts and construction of the Project including extra work and required extensions thereto.

4.2 After acceptance by OWNER of the ENGINEER'S Drawings, Specifications and other Final Design Phase documentation including the most recent opinion of probable Project Cost and upon written authorization to proceed, ENGINEER shall proceed with performance of the services called for in the Bidding. This Phase shall terminate and the services to be rendered thereunder shall be considered complete upon commencement of the Construction Phase or upon cessation of the negotiations with prospective Contractor(s) (except as may be otherwise required to complete the services called for in paragraph 6.1.2.5).

4.3 The Construction Phase will commence with the execution of the first prime contract to be executed for the work of the Project or any part thereof, and will terminate upon written approval by ENGINEER of final payment on the last prime contract to be completed. Construction Phase services may be rendered at different times in respect of separate prime contracts if the Project involves more than one prime contract.

4.4 If OWNER has requested significant modifications or changes in the extent of the Project, the time of performance of ENGINEER'S services and his various rates of compensation shall be adjusted appropriately.

4.5 If OWNER fails to give prompt written authorization to proceed with any phase of services after completion of the immediately preceding phase, or if the Construction Phase has not commenced within 90 calendar days (plus such additional time as may be required to complete the services called for under paragraph 6.2.2.5) after completion of the Final Design Phase, ENGINEER may, after giving seven days' written notice to OWNER, suspend services under this Agreement.

4.6 If ENGINEER'S services for design or during construction of the Project are delayed or suspended in whole or in part by OWNER for more than three months for reasons beyond ENGINEER'S control, ENGINEER shall on written demand to OWNER (but without termination of this Agreement) be paid as provided in paragraph 5.3.2. If such delay or suspension extends for more than one year for reasons beyond ENGINEER'S control, or if ENGINEER for any reason is required to render services more than one year after Substantial Completion, the various rates of compensation provided for elsewhere in this Agreement shall be subject to renegotiation.

4.7 In the event that the work designed or specified by ENGINEER is to be performed under more than one prime contract, OWNER and ENGINEER shall, prior to commencement of the Final Design Phase, develop a schedule for performance of ENGINEER'S services during the Final Design, Bidding and Construction Phases in order to sequence and coordinate properly such services as applicable to the work under such separate contracts.

SECTION 5 - PAYMENTS TO ENGINEER

5.1 METHODS OF PAYMENT FOR SERVICES AND EXPENSES OF ENGINEER

5.1.1 For Basic Services

OWNER shall pay ENGINEER for Basic Services rendered under SECTION 1 a lump sum for each task as noted in the table below.

TASK	LUMP SUM
Peak Flow Storage Improvements Phase 1	$11,200.00
Peak Flow Storage Improvements Phase 2	$35,630.00
2010-2013 Biosolids Project	$58,470.00
TOTAL	$105,300.00

5.1.2 For Additional Services

OWNER shall pay ENGINEER for Additional Services rendered under SECTION 2 as follows:

5.1.2.1 General

For Additional Services rendered under paragraphs 2.1.1 through 2.1.17, inclusive (except services covered by paragraph 2.1.5 and services as a consultant or witness under paragraph 2.1.12), payment will be at the hourly rates in Exhibit "A".

5.1.2.2 Special Consultants

For services and reimbursable expenses of special consultants employed by ENGINEER pursuant to paragraph 2.1.5 or 2.1.17, the amount billed to ENGINEER therefor times a factor of 1.10

5.1.2.3 Serving as a Witness

For the services rendered by principals and employees as consultants or witnesses in any litigation, hearing or proceeding in accordance with paragraph 2.1.12, at the rate of $ 2,500 per day or any portion thereof (but compensation for time spent in preparing to appear in any such litigation, hearing or proceeding will be on the basis provided in paragraph 5.1.2.1).

5.1.3 As used in this paragraph 5.1 the term "Reimbursable Expenses" will have the meaning assigned to it in paragraph 5.4.

5.2 TIMES OF PAYMENTS

5.2.1 ENGINEER shall submit monthly statements for Basic and Additional Services rendered and for reimbursable Expenses incurred. The statements will be based upon ENGINEER'S estimate of the proportion of the total services actually completed at the time of billing. OWNER shall make prompt monthly payments in response to ENGINEER'S monthly statements.

5.2.2 Upon conclusion of each phase of Basic Services, OWNER shall pay such additional amount, if any, as may be necessary to bring total compensation paid on account of such phase to the following percentages of total compensation payable for all phases of Basic Services:

Phase	Percent of Basic Services
Preliminary Design	15%
Final Design	65%
Bidding or Negotiating	5%
Construction	15%
TOTAL	100%

5.3 OTHER PROVISIONS CONCERNING PAYMENTS

5.3.1 Changes in Project Scope

In the event the OWNER changes the scope of the project after the commencement of the Final Design Phase and such changes render the work unusable that has been performed to the date of the change in project scope, ENGINEER will be paid for services rendered during that phase to the date of notice of the change in project scope at the hourly rates in Exhibit "A" for services rendered by principals and employees assigned to the Project during that phase to date of notice of the change in project scope. In the event of any such change in scope, ENGINEER will be paid for all unpaid Additional Services and unpaid Reimbursable Expenses.

In the event the OWNER changes the scope of the project after the commencement of the Final Design Phase and such changes require the Engineer to modify, redesign or otherwise change engineering work that has been completed or partially completed at the date of the change in scope, ENGINEER will be paid for services required to modify, redesign or otherwise change completed engineering work to meet the requirements of the revised scope of services at the hourly rates in Exhibit "A" for principals and employees assigned to the Project. In the event of any such change in scope, ENGINEER will be paid for all Additional Services and Reimbursable Expenses required to make the above stated changes. Before making changes to the engineering work under this provision, the ENGINEER shall submit an estimate of the cost of making the changes under this paragraph. The ENGINEER shall not begin making changes to the engineering work until authorized by the OWNER.

5.3.2 If OWNER fails to make any payment due ENGINEER for services and expenses within sixty days after receipt of ENGINEER'S bill therefor, the amounts due ENGINEER shall include a charge at the rate of 1% per month from said sixtieth day, and in addition, ENGINEER may, after giving seven days' written notice to OWNER, suspend services under this Agreement until he has been paid in full all amounts due him for services and expenses.

5.3.3 In the event of termination by OWNER, upon the completion of any phase of the Basic Services, progress payments due ENGINEER for services rendered through such phase shall constitute total payment for such services. In the event of such termination by OWNER during any phase of the Basic Services, ENGINEER will be paid for services rendered during that phase at the hourly rates in Exhibit "A" for services rendered during that phase to date of termination by principals and employees assigned to the Project. In the event of any such termination, ENGINEER will be paid for all unpaid Additional Services and unpaid Reimbursable Expenses, plus all termination expenses. Termination expenses mean Reimbursable Expenses directly attributable to termination, which shall include an amount computed as a percentage of total compensation for Basic Services earned by ENGINEER to the date of termination, as follows:

20% if termination occurs after commencement of the Preliminary Design Phase but prior to commencement of the Final Design Phase; or

10% if termination occurs after commencement of the Final Design Phase.

5.4 DEFINITIONS

5.4.1 Reimbursable Expenses mean the actual expenses incurred directly or indirectly in connection with the Project for: transportation and subsistence incidental thereto; obtaining bids or proposals from Contractor(s); furnishing and maintaining field office facilities; subsistence and transportation of Resident Project Representatives and their assistants; toll telephone calls and telegrams; reproduction of reports, Drawings, Specifications, and similar Project related items in addition to those required under Section 1; and, if authorized in advance by OWNER, overtime work requiring higher than regular rates.

SECTION 6 - OPINIONS OF COST

6.1 OPINIONS OF COST

6.1.1 Since ENGINEER has no control over the cost of labor, materials, equipment or services furnished by others, or over the Contractor(s)' methods of determining prices, or over competitive bidding or market conditions, his opinions of probable Project Cost and Construction Cost provided for herein are to be made on the basis of his experience and qualifications and represent his best judgment as an experienced and qualified professional engineer, familiar with the construction industry; but ENGINEER cannot and does not guarantee that proposals, bids or actual Project or Construction Cost will not vary from opinions of probable cost prepared by him. If prior to the Bidding Phase OWNER wishes greater assurance as to Project or Construction Cost he shall employ an independent cost estimator as provided in paragraph 3.8.

6.1.2 If a Construction Cost limit is established by written agreement between OWNER and ENGINEER, the following will apply:

6.1.2.1 The acceptance by OWNER at any time during the Basic Services of a revised opinion of probable Project or Construction Cost in excess of the then established cost limit will constitute a corresponding revision in the Construction Cost limit to the extent indicated in such revised opinion.

6.1.2.2 Any Construction Cost limit so established will include a contingency of ten percent unless another amount is agreed upon in writing.

6.1.2.3 ENGINEER will be permitted to determine what materials, equipment, component systems and types of construction are to be included in the Drawings and Specifications and to make reasonable adjustments in the extent of the Project to bring it within the cost limit.

6.1.2.4 If the Bidding Phase has not commenced within six months after completion of the Final Design Phase, the established Construction Cost limit will not be binding on ENGINEER, and OWNER shall consent to an adjustment in such cost limit commensurate with any applicable change in the general level of prices in the construction industry between the date of completion of the Final Design Phase and the date on which proposals or bids are sought.

6.1.2.5 If the lowest bona fide proposal or bid exceeds the established Construction Cost limit, OWNER shall (1) give written approval to increase such cost limit, (2) authorize negotiating or rebidding the Project within a reasonable time, or (3) cooperate in revising the Project's extent or quality. In the case of (3), ENGINEER shall, without additional charge, modify the Contract Documents as necessary to bring the Construction Cost within the cost limit. The providing of such service will be the limit of ENGINEER'S responsibility in this regard and, having done so, ENGINEER shall be entitled to payment for his services in accordance with this Agreement.

SECTION 7 - GENERAL CONSIDERATIONS

7.1 REUSE OF DOCUMENTS

All documents including Drawings and Specifications prepared by ENGINEER pursuant to this Agreement are instruments of service in respect to the Project. They are not intended or represented to be suitable for reuse by OWNER or others on extensions of the Project or on any other project. Any reuse without written verification or adaptation by ENGINEER for the specific purpose intended will be at OWNER'S sole risk and without liability or legal exposure to ENGINEER; and OWNER shall indemnify and hold harmless ENGINEER from all claims, damages, losses and expenses including attorneys' fees arising out of or resulting therefrom. Any such verification or adaptation will entitle ENGINEER to further compensation at rates to be agreed upon by OWNER and ENGINEER.

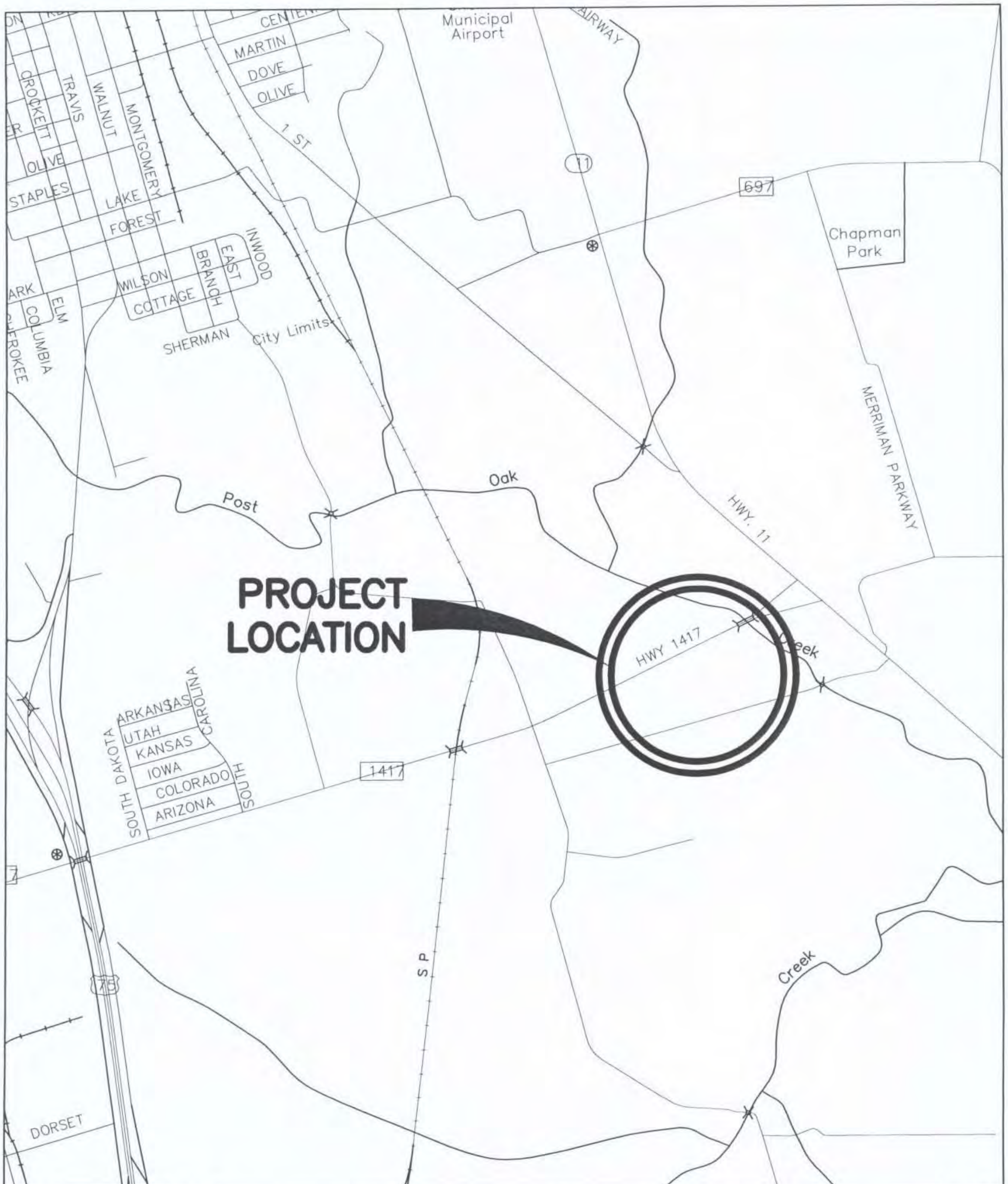
SECTION 8 - SPECIAL PROVISIONS, EXHIBITS AND SCHEDULES

8.1 The following Exhibits are attached to and made a part of this Exhibit 1:

8.1.1 Exhibit "A" – Freeman-Millican, Inc. - Hourly Rates

EXHIBIT "A"
FREEMAN-MILLICAN, INC.
HOURLY RATES

Employee Category	Hourly Rate
Principal Engineer	$165
Associate Engineer	$130
Senior Project Engineer	$115
Architect	$110
Project Engineer	$100
EIT	$ 85
Designer	$ 75
CAD	$ 60
Clerical	$ 50
RPLS	$150
Survey Crew (Including GPS)	$125



City of Sherman, Texas

WASTEWATER TREATMENT PLANT

PROJECT LOCATION MAP

N

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 8-2-2010

Subject: Agenda Item No. D.1

REQUEST TO ADVERTISE
2010-2013 Biosolids Project

Issue
Requesting permission to advertise for bids for the processing and disposal of 10,000 metric tons of biosolids generated at the City of Sherman Wastewater Treatment Plant.

Background
The project will provide for the disposal of the biosolids generated by the City of Sherman for the next three years.

Origination
Department of Utilities Administration

Financial Consideration
The project is funded through the operations budget of the City's Wastewater Treatment facility.

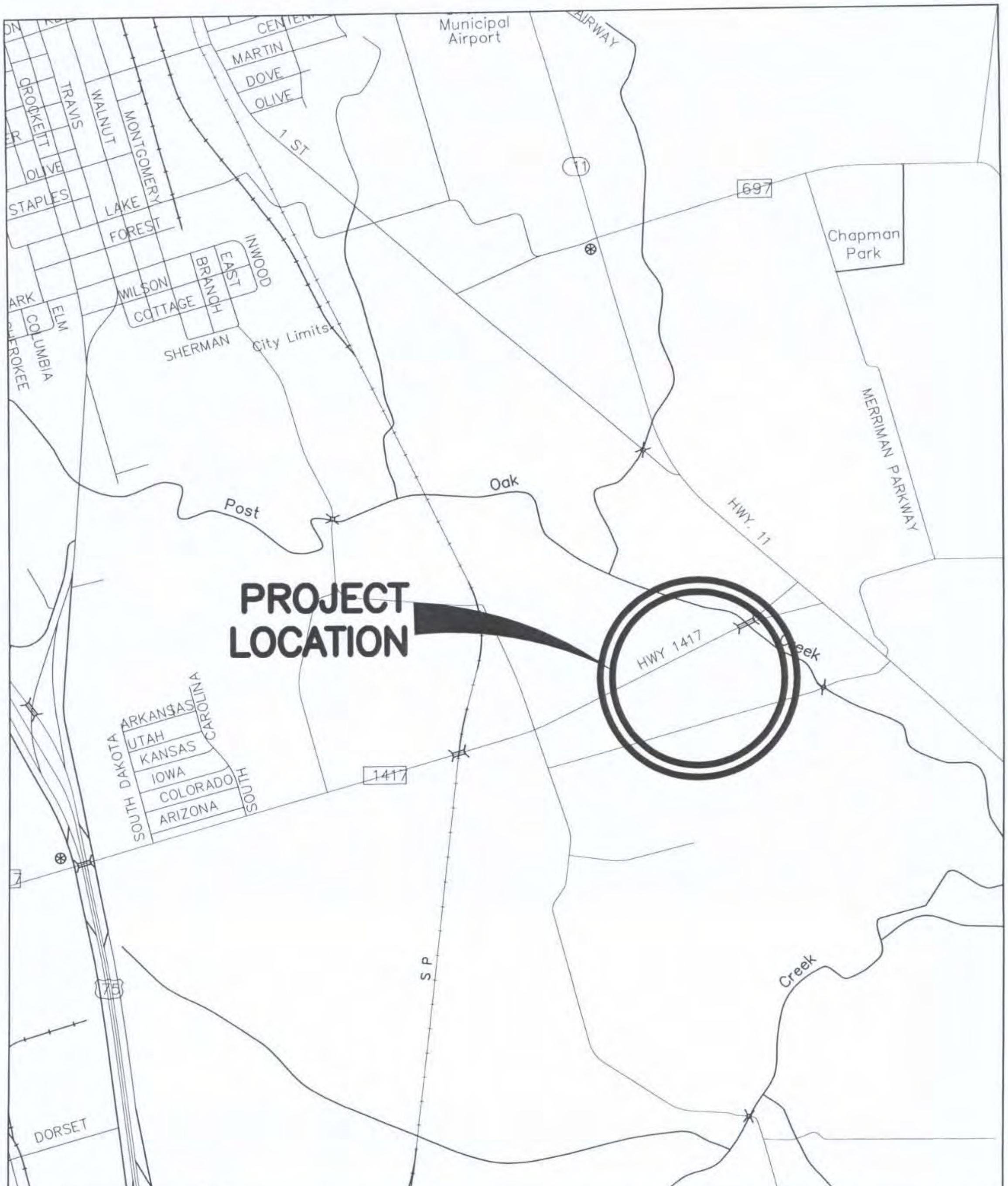
Staff Recommendation
It is recommended that the City Council authorize the staff to advertise the project for bid.

Alternatives
As may be directed by the City Council

Attachments
Location map

Prepared by:
Mark Gibson, Director of Engineering & Public Works

Approved by:
George Olson, City Manager



City of Sherman, Texas

WASTEWATER TREATMENT PLANT

PROJECT LOCATION MAP

N

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 8-2-2010

Subject: Agenda Item No. D.2

**** CHANGE ORDER NO. 1***
U.S. Highway 75 North Sewer Project – Contract "D";
Howard-Estruct JV, LLC.; $93,457.00, Decrease

Issue
Change Order No. 1 is a reconciliatory change order to adjust the cost of the pumps associated with the lift stations on Contract "D" of the U.S. Highway 75 North Sewer project.

Background
The actual cost of the required pumps ($226,543.00) was less than the $320,000.00 bid allowance in the contract documents, resulting in a refund of $93,457.00.

Origination
Department of Utility Services
Greater Texoma Utility Authority

Financial Consideration
The change order results in a $93,457.00 decrease in the contract amount, yielding a revised contract price of $894,043.00.

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

Alternatives
As may be directed by the City Council

Attachments
GTUA Letter of July 14, 2010
Change Order No. 1
Location Map

Prepared by:
Mark Gibson, Director of Engineering & Public Works

Approved by:
George Olson, City Manager

GREATER TEXOMA UTILITY AUTHORITY

5100 AIRPORT DRIVE
DENISON, TEXAS 75020-8448
903/786-4433
FAX: 903/786-8211
www.gtua.org

MEMO

TO: Board of Directors, Greater Texoma Utility Authority

FROM: Jerry W. Chapman, General Manager JWC

DATE: July 14, 2010

RE: Sherman Hwy 75 North Sewer Project Contract "D"
Howard-Estruct, JV
Change Order No. 1

Last month, the Authority received bids for the Sherman Hwy 75 North Sewer project Contract "D" for the lift stations. The bid was awarded to Howard-Estruct, JV and included an allowance of $320,000 for pumps.

The Authority's consulting engineer, David Gattis with Freeman-Millican recommended separately bidding the pumps in order to be assured of quality and for the pumps to be consistent with existing equipment used in the City. The results of that bid were to award a contract to ITT Flygt in the amount of $226,543. The bid from ITT Flygt has been assigned to Howard-Estruct, JV for installation.

In order to complete this action, it is now necessary to execute a change order to reduce the amount of the allowance in the Howard-Estruct, JV contract to adjust from $320,000 to $226,543. This is a decrease of $93,457. The change order has been prepared by David Gattis and has been accepted by the contractor.

ACTION REQUESTED: The General Manager requests the Board of Directors consider authorizing a change order to reduce the pump allowance in the contract with Howard-Estruct, JV for the Sherman Hwy 75 North Sewer project Contract "D" by $93,457, contingent upon similar action being taken by the City of Sherman.

JWC:cc

Attachment

CHANGE ORDER NO. 1

PROJECT:	Highway 75 North Sewer Lift Stations, Contract "D"
OWNER:	Greater Texoma Utility Authority (GTUA)
CONTRACTOR:	Howard-Estruct JV
ENGINEER:	Freeman - Millican, Inc. Dallas, Texas
DATE:	July 14, 2010

TO THE CONTRACTOR: The contract amount is hereby reduced, subject to the Contract provisions, per the difference in the general contract bid allowance and the pump equipment low bid.

Original Contract Amount:	$987,500.00
Reduction - Change Order No. 1 – Pump Equipment Allowance, $320,000 less Pump Equipment Low Bid, $226,543	$93,457.00
	$0.00
Revised Contract Amount:	$894,043.00

Original Contract Time:	200	Days
Time Extension/(Reduction) - Change Order No. 1	0	Days
Time Extension/(Reduction) - This Change Order:	0	Days
Revised Contract Time:	200	Days

RECOMMENDED:

David E. Gattis — 7-14-2010

David E. Gattis, Freeman-Millican, Inc., Engr. — Date

July 14, 2010

APPROVED:

Michael Howard, Howard Estruct JV, Contractor — Date

Jerry W. Chapman, GTUA, Owner — Date

Contract D - Lift Stations

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 8-2-2010

Subject: Agenda Item No. D.3

**** CHANGE ORDER NO. 1***
Stephens #2 Trinity Pump Retrieval and Well Evaluation Project;
Weisinger Water Well, Incorporated; $335.60, Increase

Issue
Change Order No. 1 is a final reconciliatory change order to adjust final project quantities for the Stephens #2 Trinity Pump Retrieval and Well Evaluation.

Background
Following an evaluation of the Stephens #2 Trinity Well, it was determined that the well was not functional. It was not possible to retrieve the pump and piping; and the well was plugged in accordance with State criteria.

Origination
Department of Utility Services

Financial Consideration
The change order results in a $335.60 increase in the contract amount, yielding a final contract price of $42,185.60.

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

Alternatives
As may be directed by the City Council

Attachments
Change Order No. 1
Invoice

Prepared by:
Mark Gibson, Director of Engineering & Public Works

Approved by:
George Olson, City Manager

CITY OF SHERMAN
CONTRACT CHANGE ORDER

Contract No.____________ Date: July 22, 2010

Change Order No. 1 Project: Stephens 2 Trinity Well Evaluation

To: (Contractor)

You are hereby requested to comply with the following changes from the contract plans and specifications:

Item Number (1)	Description of Changes, Quantities Units, Unit Prices, change in completion schedule, etc. (2)	Decrease in Contract Price (3)	Increase in Contract Price (4)
2	Bale Oil & Prep for Survey	$500.00	
3	Delete Two Camera Surveys	$3,600.00	
4	Fish Pump out of Well	$7,500.00	
5	Rental of Fishing Tool		$11,909.87
6	Weld Steel Lifting Lugs	$90.00	
7	State Variance Plugging Fee		$115.73
Total		**$ 11,690.00**	**$12,025.60**

The sum of **$ 335.60** is hereby **added to** the total contract price, **$ 41,850.00** and the total adjusted contract price to date thereby is **$ 42,185.60**.

This document shall become an amendment to the contract, and all provisions of the contract will apply hereto.

Accepted By:______________________________ Date:______________________

Recommended By:___________________________ Date:______________________
Mark Gibson, Director of Utilities & Engineering

Approved By:______________________________ Date:______________________
George Olson, City Manager

INVOICE

Weisinger Water Well, Inc.

2200EAST DAVIS
CONROE, TEXAS 77301
(936) 756-7721 • (281) 353-8484
(936) 756-7692 Fax

PLEASE PAY FROM THIS INVOICE

TERMS: UPON RECEIPT

CHARGE TO

City of Sherman
P.O.Box 1106
Sherman,Tx 75091

INVOICE NO: 10055-R

DATE: 7/6/10

CUST. NO. 970

Stephens 2 Trinity Pump Retrieval and Well Evaluation	
Mobilize and rig up to fish pump out of the well 1000' 8"x3 1-15/16 to include drill pipe and equipment for fishing.	5,000.00
Fish pump out of well	5,000.00
Rental of fishing tool	11,909.87
Cement 16"x10" well depthof well is 2216'	20,160.00
State plugging variance fee and overnight shipping of variance request to State	115.73
State Plugging Report #64538	
TOTAL AMOUNT DUE	42,185.60
THANK YOU	

We Appreciate Your Business!

Regulated by: TX Dept. of Licensing & Regulation P.O. Box 12157 Austin, Texas 78711
(800) 803-9292 or (512) 463-7880

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 8-2-2010

Subject: Agenda Item No. D.4

OTHER BUSINESS
Consider Request of United Way of Grayson County to Temporarily Close Certain Streets for the "United Way Hustle for Health" on Saturday, August 28, 2010

Issue
United Way of Grayson County will kick off its 2010 annual campaign with the "United Way Hustle for Health" on Saturday, August 28th, and is requesting the City of Sherman's assistance with street closures in the downtown area.

Background
United Way of Grayson County, in conjunction with multiple sponsors, will hold its annual campaign kickoff with the "Hustle for Health", a 5K/10K Road Race and 1 Mile Fun Run on Saturday, August 28th. The event will begin at 8:00 a.m. and will follow the route displayed on the attached map. The event will require traffic control assistance and barricades from the City of Sherman.

Origination
David Cortinas, President of United Way of Grayson County

Financial Consideration
Labor and equipment to provide traffic control assistance and implement barricade placement and removal.

Staff Recommendation
It is recommended that the City Council approve this request and authorize the necessary traffic control to accommodate the event.

Alternatives
None recommended

Attachments
Written request received June 22, 2010
Map of Proposed Route

Prepared by:
Don Keene, Exec. Director of Planning & Public Works

Approved by:
George Olson, City Manager

713 E. Brockett, Post Office Box 1112
Sherman, TX 75091
Tel 903 893-1920 Fax 903 893-4141
www.unitedwaygrayson.org

United Way
of Grayson County

RECEIVED
JUN 2010
City Managers
Office

George Olson
City of Sherman
220 West Mulberry Street
Sherman, TX 75090-5832

Mr. Olson

As part of our annual kickoff United Way of Grayson County would like to add a 10k, 5k, and 1 k fun run. We began with a visit to David Selman of the Texas Department of Transportation and have met with Jeff Miller with the city. With their guidance we have determined a route which will include downtown and highlight Brockett Street.

We are requesting from the city, traffic support and cones to be placed along the course. We are estimating three hundred (300) runners to participate. Please find below the details and attached the proposed course map.

What:	CIGNA "Hustle for Health" Run & Annual Campaign Kickoff
Who:	United Way of Grayson County
When:	August 28th 2010
Time:	Race Start 8:00 a.m. finish 11:00 a.m.
Where:	County Courthouse/ through down town/ County Courthouse

We want to thank you in advance for your consideration of this event. If we can be of any assistance please call David Cortinas at the United Way of Grayson County office. We look forward to working with the city on this endeavor.

Sincerely,

Maureen Kane
Maureen Kane
2010 Campaign Chair

Angie Tol
Race Volunteer

David Cortinas
UWGC President & CEO

5K

Course begins and ends in Front of Grayson County Courthouse **X**

West on Houston

North on Walnut

West on Brockett

North on Grand (if needed)

Back to Courthouse

10K

Same as above

At 5K finish line there will be a sign to keep 10K runners moving to Crockett.

South on Crockett

West on Lake

North on Travis

Left on Houston to finish

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 8-2-2010

Subject: Agenda Item No. D.5

OTHER BUSINESS

Consider Calling a Special Meeting of the City Council for 5:00 p.m. on Monday, August 9, 2010, to Hold a Public Hearing on Charter Amendments proposed by the Charter Review Commission for the November 2, 2010 Special Election

Issue

Calling a special meeting of the City Council for 5:00 p.m. on Monday, August 9, 2010, to hold a public hearing on charter amendments proposed by the Charter Review Commission for the November 2, 2010 Special Election

Background

Only a home-rule city may have a city charter. By State law, a city charter, once adopted, is law that the city must follow in carrying out its duties, except as limited by state or federal law. As deficiencies appear in the charter, either new law must be added or old unusable law must be deleted. At the June 21st City Council meeting, the Mayor appointed, with the City Council's approval, Councilman Chip Adami, Councilwoman Pam Howeth, and himself to the Charter Review Commission. This Commission has been working with the City Attorney, City Manager, and Assistant City Manager on proposed amendments, which they are ready to submit to the City Council and citizens in public hearing.

Origination

Charter Review Committee
City Manager and Staff

Financial Consideration

The fees paid to City Council members will total $375.00 for the special meeting.

Staff Recommendation

It is recommended that the City Council, ***by motion and order***, call a special City Council meeting for 5:00 p.m. on Monday, August 9, 2010.

Alternatives

The Council could choose 12:00 noon on Monday, August 9, 2010 as an alternate meeting time or another more suitable date and time.

Attachments

None

Prepared by:
Brandon S. Shelby, City Attorney

Approved by:
George Olson, City Manager

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 8-2-2010

Subject: Agenda Item No. D.6

***OTHER BUSINESS**

Consider Calling a Special Meeting of the City Council for Tuesday, September 7, 2010, 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 7, 2010, 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 6th, 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.

Attachments

None

Prepared and Approved by:
George Olson, City Manager

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 8-2-2010

Subject: Agenda Item No. D.7

OTHER BUSINESS
Review 2010-2011 Draft Budget

Issue
Reviewing the draft budget for the 2010-2011 fiscal year

Background
The City Charter requires that a draft budget be submitted to the Council at least 50 days prior to the start of the new fiscal year. This draft budget reflects the direction given by the Council at the recent budget workshop held during June 17, 2010 and is focused on continuing to provide essential services. The budget contains $57.2 million in appropriations, which is approximately 15% less than the prior year's original budget, the decrease of which relates primarily to capital improvements. In accordance with the discussions at the budget workshop, the draft budget maintains the property tax rate at $.32/$100; and increases in water/sewer rates and solid waste rates of about 6% and 2.5%, respectively, are included. More detailed information is available on the attachments.

Origination
Assistant City Manager/Chief Financial Officer

Financial Consideration
The proposed draft budget contains appropriations of $57.2 million for the 2010-2011 fiscal year.

Staff Recommendation
The staff recommends that the budget ordinance be prepared using the draft budget as presented herein. If the draft meets with the Council's approval, the staff will present the budget ordinance at the August 16, 2010 meeting of the City Council.

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

Attachments
Summary budget text; summary budget schedule; individual fund statements; bonded debt summary; property tax historical summary

Prepared by:
Robby Hefton, Assistant City Manager/CFO

Approved by:
George Olson, City Manager

This budget will raise more total property taxes than last year's budget by $58,000 and .9%, and of that amount $58,000 is tax revenue to be raised from new property added to the roll this year.

DRAFT BUDGET FOR THE CITY OF SHERMAN
FOR FISCAL YEAR 2010-2011
August 16, 2010

SUMMARY:

The attached draft budget for 2010-2011 is based on the direction provided by the City Council at the budget workshop that was held on June 17, 2010.

The draft budget reflects a focus on funding our essential services and balancing the budget using available fund balances and rate increases while holding the property tax rate unchanged at $.32/$100 valuation. Utility Fund and Solid Waste Fund revenue increases will come from increased water and sewer rates, as well as solid waste rates, while increases in certain user fees in areas such as cemetery and parks and recreation will generate additional revenues for the General Fund.

Appropriations for 2010-2011 total about $57.2 million, of which $1.6 million is earmarked for capital spending. This total is approximately 15% less than the $67.1 million in the original 2009-2010 budget. Decreased spending on capital projects and capital expenses represents the largest component of the decreased appropriations.

Total budgeted full-time positions in the draft budget are 404, down from 407 in fiscal year 2009-2010. This decrease is the result of the budget's emphasis on efficiently funding essential services and reducing the cost of complementary services.

The General Fund is balanced through the use of transfers for fiscal year 2010-2011 but unbalanced on an ongoing basis. Property taxes and fines and forfeitures are expected to increase slightly. Increases in fees for cemetery, parks and recreation, and animal control services will also add to revenue. Other revenues, such as sales tax and ambulance service fees are expected to remain essentially unchanged. Fund balance is projected to be $4.2 million or 54 days at the end of FY 2011.

For the budget year 2011, the Utility Fund is balanced after a transfer from the Utility Improvement Fund. The expected loss of two major industrial customers in the first half of 2011 is projected to reduce revenue by almost $.9 million in 2011 and about $2 million annually thereafter. Therefore, a 6% rate increase in 2011 is budgeted to replace approximately the projected revenue loss for that year. The need for additional rate increases will be evaluated next year based on the projections at that time. Financial pressures could be relieved in future years when additional prospective revenues are expected from water sales to a major new industrial customer and the city's projected annual debt service costs decrease by about $1.5 million.

Remaining fund balances at the end of 2011 are projected to be about $3.9 million, or about 72 days of ongoing operating expenses.

The Solid Waste Fund is balanced on an on-going basis. Recent cost increases related to landfill disposal have contributed to the need for a rate increase of about 2.5% in this fund. Expected revenues from this increase total about $128 thousand. The overall rate increase will be applied as needed to each of the operating departments within this fund to ensure that each segment of operation is self-supporting. Fund balances in this fund continue to be healthy, with an expected $2.0 million, or 136 days of operating funds, available at the end of FY 2011.

The draft budget of about $1.8 million in the General Improvement Fund contains $1.2 million in transfers out for debt service payments on certificates of obligation issued for park and street improvements. Reserves of about $0.2 million are expected at the end of FY 2011.

The Utility Improvement Fund draft budget contains a transfer of $1.0 to the Utility Fund to balance that fund. Additionally, the City will issue an expected $4.52 million in revenue bonds through the Greater Texoma Utility Authority (GTUA) for the purchase of additional water storage rights in Lake Texoma. These projects are not included on the City's books; rather they are paid through contractual debt payments to GTUA from the Utility Fund. Utility Improvement Fund reserves of about $0.6 million should be available in the fund at the completion of these projects.

DETAILED INFORMATION:

Additional information on major components of the 2010-2011 draft budget follows.

Additional Water Storage at Lake Texoma – The draft budget for the Utility Improvement Fund includes $4,520,000 to purchase additional storage. This project is funded by the Greater Texoma Utility Authority.

Water/Sewer and Solid Waste Rate Increase - Revenue losses from industry closings and an increase in landfill disposal fees have contributed to the need for rate increases in these utility services. The overall water/sewer rate increase is expected to be about 6.0%, while the solid waste fees are expected to increase about 2.5% overall.

Property Tax Rates – The current property tax rate of $.32/$100 valuation will remain unchanged, and is expected to generate about $6.7 million in revenues for the General Fund.

SUMMARY SCHEDULES, DETAILED FUND STATEMENTS, AND OTHER INFORMATION

The following pages include a schedule that summarizes the draft 2010-2011 budget, eliminating double counting for internal service funds and inter-fund transfers. Also included are statements of revenues and expenditures/expenses for each fund, and a debt schedule.

Summary of Budgeted Receipts and Expenditures/Expenses
Fiscal Year 2010-2011

	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	$ 4,025,583	$ 5,677,834	$ 1,263,115	$ 2,107,861	$ 3,114,639	$ 1,152,879	$ 1,113,895	$ 74,118	$ 18,529,924
Receipts:									
Taxes	21,321,500	-	-	945,000	-	-	958,200	-	23,224,700
Water Sales	-	11,250,000	-	-	-	-	-	-	11,250,000
Sewer Sales	-	6,785,000	-	-	-	-	-	-	6,785,000
Solid Waste Sales	-	5,481,500	-	-	-	-	-	-	5,481,500
Other Fees for Services	3,420,955	120,000	7,004,902	755,625	-	-	-	(6,210,402)	5,091,080
Interest	65,420	22,500	500	5,455	60,000	12,000	1,100	-	166,975
Other	369,310	1,220,157	-	260,300	-	7,000	-	-	1,856,767
Transfers In	3,138,066	1,121,500	15,111	58,000	435,439	-	816,375	(5,584,491)	-
Total Receipts	28,315,251	26,000,657	7,020,513	2,024,380	495,439	19,000	1,775,675	(11,794,893)	53,856,022
Expenditures/Expenses:									
Personnel	20,577,585	6,090,802	1,033,912	138,459	-	-	-	-	27,840,758
Supplies	1,443,573	1,069,971	735,266	488,875	-	-	-	-	3,737,685
Maintenance	1,060,925	1,354,457	810,555	665,925	-	-	-	-	3,891,862
Utilities	1,420,200	3,026,300	77,520	49,500	-	-	-	-	4,573,520
Contract Wages	312,330	67,680	6,000	-	-	-	-	-	386,010
Computer Services	556,700	98,100	15,300	2,200	-	-	-	(669,800)	2,500
Debt Service	69,262	3,438,577	315,814	-	-	-	2,116,374	-	5,940,027
Contractual Services	1,608,579	1,083,500	4,008,126	342,072	-	-	-	(3,398,652)	3,643,625
Vehicle Usage	1,060,430	6,062,132	-	890	-	-	-	(2,141,950)	4,981,502
Capital Expenses	33,000	332,940	70,580	500,000	640,000	-	-	-	1,576,520
Other	-	153,000	-	476,850	-	-	-	-	629,850
Transfers Out	15,111	2,556,605	-	577,775	2,200,000	-	235,000	(5,584,491)	-
Total Expenditures/Expenses	28,157,695	25,334,064	7,073,073	3,242,546	2,840,000	-	2,351,374	(11,794,893)	57,203,859
Ending Fund Balance	$ 4,183,139	$ 6,344,427	$ 1,210,555	$ 889,695	$ 770,078	$ 1,171,879	$ 538,196	$ 74,118	$ 15,182,087

General Fund
Summary of Revenues & Expenditures (Budget Basis)

	Actual 2008-2009	Adjusted Budget 2009-2010	Projected 2009-2010	Requested 2010-2011
ginning Fund Balance	$ 7,296,771	$ 5,683,150	$ 5,261,173	$ 3,908,199
venues				
Property Taxes	6,028,571	6,728,000	6,641,400	6,733,500
Sales Taxes	11,195,934	11,870,000	11,260,000	11,260,000
Franchise Taxes	3,580,400	3,692,000	3,150,000	3,191,000
Other Taxes	132,293	129,000	133,000	137,000
Fines & Forfeitures	764,258	800,000	690,000	877,700
Recreation	257,569	272,000	269,500	297,400
Permits & Licenses	204,013	261,700	155,045	155,045
Rentals	72,445	66,500	76,100	70,950
Cemetery Sales and Services	115,535	125,000	169,040	241,000
Sales & Services	312,755	478,560	479,360	478,860
Ambulance Services	1,524,654	1,300,000	1,300,000	1,300,000
Interest	161,424	125,000	65,000	65,000
Grants and Miscellaneous	583,362	313,879	531,265	342,710
tal Revenues	24,933,213	26,161,639	24,919,710	25,150,165
Transfers In	2,462,494	2,564,000	2,564,000	3,138,066
tal Receipts	27,395,707	28,725,639	27,483,710	28,288,231
tal Funds Available	34,692,478	34,408,789	32,744,883	32,196,430
penditures				
Personnel	19,840,108	20,452,914	20,550,183	20,577,585
Supplies	1,119,116	1,362,807	1,266,064	1,443,573
Maintenance	948,144	1,031,130	950,040	1,060,925
Utilities	1,331,069	1,352,840	1,480,250	1,420,200
Contract Wages	300,251	321,680	325,000	312,330
Computer Services	524,144	542,300	531,600	556,700
Debt Service	191,558	154,458	259,263	69,262
Contractual and Sundry Services	1,541,431	1,848,898	1,680,000	1,493,879
Vehicle Usage	976,458	1,022,960	1,047,430	1,060,430
Equipment and Buildings	932,743	153,250	160,791	33,000
Transfer Out to Debt Service	-	375,000	375,000	-
Transfer Out to Fleet Fund	1,000,000	211,063	211,063	15,111
Transfer Out to Ins Fund	666,283	-	-	-
Transfer Out to Comp Svc	60,000	-	-	-
tal Expenditures	29,431,305	28,829,300	28,836,684	28,042,995
cess Receipts over Expenditures	(2,035,598)	(103,661)	(1,352,974)	245,236
ding Fund Balance	$ 5,261,173	$ 5,579,489	$ 3,908,199	$ 4,153,435

Utility Fund
Summary of Revenues & Expenses (Budget Basis)

	Actual 2008-2009	Budget 2009-2010	Projected 2009-2010	Requested 2010-2011
Beginning Reserve	$ 4,247,383	$ 3,371,880	$ 3,641,519	$ 3,639,580
Revenues				
Water Revenues	10,777,676	11,129,475	10,500,000	11,250,000
Sewer Revenues	6,519,172	6,988,275	6,715,000	6,785,000
Laboratory Charges	108,139	107,000	107,100	115,000
Service & Penalties	441,192	450,000	472,000	475,000
Earned Interest	54,349	70,000	22,000	20,000
Intergovernmental	213,717	236,285	236,285	215,942
Miscellaneous	122,878	294,300	318,250	306,715
Total Revenues	18,237,123	19,275,335	18,370,635	19,167,657
Transfers-In	-	450,000	450,000	1,121,500
Total Receipts	18,237,123	19,725,335	18,820,635	20,289,157
Total Funds Available	22,484,506	23,097,215	22,462,154	22,807,237
Expenses				
Personnel	4,416,666	4,470,200	4,365,000	4,541,438
Supplies	878,881	1,022,838	1,011,736	981,437
Maintenance & Repair	1,579,811	1,618,930	1,553,030	1,313,887
Utilities	2,681,394	2,537,920	2,796,350	3,005,800
Computer Services	84,153	86,400	82,200	87,200
Debt Service	5,436,816	5,403,499	5,616,221	6,003,634
Contract Wages	80,900	84,000	84,000	64,000
Contractual & Special Services	1,080,795	1,904,858	937,220	1,934,480
Vehicle Usage	222,642	229,650	214,912	218,800
Other	145,493	172,200	122,200	149,000
Capital Expenses	366,173	189,800	189,705	90,000
Total Expenses	16,973,724	17,720,295	16,972,574	18,389,676
Transfers Out				
General Fund	1,696,732	1,850,000	1,850,000	1,604,266
Others	172,531	-	-	-
Total Transfers Out	1,869,263	1,850,000	1,850,000	1,604,266
Total Expenses	18,842,987	19,570,295	18,822,574	19,993,942
Excess Revenues over Expenditures	(605,864)	155,040	(1,939)	295,215
Ending Reserve	$ 3,641,519	$ 3,526,920	$ 3,639,580	$ 3,934,795

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

	Actual 2008-2009	Approved 2009-2010	Projected 2009-2010	Requested 2010-2011
Beginning Fund Balance	$ 1,442,165	$ 1,034,423	$ 1,078,773	$ 1,617,127
Revenues				
Solid Waste Fees	4,674,925	5,016,280	5,333,000	5,481,500
Service Penalties	51,649	55,000	65,000	67,000
Interest	7,906	6,000	1,500	1,000
Miscellaneous	55,619	20,800	127,800	155,500
Total Revenues	4,790,099	5,098,080	5,527,300	5,705,000
Total Funds Available	6,232,264	6,132,503	6,606,073	7,322,127
Expenses				
Personnel	1,538,944	1,600,256	1,531,286	1,549,364
Supplies	159,225	120,880	110,195	88,534
Maintenance & Repair	20,344	20,000	19,000	40,570
Utilities	9,227	13,200	18,250	20,500
Contract Wages	11,191	3,680	3,636	3,680
Computer Services	12,947	10,800	10,500	10,900
Solid Waste Debt Service	322,794	246,702	250,546	58,498
Contractual & Sundry Services	1,293,181	1,530,342	1,399,780	1,504,097
Vehicle Usage	888,895	967,600	840,410	864,700
Capital Expenses	219,794	-	206,343	242,940
Transfers Out	676,949	630,664	599,000	952,339
Total Expenses	5,153,491	5,144,124	4,988,946	5,336,122
Excess Receipts over Expenditures	(363,392)	(46,044)	538,354	368,878
Ending Fund Balance	$ 1,078,773	$ 988,379	$ 1,617,127	$ 1,986,005

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

	Amended Budget 2009-2010	Projected 2009-2010	Requested 2010-2011
Beginning Fund Balance	$ 2,738,158	$ 9,303,734	$ 1,504,576
Revenues:			
Transfers In	60,000	60,000	435,439
Austin College Participation	200,000	400,000	-
Bond Proceeds	3,500,000	-	-
Investment Interest	100,000	45,000	20,000
Miscellaneous Revenue	-	-	-
Total Revenues	3,860,000	505,000	455,439
Total Funds Available	6,598,158	9,808,734	1,960,015
Expenditures:			
Comprehensive Plan Study	14,308	14,308	-
* Pecan Grove Park - Phase I	7,900	7,900	-
* Brockett St. - Grand to Travis	1,340,652	1,340,652	-
* Washington Street West	3,000,000	2,726,555	-
* Lamberth Rd West	800,000	887,602	-
* Pecan Grove Park - Phase II	1,779,273	1,779,273	-
US 75 W. Frontage Road Reversal	300,000	-	-
Canyon Grove Road - relocation	100,000	-	100,000
Hawn Park Practice Field Development	25,000	25,000	-
Solid Waste Interior Driveway Rebuild Phase IV	60,000	48,200	-
Street Right-of-Way and Oversizing	100,000	40,000	-
Travis Street - Washington to Houston St.	180,000	180,000	-
TIF #3 - Hwy 75 N. Third Lane	-	-	225,000
Drainage Improvement Projects	300,000	200,000	100,000
GIS System	146,700	100,000	50,000
Blalock Land Purchase	-	90,810	-
Cemetery Building resurface & fencing	30,000	-	-
Solid Waste Interior Driveway Rebuild Phase V	-	-	60,000
OSP Shade Structure Repairs	-	-	55,000
Transfer to Debt Service	688,858	688,858	700,000
Transfer to General Fund	175,000	175,000	500,000
Total Expenditures	9,047,691	8,304,158	1,790,000
Ending Fund Balance	$ (2,449,533)	$ 1,504,576	$ 170,015

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

	Amended Budget 2009-2010	Projected 2009-2010	Requested 2010-2011
Beginning Fund Balance	$ 3,950,737	$ 3,438,969	$ 1,610,063
Revenues			
Interest Income/Other Income	100,000	40,000	40,000
Debt Proceeds	4,000,000	-	
Total Revenues	4,100,000	40,000	40,000
Total Funds Available	8,050,737	3,478,969	1,650,063
Expenses			
Utility Oversizing	-	-	50,000
WTP - Upgrade Phase III	102,432	102,432	-
Willow St Water Line Replacement	-	50,502	-
Brents Street Sewer Replacement	150,000	56,466	-
Pelton Street Water Line Replacement	250,000	189,506	-
WTP - THHM Control	250,000	-	-
WWTP - Upgrade Mixers, Phase I	160,000	-	-
Utility Main Oversizing	100,000	20,000	-
Additional Water Storage	4,000,000	-	-
Transfers Out-Utility Fund	450,000	450,000	1,000,000
Transfers Out-Employee Insurance Fund	1,000,000	1,000,000	-
	6,462,432	1,868,906	1,050,000
Ending Fund Balance	$ 1,588,305	$ 1,610,063	$ 600,063

Public Charities Fund
Summary of Receipts & Expenditures

	Actual 2008-2009	Projected 2009-2010	Requested 2010-2011
Beginning Fund Balance	$ 100,353	$ 62,816	$ 50,115
Receipts			
Interest	666	120	120
Glennie O. Ham Donations	1,228	2,900	1,800
Altrusa (W.A.F.A.)	500	250	250
Library Donations	16,986	19,000	19,000
Animal Shelter Donations	2,862	2,400	2,400
Fishing Festival	746	500	500
Fire Dept Donations	2,075	1,900	2,000
Police Dept Donations	549	1,000	500
Genealogical Donations	148	140	150
Total Receipts	25,760	28,210	26,720
Total Funds Available	126,113	91,026	76,835
Expenditures			
F.E.M.A. Grant	100	-	-
Library Donations	18,724	22,500	20,000
Glennie O. Ham Center	2,465	1,411	3,000
Altrusa (W.A.F.A.)	668	-	500
Senior Citizen's Dance Club	186	-	1,100
Sherman Beautification	14,850	-	-
Animal Shelter Donations	3,400	-	25,500
Fire Dept Donations	2,207	-	4,500
Fishing Festival	716	1,000	1,000
Police Dept Donations	-	1,200	800
Genealogical	185	-	400
Remodeling Contingency	19,796	14,800	17,900
Total Expenditures	63,297	40,911	74,700
Ending Fund Balance	$ 62,816	$ 50,115	$ 2,135

Land Transaction Fund
Summary of Receipts & Expenditures

	Actual 2008-2009	Projected 2009-2010	Requested 2010-2011
Beginning Fund Balance	$ 44,082	$ 66,969	$ 67,269
Receipts			
Land Sales	22,509	-	-
Interest Earned	378	300	300
Total Receipts	22,887	300	300
Total Funds Available	66,969	67,269	67,569
Expenditures			
Miscellaneous	-	-	40,000
Ending Fund Balance	$ 66,969	$ 67,269	$ 27,569

Street Revolving Fund
Summary of Receipts & Expenditures

	Actual 2008-2009	Projected 2009-2010	Requested 2010-2011
Beginning Fund Balance	$ 439,289	$ 446,002	$ 447,402
Receipts			
Interest Income	6,713	1,400	1,400
Total Receipts	6,713	1,400	1,400
Total Funds Available	446,002	447,402	448,802
Total Expenditures	-	-	-
Ending Fund Balance	$ 446,002	$ 447,402	$ 448,802

TIF #2 Construction Fund
Summary of Receipts & Expenditures

	Actual 2008-2009	Projected 2009-2010	Requested 2010-2011
Beginning Fund Balance	$ 99,804	$ 511,102	$ 557,102
Receipts			
Bond Issuance Proceeds	450,000	-	-
Transfer from TIF Debt Service	-	70,000	10,000
Interest	1,945	1,000	1,000
Total Receipts	451,945	71,000	11,000
Total Funds Available	551,749	582,102	568,102
Expenditures			
Agent Fees	4,842	-	-
Improvements	35,805	25,000	500,000
Total Expenditures	40,647	25,000	500,000
Ending Fund Balance	$ 511,102	$ 557,102	$ 68,102

Auditorium Debt Service Fund
Summary of Receipts & Expenditures

	Actual 2008-2009	Projected 2009-2010	Requested 2010-2011
Beginning Fund Balance	$ 144,521	$ 144,708	$ 144,608
Receipts			
Transfers-in from Hotel/Motel Tax	115,986	113,528	116,375
Interest	488	400	400
Total Receipts	116,474	113,928	116,775
Total Funds Available	260,995	258,636	261,383
Expenditures			
Debt Service	115,059	113,528	116,375
Agent Fees	1,228	500	500
Total Expenditures	116,287	114,028	116,875
Ending Fund Balance	$ 144,708	$ 144,608	$ 144,508

TIF #1 Debt Service Fund
Summary of Receipts & Expenditures

	Actual 2008-2009	Projected 2009-2010	Requested 2010-2011
Beginning Fund Balance	$ 580,185	$ 163,177	$ 174,045
Receipts			
Property Tax	331,966	327,044	329,600
Interest	1,929	400	400
Total Receipts	333,895	327,444	330,000
Total Funds Available	914,080	490,621	504,045
Expenditures			
Debt Service	243,576	316,076	315,390
Transfer to TIF Construction Fund	507,327	-	-
Agent Fees	-	500	500
Total Expenditures	750,903	316,576	315,890
Ending Fund Balance	$ 163,177	$ 174,045	$ 188,155

TIF #2 Debt Service Fund
Summary of Receipts & Expenditures

	Actual 2008-2009	Projected 2009-2010	Requested 2010-2011
Beginning Fund Balance	$ -	$ 61,270	$ 2,710
Receipts			
Property Tax	61,270	49,700	49,800
Total Receipts	61,270	49,700	49,800
Total Funds Available	61,270	110,970	52,510
Expenditures			
Debt Service	-	37,760	37,803
Agent Fees	-	500	500
Transfer to TIF Construction	-	70,000	10,000
Total Expenditures	-	108,260	48,303
Ending Fund Balance	$ 61,270	$ 2,710	$ 4,207

TIF #3 Fund
Summary of Receipts & Expenditures

	Actual 2008-2009	Projected 2009-2010	Requested 2010-2011
Beginning Fund Balance	$ 60,377	$ 116,650	$ 174,861
Receipts			
Property Tax	56,068	58,011	58,800
Interest	205	200	200
Total Receipts	56,273	58,211	59,000
Total Funds Available	116,650	174,861	233,861
	-	-	
Expenditures			
Transfer to General Improvement	-	-	225,000
Total Expenditures	-	-	225,000
Ending Fund Balance	$ 116,650	$ 174,861	$ 8,861

2008 CO Debt Service Fund
Summary of Receipts & Expenditures

	Actual 2008-2009	Projected 2009-2010	Requested 2010-2011
Beginning Fund Balance	$ 152,408	$ 22,981	$ 194,648
Receipts			
Transfer from General Fund	-	525,000	-
Transfer from General CIP Fund	-	-	175,000
Property Tax Revenues	263,917	-	-
Total Receipts	263,917	525,000	175,000
Total Funds Available	416,325	547,981	369,648
Expenditures			
Debt Service	243,344	352,833	356,317
Transfer to General Fund	150,000	-	-
Agent Fees	-	500	500
Total Expenditures	393,344	353,333	356,817
Ending Fund Balance	$ 22,981	$ 194,648	$ 12,831

2009 CO Debt Service Fund
Summary of Receipts & Expenditures

	Projected 2009-2010	Requested 2010-2011
Beginning Fund Balance	$ -	$ 7,239
Receipts		
Transfer from General CIP Fund	288,858	285,000
Total Receipts	288,858	285,000
Total Funds Available	288,858	292,239
Expenditures		
Debt Service	281,619	276,941
Agent Fees	-	500
Total Expenditures	281,619	277,441
Ending Fund Balance	$ 7,239	$ 14,798

2009A CO Bond Debt Service
Summary of Receipts & Expenditures

	Projected 2009-2010	Requested 2010-2011
Beginning Fund Balance	$ -	$ 12,272
Receipts		
Transfer from General Improvement Fund	250,000	240,000
Total Receipts	250,000	240,000
Total Funds Available	250,000	252,272
Expenditures		
Debt Service	237,228	239,463
Agent Fees	500	500
Total Expenditures	237,728	239,963
Ending Fund Balance	$ 12,272	$ 12,309

2009 Tax Notes Debt Service
Summary of Receipts & Expenditures

	Actual 2008-2009	Projected 2009-2010	Requested 2010-2011
Beginning Fund Balance	$ -	$ 1,798	$ 403,512
Receipts			
Sales Tax Revenue	396,881	938,000	520,000
Interest Revenue	4	450	100
Transfer from Street Sales Tax Construction	385,000	239,049	-
Total Receipts	781,885	1,177,499	520,100
Total Funds Available	781,885	1,179,297	923,612
Expenditures			
Debt Service	780,087	775,285	770,585
Agent Fees	-	500	500
Total Expenditures	780,087	775,785	771,085
Ending Fund Balance	$ 1,798	$ 403,512	$ 152,527

Auditorium & Ballroom Fund
Summary of Receipts & Expenditures

	Actual 2008-2009	Projected 2009-2010	Requested 2010-2011
Beginning Fund Balance	$ 66,941	$ 65,862	$ 105,418
Receipts			
Transfer-In from Hotel/Motel	45,000	86,000	48,000
Interest	285	250	200
Auditorium/Ballroom Rental	24,977	27,850	28,000
Total Receipts	70,262	114,100	76,200
Total Funds Available	137,203	179,962	181,618
Expenditures			
Ballroom:			
Personnel	16,993	23,202	23,361
Maintenance	4,897	4,000	4,700
Utilities	24,792	24,300	25,500
Auditorium:			
Personnel	2,950	4,242	4,521
Maintenance	13,129	10,500	8,600
Utilities	8,456	8,300	8,800
Contractual Services	124	-	-
Total Expenditures	71,341	74,544	75,482
Ending Fund Balance	$ 65,862	$ 105,418	$ 106,136

Police Programs Fund
Summary of Receipts & Expenditures

	Actual 2008-2009	Projected 2009-2010	Requested 2010-2011
Beginning Fund Balance	$ 218,612	$ 202,626	$ 98,076
Receipts			
E 9-1-1 Service Fees	234,353	245,000	245,000
Security and Technology Fees	43,771	45,000	57,600
Interest	838	500	500
Total Receipts	278,962	290,500	303,100
Total Funds Available	497,574	493,126	401,176
Expenditures			
Personnel	108,800	109,797	110,577
Supplies	7,472	24,948	67,750
Maintenance/Repairs	2,669	70,475	72,425
Contractual Payments	131,307	97,130	88,830
Equipment	44,700	92,700	-
Total Expenditures	294,948	395,050	339,582
Ending Fund Balance	$ 202,626	$ 98,076	$ 61,594

Parks Pride Fund
Summary of Receipts & Expenditures

	Actual 2008-2009	Projected 2009-2010	Requested 2010-2011
Beginning Fund Balance	$ 46,771	$ 37,976	$ 28,976
Receipts			
PRIDE Donations	11,034	10,900	11,000
Interest Income	171	100	100
Total Receipts	11,205	11,000	11,100
Total Funds Available	57,976	48,976	40,076
Expenditures			
Park Improvements	20,000	20,000	20,000
Total Expenditures	20,000	20,000	20,000
Ending Fund Balance	$ 37,976	$ 28,976	$ 20,076

Police Pride Fund
Summary of Receipts & Expenditures

	Actual 2008-2009	Projected 2009-2010	Requested 2010-2011
Beginning Fund Balance	$ 20,290	$ 22,861	$ 21,331
Receipts			
PRIDE Donations	11,034	10,900	11,000
Interest Income	83	70	70
Total Receipts	11,117	10,970	11,070
Total Funds Available	31,407	33,831	32,401
Expenditures			
Supplies	5,568	5,500	7,000
Travel/Tuition	875	3,500	3,500
Contractual Services	603	3,500	5,000
Canine Replacement Dog	1,500	-	10,500
Total Expenditures	8,546	12,500	26,000
Ending Fund Balance	$ 22,861	$ 21,331	$ 6,401

Donations Fund
Summary of Receipts & Expenditures

	Actual 2008-2009	Projected 2009-2010	Requested 2010-2011
Beginning Fund Balance	$ 698	$ 1,289	$ 1,674
Receipts			
Donations	588	780	800
Interest Income	3	5	10
Total Receipts	591	785	810
Total Funds Available	1,289	2,074	2,484
Expenditures			
Supplies	-	400	2,400
Total Expenditures	-	400	2,400
Ending Fund Balance	$ 1,289	$ 1,674	$ 84

Hotel/Motel Tax Fund
Summary of Receipts & Expenditures

	Actual 2008-2009	Projected 2009-2010	Requested 2010-2011
Beginning Fund Balance	$ 334,531	$ 403,563	$ 371,296
Receipts			
Hotel/Motel Tax 5%	378,428	370,714	375,000
Hotel/Motel Tax 2%	151,371	148,286	150,000
Penalties	19,901	5,100	5,000
Miscellaneous	17,060	7,000	47,500
Interest	699	700	700
Total Receipts	567,459	531,800	578,200
Total Funds Available	901,990	935,363	949,496
Expenditures			
Tourism			
Administration	90,990	79,461	167,108
Programs	117,360	166,800	309,742
Downtown Building Incentive	11,288	-	25,000
Museum Support	82,500	82,500	82,500
Arts Council	35,303	35,778	36,000
Transfer to General Fund, admin	-	-	13,400
Transfer to Auditorium/Ballroom	45,000	86,000	48,000
Transfer 2% to Auditorium Debt Service	115,986	113,528	116,375
Total Expenditures	498,427	564,067	798,125
Excess Receipts over Expenditures	69,032	(32,267)	(219,925)
Ending Fund Balance	$ 403,563	$ 371,296	$ 151,371

Drug Enforcement Fund
Summary of Receipts & Expenditures

	Actual 2008-2009	Projected 2009-2010	Requested 2010-2011
Beginning Fund Balance	$ 17,130	$ 33,855	$ 14,130
Receipts			
Police Confiscated Funds	43,593	30,000	35,000
Interest Income	835	75	75
Total Receipts	44,428	30,075	35,075
Total Funds Available	61,558	63,930	49,205
Expenditures			
Supplies	15,078	35,900	32,800
Maintenance and Repair	267	1,000	1,000
Contractual Services	-	-	6,000
Travel & Tuition	12,358	12,900	9,400
Total Expenditures	27,703	49,800	49,200
Ending Fund Balance	$ 33,855	$ 14,130	$ 5

Municipal Airport Fund
Summary of Receipts & Expenditures

	Actual 2008-2009	Projected 2009-2010	Requested 2010-2011
Beginning Fund Balance	$ 465,330	$ 467,834	$ 461,856
Receipts			
Interest Income	3,485	850	900
Airport Rentals	52,792	46,700	45,000
Fuel Sales	295,912	295,000	380,025
Total Receipts	352,189	342,550	425,925
Total Funds Available	817,519	810,384	887,781
Expenditures			
Fuel Purchases	280,608	280,000	375,225
Other Supplies	3,045	4,300	3,700
Maintenance	6,984	8,000	8,100
Contractual Services	42,680	40,450	63,542
Utilities	15,217	14,900	15,200
Vehicle Usage	1,151	878	890
Transfer Out to General Fund	-	-	400,000
Total Expenditures	349,685	348,528	866,657
Ending Fund Balance	$ 467,834	$ 461,856	$ 21,124

Street Sales Tax
Summary of Receipts & Expenditures

	Actual 2008-2009	Projected 2009-2010	Requested 2010-2011
Beginning Fund Balance	$ 318,117	$ 239,049	$ 600
Receipts			
Street Sales Tax Revenues	550,000	-	420,000
Bond Proceeds	3,000,000	-	-
Interest Income	7,582	600	500
Other Income	-	-	150,000
Total Receipts	3,557,582	600	570,500
Total Funds Available	3,875,699	239,649	571,100
Expenditures			
Street Improvements	3,213,950	-	571,100
Agent Fees	37,700	-	-
Transfer to Street Sales Tax Debt	385,000	239,049	-
Total Expenditures	3,636,650	239,049	571,100
Ending Fund Balance	$ 239,049	$ 600	$ -

Insurance Fund
Summary of Receipts & Expenditures

	Actual 2008-2009	Budget 2009-2010	Projected 2009-2010	Requested 2010-2011
Beginning Fund Balance	$ (303,115)	$ (383,316)	$ (534,277)	$ 882,423
Receipts				
Employer Contributions	2,992,904	3,400,000	3,325,000	3,398,652
Employee Contributions	552,432	528,000	604,600	615,000
Retiree Contributions	137,698	144,000	160,000	170,000
COBRA Contributions	15,153	18,000	7,100	7,000
Miscellaneous	28	-	-	-
Transfers In	1,000,000	1,000,000	1,000,000	-
Total Receipts	4,698,215	5,090,000	5,096,700	4,190,652
Total Funds Available	4,395,100	4,706,684	4,562,423	5,073,075
Expenses				
Health & Dental Claims	4,378,777	3,600,000	3,100,000	3,300,000
Insurance Premiums & Cost	506,214	519,000	514,000	514,000
Life Insurance	44,386	48,000	41,000	41,000
Miscellaneous	-	25,000	25,000	25,000
Total Expenses	4,929,377	4,192,000	3,680,000	3,880,000
Ending Fund Reserve	$ (534,277)	$ 514,684	$ 882,423	$ 1,193,075

Computer Service Fund
Summary of Receipts & Expenditures

	Actual 2008-2009	Projected 2009-2010	Requested 2010-2011
Beginning Fund Balance	$ (105,287)	$ 168	$ 1,192
Revenues			
Computer Usage:			
General Fund	524,144	531,600	556,700
Tourism	-	2,100	2,200
Equipment Services Fund	12,947	14,800	15,300
Utility Fund	84,153	82,200	87,200
Solid Waste Fund	12,947	10,500	10,900
Miscellaneous Revenue	47	1,100	-
Transfer In	60,000	-	-
Total Current Revenues	694,238	642,300	672,300
Total Funds Available	588,951	642,468	673,492
Expenses			
Personnel	258,484	264,544	270,076
Supplies	30,722	32,850	15,650
Maintenance & Repairs	148,315	171,550	178,395
Utilities	22,180	45,000	48,120
Contract Wages	10,950	6,000	6,000
Debt Service	95,231	95,232	95,231
Contractual Services & Other	15,416	10,100	10,374
Equipment, Capital Outlay	7,485	16,000	48,480
Total Expenses	588,783	641,276	672,326
Ending Fund Balance	$ 168	$ 1,192	$ 1,166

Equipment Service Fund
Summary of Receipts & Expenditures

	Actual 2008-2009	Projected 2009-2010	Requested 2010-2011
Beginning Fund Balance	$ (22,891)	$ 35,251	$ 38,291
Revenues			
Equipment Service Revenue:			
General Fund	974,695	1,047,430	1,060,430
Airport Fund	1,151	878	890
Utility Fund	220,312	214,912	218,800
Solid Waste Fund	890,207	840,410	861,830
Miscellaneous Revenue	8,923	-	-
	2,095,288	2,103,630	2,141,950
Total Funds Available	2,072,397	2,138,881	2,180,241
Expenses			
Personnel	731,790	755,324	763,836
Supplies	609,434	696,104	719,616
Maintenance & Repair	550,733	479,500	505,160
Utilities	30,002	27,400	29,400
Computer Services	12,947	14,800	15,300
Contractual Services	102,240	117,887	117,752
Equipment	-	9,575	-
Total Expenses	2,037,146	2,100,590	2,151,064
Ending Fund Balance	$ 35,251	$ 38,291	$ 29,177

Fleet Replacement Fund
Summary of Receipts & Expenditures

	Actual 2008-2009	Projected 2009-2010	Requested 2010-2011
Beginning Fund Balance	$ -	$ 325,106	$ 341,209
Revenues			
Transfers-In	1,200,000	211,063	15,111
Lease Proceeds	-	1,372,140	-
Grant Proceeds	-	-	14,000
Interest	754	700	500
Total Revenues	1,200,754	1,583,903	29,611
Total Funds Available	1,200,754	1,909,009	370,820
Expenses			
Debt Service	-	57,000	220,583
Major Repair	-	-	127,000
Equipment-General Fund	759,474	1,492,300	22,100
Equipment-Utility Fund	116,174	18,500	-
Equipment-Solid Waste Fund	-	-	-
Total Expenses	875,648	1,567,800	369,683
Ending Fund Balance	$ 325,106	$ 341,209	$ 1,137

Water Customer Deposits
Summary of Receipts and Expenses

	Actual 2008-2009	Projected 2009-2010	Requested 2010-2011
Beginning Fund Balance	$ 230,992	234,923	235,923
Receipts			
Interest Income	3,931	1,000	1,000
Total Funds Available	234,923	235,923	236,923
Expenses			
Miscellaneous	-	-	-
Ending Fund Balance	$ 234,923	$ 235,923	$ 236,923

Water & Sewer Pro Rata Fund
Summary of Receipts and Expenses

	Actual 2008-2009	Projected 2009-2010	Requested 2010-2011
Beginning Fund Balance	$ 175,312	$ 181,704	$ 185,204
Receipts			
Interest Income	1,338	500	500
Pro Rata Fees	6,846	5,000	5,000
Total Receipts	8,184	5,500	5,500
Total Funds Available	183,496	187,204	190,704
Expenses			
Miscellaneous	1,792	2,000	4,000
Ending Fund Balance	$ 181,704	$ 185,204	$ 186,704

TRANSFERS SCHEDULE

		BUDGETED FY10/11	
FUND	**DETAILS**	*Expense* *TRANSFER FROM* Debit	*Revenue* *TRANSFER TO* Credit
100	From fund 222		$ 500,000.00
	From fund 480		$ 400,000.00
	From fund 700 5% franchise, admin cost		$ 1,604,266.00
	From fund 790, dept 243, 244, 245		$ 620,400.00
	From fund 460, admin cost		$ 13,400.00
	To fund 660 for debt service	$ 15,111.00	
222	To fund 350	$ 175,000.00	
	To fund 351	$ 285,000.00	
	To fund 353	$ 240,000.00	
	To fund 100	$ 500,000.00	
	From fund 340		$ 225,000.00
	From fund 790		$ 210,439.00
310	From fund 460		$ 116,375.00
321	To fund 330	$ 10,000.00	
330	From fund 321		$ 10,000.00
340	To fund 222	$ 225,000.00	
350	From fund 222		$ 175,000.00
351	From fund 222		$ 285,000.00
353	From fund 222		$ 240,000.00
420	From fund 460		$ 48,000.00
460	To fund 310 and 420	$ 164,375.00	
	To fund 100	$ 13,400.00	
480	To fund 100	$ 400,000.00	
660	From fund 100		$ 15,111.00
700	To fund 100 5% franchise, admin cost	$ 1,604,266.00	
	From fund 770		$ 1,000,000.00
	From fund 790, admin cost		$ 121,500.00
770	To fund 700	$ 1,000,000.00	
790	To fund 100 8% franchise, admin cost RSW	$ 235,200.00	
790	To fund 700 admin cost RSW	$ 46,100.00	
790	To fund 100 8% franchise, admin cost CSW	$ 333,000.00	
790	To fund 700 admin cost CSW	$ 65,200.00	
790	To fund 100 8% franchise, admin cost Recycl	$ 52,200.00	
790	To fund 700 admin cost Recycle	$ 10,200.00	
790	To fund 222	$ 210,439.00	
	TOTALS	$ 5,584,491.00	$ 5,584,491.00

City of Sherman, Texas

Bonded Debt as of 7/31/10

	(1)				(2)			
	$2,840,000 Combination Tax & Tax Increment Revenue 2004 Series TIF Zone#1, Certificates of Obligation				***$1,605,000 General Obligation Refunding, Series 2006***			
Fiscal Yr	**Coupon**	**Principal**	**Interest**	**TOTAL**	**Coupon**	**Principal**	**Interest**	**TOTAL**
2011	4.44%	135,000.00	104,784.00	239,784.00	3.50%	55,000.00	61,375.00	116,375.00
2012	4.44%	140,000.00	98,790.00	238,790.00	3.50%	55,000.00	59,450.00	114,450.00
2013	4.44%	150,000.00	92,574.00	242,574.00	3.50%	60,000.00	57,437.50	117,437.50
2014	4.44%	155,000.00	85,914.00	240,914.00	3.50%	55,000.00	55,425.00	110,425.00
2015	4.44%	160,000.00	79,032.00	239,032.00	3.75%	60,000.00	53,337.50	113,337.50
2016	4.44%	170,000.00	71,928.00	241,928.00	3.75%	60,000.00	51,087.50	111,087.50
2017	4.44%	180,000.00	64,380.00	244,380.00	3.75%	65,000.00	48,743.75	113,743.75
2018	4.44%	185,000.00	56,388.00	241,388.00	3.75%	70,000.00	46,212.50	116,212.50
2019	4.44%	195,000.00	48,174.00	243,174.00	4.00%	70,000.00	43,500.00	113,500.00
2020	4.44%	205,000.00	39,516.00	244,516.00	4.00%	75,000.00	40,600.00	115,600.00
2021	4.44%	215,000.00	30,414.00	245,414.00	4.00%	80,000.00	37,500.00	117,500.00
2022	4.44%	230,000.00	20,868.00	250,868.00	4.00%	80,000.00	34,300.00	114,300.00
2023	4.44%	240,000.00	10,656.00	250,656.00	4.00%	85,000.00	31,000.00	116,000.00
2024				-	4.00%	85,000.00	27,600.00	112,600.00
2025				-	4.25%	85,000.00	24,093.75	109,093.75
2026				-	4.25%	95,000.00	20,268.75	115,268.75
2027				-	4.25%	100,000.00	16,125.00	116,125.00
2028				-	4.375%	100,000.00	11,812.50	111,812.50
2029				-	4.375%	105,000.00	7,328.13	112,328.13
2030				-	4.375%	115,000.00	2,515.63	117,515.63
		2,360,000.00	803,418.00	3,163,418.00		1,555,000.00	729,712.51	2,284,712.51

City of Sherman, Texas

Bonded Debt as of 7/31/10

	(3)				(4)			
	$5,000,000 ***2008 Series Revenue Certificates of Obligation***				***$3,650,000*** ***Capital Improvement Fund Projects*** ***2009 Series Revenue Certificates of Obligation***			
Fiscal Yr	**Coupon**	**Principal**	**Interest**	**TOTAL**	**Coupon**	**Principal**	**Interest**	**TOTAL**
2011	3.62%	185,000.00	171,316.50	356,316.50	3.98%	140,000.00	136,941.26	276,941.26
2012	3.62%	190,000.00	164,529.00	354,529.00	3.98%	145,000.00	132,741.26	277,741.26
2013	3.62%	200,000.00	157,470.00	357,470.00	3.98%	145,000.00	128,391.26	273,391.26
2014	3.62%	210,000.00	150,049.00	360,049.00	3.98%	150,000.00	124,041.26	274,041.26
2015	3.62%	215,000.00	142,356.50	357,356.50	3.98%	155,000.00	119,541.26	274,541.26
2016	3.62%	225,000.00	134,392.50	359,392.50	3.98%	155,000.00	114,891.26	269,891.26
2017	3.62%	235,000.00	126,066.50	361,066.50	3.98%	160,000.00	109,466.26	269,466.26
2018	3.62%	245,000.00	117,378.50	362,378.50	3.98%	165,000.00	103,866.26	268,866.26
2019	3.62%	255,000.00	108,328.50	363,328.50	3.98%	170,000.00	97,678.76	267,678.76
2020	3.62%	265,000.00	98,916.50	363,916.50	3.98%	180,000.00	90,878.76	270,878.76
2021	3.62%	280,000.00	89,052.00	369,052.00	3.98%	185,000.00	83,678.76	268,678.76
2022	3.62%	290,000.00	78,735.00	368,735.00	3.98%	195,000.00	76,278.76	271,278.76
2023	3.62%	305,000.00	67,965.50	372,965.50	3.98%	200,000.00	68,478.76	268,478.76
2024	3.62%	315,000.00	56,743.50	371,743.50	3.98%	210,000.00	60,478.76	270,478.76
2025	3.62%	330,000.00	45,069.00	375,069.00	3.98%	220,000.00	51,816.26	271,816.26
2026	3.62%	345,000.00	32,851.50	377,851.50	3.98%	230,000.00	42,741.26	272,741.26
2027	3.62%	360,000.00	20,091.00	380,091.00	3.98%	240,000.00	32,851.26	272,851.26
2028	3.62%	375,000.00	13,575.00	388,575.00	3.98%	250,000.00	22,531.26	272,531.26
2029				-	3.98%	265,000.00	11,593.76	276,593.76
2030				-	3.98%			-
		4,825,000.00	1,774,886.00	6,599,886.00		3,560,000.00	1,608,886.44	5,168,886.44

City of Sherman, Texas

Bonded Debt as of 7/31/10

	(5)				(6)			
	$900,000 TIF #1 2009 Series Revenue Certificates of Obligation				***$450,000 TIF #2 2009 Series Revenue Certificates of Obligation***			
Fiscal Yr	**Coupon**	**Principal**	**Interest**	**TOTAL**	**Coupon**	**Principal**	**Interest**	**TOTAL**
2011	3.00%	43,333.33	32,272.49	75,605.83	3.00%	21,666.67	16,136.25	37,802.91
2012	3.00%	43,333.33	30,972.49	74,305.83	3.00%	21,666.67	15,486.25	37,152.91
2013	3.00%	46,666.67	29,672.49	76,339.16	3.00%	23,333.33	14,836.25	38,169.58
2014	3.00%	46,666.67	28,272.49	74,939.16	3.00%	23,333.33	14,136.25	37,469.58
2015	3.00%	46,666.67	26,872.49	73,539.16	3.00%	23,333.33	13,436.25	36,769.58
2016	3.50%	50,000.00	25,472.49	75,472.49	3.50%	25,000.00	12,736.25	37,736.25
2017	3.50%	50,000.00	23,722.49	73,722.49	3.50%	25,000.00	11,861.25	36,861.25
2018	3.75%	53,333.33	21,972.49	75,305.83	3.75%	26,666.67	10,986.25	37,652.91
2019	4.00%	53,333.33	19,972.49	73,305.83	4.00%	26,666.67	9,986.25	36,652.91
2020	4.00%	56,666.67	17,839.16	74,505.83	4.00%	28,333.33	8,919.58	37,252.91
2021	4.00%	56,666.67	15,572.49	72,239.16	4.00%	28,333.33	7,786.25	36,119.58
2022	4.00%	60,000.00	13,305.83	73,305.83	4.00%	30,000.00	6,652.91	36,652.91
2023	4.00%	63,333.33	10,905.83	74,239.16	4.00%	31,666.67	5,452.91	37,119.58
2024	4.13%	63,333.33	8,372.49	71,705.83	4.13%	31,666.67	4,186.25	35,852.91
2025	4.13%	66,666.67	5,760.00	72,426.67	4.13%	33,333.33	2,880.00	36,213.33
2026	4.30%	70,000.00	3,010.00	73,010.00	4.30%	35,000.00	1,505.00	36,505.00
2027				-				-
2028				-				-
2029				-				-
2030				-				-
		870,000.00	313,968.24	1,183,968.24		435,000.00	156,984.12	591,984.12

City of Sherman, Texas

Bonded Debt as of 7/31/10

	(7)				(8)			
	$3,000,000 ***2009 Series Limited Tax Notes***				***$3,500,000*** ***2009A Series Revenue Certificates of Obligation***			
Fiscal Yr	**Coupon**	**Principal**	**Interest**	**TOTAL**	**Coupon**	**Principal**	**Interest**	**TOTAL**
2011	1.70%	745,000.00	25,585.00	770,585.00	3.00%	115,000.00	124,463.00	239,463.00
2012	1.70%	760,000.00	12,920.00	772,920.00	3.00%	120,000.00	121,013.00	241,013.00
2013		-	-	-	3.00%	125,000.00	117,413.00	242,413.00
2014		-	-	-	3.00%	130,000.00	113,663.00	243,663.00
2015		-	-	-	3.00%	135,000.00	109,763.00	244,763.00
2016		-	-	-	3.50%	145,000.00	105,713.00	250,713.00
2017		-	-	-	3.25%	150,000.00	101,363.00	251,363.00
2018		-	-	-	3.50%	155,000.00	96,488.00	251,488.00
2019		-	-	-	3.50%	165,000.00	91,063.00	256,063.00
2020		-	-	-	3.50%	170,000.00	85,288.00	255,288.00
2021		-	-	-	3.75%	180,000.00	79,338.00	259,338.00
2022		-	-	-	3.75%	190,000.00	72,588.00	262,588.00
2023		-	-	-	4.00%	200,000.00	65,463.00	265,463.00
2024		-	-	-	4.00%	210,000.00	57,463.00	267,463.00
2025		-	-	-	4.00%	215,000.00	49,063.00	264,063.00
2026		-	-	-	4.00%	230,000.00	40,463.00	270,463.00
2027		-	-	-	4.125%	240,000.00	31,263.00	271,263.00
2028		-	-	-	4.125%	250,000.00	21,363.00	271,363.00
2029		-	-	-	4.25%	260,000.00	11,050.00	271,050.00
2030		-	-	-				-
		1,505,000.00	38,505.00	1,543,505.00		3,385,000.00	1,494,284.00	4,879,284.00

City of Sherman, Texas

Bonded Debt as of 7/31/10

	TOTALS		
Fiscal Yr	**Principal**	**Interest**	**TOTAL**
2011	1,440,000.00	672,873.50	2,112,873.50
2012	1,475,000.00	635,902.00	2,110,902.00
2013	750,000.00	597,794.50	1,347,794.50
2014	770,000.00	571,501.00	1,341,501.00
2015	795,000.00	544,339.00	1,339,339.00
2016	830,000.00	516,221.00	1,346,221.00
2017	865,000.00	485,603.25	1,350,603.25
2018	900,000.00	453,292.00	1,353,292.00
2019	935,000.00	418,703.00	1,353,703.00
2020	980,000.00	381,958.00	1,361,958.00
2021	1,025,000.00	343,341.50	1,368,341.50
2022	1,075,000.00	302,728.50	1,377,728.50
2023	1,125,000.00	259,922.00	1,384,922.00
2024	915,000.00	214,844.00	1,129,844.00
2025	950,000.00	178,682.01	1,128,682.01
2026	1,005,000.00	140,839.51	1,145,839.51
2027	940,000.00	100,330.26	1,040,330.26
2028	975,000.00	69,281.76	1,044,281.76
2029	630,000.00	29,971.89	659,971.89
2030	115,000.00	2,515.63	117,515.63
	18,495,000.00	6,920,644.31	25,415,644.31

City of Sherman

Property Tax Historical Summary

Fiscal Year	Estimated Taxable Value (in 000)	Tax Levy (in 000)	Total Collections (in 000)	Property Tax Rate (per $100)
2003	$ 1,474,063	$ 5,896	$ 5,846	$ 0.40
2004	$ 1,514,256	$ 6,057	$ 5,921	$ 0.40
2005	$ 1,557,228	$ 6,229	$ 6,258	$ 0.40
2006	$ 1,767,235	$ 7,069	$ 6,802	$ 0.40
2007	$ 1,894,959	$ 7,580	$ 7,283	$ 0.40
2008	$ 1,994,144	$ 7,921	$ 7,491	$ 0.40
2009	$ 2,070,926	$ 6,627	$ 6,478	$ 0.32
2010 (est)	$ 2,200,158	$ 7,041	$ 7,090	$ 0.32

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 8-2-2010

Subject: Agenda Item No. D.8

OTHER BUSINESS
Discussion of the Proposed Tax Rate for Fiscal Year 2010-2011 and Scheduling Public Hearings for the Budget and Proposed Tax Rate

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

Background
The requirements for due process regarding budget and tax rate adoption are somewhat complex and have been expanded in recent years. Because more property tax revenues will be generated in the upcoming fiscal year, compared to the current year, a series of public hearings must be held, even though the proposed tax rate of $.32/$100 will be maintained. Accordingly, attached is a schedule that outlines the applicable requirements for public hearings and adoption of the Budget and Tax Rate Ordinances. In summary, the required Council action is as follows:

- August 16th: Introduction and First Public Hearing of Budget Ordinance; Introduction and First Public Hearing on Tax Rate Ordinance
- September 7th: Second Public Hearing and Adoption of Budget Ordinance; Second Public Hearing of Tax Rate Ordinance
- September 20th: Adoption of Tax Rate Ordinance

Origination
Finance

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

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

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

Attachments
Budget and Tax Calendar - FY 2011

Prepared by:
Robby Hefton, Assistant City Manager/CFO

Approved by:
George Olson, City Manager

Budget and Tax Calendar - FY 2011

	Budget	Tax Rate	Meeting or Advertisement	Notes
Budget Filed with City Clerk	07/30/10		N/A	Must be filed with Clerk over 15 days from date of public hearing on budget, and 30 days before tax rate is adopted; budget must be posted on internal website
Draft Budget Presented to Council	08/02/10		Meeting	If tax revenue increase, must include a statement prescribed by HB 3195: "This budget will raise more total property taxes than last year's budget by $_______ and ___%, and of that amount $_______ is tax revenue to be raised from new property added to the roll this year".
Publish Effective and Rollback Rate in Newspaper, Website		08/01/10	Ad	
Meeting to discuss tax rate and schedule public hearings on rate increase		08/02/10	Meeting	If proposed rate will exceed lower of rollback or effective rate, must take record vote and schedule public hearings
Notice of Public Hearing on Budget	08/04/10		Ad	At least 10 days before the budget hearing; must include the statement from HB 3195 if applicable; Chapter 102 of Local Gov Code dictates this
Notice of Public Hearing on Tax Rate Increase		08/08/10	Ad	At least 7 days prior to first Public Hearing on Tax Rate Increase; also must put on Website and Gov't Access Channel
Public Hearing on Budget if there's an increase in property tax revenues	08/16/10		Meeting	Hearing must be at a date before the date of the Tax Adoption; must be after 15th day the proposed budget is filed with City Clerk; the Council is required to take some action (vote) on the budget at the conclusion of the hearing, even if it is to postpone final vote on budget until another meeting
Introduce Budget Ordinance	08/16/10		Meeting	
Public Hearing on Tax Rate Increase-1st		08/16/10	Meeting	At least 3 days before 2nd Public Hearing on Tax Rate Increase
Notice of Final Budget Adoption	8/19/2010		Ad	Per Charter - at least 5 days prior to final adoption
Public Hearing #2 on Budget and Adopt Budget Ordinance	09/07/10		Meeting	
Ratification of Property Tax Revenue Increase by Council - separate vote than adoption of budget ordinance	09/07/10		Meeting	
Public Hearing on Tax Rate Increase - 2nd		09/07/10	Meeting	At least 3 days before Adopt Tax Rate, no more than 14 days before Adopt Tax Rate
Publish Notice of Vote on Tax Increase		9/16/2010	Ad	Must be done after 2nd hearing on Tax Rate Increase
Adopt Tax Rate		09/20/10	Meeting	

Advertisements
August 2 Meeting
August 16 Meeting
September 7 Meeting
September 20 Meeting

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 8-2-2010

Subject: Agenda Item No. D.9

OTHER BUSINESS
Review Draft Capital Improvement Program (CIP) 2010-2015
and Set Public Hearing for Tuesday, September 7, 2010

Issue
To review the draft Capital Improvement Program (CIP) 2010-2015 and set the public hearing on such for Tuesday, September 7, 2010

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 Planning & Public Works

Financial Consideration

General Fund	$17,733,250
Utility Fund	$30,128,000
Total Funding for 2010-2015	**$47,861,250**

Staff Recommendation
It is recommended that the City Council review the City's 2010-2015 Capital Improvement Program and set the public hearing on said 2010-2015 CIP for Tuesday, September 7, 2010.

Attachments
Summary of the Capital Improvement Program 2010-2015

Prepared by:
Don Keene, Exec. Director – Planning & Public Works

Approved by:
George Olson, City Manager

GENERAL SERVICES

2010-2011

	Drainage	Streets	Facilities	Parks	Water	Sewer		Totals
Canyon Grove Road to U.S. Highway 82		$100,000						$100,000
Old Settlers Park - Quad Shade Replacement			$55,000					$55,000
GIS System			$50,000					$50,000
TIF #3 - Hwy 75 N. Third Lane		$225,000						$225,000
Drainage Improvement Projects	$100,000							$100,000
Solid Waste Interior Driveway Rebuild - Phase V		$60,000						$60,000
Total 2010-2011	$100,000	$385,000	$105,000	$0	$0	$0		$590,000

2011-2012

	Drainage	Streets	Facilities	Parks	Water	Sewer		Totals
Travis Street Improvements - Phase I - Taylor to Lamberth - ROW and Utilities		$100,000						$100,000
Soil Conservation Emergency Action Plan Study	$100,000							$100,000
Northeast Fire Station Site			$1,000,000				*	$1,000,000
Southwest Fire Station			$5,200,000				*	$5,200,000
Starlight Alley Rebuild		$350,000						$350,000
Rosedale Park Field Lighting				$40,000				$40,000
Fielder Park Basketball Court Renovation and Playground Improvements				$140,000				$140,000
Cherry Park Playground				$150,000				$150,000
West Hill Cemetery Building & Fencing			$40,000					$40,000
Hawn Park Field Lighting				$200,000				$200,000
Martin Luther King Park Playground				$80,000				$80,000
Martin Luther King Park Restroom				$140,000				$140,000
Rosedale Park Restroom				$140,000				$140,000
Rosedale Park Playground				$60,000				$60,000
GIS System			$170,000					$170,000
Drainage Improvement Projects	$250,000							$250,000
Street Right-of-Way and Street Oversize Funding		$100,000						$100,000
Total 2011-2012	$350,000	$550,000	$6,410,000	$950,000	$0	$0		$8,260,000

* Bonded

2012-2013

	Drainage	Streets	Facilities	Parks	Water	Sewer	Totals
Fallon Drive Construction - Preliminary Engineering and ROW		$100,000					$100,000
Travis Street Improvements - Phase 2 - Lamberth to Canyon Grove (ROW and Utilities)		$100,000					$100,000
Hawn Skateboard Renovation - Phase II				$70,000			$70,000
Hawn Park Sprayground Expansion				$300,000			$300,000
Fairview Park Spray Ground and Splash Expansion				$500,000			$500,000
Recreation Center Study				$40,000			$40,000
Old Settlers Park - Phase III Field Renovation				$1,000,000			$1,000,000
GIS System			$130,000				$130,000
Drainage Improvement Projects	$250,000						$250,000
Street Right-of-Way and Street Oversize Funding		$100,000					$100,000
Total 2012-2013	**$250,000**	**$300,000**	**$130,000**	**$1,910,000**	**$0**	**$0**	**$2,590,000**

2013-2014

	Drainage	Streets	Facilities	Parks	Water	Sewer	Totals
Cypress Grove Rd. Rebuild - Rex Cruse to Redbud		$600,000					$600,000
Fallon Drive West Construction to U.S. Hwy 75		$1,500,000					$1,500,000
Travis Street Improvements - Phase 3 - Canyon Grove to North Creek (ROW and Utilities)		$75,000					$75,000
Hillcrest Park Renovation				$150,000			$150,000
Hawn Park Pavilion				$75,000			$75,000
Fairview Park Pavilions				$50,000			$50,000
Pecan Grove Dog Park				$50,000			$50,000
Baker Park Group Pavilion and Fishing Pier				$125,000			$125,000
GIS System			$565,000				$565,000
Drainage Improvement Projects	$250,000						$250,000
Street Right-of-Way and Street Oversize Funding		$100,000					$100,000
Total 2013-2014	**$250,000**	**$2,275,000**	**$565,000**	**$450,000**	**$0**	**$0**	**$3,540,000**

2014-2015

	Drainage	Streets	Facilities	Parks	Water	Sewer	Totals
U.S. Highway 75 Fallon Drive Ramps		$1,000,000					**/*** $1,000,000
Shady Oaks Drive Reconstruction		$700,000					$700,000
Ely Park Playground				$80,000			$80,000
Rex Cruse Playground				$80,000			$80,000
MLK Park Athletic Field Lighting				$150,000			$150,000
Ely Park Field Lighting				$75,000			$75,000
GIS System			$318,250				$318,250
Drainage Improvement Projects	$250,000						$250,000
Street Right-of-Way and Street Oversize Funding		$100,000					$100,000
Recreation Center			TBD				$0
Total 2014-2015	**$250,000**	**$1,800,000**	**$318,250**	**$385,000**	**$0**	**$0**	**$2,753,250**

** SEDCO Funded

***TxDOT Participation

GENERAL GRAND TOTAL	**$1,200,000**	**$5,310,000**	**$7,528,250**	**$3,695,000**	**$0**	**$0**	**$17,733,250**

UTILITY SERVICES

2010-2011

	Drainage	Streets	Facilities	Parks	Water	Sewer		Totals
WWTP - Headworks Variable Frequency Drive Upgrade - Phase I & II						$500,000	*	$500,000
Water Treatment Plant 2nd Feed - ROW and Engineering					$250,000		*	$250,000
Lift Station Study and Design						$250,000	*	$250,000
Utility Main Oversizing					$25,000	$25,000		$50,000
TOTAL 2010-2011	$0	$0	$0	$0	$275,000	$775,000		$1,050,000

* Bonded

2011-2012

	Drainage	Streets	Facilities	Parks	Water	Sewer		Totals
Texas Street Water Replacement					$170,000			$170,000
College Street Water Replacement					$125,000			$125,000
Dripping Springs Road Water Main Loop					$175,000			$175,000
Shannon Street Water Line Replacement					$135,000			$135,000
Water Treatment Plant 2nd Feed					$2,850,000		*	$2,850,000
WWTP - Nutrient Removal Preliminary Engineering						$1,400,000	*	$1,400,000
WWTP Automated Dissolved Oxygen Control						$900,000	*	$900,000
WWTP - Drain Line						$75,000		$75,000
Eastside and Sears Lift Station Reconstruction						$1,000,000	*	$1,000,000
Utility Main Oversizing					$50,000	$50,000		$100,000
TOTAL 2011-2012	$0	$0	$0	$0	$3,505,000	$3,425,000		$6,930,000

* Bonded

2012-2013

	Drainage	Streets	Facilities	Parks	Water	Sewer		Totals
WWTP - Nutrient Removal Process						$8,000,000	*	$8,000,000
Ricketts Street Water Line Replacement Phase II					$450,000		*	$450,000
Woods Street Water Line Replacement					$100,000			$100,000
Lamberth Road Water Line Replacement					$85,000			$85,000
Texoma Parkway Water Replacement - Phase IV					$300,000		*	$300,000
Water Treatment Plant Second Feed, Phase II					$4,000,000		*	$4,000,000
Utility Main Oversizing					$50,000	$50,000		$100,000
TOTAL 2012-2013	$0	$0	$0	$0	$4,985,000	$8,050,000		$13,035,000

* Bonded

2013-2014

	Drainage	Streets	Facilities	Parks	Water	Sewer		Totals
WWTP - Biosolids Processing Upgrade						$6,000,000	*	$6,000,000
Eastside Outfall Return Sewer						$500,000	*	$500,000
Texoma Parkway Water Replacement - Phase V					$300,000			$300,000
Relief Sewer D-1						$290,000		$290,000
Utility Main Oversizing					$50,000	$50,000		$100,000
TOTAL 2013-2014	$0	$0	$0	$0	$350,000	$6,840,000		$7,190,000

* Bonded

2014-2015

	Drainage	Streets	Facilities	Parks	Water	Sewer		Totals
WWTP - Security Upgrade						$150,000		$150,000
WWTP - Upgrade UV Disinfection System						$500,000		$500,000
WWTP - Relief Headworks Study						$200,000		$200,000
Blalock Industrial Sewer Replacement						$500,000	**	$500,000
South Sherman Trunk Sewer Replacement						$135,000		$135,000
Texoma Parkway Sewer Relief Main						$200,000		$200,000
Highway 75 South Water Crossing Replacement					$138,000			$138,000
Utility Main Oversizing					$50,000	$50,000		$100,000
TOTAL 2014-2015	$0	$0	$0	$0	$188,000	$1,735,000		$1,923,000
UTILITY GRAND TOTAL	$0	$0	$0	$0	$9,303,000	$20,825,000		$30,128,000
TOTAL CIP	$1,200,000	$5,310,000	$7,528,250	$3,695,000	$9,303,000	$20,825,000		$47,861,250

** SEDCO Funded

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 8-2-2010

Subject: Agenda Item No. D.10

OTHER BUSINESS
Approve Quarterly Investment Reports for Period ending June 30, 2010

Issue
To approve the Investment Reports for the quarterly period ending June 30, 2010

Background
These reports are 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. Two portfolios will be addressed: Operating Portfolio and CO Debt Proceeds Portfolio.

As of June 30, 2010, all portfolios were in compliance with applicable state laws and the City's internal Investment Policy. The Operating Portfolio had a book value of about $21.8 million, down about $1.1 million from three months ago. This portfolio is appropriately liquid; and its weighted-average maturity increased to about 169 days, from about 147 days last period, because of investment purchases during the quarter. The portfolio yield of 0.63% for the quarter is higher than the benchmark yield of 0.22%. The portfolio value on the City's books is essentially equal to the market value of the overall portfolio.

The CO Debt Proceeds Portfolio balance decreased about $.8 million due to payments for capital construction during the period. The portfolio remains appropriately liquid, with all of the funds available within one day. Its yield of 0.18% for the quarter is less than the benchmark yield of 0.22%. Also, 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 reports as presented.

Alternatives
The Council could offer suggestions for improvement or could request more frequent reporting.

Attachments
Memo to Investment Committee; Investment reports and related schedules

Prepared by:
Robby Hefton, Assistant City Manager/CFO

Approved by:
George Olson, City Manager

memorandum

DATE: Tuesday, July 27, 2010

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

FROM: Robby Hefton, Assistant City Manager/CFO R

SUBJECT: Investment Reports for Quarter ended June 30, 2010

Enclosed is a copy of the quarterly investment reports for the quarter ended June 30, 2010. Reports are included for two major portfolios: 1) operating portfolio, and 2) CO Debt portfolio. Each of these reports reflects that, as of that date, the City was in compliance with all applicable state laws as well as the City's Investment Policy.

The total operating portfolio balance of about $21.8 million had a weighted-average maturity of about 169 days, up from 147 days last quarter due to investment purchases during the period. The portfolio yield of .63% was higher than our benchmark 180-day T-Bill yield, which was 0.22%; and book value closely approximated market value.

Also, as of June 30, 2010, all of the CO Debt Proceeds was invested in pooled investments, together yielding 0.18%, slightly lower than the benchmark 180-day T-Bill rate. The Debt Proceeds portfolio balance decreased by about $.8 million during the quarter because of payments related to capital construction.

This investment report will be on the August 2, 2010 City Council Agenda for their review and approval. Please call me if you have any questions about this item.

RH:pc

attachment (as stated above)

Sherman

CITY OF SHERMAN, TX
Investment Report Summary
June 30, 2010

This report complies with the requirements of the public funds investment law and covers all the funds of the City of Sherman that are subject to that law. At June 30, 2010 investment book value was about $21.8 million and had decreased by approximately $1.1 million from three months prior. Decreases in investment balances are customary during this quarter each year due to slowing property tax collections. The City's investment portfolio includes interest-bearing demand deposits, bank time deposits, investment pools that strive to maintain a 100% net asset value, and U.S. Agency securities.

The City was in compliance with all provisions of the investment policy and the Public Funds Investment Act as of June 30, 2010. The weighted-average maturity of the portfolio was about 169 days at June 30, 2010 compared to about 147 days at March 31, 2010. This increase in weighted-average maturity occurred because of investment purchases during the period.

The market value of the portfolio was 100.08% of book value as of June 30, 2010. The portfolio yield of 0.63% at June 30, 2010 was higher than the benchmark yield on the 180-day T-Bill, which was 0.22%.

One security and a certificate of deposit matured during the quarter with a par value totaling about $2.5 million. Two certificates of deposit were purchased during the quarter with a par value of $2.0 million. Accrued interest of about $12,000 was added to time deposit principal. All other transactions were routine.

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

Robby Hefton

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

Mary Lawrence

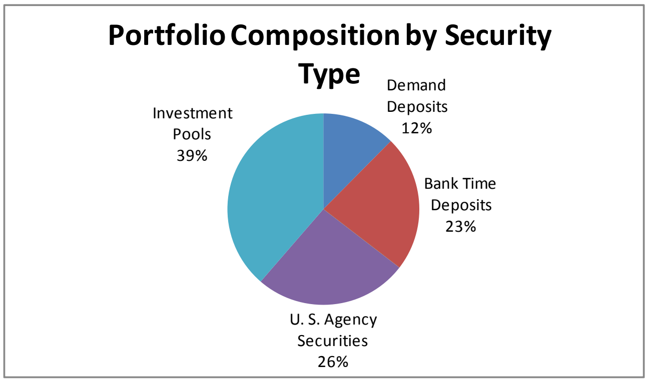
Mary Lawrence, Controller and City of
Sherman Investment Officer

CITY OF SHERMAN, TX
Detailed Investment Report
As of June 30, 2010

		VALUES - March 31, 2010		Book Increase/(Decrease)		Market Increase/(Decrease)		VALUES - June 30, 2010	
Investment	Par	Book	Market	Purchases/ (Withdrawals)	Accruals/ Amortizations	Purchases & (Withdrawals)	Change in Market Price	Book	Market
DEMAND DEPOSITS									
Depository Bank		$ 2,521,692	$ 2,521,692	$ (771,009)	$ -	$ (771,009)	$ -	$ 1,750,683	$ 1,750,683
Depository Bank-TIF Funds		757,908	757,908	195,878	-	195,878	-	953,786	953,786
		3,279,600	3,279,600	(575,131)	-	(575,131)	-	2,704,469	2,704,469
BANK TIME DEPOSITS									
Certificate of Deposit 1.51% 4/29/2010		1,517,054	1,517,054	(1,517,054)	-	(1,517,054)	-	-	-
Certificate of Deposit 1.5% 7/19/2010		1,007,576	1,007,576	3,809	-	3,809	-	1,011,385	1,011,385
Certificate of Deposit 1.5% 9/15/2010		1,003,781	1,003,781	3,795	-	3,795	-	1,007,576	1,007,576
Certificate of Deposit 1.65% 3/1/2011		1,000,000	1,000,000	4,125	-	4,125	-	1,004,125	1,004,125
Certificate of Deposit 1.5% 12/3/2011		-	-	1,000,000	-	1,000,000	-	1,000,000	1,000,000
Certificate of Deposit 1.61% 5/3/2012		-	-	1,000,000	-	1,000,000	-	1,000,000	1,000,000
		4,528,411	4,528,411	(1,505,325)	-	(1,505,325)	-	5,023,086	5,023,086
INVESTMENT POOLS									
Tex-Pool		3,547,027	3,546,885	-	1,674	-	1,958	3,548,701	3,548,843
TexStar		4,871,783	4,872,173	-	2,195	-	2,522	4,873,978	4,874,694
		8,418,810	8,419,058	-	3,869	-	4,480	8,422,679	8,423,537
SECURITY INVESTMENTS									
FHLB 2.375% 4/30/10	1,000,000	1,001,124	1,001,560	(1,000,000)	(1,124)	(1,000,000)	(1,560)	-	-
FHLB 0.5% 11/23/2010	1,000,000	1,000,970	999,380	-	(367)	-	-	1,000,603	999,380
FFCB 3.9% 6/20/2011	1,000,000	1,038,790	1,038,750	-	(7,915)	-	-	1,030,875	1,038,750
FNMA 3.625% 8/15/2011	1,000,000	1,041,233	1,038,440	-	(7,474)	-	-	1,033,759	1,038,440
FHLB 2.1% 9/6/2011	500,000	509,756	509,065	-	(1,717)	-	-	508,039	509,065
FHLB 3.75% 9/9/2011	1,030,000	1,075,139	1,072,807	-	(7,794)	-	-	1,067,345	1,072,807
FHLB 2.13% 12/9/2011	1,000,000	1,004,471	1,002,500	-	(665)	-	-	1,003,806	1,002,500
		6,671,483	6,662,502	(1,000,000)	(27,056)	(1,000,000)	(1,560)	5,644,427	5,660,942
		$22,898,304	**$22,889,571**	**($3,080,456)**	**($23,187)**	**($3,080,456)**	**$2,920**	**$21,794,661**	**$21,812,034**

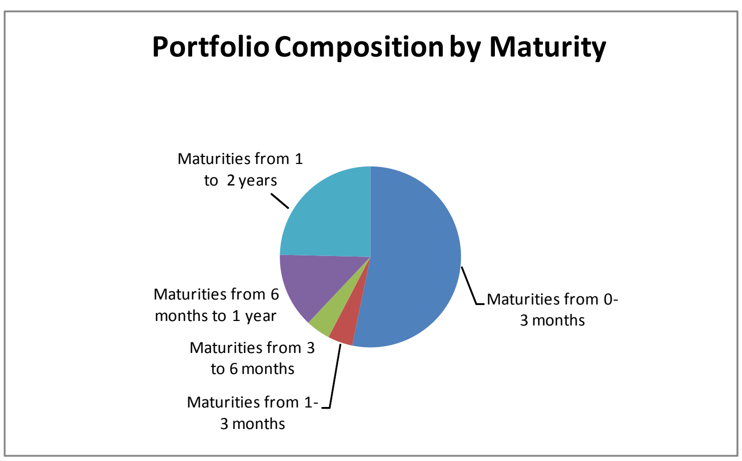
CITY OF SHERMAN, TX
Comparison of Portfolio to Policy Limits
As of June 30, 2010

LIMITS ON TYPES OF SECURITIES	Target Investment Level	Portfolio Cap	Actual Percentage of Portfolio	% Variance Policy Limits
Demand Deposits	100%	100%	12.41%	**87.59%**
Bank Time Deposits	25%	30%	23.05%	**6.95%**
U. S. Treasury Securities	80%	85%	0.00%	**85.00%**
U. S. Agency Securities	45%	50%	25.90%	**24.10%**
Investment Pools	45%	50%	38.65%	**11.35%**



LIMITS ON MATURITIES	Minimum Allowable Percentage of Portfolio	Actual Percentage of Portfolio	% Variance Policy Limits
Available within 1 month	25%	55.69%	**30.69%**
Available within 3 months	33%	60.32%	**27.32%**
Available within 6 months	45%	64.91%	**19.91%**
Available within 1 year	60%	74.25%	**14.25%**
Available within 2 years	70%	100.00%	**30.00%**
Available within 3 years	80%	100.00%	**20.00%**
Available within 4 years	90%	100.00%	**10.00%**
Available within 5 years	100%	100.00%	**0.00%**

	Maximum Allowable	Actual Average Maturity	Policy Limit Days Available
Weighted Average Days to Maturity	500	169.41	**330.59**



CITY OF SHERMAN, TX
Calculation of Weighted Average Maturity and Yield
As of June 30, 2010

	Market Value	Book Value	# of Days To Maturity	Original Yield to Maturity	Percent of Portfolio
Demand Deposits					
Depository Bank	$1,750,683	$1,750,683	0	0.15%	8.03%
Depository Bank -TIF Funds	953,786	953,786	0	0.15%	4.38%
	2,704,469	2,704,469			12.41%
Bank Time Deposits					
Certificate of Deposit 1.5% 7/19/2010	1,011,385	1,011,385	19	1.51%	4.64%
Certificate of Deposit 1.5% 9/15/2010	1,007,576	1,007,576	77	1.51%	4.62%
Certificate of Deposit 1.65% 3/1/2011	1,004,125	1,004,125	244	1.66%	4.61%
Certificate of Deposit 1.5% 12/3/2011	1,000,000	1,000,000	521	1.51%	4.59%
Certificate of Deposit 1.61% 5/3/2012	1,000,000	1,000,000	673	1.62%	4.59%
	5,023,086	5,023,086			23.05%
Investment Pools					
Tex-Pool	3,548,843	3,548,701	1	0.19%	16.28%
TexStar	4,874,694	4,873,978	1	0.18%	22.36%
	8,423,537	8,422,679			38.65%
Federal Securities and Notes					
FHLB 0.5% 11/23/2010	999,380	1,000,603	146	0.35%	4.59%
FFCB 3.9% 6/20/2011	1,038,750	1,030,875	355	0.71%	4.73%
FNMA 3.625% 8/15/2011	1,038,440	1,033,759	411	0.62%	4.74%
FHLB 2.1% 9/6/2011	509,065	508,039	433	0.69%	2.33%
FHLB 3.75% 9/9/2011	1,072,807	1,067,345	433	0.71%	4.90%
FHLB 2.13% 12/9/2011	1,002,500	1,003,806	527	1.09%	4.61%
	5,660,942	5,644,427			25.90%
TOTAL	$21,812,034	$21,794,661			100.00%

Weighted Average Maturity	
Weighted Average Days to Maturity	169.41
Weighted Average Days to Maturity-Operating (ex.depository bank-checking)	193.41

Weighted Average Yield	
Weighted Average Yield	0.63%
Weighted Average Yield - Operating (excluding depository bank-checking)	0.70%
Yield to Maturity of 180 day T-Bill at June 30, 2010	0.22%

CITY OF SHERMAN, TX
Market Value Analysis
As of June 30, 2010

CHANGES IN MARKET VALUE:

BEGINNING VALUE - March 31, 2010		$22,889,571
INVESTMENT ACTIVITY:		
Purchases	2,011,729	
Maturities	(2,517,054)	
Net Changes in Market Price	(1,560)	
		(506,885)
Bank and Pooled Investment Deposits/(Withdrawals) - Net		(570,651)
ENDING VALUE - June 30, 2010		**$21,812,034**

COMPARISON OF BOOK VALUE TO MARKET VALUE:

BEGINNING VALUE - March 31, 2010			
	Market Value	$22,889,571	
	Book Value	$22,898,304	
	Ratio of Market Value to Book Value		99.96%
ENDING VALUE - June 30, 2010			
	Market Value	$21,812,034	
	Book Value	$21,794,661	
	Ratio of Market Value to Book Value		100.08%

CITY OF SHERMAN, TX
Quarter to Date Investment Transaction Report
As of June 30, 2010

PURCHASES

Date	Type		Principal Purchase Price		Par Value	Yield/Int. Discount Rate	Maturity Date
05/01/2010	CD 1.65%	$	4,125	$	4,125	1.66%	03/01/2011
05/19/2010	CD 1.5%		3,809		3,809	1.51%	07/19/2010
06/15/2010	CD 1.5%		3,795		3,795	1.51%	09/15/2010
05/03/2010	CD 1.61%		1,000,000		1,000,000	1.62%	05/03/2012
05/03/2010	CD 1.5%		1,000,000		1,000,000	1.51%	12/03/2011
	Total Purchases	**$**	**2,011,729**	**$**	**2,011,729**		

MATURITIES

Date	Type		Par Value	Yield/Int. Discount Rate
04/29/2010	CD 1.51%	$	1,517,054	1.66%
01/26/2010	FHLB 2.375%		1,000,000	1.045%
	Total Maturities	**$**	**2,517,054**	

CITY OF SHERMAN, TX
Interest Receivable and Earned Interest Income
June 30, 2010

Investment	Original Yield	Interest Receivable March 31, 2010	Purchased Interest	Interest Received	Coupon Interest	Interest Receivable June 30, 2010	Amortization/ Accretion	Earned Interest Income
DEMAND DEPOSITS								
Depository Bank	0.15%	$ -	$ -	$ 1,304	1,304	$ -	$ -	$ 1,304
Depository Bank-TIF Funds	0.15%	-	-	579	579	-	-	579
		-	-	1,883	1,883	-	-	1,883
BANK TIME DEPOSITS								
Certificate of Deposit 1.51% 4/29/2010	1.52%	3,797	-	5,698	1,901	-	-	1,901
Certificate of Deposit 1.5% 7/19/2010	1.51%	1,630	-	3,809	3,740	1,561	-	3,740
Certificate of Deposit 1.5% 9/15/2010	1.51%	550	-	3,795	3,740	495	-	3,740
Certificate of Deposit 1.65% 3/1/2011	1.66%	2,622	-	4,125	4,114	2,611	-	4,114
Certificate of Deposit 1.5% 12/3/2011	1.51%	-	-	-	2,384	2,384		2,384
Certificate of Deposit 1.61% 5/3/2012	1.62%	-	-	-	2,567	2,567		2,567
		8,599	-	17,427	18,446	9,618	-	13,495
INVESTMENT POOLS								
Tex-Pool	0.19%	-	-	1,674	1,674	-	-	1,674
TexStar	0.18%	-	-	2,195	2,195	-	-	2,195
		-	-	3,869	3,869	-	-	3,869
SECURITY INVESTMENTS								
FHLB 2.375% 4/30/10	1.05%	9,794	-	11,875	2,081	-	(1,124)	957
FFCB 3.9% 6/20/2011	0.71%	10,813	-	19,500	9,723	1,036	(7,915)	1,808
FNMA 3.625% 8/15/2011	0.62%	4,531	-	-	9,063	13,594	(7,474)	1,589
FHLB 2.1% 9/6/2011	0.71%	671	-	-	2,625	3,296	(1,717)	908
FHLB 3.75% 9/9/2011	0.69%	2,145	-	-	9,656	11,801	(7,794)	1,862
FHLB 0.5% 11/23/2010	0.35%	2,151	-	2,500	1,767	803	(367)	1,400
FHLB 2.13% 12/9/2011	1.09%	4,431	-	6,531	3,082	982	(665)	2,417
		34,536	-	40,406	37,997	31,512	(27,056)	10,941
		$43,135	**$0**	**$63,585**	**$62,195**	**$41,130**	**($27,056)**	**$30,188**

CITY OF SHERMAN, TX
CO Debt Proceeds
Investment Report Summary
June 30, 2010

This report complies with the requirements of the public funds investment law and covers the Certificate of Obligation Debt Proceeds of the City of Sherman that is subject to that law. At June 30, 2010, investment book value was about $5.3 million and had decreased by approximately $0.8 million from the previous quarter due to payments made for construction projects. The City's investment portfolio includes interest-bearing demand deposits and investment pools that strive to maintain a 100% net asset value.

The City was in compliance with all provisions of the investment policy and the Public Funds Investment Act as of June 30, 2010. The weighted-average maturity of the portfolio was 1 day at June 30, 2010.

The market value of the portfolio was 100.01% of book value as of June 30, 2010.

The portfolio yield of 0.18% at June 30, 2010 was lower than the benchmark yield of .22% on the 180-day T-Bill.

All other transactions were routine.

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

Robby Hef

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

Mary Lawrence

Mary Lawrence, Controller and City of
Sherman Investment Officer

CITY OF SHERMAN, TX
CO Debt Proceeds
Detailed Investment Report - Debt Proceeds
As of June 30, 2010

Investment	VALUES - March 31, 2010		Book Increase/(Decrease)		Market Increase/(Decrease)		VALUES - June, 2010	
	Book	Market	Purchases/ (Withdrawals)	Accruals/ Amortizations	Purchases & (Withdrawals)	Change In Market Price	Book	Market
DEMAND DEPOSITS								
Depository Bank-TIF	$ 406,258	$ 406,258	$ (7,961)	$ 151	$ (7,961)	$ 151	$ 398,448	$ 398,448
INVESTMENT POOLS								
Tex-Pool-2009 Bonds	2,280,945	2,280,854	(823,282)	854	(823,282)	1,003	1,458,517	1,458,575
TexStar-2009A Bonds	3,469,327	3,469,605	-	1,563	-	1,795	3,470,890	3,471,400
	5,750,272	5,750,459	(823,282)	2,417	(823,282)	2,799	4,929,407	4,929,976
	$6,156,530	**$6,156,717**	**($831,243)**	**$2,568**	**($831,243)**	**$2,950**	**$5,327,855**	**$5,328,424**

CITY OF SHERMAN, TX
CO Debt Proceeds
Comparison of Portfolio to Policy Limits
As of June 30, 2010

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

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

CITY OF SHERMAN, TX
CO Debt Proceeds
Calculation of Weighted Average Maturity and Yield
As of June 30, 2010

Demand Deposits	Market Value	Book Value	# of Days To Maturity	Original Yield to Maturity	Percent of Portfolio
Depository Bank	398,448	398,448	0	0.15%	7.48%
Investment Pools					
Tex-Pool-2009 Bonds	1,458,575	1,458,517	1	0.19%	27.38%
Tex-Star-2009A Bonds	3,471,400	3,470,890	1	0.18%	65.15%
	4,929,976	4,929,407			92.52%
TOTAL	**$ 5,328,424**	**$ 5,327,855**			**100.00%**

Weighted Average Maturity	
Weighted Average Days to Maturity	1
Weighted Average Days to Maturity-Operating (ex.depository bank)	1

Weighted Average Yield	
Weighted Average Yield	0.18%
Weighted Average Yield-Operating (excluding depository bank)	0.19%
Yield to Maturity of 180 day T-Bill at June 30, 2010	0.22%

CITY OF SHERMAN, TX
CO Debt Proceeds
Market Value Analysis
As of June 30, 2010

CHANGES IN MARKET VALUE:

BEGINNING VALUE - March 31, 2010		$6,156,717
INVESTMENT ACTIVITY:		
Purchases	-	
Maturities	-	
Net Changes in Market Price	-	
		-
Bank and Pooled Investment Deposits/(Withdrawals) - Net		($828,293)
ENDING VALUE - June 30, 2010		**$5,328,424**

COMPARISON OF BOOK VALUE TO MARKET VALUE:

BEGINNING VALUE - March 31, 2010			
	Market Value	$6,156,717	
	Book Value	$6,156,530	
	Ratio of Market Value to Book Value		100.00%
ENDING VALUE - June 30, 2010			
	Market Value	$5,328,424	
	Book Value	$5,327,855	
	Ratio of Market Value to Book Value		100.01%

CITY OF SHERMAN, TX
CO Debt Proceeds
Quarter To Date Investment Transaction Report
As of June 30, 2010

PURCHASES

There were no purchases during the period.

MATURITIES

There were no maturities during the period.

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 8-2-2010

Subject: Agenda Item No. D.11

CITIZEN REQUESTS

The Honorable Willie Steele, Deputy Mayor

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 8-2-2010

Subject: Agenda Item No. D.12

MEDIA QUESTIONS

The Honorable Willie Steele, Deputy Mayor

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 8-2-2010

Subject: Agenda Item No. D.13

COUNCIL COMMENTS

The Honorable Willie Steele, Deputy Mayor

SHERMAN CITY COUNCIL

Agenda Communication Form

From: The Office of the City Manager **Date:** 8-2-2010

Subject: Agenda Item No. E.1

EXECUTIVE SESSION

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

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

(a) Receive the City Attorney's Briefing on Pending Litigation

Section 551.074 **Personnel Matters:**

(a) Consider the Qualifications, Appointment or Removal of Members to Boards and Commissions:

(i) Planning and Zoning Commission (1)

The Honorable Willie Steele, Deputy Mayor

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 8-2-2010

Subject: Agenda Item No. F.1

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

The Honorable Willie Steele, Deputy Mayor

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 8-2-2010

Subject: Agenda Item No. F.2

ADJOURNMENT

The Honorable Willie Steele, Deputy Mayor

SHERMAN CITY COUNCIL

Agenda Communication Form

From: The Office of the City Manager **Date:** 8-2-2010

Subject: Agenda Item No. N/A

COUNCIL CALENDAR

2010

CITY COUNCIL MEETINGS

JANUARY

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

FEBRUARY

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

MARCH

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

APRIL

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

MAY

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

JUNE

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

JULY

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

AUGUST

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

SEPTEMBER

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

OCTOBER

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

NOVEMBER

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

DECEMBER

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

01/04/10 - January 4th Council meeting cancelled - holiday schedules
01/18/10 - M.L.K., Jr. Birthday / Regular Council Meeting
02/15/10 - Washington's Birthday / Regular Council Meeting
04/30/10 - 12 Noon Budget Planning Meeting in Council Chambers
~~05/08/10 - City Council Election~~
~~05/11/10 - Called Meeting to Canvass Election Results~~
~~06/17-18/10 - Budget Workshop/Long Range Planning Workshop in Council Chambers~~
06/17/10 - Budget Workshop/Long Range Planning Workshop in Council Chambers

~~07/05/10 - Independence Day - Called Council Meeting on 07/06/10~~
09/06/10 - Labor Day / Called Council Meeting on 09/07/10