

**CITY OF SHERMAN
CITY COUNCIL REGULAR MEETING AGENDA
COUNCIL CHAMBERS OF THE CITY HALL
220 WEST MULBERRY STREET
SHERMAN, TEXAS
MONDAY, JUNE 3, 2019
5:00 P.M.**

- A. 1. CALL TO ORDER, QUORUM DETERMINED, MEETING DECLARED OPEN**
- A. 2. PLEDGE OF ALLEGIANCE LED BY DEPUTY MAYOR SHAWN TEAMANN**
- A. 3. INVOCATION BY DEPUTY MAYOR SHAWN TEAMANN**
- A. 4. APPROVE MINUTES OF THE CALLED CITY COUNCIL (BUDGET PLANNING) MEETING OF APRIL 26, 2019 AND OF THE REGULAR CITY COUNCIL MEETING OF MAY 20, 2019**

Special Presentations

- B. 1. SPECIAL PRESENTATION**
Presentation of 2019 Community Champion Award

Public Hearing

- C. 1. INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 6217**
Amending Chapter 3 of the Code of Ordinances, entitled "Building Regulations", Article 3.14, entitled "Permit, Development and Registration Fees", at Section 3.14.001, entitled "Building Permits"

Close Public Hearing and Consider Adoption of Ordinances

- C. 2. ADOPTION OF ORDINANCES**
Consider Adoption of Ordinance Number: 6217
- C. 3. CONSENT AGENDA**
Asterisked (*) items are considered to be routine and will be enacted in one motion without discussion unless a Council Member or a citizen requests a specific item be discussed and voted on separately

Resolutions

- D. 1. * RESOLUTION NO. 6487**
Authorizing Execution of a Development Agreement with Nick & Sons Construction, LLC for the Construction of Public Facilities in Amistad Estates, Phase I, an 8.05-acre Development off of Friendship Road, west of F.M. 1417 (Heritage Parkway) in the City of Sherman
- D. 2. RESOLUTION NO. 6488**
Authorizing Execution of a Professional Services Agreement with Teague Nall & Perkins, Inc. for the Engineering Design of Moore Street from West Travis Street to Park Avenue

Other Business

E. 1. OTHER BUSINESS

Receive Quarterly Report on the Sherman Cultural District

E. 2. OTHER BUSINESS

Receive Update from Engineering Director Clint Philpott on the City's Stormwater Utility Program

E. 3. OTHER BUSINESS

Consider Changing the Location of the City Council's Budget Workshop called for June 13-14, 2019

E. 4. * OTHER BUSINESS

Consider Request of the 2019 Neighborhood Recreation Committee to Temporarily Close Certain Streets for the Annual "Juneteenth Celebration" on Saturday, June 15, 2019

F. CITIZEN REQUESTS

G. MEDIA QUESTIONS

H. COUNCIL COMMENTS

Executive Session

I. 1. EXECUTIVE SESSION

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

Section 551.071	Consultation with City Attorney concerning Pending or Contemplated Litigation
Section 551.071	Consult with the City Attorney on a Matter in which the Duty of the Attorney to the Governmental Body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with this Chapter
Section 551.087	Deliberation Regarding Economic Development Negotiations: (a) Deliberate Regarding Commercial or Financial Information that the City has Received from a Business Prospect and Deliberate any Offers or Incentives to the Business Prospect

The Council reconvenes into General Session

J. 1. OPEN MEETING

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

K. ADJOURNMENT

COUNCIL CALENDAR

CERTIFICATION

I, the undersigned authority, do hereby certify that the above Notice of Regular Meeting of the City Council of the City of Sherman is a true and correct copy of said Notice and that I posted a true and correct copy of said Notice on the bulletin board at City Hall of said City of Sherman, Texas, a place convenient to the public, and said notice was posted on May 31, 2019 at 12:00 p.m., and said time of posting was 72 hours before said meeting was convened or called to order.

Dated this 31st day of May, 2019.
City of Sherman, Texas

City Clerk

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

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

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

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

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

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

Mayor

David Plyler

Deputy Mayor

Shawn C. Teamann

Council Members

Willie Steele, Council-At-Large, PL #1

Sandra Melton, Council-At-Large, PL #2

Shawn C. Teamann, Council – District #1

Josh Stevenson, Council – District #2

Pamela L. Howeth, Council – District #3

Daron Holland, Council – District #4



SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

A.4.

Meeting Date: 06/03/2019

Prepared By: Linda Ashby, City Clerk

Approved By: Robby Hefton, City Manager

Caption:

APPROVE MINUTES OF THE CALLED CITY COUNCIL (BUDGET PLANNING) MEETING OF APRIL 26, 2019 AND OF THE REGULAR CITY COUNCIL MEETING OF MAY 20, 2019

Attachments

April 26, 2019 - Called Meeting - Budget Workshop

Budget Planning Meeting Presentation

May 20, 2019 - Regular Meeting

Proposed Changes to Noise Ordinance

Police Department Renovation

STATE OF TEXAS

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April 26, 2019

COUNTY OF GRAYSON

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BE IT REMEMBERED THAT A Called Meeting of the Sherman City Council was begun and held in the City Council Chambers on April 26, 2019.

COUNCIL MEMBERS PRESENT: Mayor David Plyler; Deputy Mayor Shawn Teamann.
Council Members Holland, Howeth, Melton, Steele, Stevenson.

COUNCIL MEMBERS ABSENT: None.

CITY STAFF PRESENT: Robby Hefton, City Manager; Brandon Shelby, City Attorney; Steve Ayers, Assistant City Manager; Terrence Steele, Assistant City Manager; Mark Gibson, Director of Utilities; Scott Shadden, Director of Development Services; Mary Lawrence, Director of Finance; Danny Jones, Fire Chief; Zachary Flores, Police Chief; Jason Jeffcoat, Assistant Police Chief; Bob Fair, Assistant Police Chief; Bruce Dawsey, Assistant Police Chief; Chris Olson, Assistant Fire Chief; Billy Hartsfield, Fire Marshal; Tom Brown, Fire Division Chief; Jim Cross, Water Systems Manager; Kevin Winkler, Public Works Manager; Clint Philpott, Director of Engineering; Leah Campbell, Human Resources/OD Administrator; Cathy Perkins, Human Resources Manager; Shawn Hackworth, IT Manager; Melissa Eason, Library Services Administrator; Nate Strauch, Community and Support Services Manager; Theresa Hutchinson, Parks and Recreation Manager; Mike Grant, Facilities Manager; Jimmy Mrozinski, Parks and Cemetery Maintenance Superintendent; Sarah McRae, Tourism/Main Street Manager; Karen Wolff, Administrative Secretary; Moises Duran, Emergency Management Coordinator; Junior Jaimes, Computer Support Technician; Pam Cloer, Assistant to the City Manager; Linda Ashby, City Clerk.

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

Invocation by Council Member Josh Stevenson

Financial Update and Council Input for 2019-2020 Budget Year

Adjournment

CALL TO ORDER, QUORUM DETERMINED, MEETING DECLARED OPEN

Mayor Plyler called the meeting to order at 11:02 a.m., declared a quorum present, and opened the Called City Council Meeting.

INVOCATION BY COUNCIL MEMBER DARON HOLLAND

FINANCIAL UPDATE AND COUNCIL INPUT FOR 2019-2020 BUDGET YEAR

Robby Hefton, City Manager, opened the meeting with an introduction of a drone “flyover” video, showing progress on the projects that have previously been discussed with the City Council and some

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new projects. The video was presented by Nate Strauch, Community and Support Services Manager. The projects shown included 560 residential single-family homes that are either under development or will be soon, and 198 multi-family homes. He also discussed commercial projects.

Mr. Hefton said another update will be presented on the projects at the Budget Workshop on June 13, 2019. Budget reviews with the departments will be held in May 2019.

Work Plan Update

Mr. Hefton presented the Work Plan Update, starting with the progress made on the 2019 Work Plan. Most items have been completed, however there are a few that are still in-progress.

Compensation and staffing issues have been completed but there is one more piece of fleet/equipment needed to purchase. The implementation of Utility Capital Improvement Program projects will never be completed because many of the projects stretch over one years' time. Progress is being made on the projects.

He said additional personnel has been hired for the Stormwater Program and equipment is in place. A more "robust" presentation will be included on this program during the Budget Workshop. He said the program is working as expected. Council authorized the dollar fee that goes into the fund to pay for capital projects and operational costs. He did not expect to request any additional funding for this program during next year's budget, however there will be additional discussion about the program. He said great progress is being made and it is doing what it was expected to do.

Mr. Hefton said Phase II of the Pecan Grove West ballfields has been designed and they will be working with staff and other builders to move forward with that project. A presentation on the proposed Police Department Renovation will be discussed in more detail before the Budget Workshop to give the Council a chance for additional discussion at the Workshop. Mr. Hefton said the staff will definitely need direction on that project.

He said the City has worked on a phased approach to issue bonds to support CIP general projects and has received a great rate. There will be more discussion later in the meeting. Additional resources, both people and equipment, have been added in the Environmental Code Department and they are working on the list of substandard structures.

Mr. Hefton also discussed prior initiatives, or projects and initiatives that started before 2019. Legacy Village, which includes Schulman's Movie Bowl Grill, will be coming to the Council in the future for the hotel/conference center, which has multiple developers and builders interested in the project. He did not know at this time, what the City's participation in the project will be. Many times cities are participating by building the conference portion of a conference hotel location. There will be additional discussion on this project at a later date.

Council Member Howeth verified that if the City constructed the conference center portion, that they would receive the money from the rental of the facility. Mr. Hefton said the City would receive revenues from money generated by the conference center, and there would probably be a facilities manager that would operate both the hotel and the conference center. He added that if this was the plan, then the City would fund the construction of that piece of the project, but the operations would be handled jointly. The revenues from the hotel would stay with the hotel and revenues from the conference center would stay with the City. He said the hotel would be a full service hotel with food service. The incremental revenue would be used to pay for the conference center.

Mr. Hefton said operations continue to develop at Sherman Crossroads and discussion continues with a group about building a medical facility at that location. Discussions are slow but going forward.

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The City will be looking for another partner for Pecan Grove Ballfields, Phase II. The Texoma Health Foundation said “no.” At Sherman Landing, Quik Trip is open and doing better than projected and the bank is under construction.

Construction is underway on Legacy Boulevard and is expected to be complete in the Summer of 2019. Additional discussions will be held at the Budget Workshop. He said both the Bel Air Planned Development and the Munson Development are moving very quickly. Both hope to have their submittals this summer. A discussion about the impact of these developments will be held later in the meeting. Both are huge developments.

Mr. Hefton said the Bel Air Development is mostly residential with a little commercial, and is a mix of high-end, multi-family, and single-family. He said there could be thousands of new dwelling units in the development. The first phase of the construction is expected in the first quarter of 2020.

He said the Munson Planned Development is a mix of multi-family, higher density, single-family, commercial, and residential. A piece of the tract is not in the City limits, and they submitted their request for annexation today.

The City still owns land near the new high school and are considering whether it needs to be sold or leased. Construction of sewer lines to the property is being done at the current time and will hopefully be completed by the first quarter of 2020.

The north-bound ramp reversal project on U.S. Highway 75, just south of F.M. 1417, is nearly complete, and should be open by this summer.

Financial Update – Operations

Mary Lawrence, Director of Finance, presented ending balances for FY 2018 and said she would review where they think they would be at the end of FY 2019. The General Fund ended FY 2018 better than budgeted and better than expected, due to sales tax, building permits, and a payment received from the ambulance supplemental payment program.

Sales tax was about \$1.5 million over the original budget, with about half being from the remodeling of Finisar. She said they are also projecting that revenues will be over budget for FY 2019. The sales tax growth has been very broad-based. The City received about \$160,000 from Finisar this year, with the rest from broad-based, good performance. Retail and wholesale trade activities have provided for the biggest growth.

Last year the ambulance supplemental payment received was \$350,000, and a preliminary estimate from the consultant says this year's payment will be about \$750,000.

In the Utility Fund, the annual reserves were up over FY 2017, largely due to the fact that FY 2018 was better than projected. Revenues increased during the summer of FY 2018. Ending reserves for FY 2018 were up \$1,300,000. It is projected that in FY 2019, revenue and expenses will both be slightly higher than budget.

In the Solid Waste Fund, the annual reserves were down about \$370,000 versus FY 2017. The recycling environment has hurt this fund because of the disposal costs incurred. The City also lost about \$100,000 in revenue that the City received every year, from the sale of the recycling. Not only is the City losing the revenue, they are having to pay disposal costs on the recycling.

She said Commercial Solid Waste continues to grow very quickly. There are increased disposal costs associated with this stream, but the City is still making money.

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Ms. Lawrence said the projected ending fund balances in both the Utility Fund and the General Fund are higher than the target of 75 days, however the Solid Waste Fund is still lagging at 63 days. She outlined some of the line items in the General Fund.

Mr. Hefton confirmed that this was the third year of the ambulance revenue, which is a State program, but with a Federal component. The State determines funding every two years, however they could decide not to fund the program. He asked if there was enough confidence in the program that the City would continue to budget for it. Ms. Lawrence said it was budgeted for FY 2019 at \$350,000, and she felt that the City should budget for it next year too. At that point they should take it year-by-year. A change in the benefit was the reason the City of Sherman received such a large increase this year.

Council Member Steele asked for clarification on the “transfer in” and “transfer out” line items. In the General Fund. There is a transfer in of \$2.8 million and a transfer out of \$712,480. Ms. Lawrence said the transfer in is from a franchise fee, or administrative fee from the Utility Fund and the Solid Waste Fund. On the transfer out, \$700,000 is going to the General CIP Fund to fund debt. Then \$12,000 is going to another fund for some Police Academy training.

Council Member Steele clarified that the transfers are covering expenses from another fund. Mr. Hefton said the City charges Oncor and Atmos Energy to have their utilities in the street right-of-way, so we also charge the Utility Fund and the Solid Waste Fund to drive those heavy trucks on City streets. The formula to determine that charge is based on revenues and cost.

Ms. Lawrence discussed the City’s sales tax history and showed revenue with and without Panda and Finisar. Even without those two one-time events, the sales tax is increasing. She also showed a breakout of the regular sales tax, sales tax in lieu of property tax, and the street sales tax.

In the Utility Fund, the beginning reserve was much better than was expected, and was a result of good revenue performance in FY 2018. The transfer out is larger than budgeted and is going to the Solid Waste Fund to help restore some of the balance after payment for the recycling program.

Mr. Hefton said on the debt service line item beginning in 2021, there will be a significant decrease in the debt service because some of the debt will be rolling off. The staff is trying to “hold off” on a rate increase because there will be relief from this reduction in debt. Ms. Lawrence added that revenues have held up well since 2017, even though people don’t water as much during wet weather.

There was an increase in water sales revenue from 2017 to 2018, largely due to a 3% rate increase. The increase in the Solid Waste Fund was largely due to commercial solid waste. The transfer in for the Solid Waste Fund was from the Utility Fund to help with balancing. A large portion of the “services and charges” expenditures is for landfill disposal costs. The projected for FY 2019 is pretty large, mainly because of Commercial Solid Waste. About \$100,000 will be for the recycling disposal. Currently the stream is clean enough that the City isn’t being charged.

Financial Update – Capital Improvement and Debt

Ms. Lawrence outlined expenditures in the General Improvement Fund, emphasizing the street projects.

Council Member Steele asked if the \$20 million beginning fund balance was money that was borrowed but not used. He said the City is paying debt on that money but not using it. He asked why they would purchase more debt when there is still money that hasn’t been spent. Ms. Lawrence said the City can’t legally let the project until the money is in the bank. With all the projects going at the same time, the City must have all the money up front for each project. She said it was a timing issue.

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Mr. Hefton added that many of the capital projects span multiple years. Sometimes the debt is issued in phases for the projects so not all the debt is issued at one time. He said it appears that there is \$45 million in available funds, but the “spend down” won’t be over five years, it will be over about the next eighteen months. The debt must be issued and in hand before the project can be let and it’s a multi-year project. He discussed the scheduling of several of the larger projects. He projected that the cash balances at the end of this fiscal year would be about \$17 million, however projects have been identified for which that funding will be used. Mr. Hefton added that the City is receiving some interest income from that debt that is helping offset costs.

Council Member Steele asked about the \$7 million that is listed in the Utility Fund’s debt service line item, but it is not listed in other funds. Mr. Hefton said that is the debt issued by the Greater Texoma Utility Authority. The City issues debt in two ways. The first is through ourselves with Certificates of Obligation. There is \$65 million in CO’s that have issued debt for General Fund types of projects, mostly roads.

The debt through GTUA is debt that is not on the City’s balance sheet because they are not the issuer of the debt. GTUA issued the debt on the City’s behalf. The \$7 million listed is the City’s debt service only for the GTUA debt.

Mr. Hefton said the City receives about \$12 million or \$13 million annually in property tax revenues. Approximately \$9 million goes to the General Fund to pay for normal services and \$3 million goes to pay the debt service. There is a separate fund that is used solely to pay debt. Ms. Lawrence said the City is required to have a separate fund to pay the debt service.

Council Member Steele asked to see the status of the Capital Improvement Projects, that the debt is paying for. Mr. Hefton said some projects are multi-year projects and will appear as expenditures in more than one year’s budget. He said the staff would present a status update during the Budget Workshop. Deputy Mayor Teamann asked for the update prior to the Budget Workshop so the Council can make suggestions.

Ms. Lawrence presented the property tax collections, which shows the property value growth.

City Council Members took a break from 11:55 a.m. to 12:02 p.m.

Revenue Cap Discussion

Mr. Hefton said they would now discuss building the work plan for the next fiscal year, including issues that will be faced over a multi-year period. He said they have previously discussed the revenue cap and it is still an issue. The State Legislature is “hotly” debating the issue, which relates to cities, counties, and schools.

He said the majority of the taxes come from school districts, and their funding is currently in turmoil. City and County rates are between \$0.40 and \$0.60 each. School district rates could be close to \$1.70, with debt included. Their rates are the majority of the tax bill. They are trying to help school taxes by installing revenue caps that are lower than currently in existence for those entities. Everyone agrees that something needs to change. They want property tax reform to help school tax reform.

Mr. Hefton said there are two parts to the property tax rate, the Maintenance and Operations (M&O) Rate, which pays for operations, and goes into the General Fund. The second is the Debt Rate that is tax supported. The debt issued by GTUA is not counted against this debt rate.

On the rate setting side, there is an Effective Tax Rate, which means the rate that would be needed to generate the same revenue dollars as generated the previous year, based on the new property valuation. The Rollback Tax Rate is a cap that a City is not allowed to exceed without voter approval.

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Currently the Rollback Rate is at 8%. The City's M&O Rate is \$0.32 and the Debt Rate is \$0.11. He discussed the inverse effect of values and sales tax to the Effective and Rollback Rates. As existing property values increase, (not new values), the rate goes down. There is a significant drop in the property tax rate when a City adopts a sales tax in lieu of property tax, as Sherman has done. Currently one-half of \$0.01, or .5%, of Sherman's sales taxes goes to sales tax in lieu of property taxes. He said that amounts to about \$5 million annually.

Mr. Hefton discussed the status of bills in the Texas House of Representatives and the Texas Senate concerning property taxes. Currently the Senate supports a proposal with a 3.5% cap. Originally it was an 8% cap. The House bill currently supports a 2.5% cap, but it appears that the House is waiting on the Senate to complete their work so they can follow their lead.

He said the revenue cap is mostly about valuations, The growth from new property is not "counted against a City." The cap is for existing property only. He showed various scenarios and how they would change or effect the City's budget. He added that the changes that are being proposed by the State currently have an effective date of FY 2021.

The budget that the City is building now is for FY 2020. However, that leaves only 2020 for the City to make any changes before the cap is locked in. Currently Sherman's rate is 42.70 cents, with the M&O at 31.9 cents and the Debt Rate at 10.7 cents. He showed how various scenarios effected the budget and the amount that would be needed for operations.

Deputy Mayor Teamann said last year sales tax did extremely well and impacted the fund balance. He asked what that effect might be if the same thing happened this year, Mr. Hefton said an increase in sales tax would actually exacerbate the problem. Sales tax "gets counted against us" when the sales tax grows because it's counted as property tax.

Council Member Steele asked about talk at the State level to help cap this issue. Mr. Hefton said the State charges the City fees to collect their sales tax. The City of Sherman gets about \$17.5 million in sales tax annually, and the State collects 2% as a fee, or \$350,000 annually to "collect our sales tax and give it back to us." One thing that has been discussed is cutting this fee to 1%, giving the City back \$175,000. Another option is that they can increase the total allowable State and local sales tax to 9.25%, instead of 8.25%. Currently the City is maxed out at 2%. However, the additional dollars would be going to the schools for school finance.

Mr. Hefton emphasized that the City has one year to do something with the rate. The changes they are proposing will take place in 2020. He showed more scenarios and possible options that the Council could consider. Accept for a change in the law, Mr. Hefton said the City of Sherman would never get to the \$0.60 or \$0.70 level. Hopefully the growth will help pay for some of the costs. The City will only have control over their destiny from property tax for one year.

They are allowing a City to issue whatever debt they need to run the City and it doesn't count against your ability to increase your overall rate. However part of the legislation being proposed, is to also cap any debt that's issued. Therefore, every time a City wants to issue debt, it would have to be approved by voters. The City would have no control over when debt is issued. Mr. Hefton said the entire issue is about how much existing property, not new property, can increase.

He reiterated that, because of this proposed legislation, the City has one year to do something with the rate, and they should not ever expect that rate to be more than \$0.50 for the M&O, like the peer cities are. Sherman will stay in the \$0.34 or \$0.35 range. Council Member Steele expressed concern that a City like Sherman, that is responsible with their debt in the past, is being punished.

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Property Tax History

Mr. Hefton presented Sherman's property tax history. About 20 years ago, the property tax rate decreased from \$0.58 to \$0.40, and a sales tax in lieu of property tax was implemented. It was dropped again in the 2008-2009 time frame, from \$0.40 to \$0.32.

Council Member Howeth said this is very complicated, and the City doesn't want to raise their rates. However it will be very difficult to explain to the voters, that the State is forcing the City to do that. If the citizens want to continue to have the type of services they have, something has to be done with the rates. And that doesn't include additional services that might be needed due to growth.

Mr. Hefton said, going forward, the City's growth, on the operations side, cannot be managed through the rates. The City should be able to issue debt to build roads and parks. The struggle will be how to pay for the employees that mow the grass or fill the potholes in the streets. If the sales tax continues to grow and new houses continue to be built, he said it will lessen the pain a little. The operating piece of the budget is really what is at risk. The City's ability to finance operations will be significantly capped. The City has one year to bring it back up to a \$0.34 range. He discussed other statistical information with the City Council.

In summation, Mr. Hefton said the City has a limited window to adjust M&O rates. They intentionally made changes to the M&O rate because they used reserves. That option won't be available ongoing, because of the cap.

He said there are two issues for the Council's consideration. One is the Debt Rate that becomes part of the issue, and the M&O Rate, which was reduced to use up some of the fund balance. He said the questions for next year are "do we raise our rates to cover the debt" and "do we raise our rates to cover the operations portion. There will be an impact to the Debt Rate for any debt that is issued.

Debt Update

Mr. Hefton said \$65 million in debt was issued and most of it was for streets. Nearly \$18 million of that amount relates to Texas Department of Transportation projects. The City now has to pay a local share to get these projects done.

He also presented the interest, principal, and total amounts on the outstanding Certificates of Obligation and General Obligation debt. Mr. Hefton listed projects that are expected to be future bond needs. Some may be as far away as FY 2023.

He said the Munson Development is contemplating a very large park in their development. There is currently no design, thus no estimate of costs. He said they could have a huge financial impact to the City, which would help pay for the project. The Munson Development could have a \$350 million impact and the Legacy and Bel Air Developments could be a \$500 million impact.

The money being invested for infrastructure could have a \$1.4 billion impact on what's being invested in that area. The City is investing \$65 million to get a big return and to manage the growth. He added that it would also generate incremental sales tax. The City's investment is seed money to help property tax and sales tax grow.

He added that the City is looking at other tools to use for development, such as Public Improvement Districts, which are an assessment. There is an additional assessment on the tax rate, for citizens that live in the Planned Development. This additional assessment would be set aside to pay for infrastructure, parks, fountains, or street sweeping, like in a Tax Increment Reinvestment Zone.

Another way to assess in the Planned Development is a stand-alone fee for property owners in that development. He felt at least one of the Planned Developments might be interested in this

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assessment. If only the base level of services are provided, this is not the correct tool to use. But if the development is wanting more amenities, then it may be the right tool to offset the incremental cost of making an upscale development.

Council Member Steele asked about a cost sharing program for the construction of streets in a development. He said Legacy Boulevard is a direct benefit to the Shulman property and to the City. Mr. Hefton said developers pay for the construction of a regular residential street. They build them, they pay for them, and when they're done, they dedicate them to the City. If they are constructed to City standards, the City will take them on for maintenance forever.

On major thoroughfares, four or six-lane roads that other streets tie onto, are constructed by the City. They are City projects, constructed and funded by the City. The City is not required by law to do that, but has historically done it. It would probably not be done if there was not development happening in the area to help pay for it. Constructing the streets help accelerate the development. Deputy Mayor Teamann asked for a report on how long it takes to see a return on a road constructed by the City. Mr. Hefton said that would be reported during the Budget Workshop.

Mr. Hefton said the City may spend about \$15 million on infrastructure for the Munson Development and that \$15 million costs about \$1 million annually in property taxes. The staff expects that to generate \$1.5 million annually just in property taxes, not including sales taxes. He said the staff would present the cost of the projects with the incremental revenue that will be received from that investment, at the Budget Workshop.

Street Sales Tax

Mr. Hefton said it's time again to renew the Street Sales Tax, which must be done every four years. Street Sales Tax generates about \$1.3 million in revenue. It must be approved by voters and will be on the November 5, 2019 ballot. If approved, it will be effective on April 1, 2020. He outlined the procedure for the Street Sales Tax Election. Mr. Hefton said Street Sales Tax cannot be used to build new streets, and can only be used for existing roads, and things within the roadway, such as sidewalks, water lines, or sewer lines.

Maps will be displayed to show what has been done with the money in the past and plans for the next four years' worth of revenue, if renewed. He said this revenue is about half of the Street Department's budget and if it doesn't pass, the Council will have some serious decisions to make for the future. Council Member Steele added that about 53% of sales tax is generated by people that do not live in Sherman.

Mr. Hefton said things for the Solid Waste Department are heading in the right direction. Significant improvements have been made in cleaning up the waste stream. The Commercial Solid Waste Program has grown 25% in the last year. This means higher revenue, but also higher tipping fees at the landfill. Commercial customers are charged by volume, but landfill fees are based on weight. Construction materials are very dense and weigh a lot. The rates have not been based on the density of construction material, which is more prevalent during these high growth periods.

He said the Council will need to review the rates and make sure they are covering the City's cost. This includes gas, equipment, and maintenance. Mr. Hefton said the Texoma Area Solid Waste Authority has a large amount of cash reserves, which are earmarked for capital projects. He said there is some question about what impact this might have on rates.

Mayor Plyler said conversations are ongoing, but they are the only landfill in town. Hillside Landfill is closed now, but there has been talk about it reopening. He said there are also other liabilities at TASWA that may need to be discussed. Mr. Hefton said these things "might" have an impact on rates and going forward with TASWA. Their rates were built on a projected volume of the waste

COUNCIL MINUTES – APRIL 26, 2019

stream. Volumes have increased beyond the projects so they have this excess revenue. Mayor Plyler said there are discussions about the situation, and the extra revenue they are receiving would go away if Hillside Landfill reopens. Discussions are ongoing about the impact this might have to the City's operations.

FY 2020 Work Plan

Mr. Hefton listed several other areas of focus for the FY 2020 Work Plan. These include compensation and benefits for employees, market adjustments to salaries, police and fire facilities, hotel/convention facilities, parks and a pool renovation, SCBA's for the Fire Department, trucks and equipment, a focus on developments, and tools that may be used for zoning and land use, and development.

Mr. Hefton referenced development at the intersection of FM 1417 and US Hwy 75, saying recent development within a 1.5 mile radius at that location is over \$1.5 billion in projects. Some is already happening, some is funded but not started, and some is developing with discussions.

There will also be continued focus on finalizing infrastructure and development of thoroughfares, a retail recruitment program, additional staffing concerns, and the upcoming Street Sales Tax Election.

Under a financial focus, Mr. Hefton said revenues are expected to increase \$1 million between sales taxes and property taxes. For the most part, group health costs have stabilized. Staff does not believe there will be a need for a rate adjustment in the Utility Fund, especially because relief is coming in 2021. He said fund balances in the Solid Waste Fund are down and the staff is watching it. A request of some kind may be made at the Budget Workshop.

Mr. Hefton said the Council will need to make a decision on the property tax rate. He was not proposing a utility rate increase or a stormwater fee increase this year. There will be a report on the effectiveness and impact of the stormwater fee.

The Council has identified some critical issues that they would like to look at for FY 2020. Some are operational and some are capital. These include clean-up efforts around the City, completing Park Street, and continuing to evaluate the bulk trash pick-up program. Other areas to continue working on are growth and development management, and operational issues.

Direction and Questions from the Council

Mr. Hefton asked for any questions or comments from the City Council. Council Member Holland asked about promotion of the Street Sales Tax to the citizens and notification of areas that need repair. Deputy Mayor Teamann felt that most citizens were more concerned with repairing their streets rather than constructing new streets. By law, the Street Sales Tax cannot be used to construct new streets.

Council Member Melton reiterated that the City is not in control of the State highways, only City streets. Mr. Hefton said the City does have a good relationship with TxDOT. Mr. Hefton said the Street Sales Tax has passed, overwhelmingly every time it has been on the ballot.

Mr. Hefton said the staff plans to bring back a recommendation of what a Budget would look like with several tax rates and several scenarios, each covering the debt service. Council Member Stevenson would like to see those scenarios for 10 years, with the M&O caps.

Deputy Mayor Teamann said he would like to increase pay for employees and bring it in par with our peer cities. He would like a report on what that would take away from projects, with the future issues on finance. How many projects would need to be eliminated if there was no tax increase. Council Member Melton wanted to review employee benefits too.

COUNCIL MINUTES – APRIL 26, 2019

Council Member Stevenson asked if they increased tax rates to the maximum possible, could they give relief to the citizens by lowering utility fees. Maybe this could offset “some of the pain” of higher tax rates. Mr. Hefton said the staff will review that question. He said the State does regulate the water utility rates, but Solid Waste rates are not regulated by the State.

ADJOURNMENT

There being no further business to come before the City Council, motion was duly made and approved to adjourn the Called Meeting at 1:43 p.m.

MAYOR

ATTEST

CITY CLERK



Budget Planning Meeting

April 27, 2019

Calendar

Feb 26 – Mar 1, 2019

2 on 2 meetings

April 26, 2019

Budget Planning Meeting

May 13-17, 2019

Management budget reviews

June 13-14, 2019

Budget Workshop

August 5, 2019

Draft Budget to Council

August 19, 2019

Budget Ordinance adopted



Agenda

FY2019 Work Plan Update

Financial Update/CIP

Revenue Cap Discussion/Debt Update

Other Issues - Street Sales Election, Solid Waste

FY2020 Workplan and Focus



Work Plan Update

2019 Council Direction

Page 1 of 2

- ★ Completed
- ★ In-progress

Compensation and Staffing

- ★ *Add full time employees as presented*
- ★ *Adjust Public Safety and other pay*
- ★ *Provide a cost of living pay increase of 3% for all City employees*

Fleet

- ★ *Purchase necessary fleet/equipment*

Rate Adjustments

- ★ *Implement Utility CIP projects*
- ★ *Adjust solid waste rates to finance program expansion*

Street/Stormwater Program

- ★ *Additional personnel for FY19 for Stormwater, evaluate program for FY20*
- ★ *Additional funding for equipment*

Parks and Recreation

- ★ *Design and begin Phase II of Pecan Grove West ballfields*

2019 Council Direction

Page 2 of 2

Police Department Renovation

- ★ *Phased renovation for FY19 & FY20*

General CIPs and related debt

- ★ *Implement CIP projects*
- ★ *No change in property tax rate for FY19*
- ★ *Phased approach to issue bonds to support CIP General projects*

Additional resources for a Cleaner City

- ★ *Additional resources for Environmental Code, Substandard Structures program, and stormwater program*

Prior Initiatives Update

Page 1 of 3

Legacy Village (Schulman MBG)

- ✓ May 2019 opening
- ✓ Phase II (Hotel/conference center/entertainment) planning ongoing
- ✓ Lone Star construction underway, one other pad site sold

Sherman Crossroads

- ✓ One pad site sold, two pad sites under contract and in a diligence period
- ✓ Medical Office Building open and partially occupied; tenant finish of suites ongoing
- ✓ Continued prospective health facility discussions ongoing

Pecan Grove Ballfields – Phase II

- ✓ Texoma Health Foundation a “no”

Prior Initiatives Update

Page 2 of 3

Sherman Landing

- ✓ QuikTrip open Oct 2018; Legacy Bank under construction

Legacy Blvd

- ✓ Construction underway; \$2 million project; expected completion June 2019

Bel Air Planned Development

- ✓ PD application expected for Council consideration in July 2019
- ✓ 250 acre mixed-use site anchored by multi-family & single-family, with retail and possible school site, linear park land planned
- ✓ Phase I construction (multi-family) expected 1Q2020

Prior Initiatives Update

Page 3 of 3

Planned Developments

- ✓ P&Z approval of Ordinance in February, 2019; Council adopted in March, 2019

Munson Planned Development

- ✓ Development application and related agreements expected for Council consideration in July 2019
- ✓ Sanitary sewer engineering underway to connect SISD/City site to Flanary Road sewer main; SISD/City to jointly pay for sewer (total cost \$1.1 million)

FM 1417/Travis land

- ✓ Land to be held for possible ground lease purposes for retail development
- ✓ See sewer update above

Hwy 75 Ramp Reversal

- ✓ Project under construction; expected completion by summer 2019



Financial Update - Operations

Financial Update Summary

General Fund

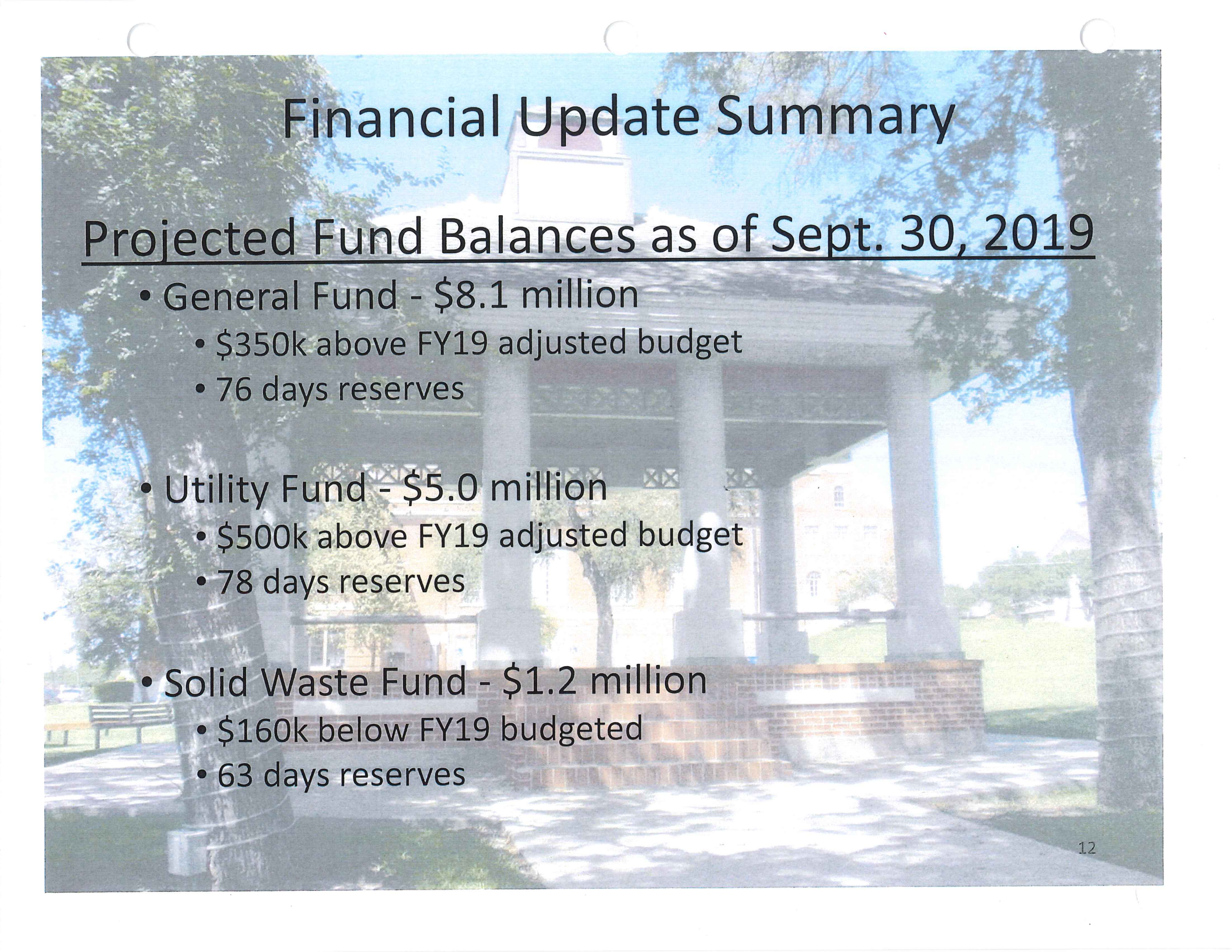
- FY2018 ending reserves up \$1.8mm vs FY2017; sales tax, building permits, ambulance supplement
- FY2019 proj. revenues over budget

Utility Fund

- FY2018 ending reserves up \$1.3k vs. FY2017, better than budget/expected
- FY2019 proj revenue and exp slightly higher

Solid Waste Fund

- FY2018 ending reserves down \$370k vs. FY2017; recycle program
- FY2019 projected revenues/transfer in \$400k above budget; expenses slightly above budget



Financial Update Summary

Projected Fund Balances as of Sept. 30, 2019

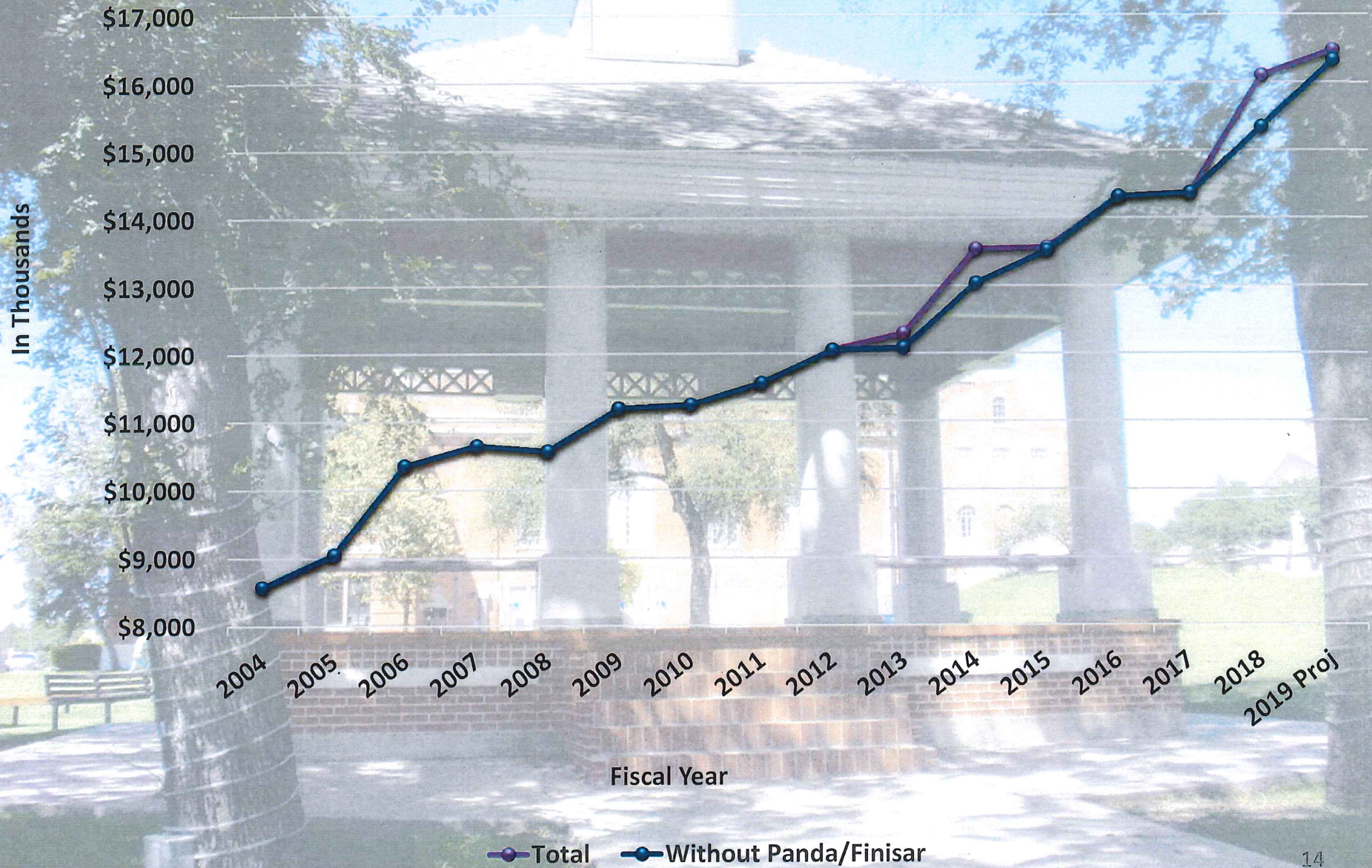
- General Fund - \$8.1 million
 - \$350k above FY19 adjusted budget
 - 76 days reserves
- Utility Fund - \$5.0 million
 - \$500k above FY19 adjusted budget
 - 78 days reserves
- Solid Waste Fund - \$1.2 million
 - \$160k below FY19 budgeted
 - 63 days reserves

**City of Sherman
GENERAL FUND**

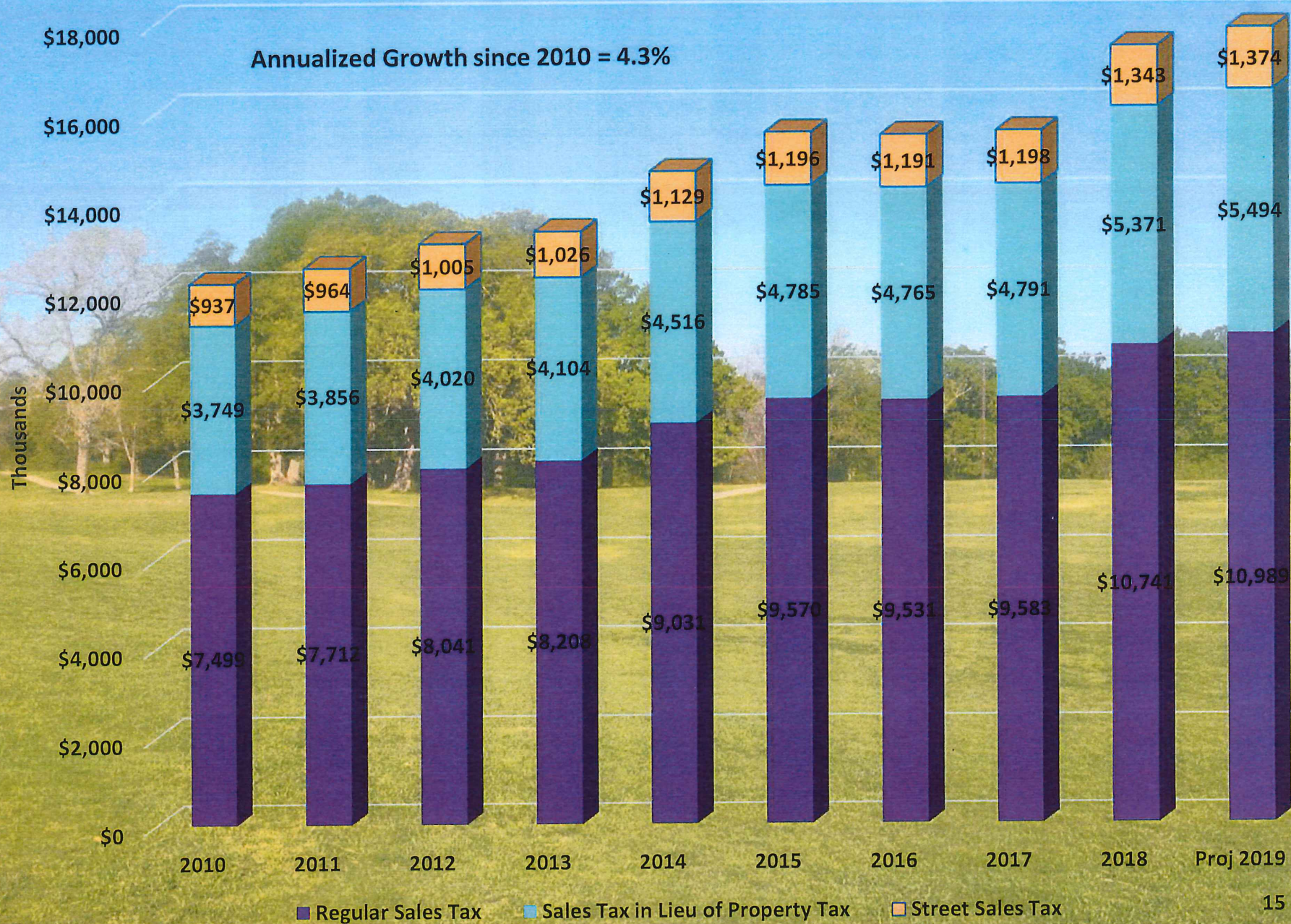
	Actual 2017-2018	Adjusted Budget 2018-2019	Projected 2018-2019
Beginning Fund Balance	\$ 6,661,407	\$ 8,344,554	\$ 8,439,876
Revenues			
Property Tax	9,510,240	9,818,000	9,711,600
Sales Tax	17,161,768	17,065,000	17,567,000
Franchise Tax	2,971,547	2,908,000	2,968,000
Other Taxes	140,986	138,400	147,200
Fines & Penalties	481,283	605,150	648,150
Recreation	294,908	330,000	310,500
Licenses & Permits	821,246	868,400	667,400
Rentals	49,821	35,000	35,700
Cemetery	167,308	166,100	226,365
Sales & Service	508,160	512,520	510,020
Ambulance Service	1,747,768	1,602,800	2,002,000
Interest Income	65,691	120,000	140,000
Grant Revenue	602	329,958	253,800
Intergovernmental	15,748	374,699	394,705
Miscellaneous Revenue	211,256	281,400	330,750
Total Revenues	34,148,332	35,155,427	35,913,190
Transfers In	3,800,000	2,878,000	2,878,000
Total Revenues and Transfers In	37,948,332	38,033,427	38,791,190
Total Funds Available	44,609,739	46,377,981	47,231,066
Expenditures			
Personnel	25,536,026	26,542,913	26,542,913
Supplies	1,284,768	1,521,430	1,521,430
Repair & Maintenance	1,155,863	1,807,513	1,807,513
Utilities	1,049,684	1,060,140	1,060,140
Information Technology	626,207	669,310	669,310
Services & Charges	3,304,298	2,475,088	2,475,088
Vehicle Usage	1,611,328	1,728,940	1,728,940
Capital Expenses	1,551,690	2,069,999	2,069,999
Transfers Out	50,000	712,480	712,480
Transfers Out-Demo Crew Equip (660)	-	-	500,000
Total Expenditures	36,169,863	38,587,813	39,087,813
Excess Revenues over Expenditures	1,778,469	(554,386)	(296,623)
Ending Fund Balance	\$ 8,439,876	\$ 7,790,168	\$ 8,143,253

Sales Tax History

(excluding Street tax)



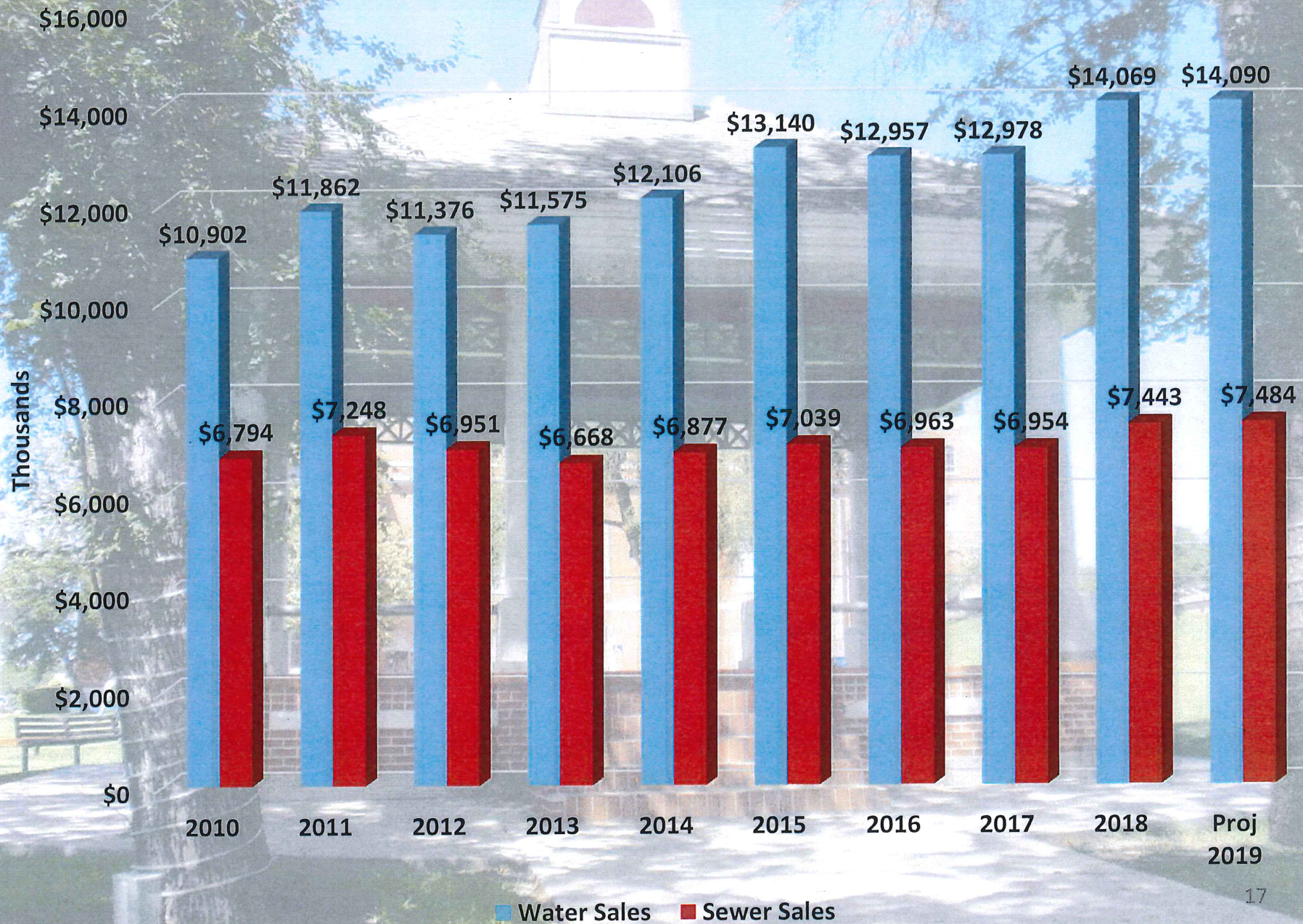
Sales Tax Revenue History



**City of Sherman
UTILITY FUND**

	Actual 2017-2018	Adjusted Budget 2018-2019	Projected 2018-2019
Beginning Reserve	\$ 4,247,808	\$ 4,952,578	\$ 5,584,876
Revenues			
Water Sales	14,069,303	14,030,000	14,090,000
Sewer Sales	7,443,141	7,407,000	7,484,000
Laboratory	143,777	141,000	140,500
Service Charges & Penalties	568,548	540,000	548,000
Charges for Services	172,582	153,500	158,500
Interest Income	4,115	25,000	62,000
Intergovernmental	456,905	415,974	451,000
Miscellaneous Revenue	86,402	75,000	94,500
Total Revenues	22,944,773	22,787,474	23,028,500
Transfers In	723,448	161,000	161,000
Total Revenues and Transfers In	23,668,220	22,948,474	23,189,500
Total Funds Available	27,916,029	27,901,052	28,774,376
Expenditures			
Personnel	6,203,139	6,194,503	6,194,503
Supplies	1,267,706	1,653,372	1,653,372
Repair & Maintenance	1,550,301	1,491,729	1,491,729
Utilities	1,754,405	1,599,640	1,599,640
Information Technology	169,090	215,060	215,060
Debt Service	6,963,819	7,082,558	7,082,558
Services & Charges	1,317,756	1,666,378	1,666,378
Vehicle Usage	424,004	479,550	479,550
Capital Expenses	622,932	873,345	873,345
Total Expenditures	20,273,152	21,256,135	21,256,135
Transfers Out	2,058,000	2,122,000	2,472,000
Total Expenditures and Transfers Out	22,331,152	23,378,135	23,728,135
Excess Revenues over Expenditure	1,337,068	(429,661)	(538,635)
Ending Reserve	\$ 5,584,876	\$ 4,522,917	\$ 5,046,241

Water and Sewer Revenues



**City of Sherman
SOLID WASTE FUND**

	Actual	Adjusted	Projected
	2017-2018	2018-2019	2018-2019
Beginning Fund Balance	\$ 1,445,439	\$ 1,640,185	\$ 1,098,702
Revenues			
Solid Waste Service	6,536,221	6,771,000	6,932,000
Service Charges & Penalties	77,269	75,000	70,000
Interest Income	19,927	16,000	10,000
Miscellaneous Revenue	79,914	124,000	39,500
Transfers In	-	-	350,000
Total Revenues	6,713,332	6,986,000	7,401,500
Total Funds Available	8,158,771	8,626,185	8,500,202
Expenditures			
Personnel	1,765,631	1,763,741	1,763,741
Supplies	191,890	200,223	200,223
Repair & Maintenance	41,111	79,691	79,691
Utilities	27,873	27,790	27,790
Information Technology	40,123	55,840	55,840
Services & Charges	2,099,100	1,949,769	2,200,769
Vehicle Usage	984,355	981,130	1,018,000
Capital Expenses	990,988	1,234,500	984,500
Transfers Out	919,000	917,000	917,000
Total Expenditures	7,060,069	7,209,685	7,247,555
Excess Revenues over Expenditures	(346,737)	(223,685)	153,946
Ending Fund Balance	\$ 1,098,702	\$ 1,416,501	\$ 1,252,648



Financial Update - Capital Improvement and Debt

City of Sherman

GENERAL IMPROVEMENT FUND

	Actual 2017-2018	Adjusted Budget 2018-2019	Projected 2018-2019
Beginning Fund Balance	\$ 14,959,222	\$ 13,740,513	\$ 20,359,413
Revenues			
Transfers In	462,610	700,000	700,000
Intergovernmental	-	-	-
Grant Revenue	684,012	-	465,000
Interest Income	174,879	250,000	750,000
Miscellaneous Revenue	2,073,403	2,600,000	2,600,000
Debt Proceeds	16,924,896	11,100,000	20,000,000
Total Revenues	20,319,800	14,650,000	24,515,000
Total Funds Available	35,279,022	28,390,513	44,874,413
Expenditures			
Facilities	6,548,605	1,991,850	1,433,409
Parks	719,839	7,440,000	4,217,400
Streets	5,452,226	13,500,000	22,721,414
Other	654,042	-	224,382
Fleet	135,000	-	-
Transfers Out	1,285,000	-	-
Total Expenditures	14,794,712	22,931,850	28,596,605
Excess Revenues over Expenditures	5,525,088	(8,281,850)	(4,081,605)
Ending Fund Balance	\$ 20,484,310	\$ 5,458,663	\$ 16,277,808

City of Sherman
GENERAL IMPROVEMENT FUND
2019-2020 Annual Budget

	Actual 2017-2018	Adjusted Budget 2018-2019	Projected 2018-2019
Beginning Fund Balance	\$ 14,959,222	\$ 13,740,513	\$ 20,359,413
Revenues			
Transfers In	462,610	700,000	700,000
Grant Revenue	684,012	-	465,000
Interest Income	174,879	250,000	750,000
Miscellaneous Revenue	2,073,403	2,600,000	2,600,000
Debt Proceeds	16,800,000	11,100,000	20,000,000
Total Revenues	20,194,904	14,650,000	24,515,000
Total Funds Available	35,154,126	28,390,513	44,874,413
Expenditures			
Muni Bldg Composition Roof	173,518	-	-
Muni Bldg Gutter & Cast Stone	31,432	-	-
(1) Library Remodel	1,992,135	-	9,185
(1) Taylor St Extension Eng & ROW/McGee St Ext	18,850	1,000,000	1,300,000
(1) FM 1417 (75 to 56) & FM 131 Eng, ROW & Match	233,919	3,100,000	4,200,000
(1) Travis St West	67,086	5,000,000	2,600,000
(1) Canyon Creek Shady Oaks to Lamberth	1,192,991	-	-
(1) Lamberth Rd Thoroughfare	65,752	300,000	1,000
(2) FEMA Grant-Flood Mitigation	440,324	-	-
(1) Friendship ROW 56 to Lamberth	157,548	-	18,000
Lake Street Repair	25,533	-	6,300
(2) Downtown Streetscape	205,191	-	177,000
(1) Loy Lake Rd-Sara Swamy to Hwy 82	156,514	-	-
Stormwater Fee Study	3,634	-	-
Dispatch Consoles	837	-	-
Kessler Street Erosion	5,800	-	-
(1) Swan Ridge Extension	1,750	1,200,000	-
(1) Park Ave Realignment	-	-	300,000
Remodel at Station 5	136,194	-	149,770
Houston St Property Acquisition	585	-	-

City of Sherman
GENERAL IMPROVEMENT FUND
2019-2020 Annual Budget

	Actual 2017-2018	Adjusted Budget 2018-2019	Projected 2018-2019
(1) Bridges-Travis/Center/McGee	42,778	400,000	-
(1) Fire Station 4 Relocation	3,532,425	-	399,310
(1) Northgate Drive	896,385	-	896,381
ESC Expand tool room	6,422	-	12,000
ESC Loft & shelving for storage building	-	-	13,000
Virtual Server	12,638	-	-
Server CALS	11,052	-	-
VM Server for Incode/RTA/GIS	-	-	-
Building Maint Shop Buildings Roof	22,309	-	-
ESC R-panel N and W side of bldg	18,000	-	-
Taylor St Gym AC	19,000	-	-
Radio Console	21,630	-	-
Exchange Server	24,637	-	-
Lamar Green Space	13,400	-	13,400
Senior Center Patio West Side	25,120	-	-
ESC Annex	54,835	-	-
5903 New Floor Covering - Senior Center	32,091	-	-
ESC Ceiling Repairs	35,200	-	-
Senior Center Bathroom Renovations	48,061	-	-
Storage & Backup	-	-	46,074
Virtualization Server	47,940	-	-
Ely Park Playground	49,976	-	-
Fairview Sidewalks	49,250	-	-
Finance Remodel	-	30,000	60,000
Library Parking Lot	109,684	-	-
Skid Steer	65,611	-	-
ESC Roof Replacement	81,268	-	-
Building Maint Shop pavement & parking	85,258	-	-
Police Dept Storage & Backup	89,854	-	-
Police Dept Repeaters	911	-	178,308
Hickory Reconstruct Roadway	62,292	-	-
Master Plan Parks	436,000	-	64,000
Police Dept Exterior Renovation	157,623	416,850	360,000
(1) TxDOT Ramp at 1417 & 75 (TIRZ #7 N bound exit)	2,162,246	-	328,633

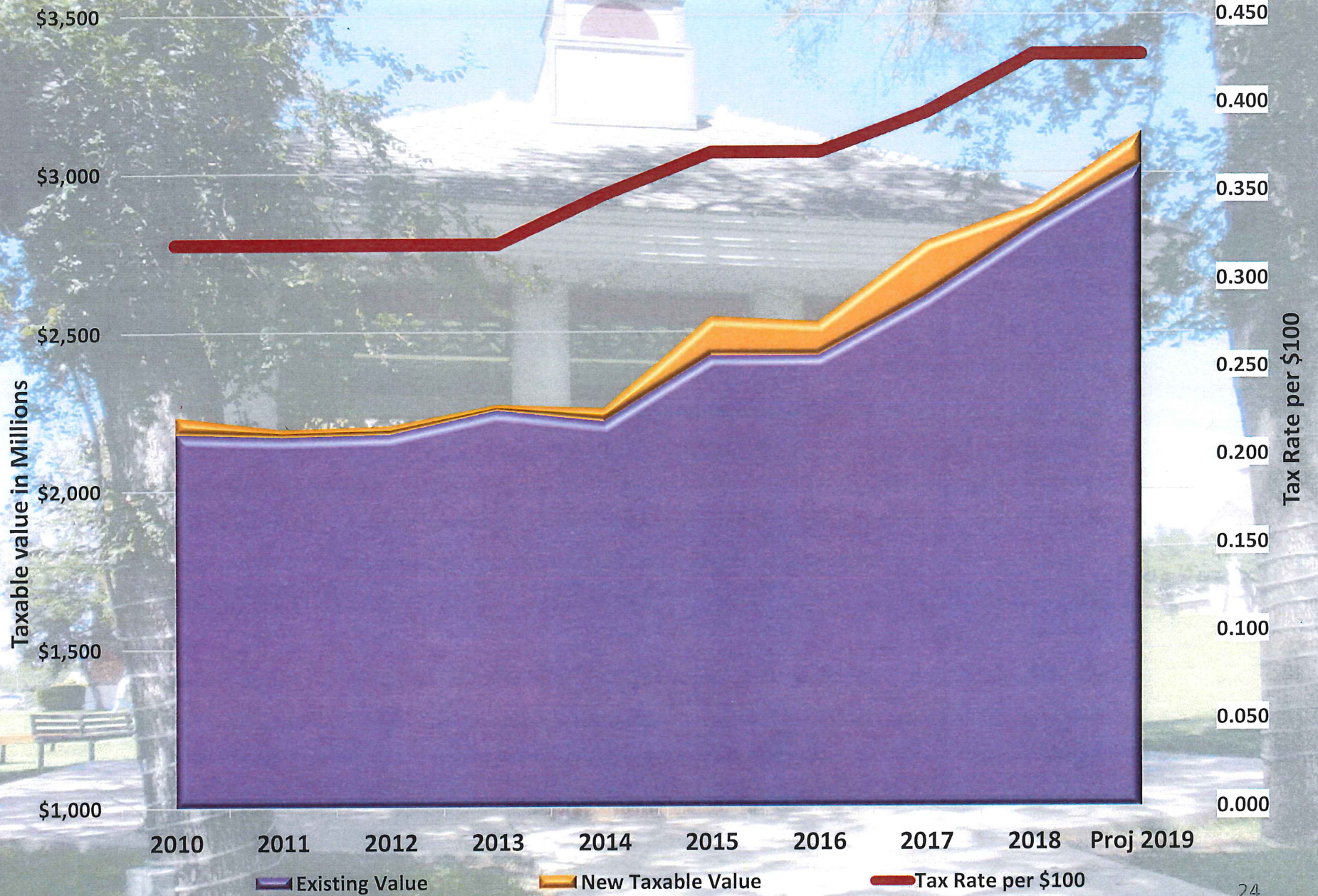
City of Sherman
GENERAL IMPROVEMENT FUND
2019-2020 Annual Budget

	Actual 2017-2018	Adjusted Budget 2018-2019	Projected 2018-2019
Downtown Sidewalks	58,974	-	-
(1) Legacy Blvd	98,618	1,500,000	2,100,000
UB Remodel	-	40,000	5,184
Impound Improvements	-	200,000	-
(1) Fire Station #4 Phase II EMS Bldg	-	950,000	69,750
Fire Station #3 Generator	7,030	-	-
Renovate Cemetery & Maint Bldg	-	100,000	100,000
Taylor St Gym/Roof	-	50,000	50,210
Pecan Grove Maint Bldg	-	50,000	50,000
Pecan Grove Ph II	-	2,500,000	50,000
Quail Run Extension Park	-	250,000	-
ESCO Spray Insulation windows	-	50,000	50,000
(1) TxDOT 1417 & W. Travis Intersection	-	1,000,000	1,000,000
Pecan Grove Basketball Courts	-	140,000	140,000
Library Park	-	100,000	100,000
Flanary Rd and Progress Dr Ext/Imp	-	-	94,100
Station #3 Remodel	-	55,000	55,000
(1) Pecan Grove Ball Fields	86,602	4,500,000	3,900,000
(1) TxDOT - Hwy 75 Gap Project	-	-	8,100,000
(1) Moore St - Travis to Park	-	-	1,000,000
(1) Progress Drive	-	-	-
Fallon Drive Extension	-	-	-
Fleet	135,000	-	-
Transfers Out	1,285,000	-	-
Total Expenditures	14,794,712	22,931,850	27,996,605
Excess Revenues over Expenditures	5,400,192	(8,281,850)	(3,481,605)
Ending Fund Balance	\$ 20,359,413	\$ 5,458,663	\$ 16,877,808

(1) Debt Funded

(2) Partial Grant Funding

Property Tax Collections





Revenue Cap Discussion

Definitions

RATE STRUCTURE COMPONENTS:

Maintenance and Operations (M&O) Rate - portion of the rate includes funding for operations (including shorter term capital spending NOT paid via Debt Rate). This is the rate on which Rollback Rate is based.

Debt Rate – Portion of the rate necessary to repay tax-supported debt. This portion of the Rollback tax rate may rise as high as necessary to fund the debt (not limited by the Rollback Rate)

RATE SETTING COMPONENTS:

Effective Tax Rate – The rate that would give the City the exact dollars in revenue as generated in the previous year using this year's appraised values/properties

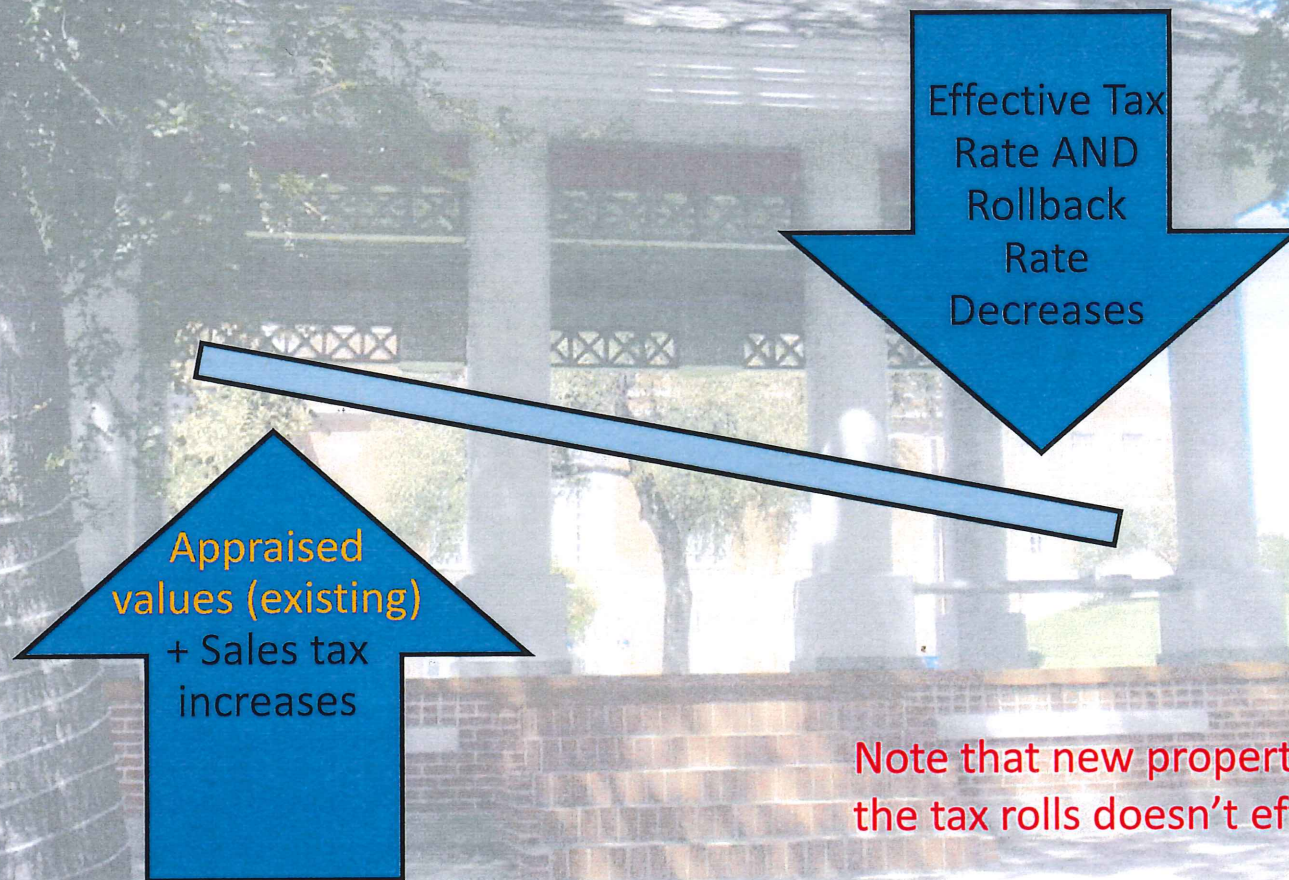
Rollback Tax Rate – Allows the City to raise the same amount for operations (called Maintenance and Operations rate) as in the prior year INCLUDING Sales Tax in Lieu of Property Tax (.5% of the 1.625% of City's sales tax rate) plus an additional 8%

Elements of Property Tax Rate

CURRENT RATES

+ Maintenance & Operations	\$ 31.96
+ Interest and Sinking - Payments on debt for general government (non-utility) improvements	<u>\$ 10.77</u>
= Tax Rate	\$42.73

Relationship between rates and valuation changes



Note that new property coming on
the tax rolls doesn't effect the rate

Legislative Agenda

➤ House Bill 2

- ✓ Rollback rate decreased from 8% to 2.5%
- ✓ Discussion on House floor postponed until 4/24

➤ Senate Bill 2

- ✓ Remove the Tax Increment Financing exclusion from the effective tax rate calculation (lowers rollback rate)
- ✓ Supports a 3.5% cap

➤ OVERALL: The rollback rate is a **valuation** cap, intended to limit the amount by which appraisal districts can increase property **VALUES**

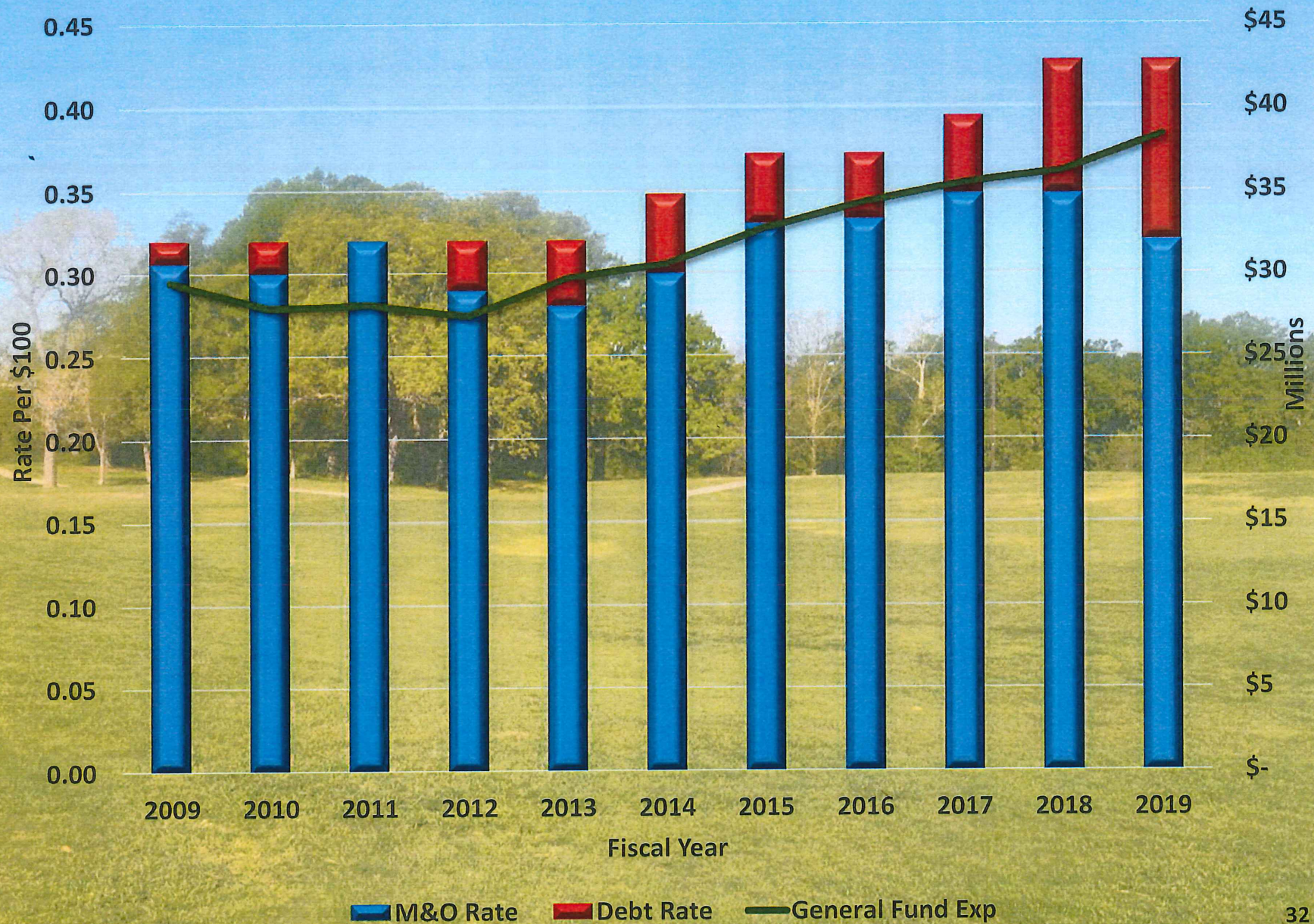


What-if scenarios - Excel

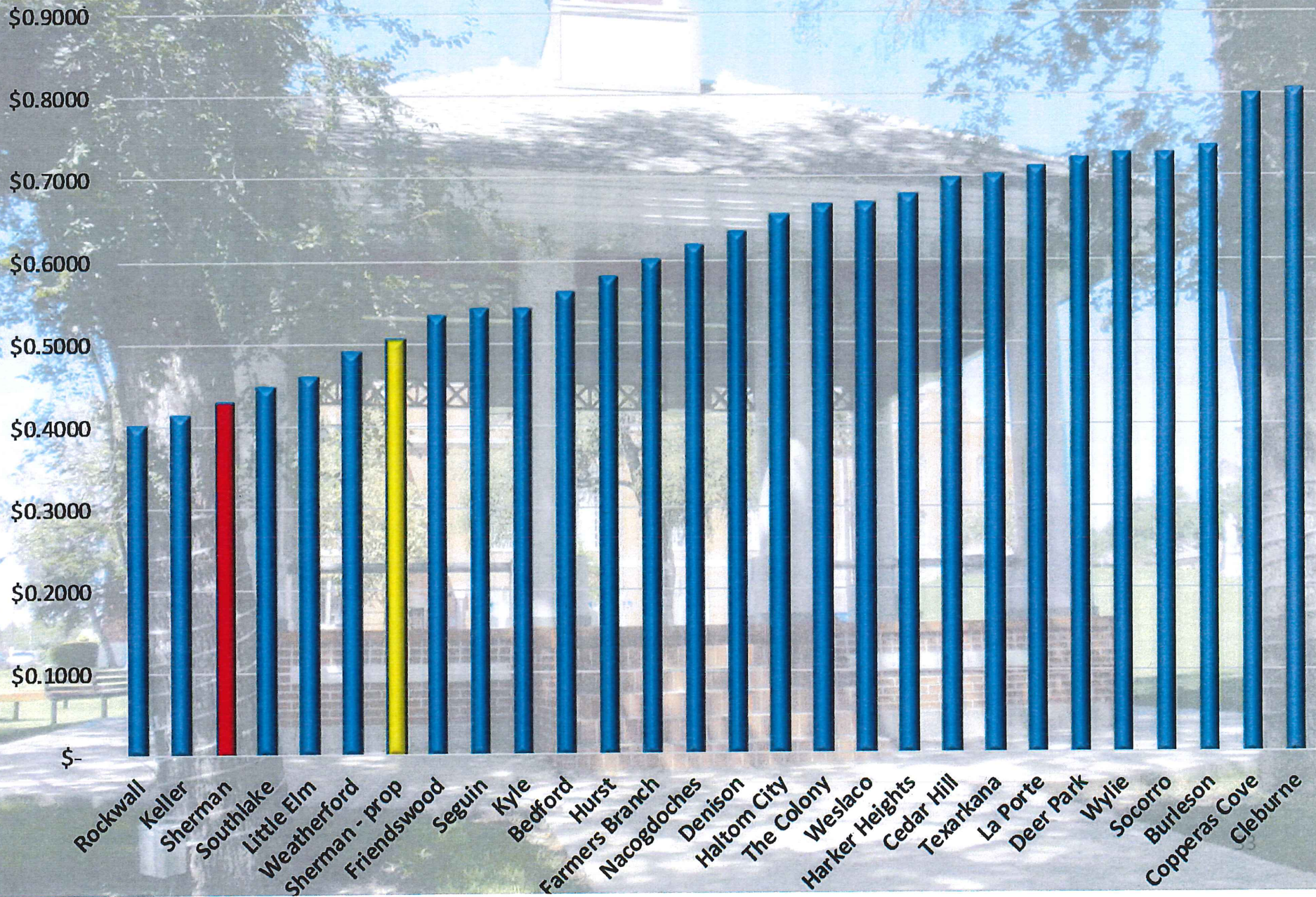
Property Tax Rates



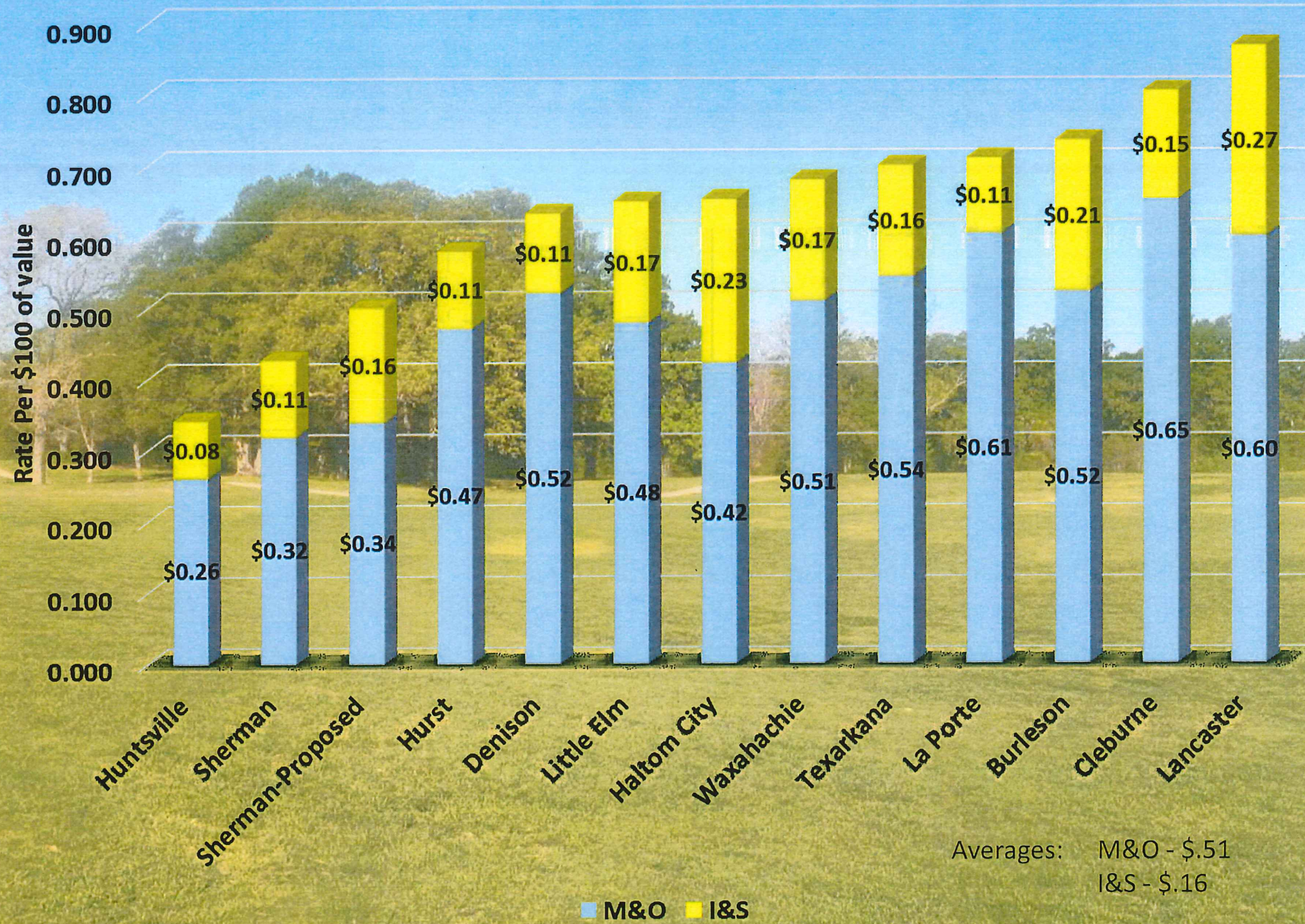
Historical Property Tax Rates



Peer Tax Rate Comparison



Property Tax Rates of Peer Cities



Property Taxes per Capita

\$120,000

\$100,000

\$80,000

\$60,000

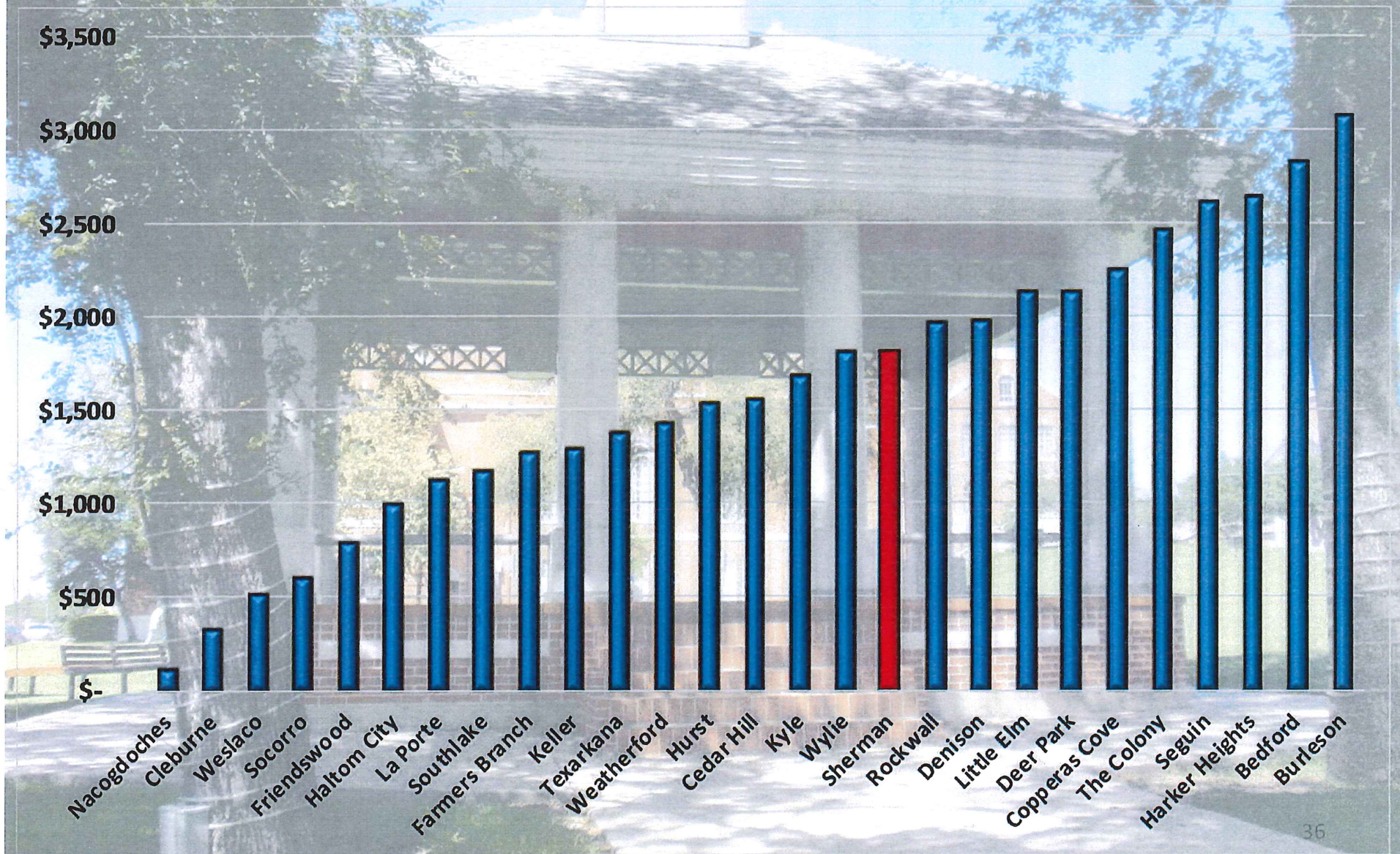
\$40,000

\$20,000

\$-

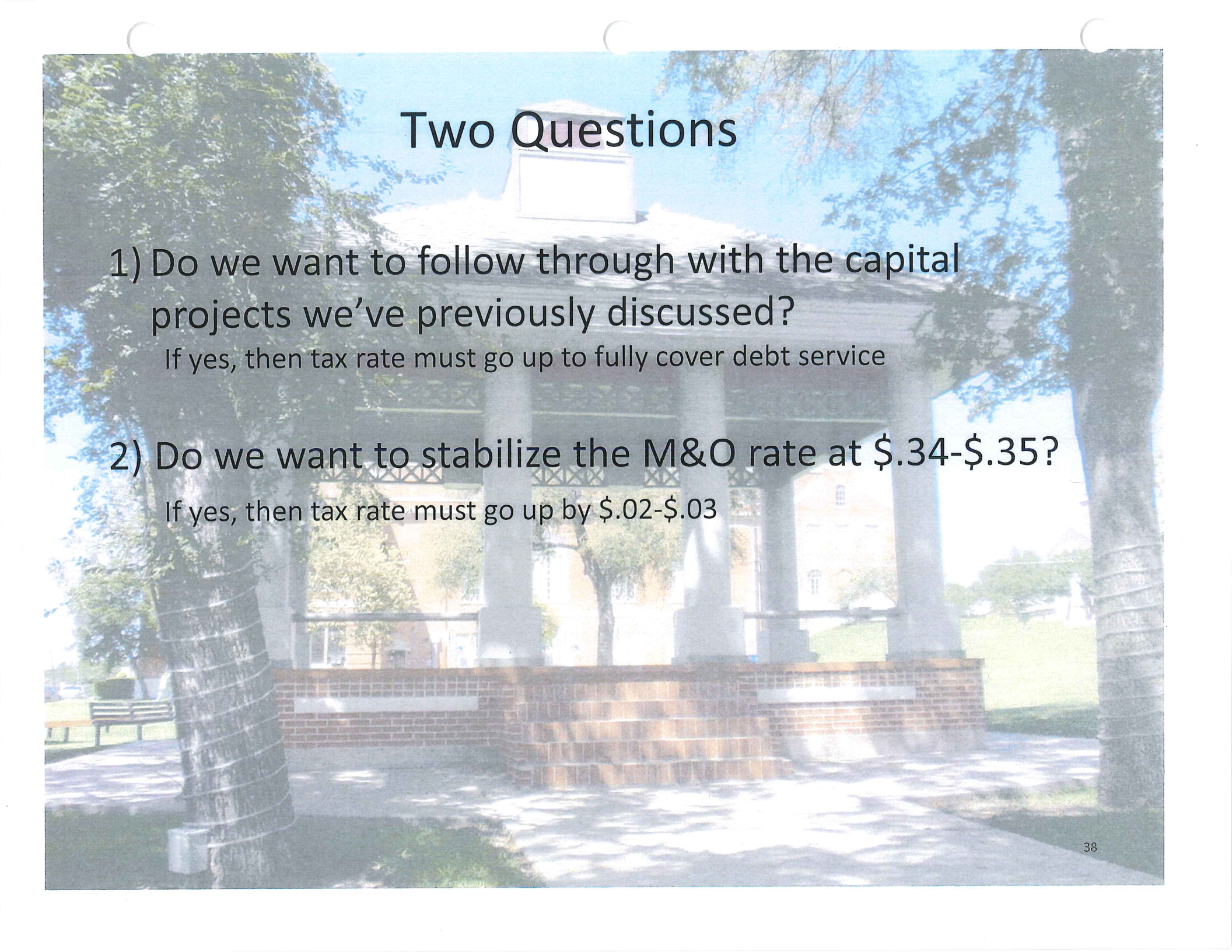
Socorro
Weslaco
Nacogdoches
Sherman
Copperas Cove
Haltom City
Kyle
Little Elm
Sherman - prop
Seguin
Harker Heights
Denison
Weatherford
Friendswood
Cleburne
Hurst
Burleson
Texarkana
Bedford
Rockwall
Keller
Cedar Hill
Deer Park
Wylie
La Porte
The Colony
Farmers Branch
Southlake

Debt per Capita



Rate Setting Take-Aways

- 1) We have a limited window to adjust M&O rates (FY2020) because of legislation reducing Rollback Rate
- 2) Because we didn't raise rates in FY2019, we subsidized General Fund property tax revenues by nearly \$900k with other revenues
- 3) There are two issues:
 - Debt Rate** – because we've issued \$65m in debt
 - M&O Rate** – because we didn't raise debt rate in FY19 by \$.028 combined with pending legislation
- 4) If we do raise M&O Rate for FY2020 to FY15 - FY18 levels (\$.345), it will be capped for the future at that level



Two Questions

1) Do we want to follow through with the capital projects we've previously discussed?

If yes, then tax rate must go up to fully cover debt service

2) Do we want to stabilize the M&O rate at \$.34-\$.35?

If yes, then tax rate must go up by \$.02-\$.03



Debt Update

CO Bond Summary

	2016 C.O. (in millions)	2017 C.O. (in millions)	2018 C.O. (in millions)	2019 C.O. (in millions)	Total
Thoroughfares					
TxDOT Projects	\$ 1.6	\$ 0.2	\$ 4.7	\$ 11.1	\$ 17.6
Friendship Road - Eng + ROW	1.1	-	-	-	1.1
Canyon Creek	2.3	0.3	-	-	2.6
Swan Ridge	0.1	1.2	-	-	1.3
Travis St West	0.1	2.2	5.7	3.2	11.2
Legacy Blvd	-	-	-	2.0	2.0
Taylor/Washington Eng + ROW	-	1.2	0.5	-	1.7
Lamberth Rd Eng + ROW	-	0.8	-	-	0.8
* Northgate Drive	-	-	1.0	-	1.0
Moore from Travis To Park (2 lanes)	-	-	-	1.0	1.0
Park Ave Realignment (net)	-	-	1.0	0.5	1.5
* Progress Drive	-	-	-	1.0	1.0
McGee St extension west of 1417	-	-	-	1.2	1.2
Total Thoroughfares	5.2	5.9	12.9	20.0	44.0
Facilities					
Library	1.7	-	0.8	-	2.5
Fire Station #4	-	3.0	1.0	-	4.0
Total Facilities	1.7	3.0	1.8	-	6.5
TIRZ					
TIRZ #5 Sherman Crossroads	-	4.0	-	-	4.0
TIRZ #6 Sherman Landing	-	3.0	-	-	3.0
TIRZ #7 Legacy Village	-	2.4	-	-	2.4
Total TIRZ	-	9.4	-	-	9.4
Bridges					
Travis/Center/McGee	-	0.5	-	-	0.5
Parks					
Pecan Grove West Ballfields	-	-	4.5	-	4.5
Totals	\$ 6.9	\$ 18.8	\$ 19.2	\$ 20.0	\$ 64.9
* SEDCO participation					

Outstanding CO/GO Debt

(in 000)

Description	Interest	Principal	Total
2004 TIF #1	\$ 101	\$ 890	\$ 991
2016 CO	\$ 1,583	\$ 6,385	\$ 7,968
2017A Stormwater	\$ 1,236	\$ 3,625	\$ 4,861
2017 CO	\$ 6,630	\$ 17,485	\$ 24,115
2017 Refunding	\$ 1,704	\$ 8,495	\$ 10,199
2018 CO	\$ 9,692	\$ 18,980	\$ 28,672
2019 CO	\$ 11,680	\$ 20,000	\$ 31,680
	\$ 32,625	\$ 75,860	\$ 108,485

Expected Future Bond Needs

Projects	FY20	FY21	FY22	FY23+ or TBD
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Thoroughfares

Bel Air PD - Legacy Blvd	X			
Friendship Road				X
FM 1417- SH 56 to Travis				X
Moore St/Munson PD		X		X
Taylor/Washington				X
Lamberth				X
Preston Club				X

Facilities

Police Dept	X	X		
Pecan Grove Phase II *	X			
Central Fire		X		

* Pursuing grant opportunities

Bond Issue Benefits

Incremental Capital Investment

• SISD	\$150m
• TxDOT GAP project	\$150m
• Munson PD	\$350m
• Crossroads/TIRZ #5	\$250m
• Legacy + Bel Air PD/TIRZ#7	\$500m
• Sherman Landing/TIRZ #6	<u>\$ 25m</u>
	\$1,425m

Incremental Annual Sales Tax - \$2.0m +



OTHER ISSUES

Street Sales Tax Election

- **Sales Tax Statutes – Summary**

- Total local sales tax cannot exceed 2%
- Applicable sales taxes for City
 - General sales tax: 1% (currently maxed-out)
 - Additional sales tax: 1/2% (currently maxed-out)
 - Economic development: 1/2% (currently 3/8%)
 - Streets – subject to 4 year sunset: 1/2% (currently 1/8%; will expire March 31, 2020)

Street Sales Tax Election

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

Street Sales Tax Election

- **Street Sales Tax**
 - Tax expires four (4) years after 1Q in which tax was adopted
 - Can be renewed under same manner as initially imposed
 - Uses
 - Maintenance and repair of municipal streets
 - Municipal streets means “the entire width of a way held by a municipality in fee or by easement or dedication”
 - Only used for streets existing at time tax is passed
 - Cannot be used for designated state or federal highway or road, or for designated county road
- **Potential Effects of Sales Tax Elections**
 - At FY 2019, projected sales tax revenue levels, additional 1/8% = \$1.3mm+ annually

Street Sales Tax Election

- **Anatomy of Sales Tax Election (cont.)**
 - **Effective dates:**
 - **Streets** – **1st of the quarter after one full quarter elapses after notification to Comptroller of election results; e.g.:**

Ordinance Calling Election	September 16, 2019
Election	November 5, 2019
Election results to Comptroller (notice)	November 15, 2019
One full quarter after notice	February 15, 2020
1 st of quarter following full quarter – collections commence	April 1, 2020

Street and Transportation Program Spending

Maintenance Program

- Many miles of chip seal and mill/overlay
- Rebuild/repave – e.g, Throckmorton, Shady Oaks Circle
- Curb and gutter repair/replacement, panel replacement

Capital Projects Spending

- \$44 million in CO's issued:
 - TXDOT participation
 - West Travis
 - Canyon Creek/Shady Oaks
 - Loy Lake
 - TIRZ – Legacy Blvd, Crossroads Blvd, Blythe Dr

Other projects – e.g., Library

Equipment & Staffing Enhancements

Solid Waste Stuff

Challenges

- Recycling program longer term financial impacts
- Commercial Solid Waste impact on disposal fees
- TASWA cash reserves –
 - Short term - Distribution of excess reserves?
 - Long term – Annual distribution of excess reserves vs. lowering disposal rates
- Growth impact
- FY2020 planning and rates



FY2020 Workplan

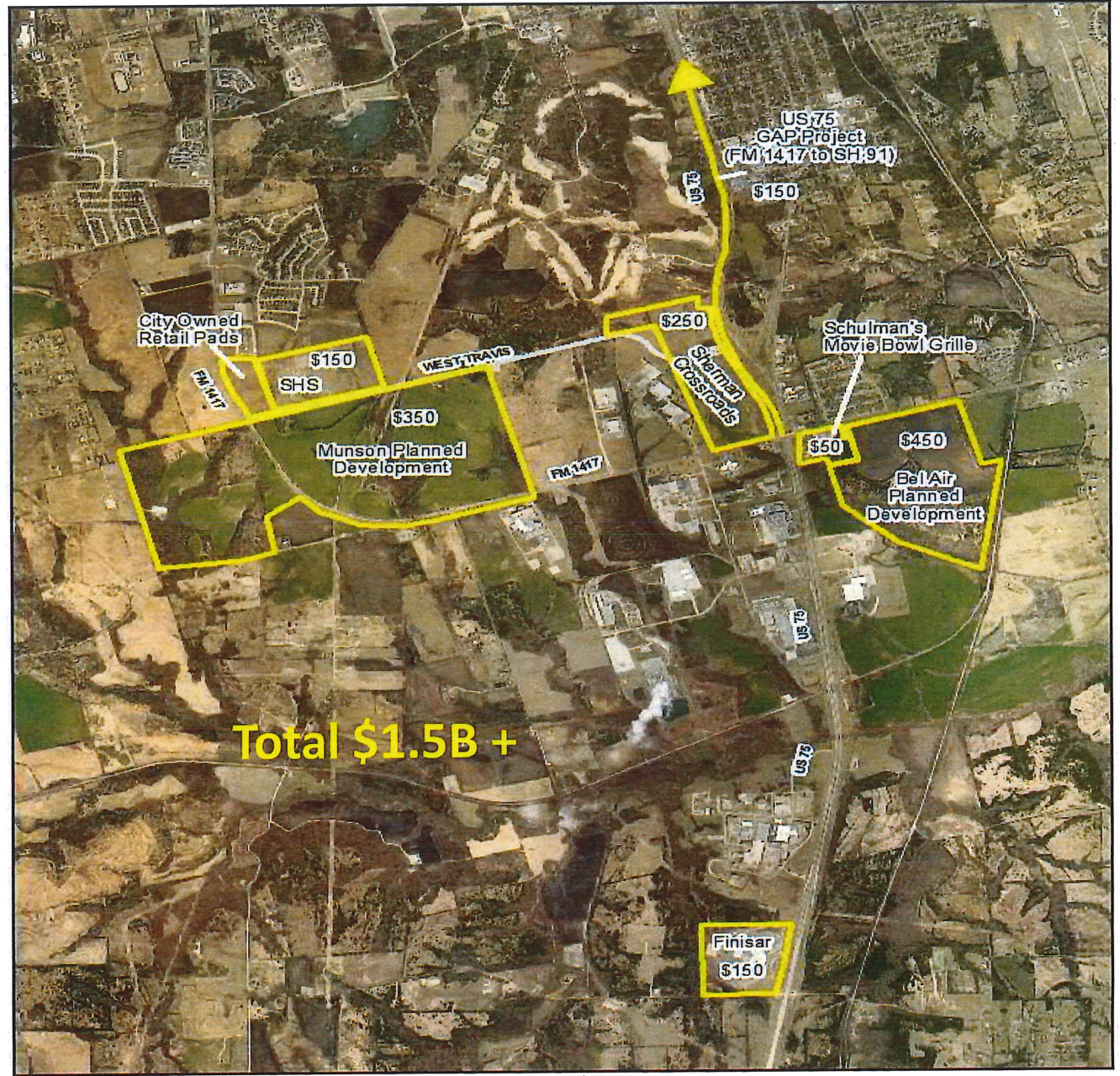
Workplan Focus for FY2020

- Compensation
 - Staff COLA
 - Market adjustments, as needed
- Facilities
 - Police Facilities
 - Limited renovation \$2.0m vs. new HQ \$10m+
 - Impact on Central Fire operations + Fire CIP
 - Fire Facilities – Training/EMS, Central/Station #6
- CIP/Capital Expenses
 - Hotel/Convention facilities in Legacy Village
 - Parks – Pecan Grove Ballfields (Phase II), pool renovation, Munson/SW park planning
 - Public Safety – SCBAs, trucks-n-such

Workplan Focus for FY2020

- Growth and Development
 - Developments
 - Legacy Village
 - Bel Air PD
 - Sherman Crossroads
 - Munson PD
 - Sherman Landing
 - Others??
 - Tools to be considered
 - Zoning and Land Use – Planned Development Ordinance
 - Financing and Entitlements – TIRZ?, Public Improvement District (PID), Chapter 380, Development Agreements (infrastructure)
 - Additional infrastructure needs?

Southside Investment (\$million)



Workplan Focus for FY2020

- Continued focus on finalizing infrastructure development
 - Thoroughfares - Various thoroughfare engineering and ROW
 - Utility infrastructure – esp. water/sewer in Planned Dev areas
 - Facilities – Police renovation/build; fire station
 - Wrapping up TXDOT participation
- Retail recruitment program
- Staffing considerations
 - Public Safety – PD civilians, SRO?, FD staffing
 - IT
 - Parks & Grounds maintenance
 - Building maintenance
 - HR
 - Public Works/Utilities
- Street Sales Tax Election – Nov. 2019

Financial Focus for FY2020 Budget

Financial Projections

- General Fund

- Expect property tax values to be up \$175 million for increased values + new property added = \$500k - \$600k revenues
- Expect sales tax revenues to be up \$450k - \$500k for growth in base
- Group health costs stabilized

- Utility Fund

- No known need for rate adjustment at this time

- Solid Waste Fund

- Mix of commercial construction waste driving up disposal costs + recycling program conundrum may put pressure on rates

Expected Rates and Fees – FY2020

- Property Tax Rates
 - Increase Debt Rate
 - Increase M&O rate back to ~\$.34??
- Utility Rates
 - No expected rate changes
 - Looking ahead - significant debt relief in FY2021 (\$1.0 million annually)
- Solid Waste Rates
 - Rates (especially commercial) evaluated in light of commercial disposal fees, recycling, possible equity distribution??
- Stormwater Fee
 - Hold rate for FY2020; Phase II in FY2021?

Critical Issues FY2020 – Council identified

General Fund/General CIP

- Continued focus on clean-up (code enforcement) and substandard structures
- Park Street

Solid Waste Fund

- Continue to evaluate bulk trash pickup program – alternatives for quarterly or other pickup vs. current

Critical Issues FY2020 – Council identified

Development

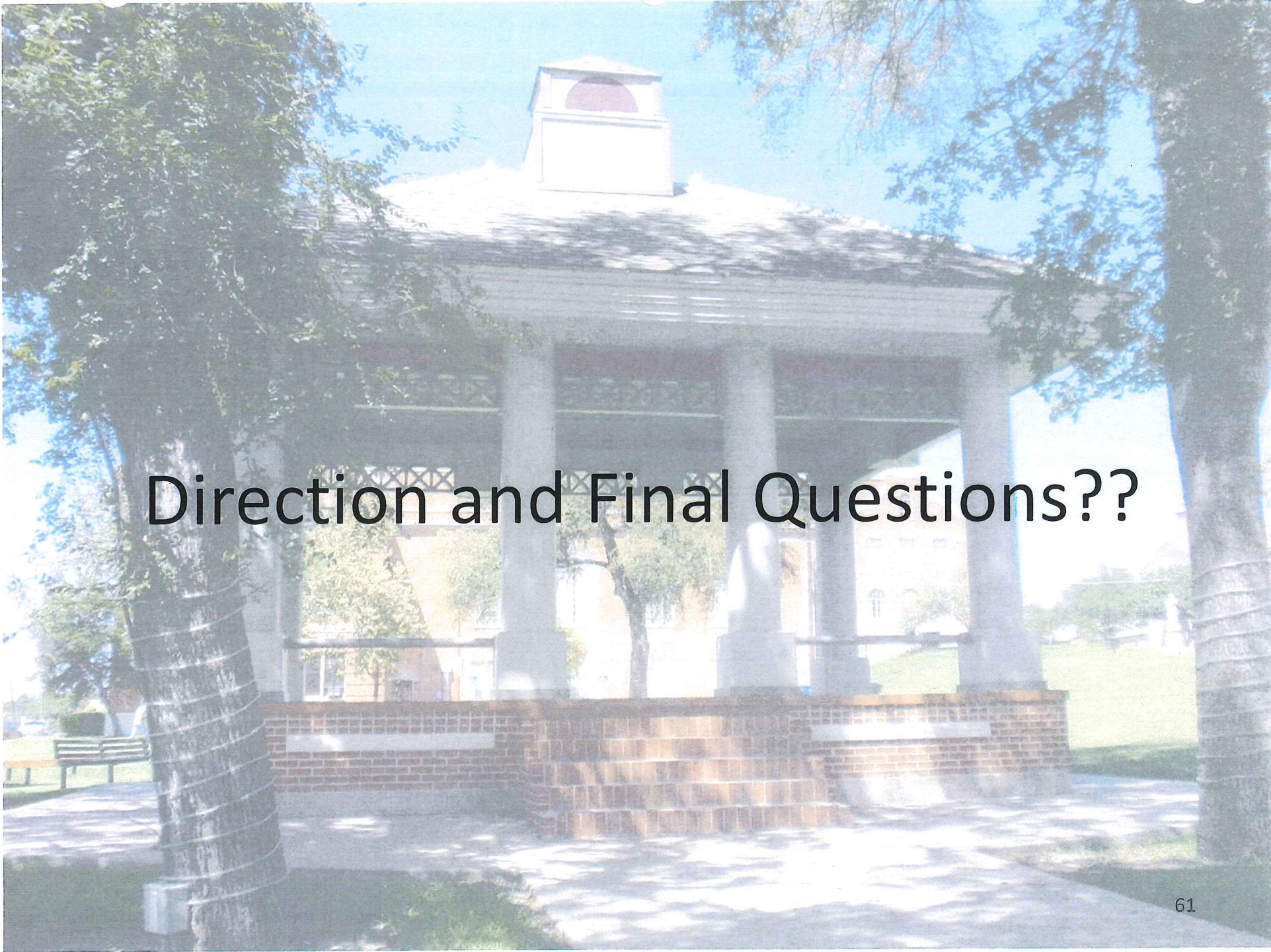
- Continued focus on growth and development management

Operations

- Various requests to look at operational issues – e.g., uniforms, take-home vehicles, sidewalks near City facilities, Animal Control facilities, ongoing support of various non-profits (Boys/Girls club)

What we need

- Council support for thoroughfare and development activities
 - Pursuing targeted retail, including incentives
 - Planned Developments and related infrastructure
- Council support for funding these priorities
 - Issue CO's for approved projects
 - GTUA Issued debt for water/sewer projects
- Increase Tax Rate for Debt
- Consider M&O Tax Rate stabilization to \$.34XX



Direction and Final Questions??



Other Information

2019 TML Debt Survey

(by Rate)

City	Population	Total Net Taxable	Tax Rate	Total GO/CO	Debt per capita	Value per capita	Revenue per capita
Cleburne	30,400	\$ 1,737,758,554	\$ 0.8040	\$ 10,038,413	\$ 330	\$ 57,163	\$ 45,960
Copperas Cove	34,272	\$ 1,350,331,853	\$ 0.7979	\$ 76,960,000	\$ 2,246	\$ 39,400	\$ 31,438
Burleson	46,145	\$ 3,035,701,445	\$ 0.7350	\$ 141,625,000	\$ 3,069	\$ 65,786	\$ 48,353
Socorro	35,000	\$ 961,117,250	\$ 0.7276	\$ 21,190,000	\$ 605	\$ 27,460	\$ 19,979
Wylie	49,826	\$ 4,259,503,789	\$ 0.7258	\$ 89,910,000	\$ 1,804	\$ 85,488	\$ 62,051
Deer Park	33,891	\$ 2,750,373,408	\$ 0.7200	\$ 72,090,000	\$ 2,127	\$ 81,154	\$ 58,431
La Porte	35,371	\$ 3,285,939,300	\$ 0.7100	\$ 39,565,000	\$ 1,119	\$ 92,899	\$ 65,958
Texarkana	37,679	\$ 2,604,513,311	\$ 0.7000	\$ 51,870,000	\$ 1,377	\$ 69,124	\$ 48,387
Cedar Hill	48,710	\$ 3,779,101,307	\$ 0.6970	\$ 75,685,000	\$ 1,554	\$ 77,584	\$ 54,078
Harker Heights	31,075	\$ 1,803,480,163	\$ 0.6770	\$ 81,968,476	\$ 2,638	\$ 58,036	\$ 39,291
Weslaco	40,358	\$ 1,641,942,984	\$ 0.6667	\$ 20,891,072	\$ 518	\$ 40,684	\$ 27,124
The Colony	44,704	\$ 4,526,048,717	\$ 0.6650	\$ 109,918,500	\$ 2,459	\$ 101,245	\$ 67,328
Haltom City	44,417	\$ 2,145,251,779	\$ 0.6530	\$ 44,095,000	\$ 993	\$ 48,298	\$ 31,539
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Southlake	31,824	\$ 7,593,368,970	\$ 0.4470	\$ 37,292,186	\$ 1,172	\$ 238,605	\$ 106,656
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Keller	44,940	\$ 5,788,817,005	\$ 0.4133	\$ 57,990,000	\$ 1,290	\$ 128,812	\$ 53,232
Rockwall	44,208	\$ 5,693,209,277	\$ 0.4021	\$ 86,900,000	\$ 1,966	\$ 128,782	\$ 51,783
AVERAGE	39,054	\$ 3,222,367,960	\$ 0.6121	\$ 63,970,686	\$ 1,608	\$ 82,354	\$ 47,888

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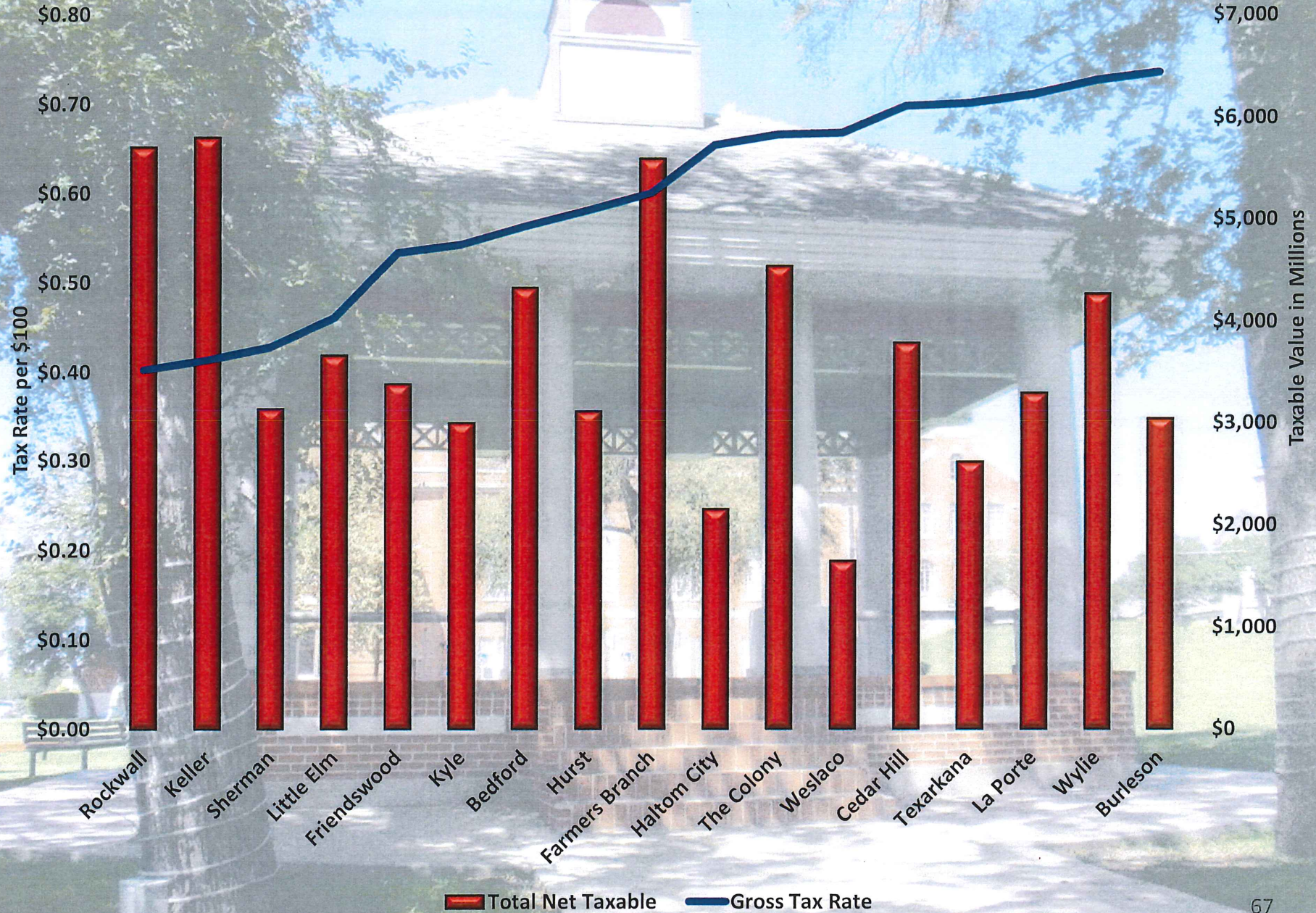
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Keller	44,940	\$ 5,788,817,005	\$ 0.4133	\$ 57,990,000	\$ 1,290	\$ 128,812	\$ 53,232
Farmers Branch	37,088	\$ 5,575,637,174	\$ 0.5996	\$ 47,130,000	\$ 1,271	\$ 150,335	\$ 90,137
Southlake	31,824	\$ 7,593,368,970	\$ 0.4470	\$ 37,292,186	\$ 1,172	\$ 238,605	\$ 106,656
La Porte	35,371	\$ 3,285,939,300	\$ 0.7100	\$ 39,565,000	\$ 1,119	\$ 92,899	\$ 65,958
Haltom City	44,417	\$ 2,145,251,779	\$ 0.6530	\$ 44,095,000	\$ 993	\$ 48,298	\$ 31,539
Friendswood	39,839	\$ 3,374,237,059	\$ 0.5324	\$ 31,545,000	\$ 792	\$ 84,697	\$ 45,093
Socorro	35,000	\$ 961,117,250	\$ 0.7276	\$ 21,190,000	\$ 605	\$ 27,460	\$ 19,979
Weslaco	40,358	\$ 1,641,942,984	\$ 0.6667	\$ 20,891,072	\$ 518	\$ 40,684	\$ 27,124
Cleburne	30,400	\$ 1,737,758,554	\$ 0.8040	\$ 10,038,413	\$ 330	\$ 57,163	\$ 45,960
Nacogdoches	33,932	\$ 1,634,714,110	\$ 0.6169	\$ 3,870,000	\$ 114	\$ 48,176	\$ 29,720
AVERAGE	39,054	\$ 3,222,367,960	\$ 0.6121	\$ 63,970,686	\$ 1,608	\$ 82,354	\$ 47,888

Property Tax Rates and Taxable Value



west of FM 1417, south of O.B. Groner Road, and east of Bradley Road.

INTRODUCTION AND PUBLIC HEARING OF ORDINANCES

Mayor Plyler introduced Ordinance No. 6216 and called for a public hearing:

ORD 6216
NOISE ORDINANCE

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING CHAPTER 8 OF THE CODE OF ORDINANCES, ENTITLED “OFFENSES AND NUISANCES”, TO DELETE ARTICLE 8.07, ENTITLED “NOISE”, IN ITS ENTIRETY, AND TO PROVIDE FOR A NEW ARTICLE 8.07 TO BE ENTITLED “NOISE”; PROVIDING FOR AN EFFECTIVE DATE; PROVIDING FOR INCLUSION IN THE CODE OF ORDINANCES; PROVIDING FOR SEVERABILITY; PROVIDING FOR A REPEALER CLAUSE.

Terrence Steele, Assistant City Manager, said this proposed ordinance is the result of a complaint at Sherman High School. The staff reviewed the current noise ordinance, which was adopted in 1991.

Except for the construction part of the ordinance, which was recently passed, the recommendation is to completely revamp the noise ordinance to bring it up to date with what’s happening in Sherman today. It also adds clarity to the ordinance.

No citizens appeared before the City Council to discuss Ordinance No. 6216.

SECOND PUBLIC HEARING

CONDUCT THE SECOND PUBLIC HEARING CONCERNING THE ANNEXATION OF APPROXIMATELY 217.7 ACRES OF LAND LOCATED WEST OF F.M. 1417, SOUTH OF O.B. GRONER ROAD, AND EAST OF BRADLEY ROAD, ADJACENT TO THE SHERMAN CITY LIMITS AND IN THE CITY OF SHERMAN’S EXTRA TERRITORIAL JURISDICTION

ANNEXATION
MUNSON PROPERTY

CONDUCT THE SECOND PUBLIC HEARING CONCERNING THE ANNEXATION OF APPROXIMATELY 217.7 ACRES OF LAND LOCATED WEST OF F.M. 1417, SOUTH OF O.B. GRONER ROAD, AND EAST OF BRADLEY ROAD, ADJACENT TO THE SHERMAN CITY LIMITS AND IN THE CITY OF SHERMAN’S EXTRA TERRITORIAL JURISDICTION

Mr. Philpott said this was the second public hearing for the Munson property.

No citizens appeared before the City Council to discuss the annexation of approximately 217.7 acres of land located west of FM 1417, south of O.B. Groner Road, and east of Bradley Road.

The Public Hearing was closed.

ADOPTION OF ORDINANCES

Ordinance 6216

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING CHAPTER 8 OF THE CODE OF ORDINANCES, ENTITLED “OFFENSES AND NUISANCES”, TO DELETE ARTICLE 8.07, ENTITLED “NOISE”, IN ITS ENTIRETY, AND TO PROVIDE FOR A NEW ARTICLE 8.07 TO BE ENTITLED “NOISE”; PROVIDING FOR AN EFFECTIVE DATE; PROVIDING FOR INCLUSION IN THE CODE OF ORDINANCES; PROVIDING FOR SEVERABILITY; PROVIDING FOR A REPEALER CLAUSE.

ORD 6216
NOISE ORDINANCE

ACTION TAKEN.

Motion by Deputy Mayor Teamann to approve Ordinance No. 6216, as presented. Second by Council Member Stevenson.

VOTING AYE: Holland, Howeth, Melton, Steele, Stevenson, Teamann.

VOTING NAY: None.

MOTION CARRIED.

CONSENT AGENDA

The Council reviewed the Consent Agenda. Council Member Melton asked to remove Item D-1, entitled “Request to Advertise – Site Improvements at the Firearms Training Facility for the City of Sherman Police Department” from the Consent Agenda for consideration in its regular order of business.

CONSENT AGENDA

Council Member Melton moved to approve the Consent Agenda, with the exception of Item D-1, which will be considered in its regular order of business. Second by Council Member Howeth. All present voted AYE.

RESOLUTIONS

RESOLUTION NO. 6484 – AUTHORIZING THE ACCEPTANCE AND DEDICATION OF RIGHT OF WAY BEING CALLED LEGACY BOULEVARD, BEING DEDICATED TO THE CITY OF SHERMAN BY RIGHT-OF-WAY DEDICATION DEEDS FILED OF RECORD IN DOCUMENT NOS. 2018-20633, 2018-19631, 2019-3223, OFFICIAL PUBLIC RECORDS, GRAYSON COUNTY, TEXAS, TOTALING 2.076 ACRES OF THE SHERROD DUNHAM SURVEY, ABSTRACT NO. 329, BEING FURTHER DESCRIBED IN EXHIBIT A ATTACHED, FOR PUBLIC USE AND UTILITY PURPOSES BEING THE CONSTRUCTION OF A ROAD, LEGACY BOULEVARD, EAST OF U.S. HIGHWAY 75 FRONTAGE ROAD AND SOUTH OF VIETNAM VETERANS PARKWAY (F.M. 1417)

RES 6484
LEGACY BLVD.
ROW DEDICATION

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING THE ACCEPTANCE AND DEDICATION OF RIGHT OF WAY BEING CALLED LEGACY BOULEVARD, BEING DEDICATED TO THE CITY OF SHERMAN BY RIGHT-OF-WAY DEDICATION DEEDS FILED OF RECORD IN DOCUMENT NOS. 2018-20633, 2018-19631, 2019-3223, OFFICIAL PUBLIC RECORDS, GRAYSON COUNTY, TEXAS, TOTALING 2.076 ACRES OF THE SHERROD DUNHAM SURVEY, ABSTRACT NO. 329, BEING FURTHER DESCRIBED

IN EXHIBIT A ATTACHED, FOR PUBLIC USE AND UTILITY PURPOSES BEING THE CONSTRUCTION OF A ROAD, LEGACY BOULEVARD, EAST OF U.S. HIGHWAY 75 FRONTAGE ROAD AND SOUTH OF VIETNAM VETERANS PARKWAY (F.M. 1417).

Mr. Philpott said street dedications are typically done by plat, and Council approves the plat. This thoroughfare was not platted because there are several different owners, and without them developing, it was not platted. This is a formal dedication outside the plat procedure, to dedicate the road and allow addressing on Legacy Boulevard.

Council Member Steele verified that Legacy Boulevard is a City road that was constructed by agreement. Mr. Hefton said the concrete work and road work were already underway.

Council Member Steele said usually a street is constructed by the developer and then dedicated to the City. Mr. Philpott said, in many cases, the plat dedicates the roads, including the name of the road. Mr. Hefton added that this is actually the right-of-way for the road.

ACTION TAKEN.

Motion by Council Member Steele to approve Resolution No. 6484, as presented. Second by Council Member Melton.

VOTING AYE: Holland, Howeth, Melton, Steele, Stevenson, Teamann.

VOTING NAY: None.

MOTION CARRIED.

RESOLUTION NO. 6485 – AWARDING A BID TO AND AUTHORIZING EXECUTION OF A CONTRACT WITH THE PLAYGROUND, SHADE AND SURFACING DEPOT, LLC FOR THE PAVILION AND BENCH IMPROVEMENTS OF THE MARTIN LUTHER KING, JR. PARK PROJECT

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AWARDING A BID TO AND AUTHORIZING EXECUTION OF A CONTRACT WITH THE PLAYGROUND, SHADE AND SURFACING DEPOT, LLC FOR THE PAVILION AND BENCH IMPROVEMENTS OF THE MARTIN LUTHER KING, JR. PARK PROJECT.

**RES 6485
MARTIN LUTHER
KING, JR. PARK
IMPROVEMENTS**

Theresa Hutchinson, Parks and Recreation Manager, said they are requesting to award the bid to Playground, Shade and Surfacing Depot, LLC, for the park structures for the Martin Luther King, Jr. Park Project. The project will be completed using Community Development Block Grant funding, similar to the recent Library Park Project.

The bid packets specified a duo-top pavilion, and the lowest, comparable bid was from The Playground, Shade and Surfacing Depot, LLC.

LEA Park & Play was selected for the Tree House Play structure and the Swing Set Improvements because their playground provided a better value.

Whirlix Design submitted two bids, but their submission included only seven components. The LEA Park & Play system offers 16 active play structures and is a much larger structure. Ms. Hutchinson felt this was a better value for the money.

She said the new pavilion is the same as the one that is being constructed at the Library Park. The company gave a discount for purchasing the two pavilions.

ACTION TAKEN.

Motion by Council Member Stevenson to approve Resolution No. 6485, as presented. Second by Council Member Holland.

VOTING AYE: Holland, Howeth, Melton, Steele, Stevenson, Teamann.

VOTING NAY: None.

MOTION CARRIED.

RESOLUTION NO. 6486 – AWARDING A BID TO AND AUTHORIZING EXECUTION OF A CONTRACT WITH LEA PARK AND PLAY, INC. FOR THE TREE HOUSE PLAY STRUCTURE AND SWING SET IMPROVEMENTS OF THE MARTIN LUTHER KING, JR. PARK PROJECT

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AWARDING A BID TO AND AUTHORIZING EXECUTION OF A CONTRACT WITH LEA PARK AND PLAY, INC. FOR THE TREE HOUSE PLAY STRUCTURE AND SWING SET IMPROVEMENTS OF THE MARTIN LUTHER KING, JR. PARK PROJECT.

RES 6486
MARTIN LUTHER
KING, JR. PARK
IMPROVEMENTS

ACTION TAKEN.

Motion by Council Member Stevenson to approve Resolution No. 6486, as presented. Second by Council Member Melton.

VOTING AYE: Holland, Howeth, Melton, Steele, Stevenson, Teamann.

VOTING NAY: None.

MOTION CARRIED.

**REQUEST TO ADVERTISE
SITE IMPROVEMENTS AT THE FIREARMS TRAINING
FACILITY FOR THE CITY OF SHERMAN POLICE
DEPARTMENT**

Council Member Melton removed Item D-1 from the Consent Agenda for consideration in its regular order of business.

REQ TO ADVERTISE

She asked, if the City is going to build a new Police Department, why would they not consider including the Firearms Training Facility.

Robby Hefton, City Manager, said the current facility is located out from the density and traffic of the City. It is in the southeast part of town, near the floodplain area, which will not be developed. He said it is best for that type of facility to be away from development. That same sight is used for fire training and for other City things.

Zachary Flores, Police Chief, said the outdoor range is loud and is located away from residences. People that do live in the area are aware of its location and accommodations are made not to shoot on holidays.

If the facility was moved to the location of the new Police Department, it would require an indoor range, which would be cost prohibitive.

Council Member Steele asked about the anticipated cost for the facility. Chief Flores said they expect the improvements to be less than \$100,000. He said the proposed improvements include repaving the handgun range, shooting pads for the rifle range, and a small metal training building with a restroom.

Deputy Mayor Teamann asked if they also worked with small explosives. Chief Flores said they did work with small explosives and the Special Response Team worked on breaching doors with explosives, which can be loud.

ACTION TAKEN.

Motion by Council Member Melton to approve the Request to Advertise for Site Improvements at the Firearms Training Facility for the Police Department, as presented.
Second by Council Member Howeth.

VOTING AYE: Holland, Howeth, Melton, Steele, Stevenson, Teamann.

VOTING NAY: None.

MOTION CARRIED.

OTHER BUSINESS

RECEIVE PRESENTATION FROM POLICE CHIEF ZACHARY FLORES AND HIDELL & ASSOCIATES CONSULTANT AARON BABCOCK ON THE SHERMAN POLICE DEPARTMENT'S CURRENT AND PROPOSED FACILITIES

Chief Flores introduced Aaron Babcock, Architect, with Hidell & Associates Consultants, to present two options for the Police Department facility reconfiguration. Over the past two years the staff and consultants have looked at four options and Mr. Babcock will present the two most viable options at tonight's meeting, as a foundation for discussions at the upcoming Budget Work Shop.

Mr. Babcock said he was presenting Option A, which was a renovation of the existing facility, which is a 19,000 square foot facility. The proposed renovation would cost about \$4.6 million and would allow for a staff capacity of 94 sworn officers.

POLICE DEPT.
RENOVATION

Option D would include three components, with the first being to move the police out of the existing building and create a new headquarters. The new facility would be about 24,000 square feet.

All departments of the police would be moved to the new facility except for communications. Currently the 911 operation is at the existing facility and it would be cost prohibitive to move that operation.

The second component would be to renovate the existing facility and add fire administration, a fire training room, fire investigation, parking enforcement, and IT. The facility would also include a patrol substation and environmental code. The Emergency Operations Center would still be located in the basement.

Because many of the fire operations would not be in the existing police facility, the third component would be the freeing up of Central Fire Station, which could then revert back to being a fire station. Proposed renovation on the fire station would turn it into a 10-bunk station with a day room and offices.

This option includes façade improvements on both existing facilities. This includes enclosing the lower floor at the police department and giving a more uniform look to both buildings.

Cost for the renovation of the existing facility would be about \$2.7 million. This option would include 10 off-street parking spaces on Travis Street.

He outlined a breakdown of the costs adding that there is some asbestos abatement that would need to be done. The \$2.7 million estimated cost is a project cost, and includes the renovation and façade, as well as a contingency, testing, and professional fees.

Mr. Hefton verified that this cost did not include the top floor of the police department, except for the restrooms. Other renovations on that floor have been completed.

Mr. Babcock said the current building has deficiencies in both ADA compliance and building code compliance. The restrooms on the second floor would need to be modified, as well as some corridor adjustments to make the fire stair access meet ADA.

He said the project would include the ground floor, the basement floor, the façade improvements, and some minor improvement to the second floor.

Mr. Babcock said once the fire administration moves to the existing police building, then Central Fire Station could be renovated to be more efficient and turn it back into a fire facility. Most of the renovations would be to the restrooms,

dorms, kitchen, day room, and façade updates to coordinate with the police department.

Council Member Steele asked when Central Fire Station was built. Central Fire Station was built in 1964 and the police department was built in 1965. Mr. Babcock said they are of similar construction and the “bones” are good.

He outlined the project costs for renovation of the fire station. Renovation costs, façade improvements, some abatement, overhead door replacement, and some repairs are included in the estimate of almost \$1 million.

Mr. Babcock discussed the new facility, which would house all other areas except communications, including police administration, records, criminal investigations, property and evidence, patrol, and support and training.

The site recommendations for the new facility include 5.4 acres, 50 public parking spaces, 124 secure parking spaces, and it would accommodate future expansion. The facility itself would be a 24,381 square foot facility to accommodate future staff needs of up to 128 sworn officers, and a multi-purpose room for public and staff use. He felt this would cover a 10 to 15 year timeframe before an expansion of the facility would be needed.

Estimated cost for the new facility would be approximately \$12 million, not including the land acquisition. The cost would include parking and new impound yard storage.

He summarized the three projects from Option D, adding that the total capital cost would be \$15.8 million. He outlined a probable timeline for the project, saying the new police facility would probably be constructed first. Most of the police offices would then move to the new facility and the existing police facility would be renovated. The fire administration offices would then move to the renovated facility and Central Fire Station would be renovated.

He estimated that construction time on the new facility would probably take from 18 months to two years. Renovation of the existing building would probably take from 10 months to one year. Renovation of the fire department would probably take from eight to 10 months.

Chief Flores said previous concerns from the Council included “filling in” the “under parking” that is currently at the police department, because of security issues, and parking. He said if Option A is selected and they remain in the building and renovate, they cannot afford to give up any employee parking spaces. Option D would allow for angle parking and give easier access to the public.

Mr. Hefton said there was not action needed tonight. The presentation was given to Council so a discussion could be held at the Budget Work Shop.

Council Member Steele asked how the \$12.1 million estimate for the new facility compared to the previous cost estimate. Mr. Babcock said it was about the same. Originally they looked at another option that left the evidence at the current facility.

Council Member Steele said moving the fire administration is a new idea and he felt it was interesting. He asked how it would compare with a new fire station and effect the use of Central as a regular fire station.

Danny Jones, Fire Chief, said it would allow them to open Central back up as a full fire station. They currently have a classroom, but it barely holds one shift. The station would be expanded with a day room, dining room and kitchen. It takes the administration staff out of the facility.

Mr. Hefton said the renovation would take it back to a full service station. Currently only an engine is run out of Central because there isn't dorm space. Council Member Steele verified that the renovation would possibly delay the need for a new station.

Chief Flores said the proposed project is the full extent of the project and covers all three buildings that are involved. It would be a phased project.

Council Member Steele wanted to be sure they take care of the future and he said he was intrigued about the phase including Central Fire Station. He felt that would buy more time with "very little dollars." Fire Station No. 4 cost \$3.6 million.

Deputy Mayor Teamann asked about the parking situation if Option A was selected. Chief Flores said there was none, the parking would remain as it is today, except that the four covered parking spaces would be lost.

Council Member Steele asked about a possible location for the new station. Mr. Hefton said there were some possible locations.

Council Member Holland asked about the number of officers that would be supported if the facility was expanded in the future. Mr. Babcock said construction of the new facility would accommodate 128 and the future expansion would probably accommodate 150.

Mr. Hefton said Option A might have a lifespan of 10 years, but probably not 20 years. Option D would probably be a 20 year plan. Currently there are about 70 sworn officers. Chief Flores said with the increase in sworn officers, there will also be an increase in civilian staff.

Council Member Howeth verified that, regardless of which option is selected, they will enclose the drive-through for security reasons. Deputy Mayor Teamann felt that concrete barriers need to be installed now.

Mr. Hefton added that there might be some “creative financing” tools that could be used relating to development, such as a possible cost sharing arrangement.

CITIZENS REQUESTS

There were no citizen’s requests.

CITIZENS REQUESTS

MEDIA QUESTIONS

There were no media questions.

MEDIA QUESTIONS

COUNCIL COMMENTS

THANKS TO CITIZENS IN ATTENDANCE

Council Member Melton thanked citizens for attending the meeting, adding that City Council Meetings are for the public.

**THANKS TO
CITIZENS ATTENDING**

THANKS TO PARKS AND RECREATION STAFF

Council Member Holland thanked the Parks and Recreation staff for their work with the recent park improvements.

**THANKS TO
PARKS & REC
STAFF**

ANNOUNCEMENTS

Mayor Plyler announced the following:

- The first-ever Sherman Symphony in the Park will be held on May 23, 2019, on the Municipal Lawn. The event is free and open to the public.
- Hot Summer Nights will be held every Thursday in June and July at Kidd-Key Park. The first event will be Flock of Seagulls, on June 6, 2019.
- Sherman Community Players will present West Side Story, opening on June 14, 2019. The show will be performed in Kidd-Key Auditorium and will feature a live symphony.
- Schulman’s Movie Bowl Grille will officially open on May 31, 2019 with a host of entertainment options for all ages.

ANNOUNCEMENTS

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

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

EXECUTIVE SESSION

SECTION 551.071 --

CONSULTATION WITH CITY
ATTORNEY CONCERNING

PENDING OR CONTEMPLATED
LITIGATION

SECTION 551.071 -- CONSULT WITH THE CITY
ATTORNEY ON A MATTER IN
WHICH THE DUTY OF THE
ATTORNEY TO THE
GOVERNMENTAL BODY UNDER
THE TEXAS DISCIPLINARY RULES
OF PROFESSIONAL CONDUCT OF
THE STATE BAR OF TEXAS
CLEARLY CONFLICTS WITH THIS
CHAPTER

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

On Motion duly made and carried, the Open Meeting recessed
and reconvened in Executive Session at 5:46 p.m.

On Motion duly made and carried, the Executive Session
recessed at 6:00 p.m. and reconvened in Open Meeting.

OPEN MEETING

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

OPEN MEETING

ADJOURNMENT

On Motion duly made and carried, the meeting adjourned at
6:01 p.m.

ADJOURNMENT

MAYOR

CITY CLERK

Summary of Proposed Changes to Noise Code Provisions

May 20th City Council Meeting

The City's Noise code provisions adopted in 1991 are out of date with the things going on in Sherman. There was a recent complaint of playing music at the Sherman High School football practice facility that prompted the review of the ordinance. Upon review of our ordinance, with the exception of the recently adopted construction ordinance, it is my recommendation that we totally revamp our noise ordinance to more align with things taking place in Sherman today.

The proposed ordinance was gleaned from several growing cities with an increased population density that included new construction and new schools in close proximity to housing developments.

Sections 8.07.001 and 8.07.002 These sections spell out the purpose of the ordinance and clarifies its definitions.

Section 8.07.003 Names the specific noises that are prohibited in Sherman, including unreasonably loud and disturbing noises created by certain animals, electrical and loudspeaking instruments between the hours of 10PM and 8AM Sunday through Thursday and between the hours of 11:30PM and 8AM on Friday and Saturday. This section also speaks specifically to loudspeakers, amplifiers and other electronic instruments in the Central Business District that are prohibited during the hours of 10PM and 8AM. It addresses noise coming from a motor vehicle that can't be audible or felt from a distance of 30 feet. It includes a similar provision in our 1991 code provisions prohibiting yelling, shouting, crying, hooting, whistling or singing, but specifies these actions are by peddlers or hawkers.

The proposed ordinance retains our current "building and excavation operations" provision that was revised a few City Council meetings ago.

Section 8.07.003 Prohibits the operation of power equipment, excluding construction equipment, and the repair or testing of motor vehicles in a residential district or quiet zone or within 500 feet of said areas during the hours of 10PM and 8AM. It prohibits such activities in a nonresidential district during the hours of 10PM and 8AM. It also prohibits the use of fireworks, explosives and the firing of guns and other explosives unless the activity is conducted as authorized by this ordinance. It prohibits the flying of model aircraft (drones) in a residential district or quiet zone or within 500 feet of said areas during the hours of 10PM and 8AM. It prohibits such activities in a nonresidential district during the hours of 10PM and 8AM. This section prohibits the parking of refrigerated-type trucks and/or trailers within 200 feet of a residential structure for more than two hours. It also prohibits the owner or person in control of a motel, truck stop or similar commercial activity to allow the parking of this type of vehicle on their property for more than two hours. The section prohibits excessive noise within a quiet zone; and it prohibits the sounding of sirens, whistles and (church) bells and chimes for more than five minutes during any consecutive 60-minute period unless if used for emergency or safety purposes.

Section 8.07.004 Provides exemptions from the noise code provisions, including for those activities conducted on public parks and playgrounds sponsored or sanctioned by the City and by the School.

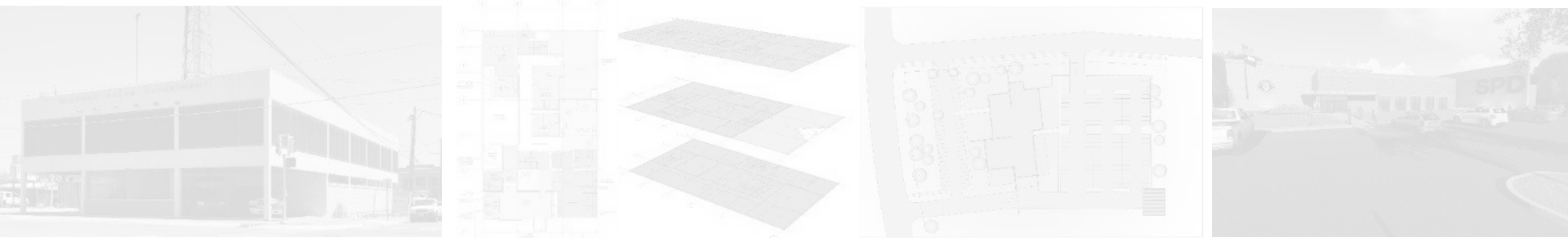
Section 8.07.005 Provides affirmative defenses to prosecution, including for authorized activities conducted at a stadium or sporting event, a school-sponsored event, a parade, an amphitheater event, a musical performance, events such as Lights on the Lake and Hot Summer Nights. Those activities are authorized during the hours of 7AM and 10PM.

Section 8.07.006 Allows the Assistant City Manager to grant permits of variance on the basis of undue hardship and, if no undue hardship exists, for a fee.

Section 8.07.007 Provides the appeal process for those denied a permit of variance or for those whose permit has been suspended. The City Manager has final determination on any appeal.

Section 8.07.008 Sets forth the penalty for any violation of the noise code provisions, upon conviction, a fine not to exceed \$500 for each day in violation.

Existing Facility Reconfiguration Needs Assessment



SHERMAN POLICE FACILITY RECONFIGURATION

COUNCIL PRESENTATION 6.13.2019



PREPARED BY
HIDELL AND ASSOCIATES ARCHITECTS, INC.

SHERMAN POLICE FACILITY RECONFIGURATION

COUNCIL PRESENTATION 6.13.19



FACILITY EXPANSION NEEDS ASSESSMENT

OPTION A

RENOVATION

CONFIGURATION

Renovation only

SIZE

Existing 19,823 SF

COST

Existing \$4,631,813

STAFF CAPACITY

94 Sworn Officers

OPTION D

RENOVATION + NEW FACILITY

EXISTING FACILITY

*Communications
Fire Administration
Fire Training Room
Fire Investigation
Parking Enforcement
Patrol Substations
Environmental Code
EOC
IT*

NEW FACILITY

*Administration
Communications
C.I.
Patrol
Property and Evidence
Records
Support and Training*

RECOMMENDATIONS

*Overview of existing facility
reconfiguration recommendations for size
and scope.*

PRESENTED 2018 ← → **THIS PRESENTATION**

ASSESSMENT – OPTION D

EXISTING FACILITY

Communications
Fire Administration
Fire Training Room
Fire Investigation
Parking Enforcement
Patrol Substations
Environmental Code
EOC
IT

NEW FACILITY

Administration
Communications
C.I.
Patrol
Property and Evidence
Records
Support and Training

SHERMAN POLICE FACILITY RECONFIGURATION



SHERMAN POLICE FACILITY RECONFIGURATION

COUNCIL PRESENTATION 6.13.19



ELEVATION IMPROVEMENTS – Transforming the look of the facility

EXISTING FACADE



SHERMAN POLICE FACILITY RECONFIGURATION

COUNCIL PRESENTATION 6.13.19



ELEVATION IMPROVEMENTS

BASE OPTION



Base Option

Improved insulated glazing

Painted concrete facade

Existing brick to remain

New stone veneer



New stone veneer

New canopy and sign

New main entry

New landscaping

SHERMAN POLICE FACILITY RECONFIGURATION

COUNCIL PRESENTATION 6.13.19



PUBLIC PARKING OPTION



SHERMAN POLICE FACILITY RECONFIGURATION

COUNCIL PRESENTATION 6.13.19



Existing Facility Reconfiguration – **OPTION D**

Construction Cost Assumptions

Area	Moderate Renovation		Heavy Renovation		New Enclosure	
Basement	2,702	sf	571	sf		
Ground Floor	2,640		394	sf	1,740	sf
Second Floor	1,220	sf	409	sf		
Subtotal SF	6,562	sf	1,374	sf	1,740	sf
Construction Cost per SF	\$ 140		\$ 260		\$ 280	
Subtotal Cost	\$ 918,680		\$ 357,240		\$ 487,200	

ASSUMPTIONS

- Cost presented are 2019 cost. A cost factor of 5% shall be applied annually based on current construction cost trends

Renovation Cost \$ 1,763,120

Additional Renovation Cost

Fire Sprinkler System (Allowance)	\$ 90,000
Additional Public Parking	\$ 50,000
Façade Improvements	\$ 159,000
Abatement (Allowance)	\$ 60,000

Subtotal Construction Cost \$ 2,122,120

Technology Cost	\$ 45,000
Security Cost	\$ 15,000
Furniture Cost	\$ 120,000

Subtotal Hard Cost \$ 2,302,120

Contingency Allowance	\$ 184,170
Testing	\$ 35,000
Professional Fee	\$ 218,701

Total Capital Cost \$ 2,739,991

EXISTING CENTRAL FIRE STATION RENOVATION

EXISTING FACILITY

Apparatus Bay
Offices

RENOVATION

Restroom
Dorms
Kitchen
Day Room
Façade Updates

SHERMAN CENTRAL FIRE STATION RECONFIGURATION



SHERMAN CENTRAL FIRE STATION RENOVATION

COUNCIL PRESENTATION 6.13.19



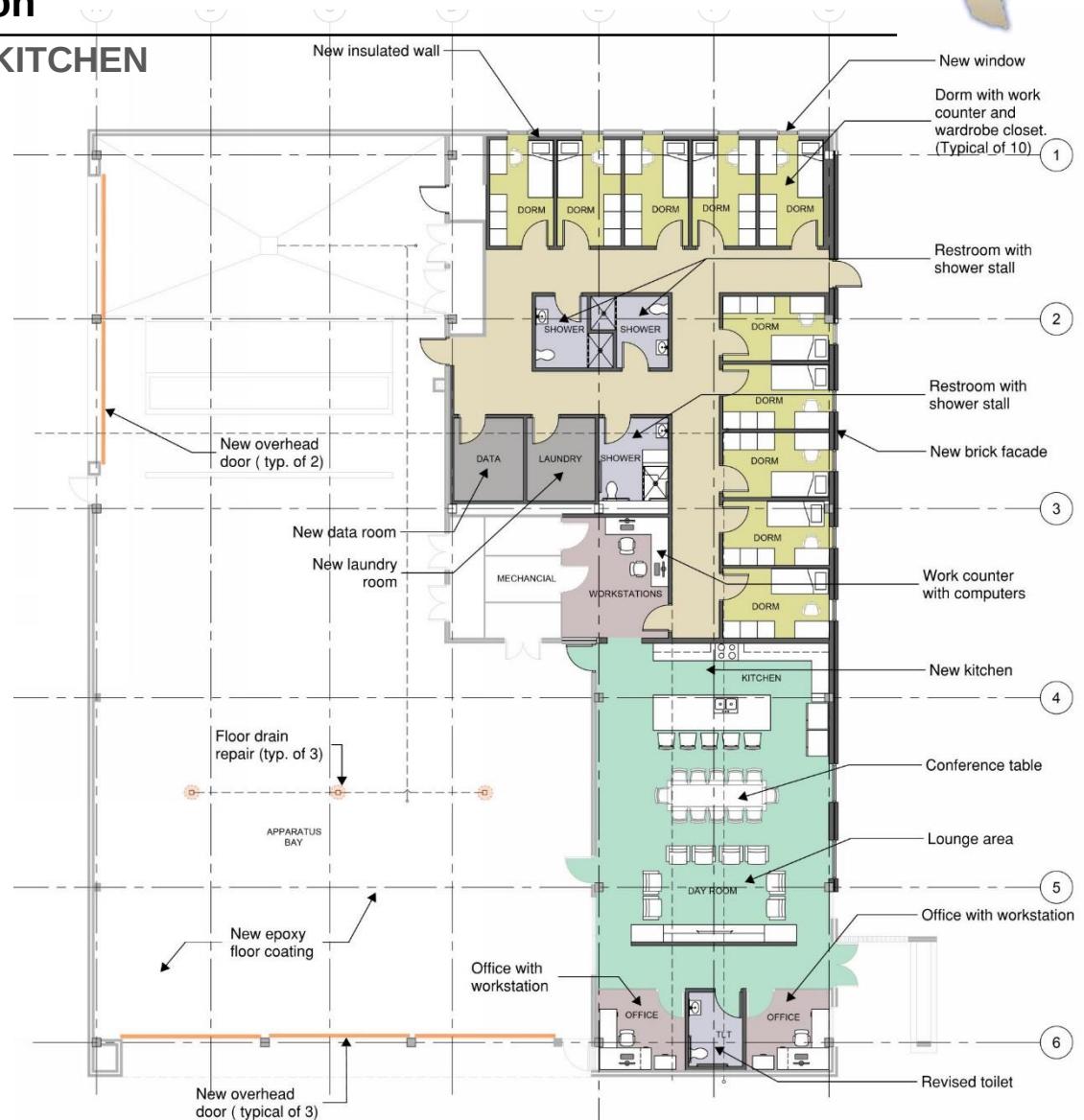
Existing Facility Reconfiguration

DORM / RESTROOM / DAYROOM / KITCHEN

DORM ROOM - Example



DAY ROOM / KITCHEN - Example



SHERMAN CENTRAL FIRE STATION RENOVATION

COUNCIL PRESENTATION 6.13.19



Conceptual Rendering Options – Transforming the look of the facility

EXISTING FACADE



RENOVATION

PREPARED BY HIDEELL AND ASSOCIATES ARCHITECTS, INC. 2019

SHERMAN CENTRAL FIRE STATION RENOVATION

COUNCIL PRESENTATION 6.13.19



Façade improvements to match adjacent municipal complex

New overhead doors



New canopy with signage

New stone veneer

New landscaping

Matching canopies with signage

Matching stone veneer



Matching stone veneer

Matching landscaping beds

SHERMAN CENTRAL FIRE STATION RENOVATION

COUNCIL PRESENTATION 6.13.19



Existing Facility Renovation

Construction Cost Assumptions

Area	Moderate Renovation	Heavy Renovation	New Enclosure
First Floor	2,145 sf	1,330 sf	
Subtotal SF	2,145 sf	1,330 sf	-
Construction Cost per SF	\$ 110	\$ 220	\$ 300
Subtotal Cost	\$ 235,950	\$ 292,600	\$ -
	Renovation Cost		\$ 528,550
Additional Renovation Cost			
Exterior Façade Improvements (Allowance)			\$ 64,000
Floor Drain Repair (Allowance)			\$ 4,500
Abatement (Allowance)			\$ 20,000
Overhead Door Replacement (Quantity of 5)			\$ 48,200
Epoxy floor surface in Apparatus Bay (Allowance)			\$ 52,000
Fire Sprinkler (Allowance)			\$ 24,000
New Masonry Wall (North Wall) (Allowance)			\$ 28,000
Subtotal Construction Cost			\$ 769,250
Technology Cost			\$ 15,000
Security Cost(Camera and Access Control)			\$ 6,200
Furniture Cost			\$ 15,000
Subtotal Hard Cost			\$ 805,450
Contingency Allowance			\$ 80,545
Testing			\$ 35,000
Professional Fee			\$ 76,518
Total Capital Cost			\$ 997,513

ASSUMPTIONS

- Cost presented are 2019 cost. A cost factor of 5% shall be applied annually based on current construction cost trends

NEW POLICE FACILITY OPTION

EXISTING FACILITY

Communications

NEW FACILITY

Administration

Records

C.I.

Property and Evidence

Patrol

Support and Training

SHERMAN POLICE FACILITY RECONFIGURATION





New Facility Recommendations

SITE RECOMMENDATIONS

- 5.4 Acre site
- 50 Public Parking Spaces
- 124 Secure Parking Spaces
- Accommodate future expansion

FACILITY RECOMMENDATIONS

- 24,381 SF Facility
- Accommodate future staff needs (*128 sworn officers*)
- Multi-Purpose room for public / staff use

NEW SHERMAN POLICE HEADQUARTERS

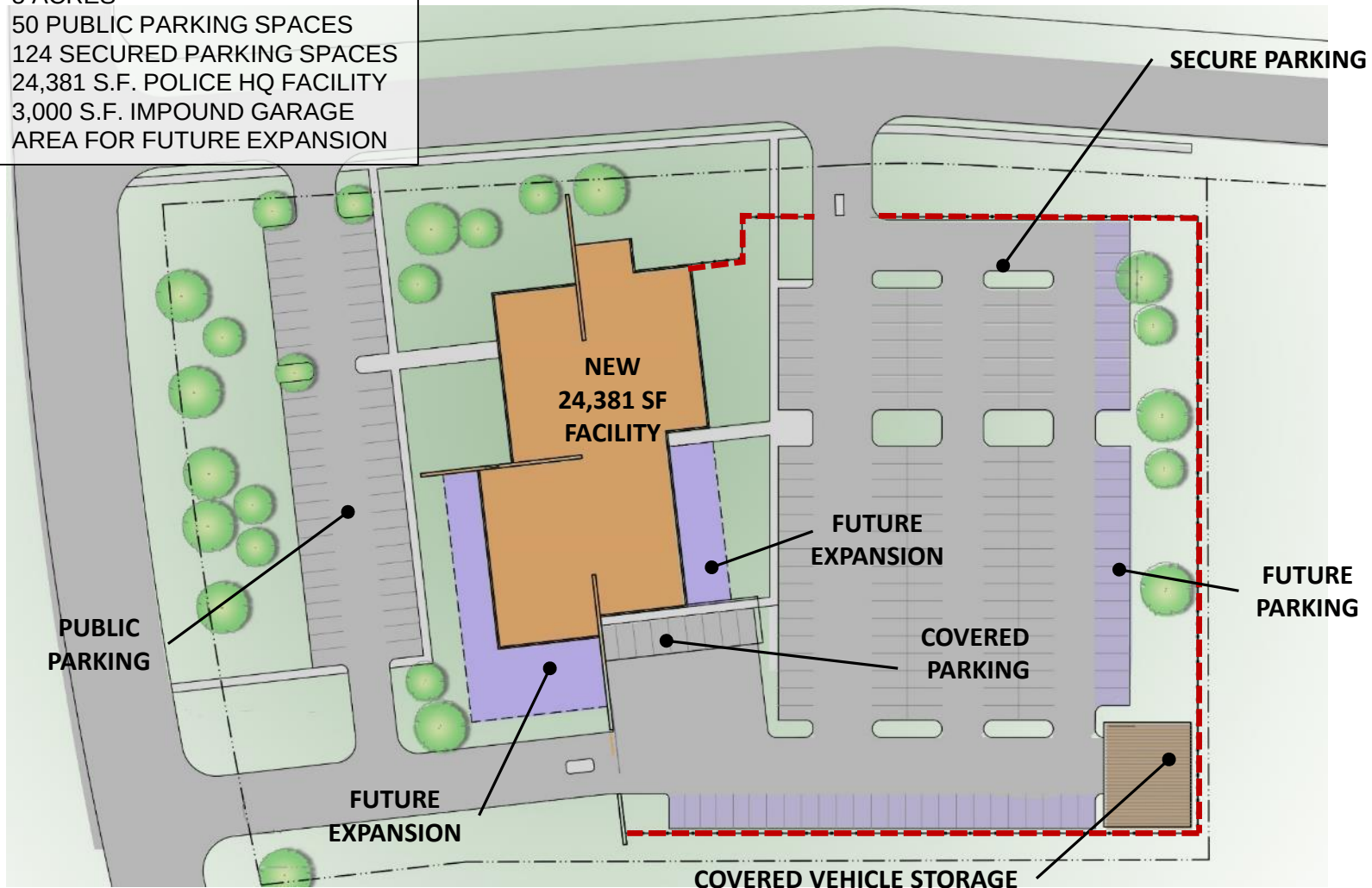
COUNCIL PRESENTATION 6.13.19



New Facility SITE PLAN

QUICK FACTS:

- 5 ACRES
- 50 PUBLIC PARKING SPACES
- 124 SECURED PARKING SPACES
- 24,381 S.F. POLICE HQ FACILITY
- 3,000 S.F. IMPOUND GARAGE
- AREA FOR FUTURE EXPANSION



NEW SHERMAN POLICE HEADQUARTERS

COUNCIL PRESENTATION 6.13.19



New Facility - CONCEPTUAL RENDERING



NEW SHERMAN POLICE HEADQUARTERS

COUNCIL PRESENTATION 6.13.19



New Facility Estimated Project Cost

New Facility - 24,381 s.f.

Item Description	Quantity	Unit Price	Cost
------------------	----------	------------	------

Assumptions

No land acquisition cost included

Estimated Project Budget

Parking	67,000	sf	\$5	\$335,000
Utilities	Allowance		\$150,000	\$150,000
New Impound Yard Storage	3,500	sf	\$100	\$350,000
New Construction Cost	24,381	sf	\$310	\$7,558,110
Subtotal				\$8,393,110
General Conditions/Requirements				\$1,007,173
Insurance/OH/Fee/Bond				\$503,587
Total Construction Cost				\$9,903,870

ASSUMPTIONS

- Cost presented are 2019 cost. A cost factor of 5% shall be applied annually based on current construction cost trends

FF&E	\$	400,000
Technology Cost	\$	170,000
Contingency Allowance	\$	812,117
Testing	\$	30,000
Professional Fee	\$	792,310

Total Capital Cost	\$ 12,108,297
---------------------------	----------------------

SHERMAN POLICE FACILITY RECONFIGURATION

COUNCIL PRESENTATION 6.13.19



FACILITY EXPANSION NEEDS ASSESSMENT

OPTION D

RENOVATION (Existing Police Facility)

EXISTING FACILITY

*Communications
Fire Administration
Fire Training Room
Fire Investigation
Parking Enforcement
Patrol Substations
Environmental Code
EOC
IT*

RECOMMENDATIONS

SIZE - 17,823 sf

COST - \$2,739,991

STAFF CAPACITY

*Fire Administration – 14
Environmental Code – 6
IT – 3
Communications – 7
Future Offices – 3
Future Workstations -8*

RENOVATION (Central Fire Station)

EXISTING FACILITY

*Restroom / Shower
Day Room
Kitchen
Dorms*

RECOMMENDATIONS

SIZE – 2,460 sf

COST- \$997,513

NEW CONSTRUCTION (Police Headquarters)

NEW FACILITY

*Administration
Communications
C.I.
Patrol
Property and Evidence
Records
Support and Training*

RECOMMENDATIONS

SIZE - 24,381 sf

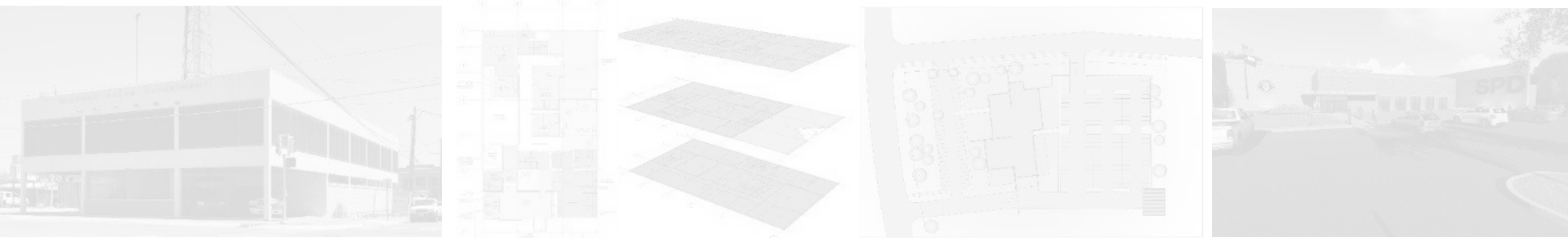
COST- \$12,108,297

STAFF CAPACITY

128 Sworn Officers

TOTAL CAPITAL COST – \$15,845,801

Existing Facility Reconfiguration Needs Assessment



SHERMAN POLICE FACILITY RECONFIGURATION

COUNCIL PRESENTATION 6.13.2019



PREPARED BY
HIDELL AND ASSOCIATES ARCHITECTS, INC.

ADDITIONAL SLIDES TO BE USED ONLY IF NEEDED

SHERMAN POLICE FACILITY RECONFIGURATION

COUNCIL PRESENTATION 6.13.19



THE EXISTING FACILITY CONFIGURATION

BUILT IN **1965** AS A COLD WAR ERA BUNKER



QUICK STATS:

THREE LEVEL FACILITY - 17,833 s.f.

SECURE PARKING – 61 SPACES

PUBLIC PARKING – OFF STREET

Existing Facility Analysis and Recommendations



SHERMAN POLICE FACILITY RECONFIGURATION



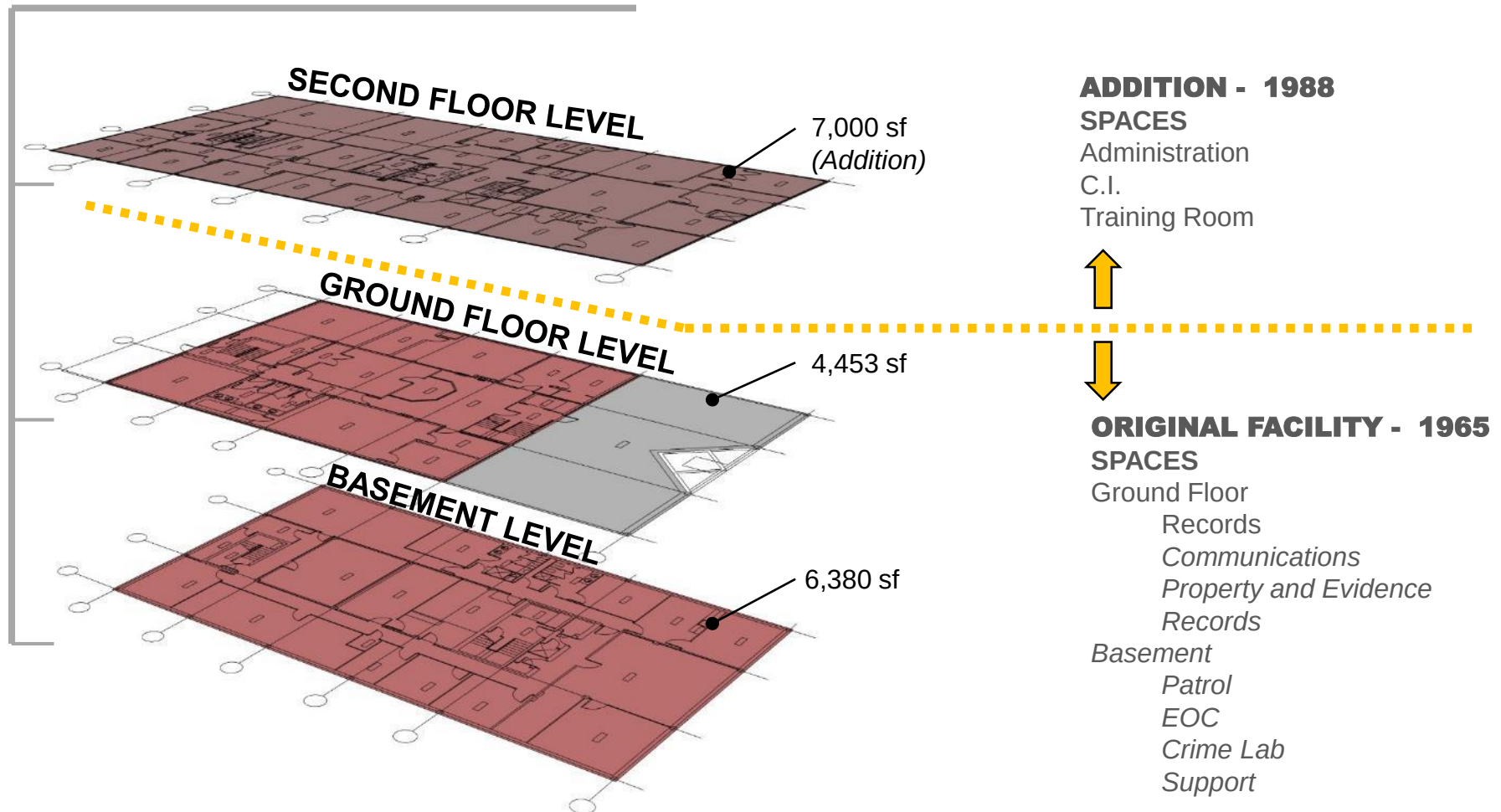
SHERMAN POLICE FACILITY RECONFIGURATION

COUNCIL PRESENTATION 6.13.19



Existing Facility Analysis – Layout / Age / Condition

THREE LEVEL FACILITY - 17,833 s.f.



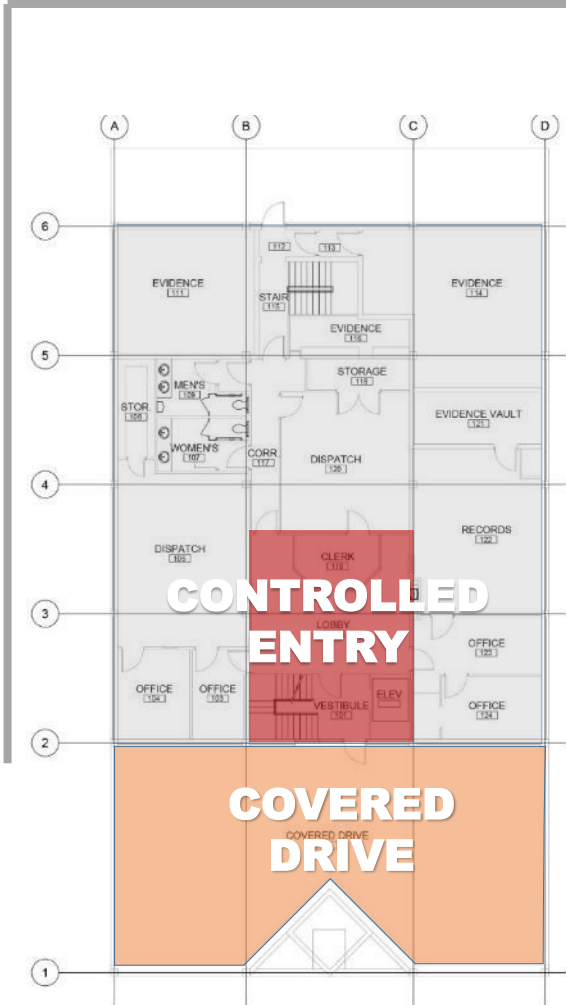
SHERMAN POLICE FACILITY RECONFIGURATION

COUNCIL PRESENTATION 6.13.19

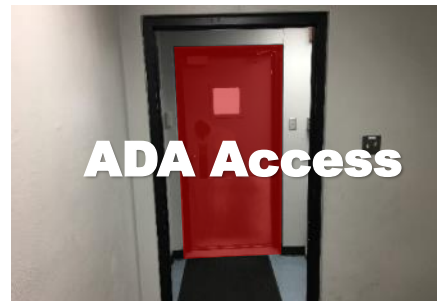


Existing Facility Analysis - Deficiencies

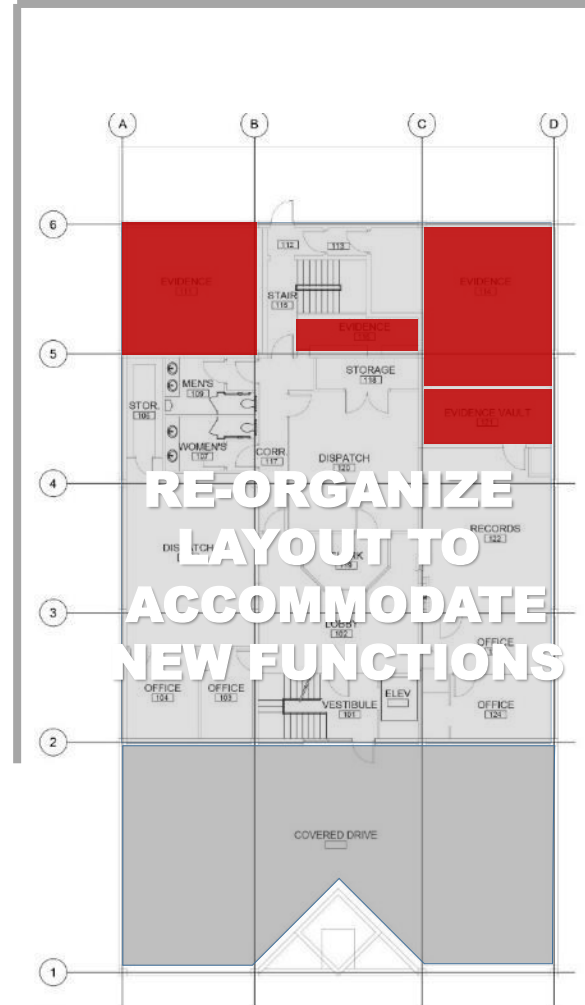
SECURITY



CODE COMPLIANCE



BUILDING LAYOUT



SHERMAN POLICE FACILITY RECONFIGURATION

COUNCIL PRESENTATION 6.13.19



REVIEW Security

Controlled Entry

The existing entry allows visitors direct access to upper and lower floors. The lobby should be relocated to provide controlled access from the lobby to the facility.



Covered Drive

Vehicular traffic shall not be allowed access under any portion of the facility. The covered drive shall be enclosed, adding 1700sf.



SHERMAN POLICE FACILITY RECONFIGURATION

COUNCIL PRESENTATION 6.13.19



REVIEW Code Compliance

ADA Clearances

The existing door configurations do not meet current ADA standards for maneuvering.

ADA Access

The existing restrooms do not meet current ADA standards for HC access

Abatement

The facility has been analyzed for asbestos materials. The most current report, complete in 2004 indicates select materials that will require abatement or encapsulation.



SHERMAN POLICE FACILITY RECONFIGURATION

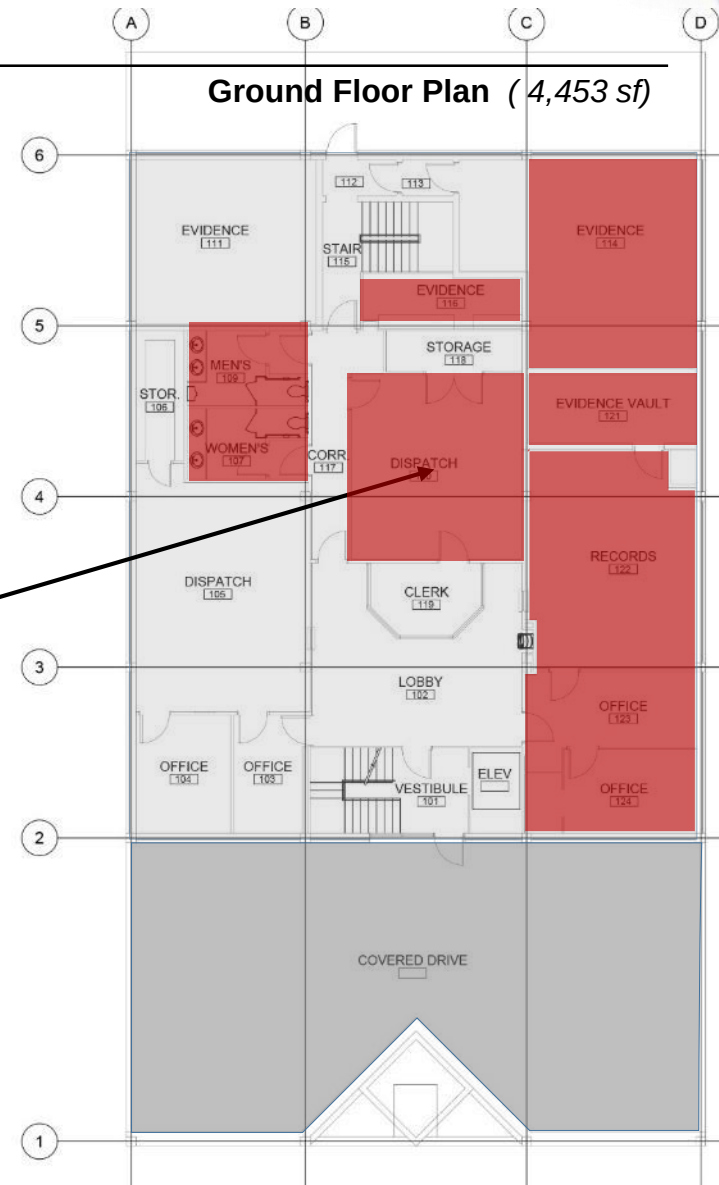
COUNCIL PRESENTATION 6.13.19



REVIEW Building Layout

Room Layout

The existing room configuration shall be modified to meet the needs of the new functions. (Restroom, offices, lobby, etc...)



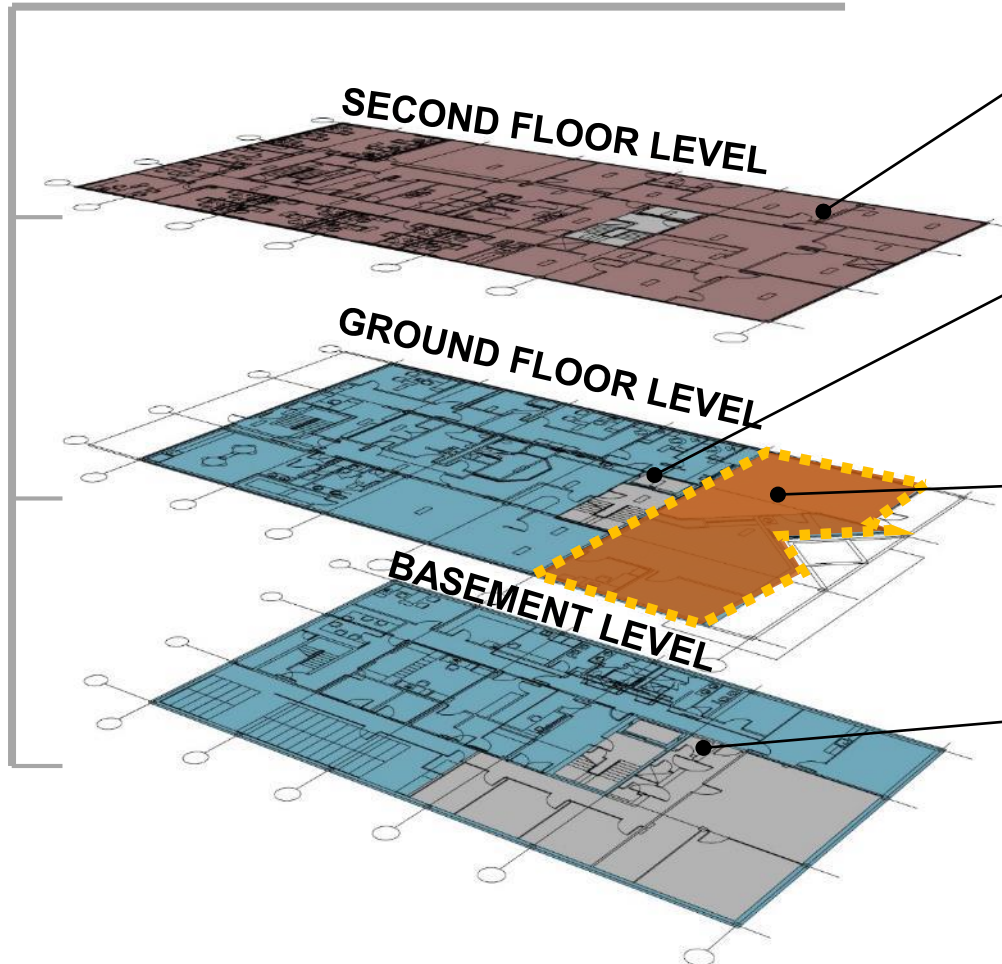
SHERMAN POLICE FACILITY RECONFIGURATION

COUNCIL PRESENTATION 6.13.19



Existing Facility Recommendation – **OPTION D**

FACILITY RECONFIGURATION



Reconfigured Functions (7,000):

- Fire Administrative Suite
- Enlarged Training Room
- Future Office and Workstation Area
- Revised ADA compliant restroom

Reconfigured Functions (6,380):

- Communications to remain
- Revised ADA compliant restrooms
- Revised ADA egress doors
- Environmental Code Meeting Room

Enclosed Drive (1,740 SF)

- Public Lobby
- Expansion of Dispatch
- Public Toilet
- Conference Room
- Staff control - PSA

Reconfigured Functions (6,380):

- Expanded EOC
- EOC Managers Office
- Break Room
- Revised ADA compliant restrooms
- Mechanical / Data to remain
- IT Offices and Workroom

SHERMAN POLICE FACILITY RECONFIGURATION

COUNCIL PRESENTATION 6.13.19



Existing Facility Reconfiguration – **OPTION D**

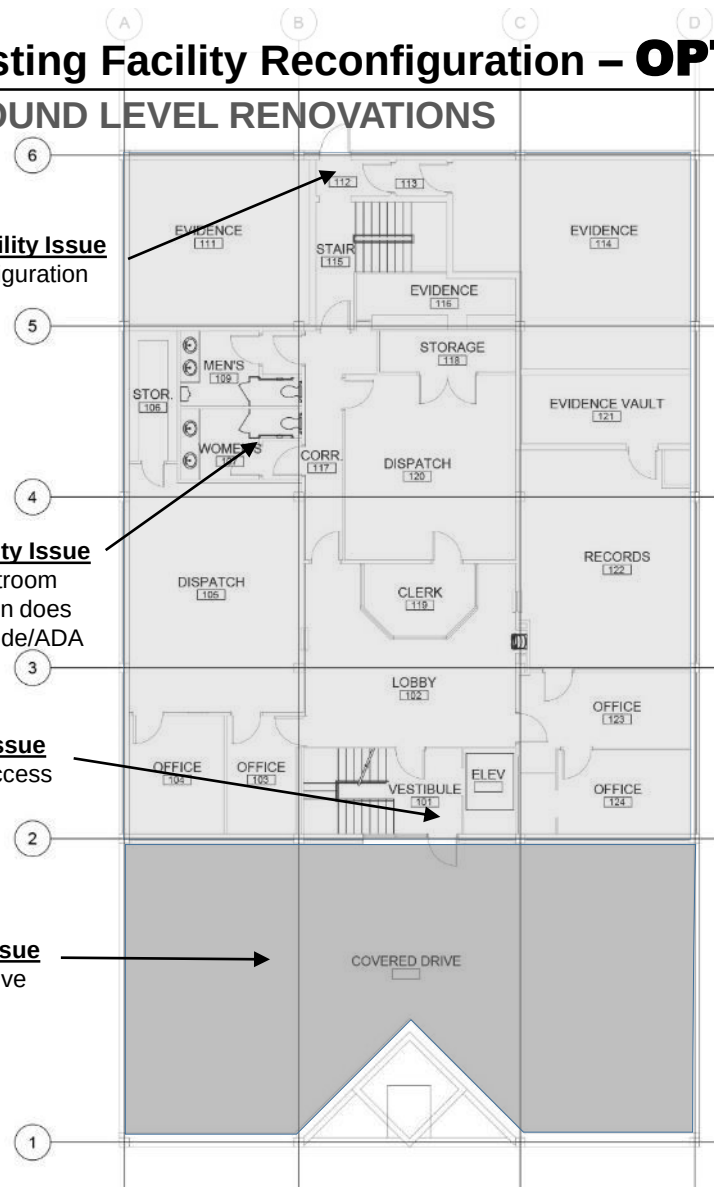
GROUND LEVEL RENOVATIONS

Accessibility Issue
Door configuration

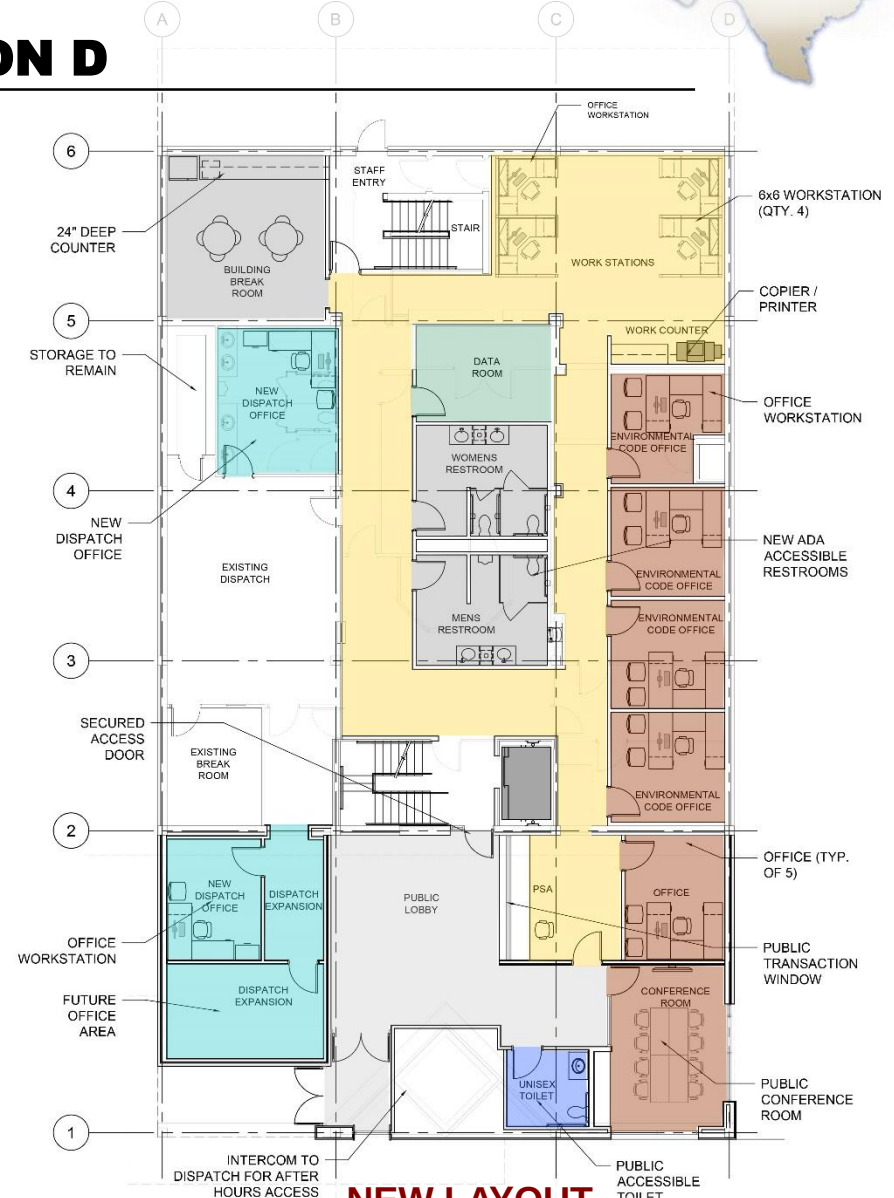
Accessibility Issue
Current restroom configuration does not meet code/ADA standards

Security Issue
Building Access

Security Issue
Covered drive



EXISTING LAYOUT



NEW LAYOUT

SHERMAN POLICE FACILITY RECONFIGURATION

COUNCIL PRESENTATION 6.13.19



Existing Facility Reconfiguration – **OPTION D**

BASEMENT LEVEL RENOVATIONS

Accessibility Issue

Door configuration does not meet accessibility standards

Efficiency Issue

Current EOC is inadequate

Accessibility Issue

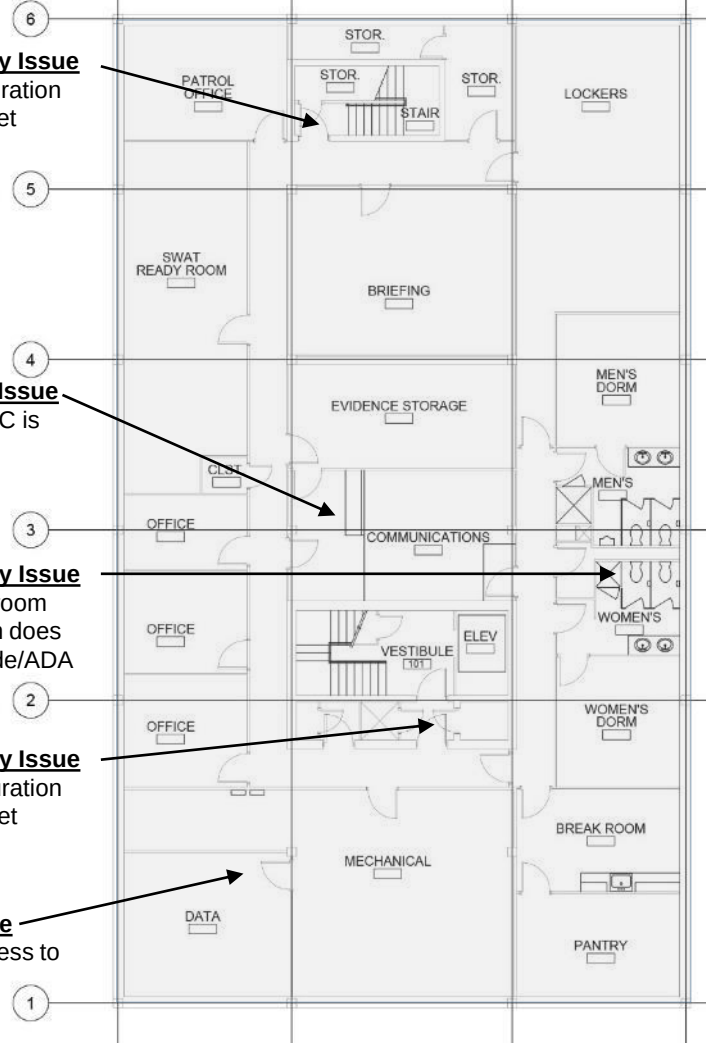
Current restroom configuration does not meet code/ADA standards

Accessibility Issue

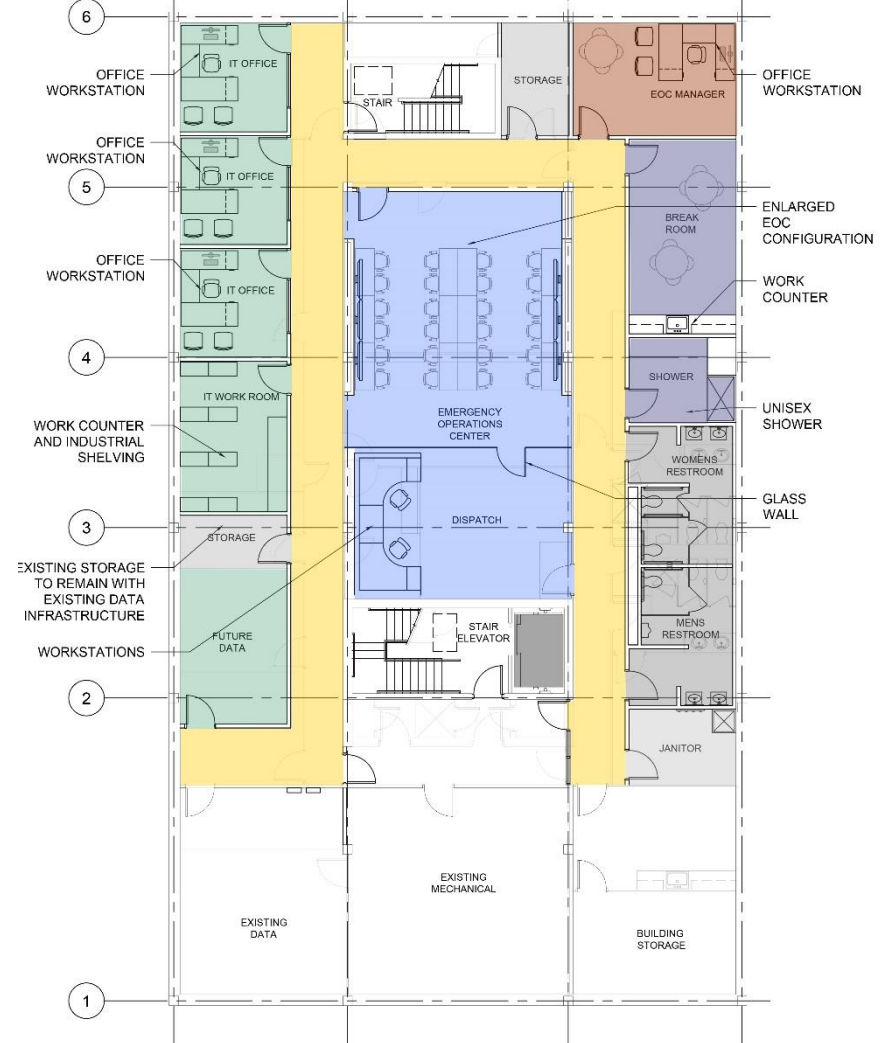
Door configuration does not meet accessibility standards

Layout Issue

Revised access to Data Room



EXISTING LAYOUT



NEW LAYOUT

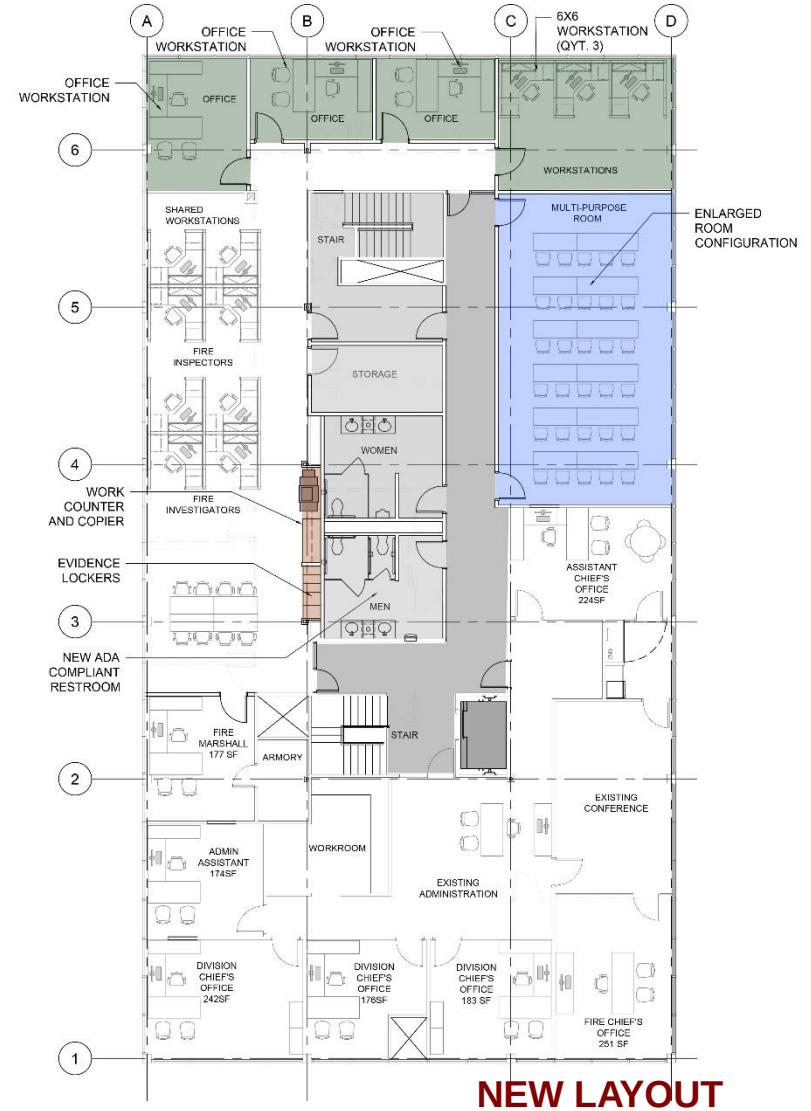
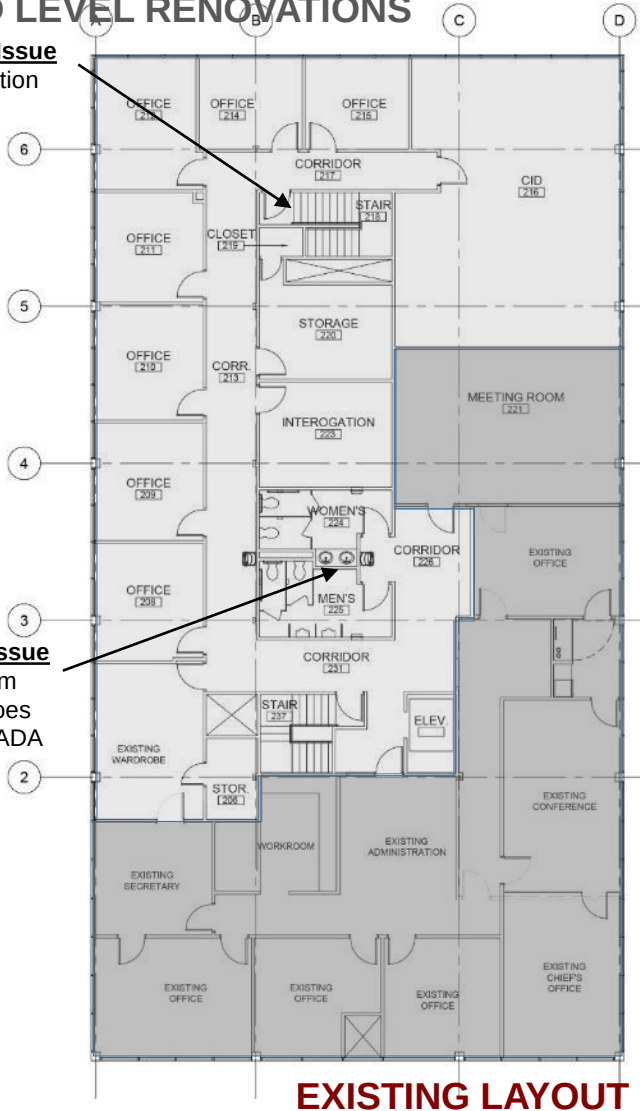
COUNCIL PRESENTATION 6.13.19

Existing Facility Reconfiguration – **OPTION D**

SECOND LEVEL RENOVATIONS

Accessibility Issue

Door configuration



REMAINING FUNDS OPTIONS – OPTION D.1 (Enclose entry completed by owner)

2ND FLOOR ENCLOSURE

3

2

1

SECURED ACCESS DOOR

NEW DISPATCH OFFICE

DISPATCH EXPANSION

OFFICE WORKSTATION

PUBLIC LOBBY

PSA

OFFICE

PUBLIC TRANSACTION WINDOW

CONFERENCE ROOM

UNISEX TOILET

INTERCOM TO DISPATCH FOR AFTER HOURS ACCESS

PUBLIC ACCESSIBLE TOILET

PUBLIC CONFERENCE ROOM

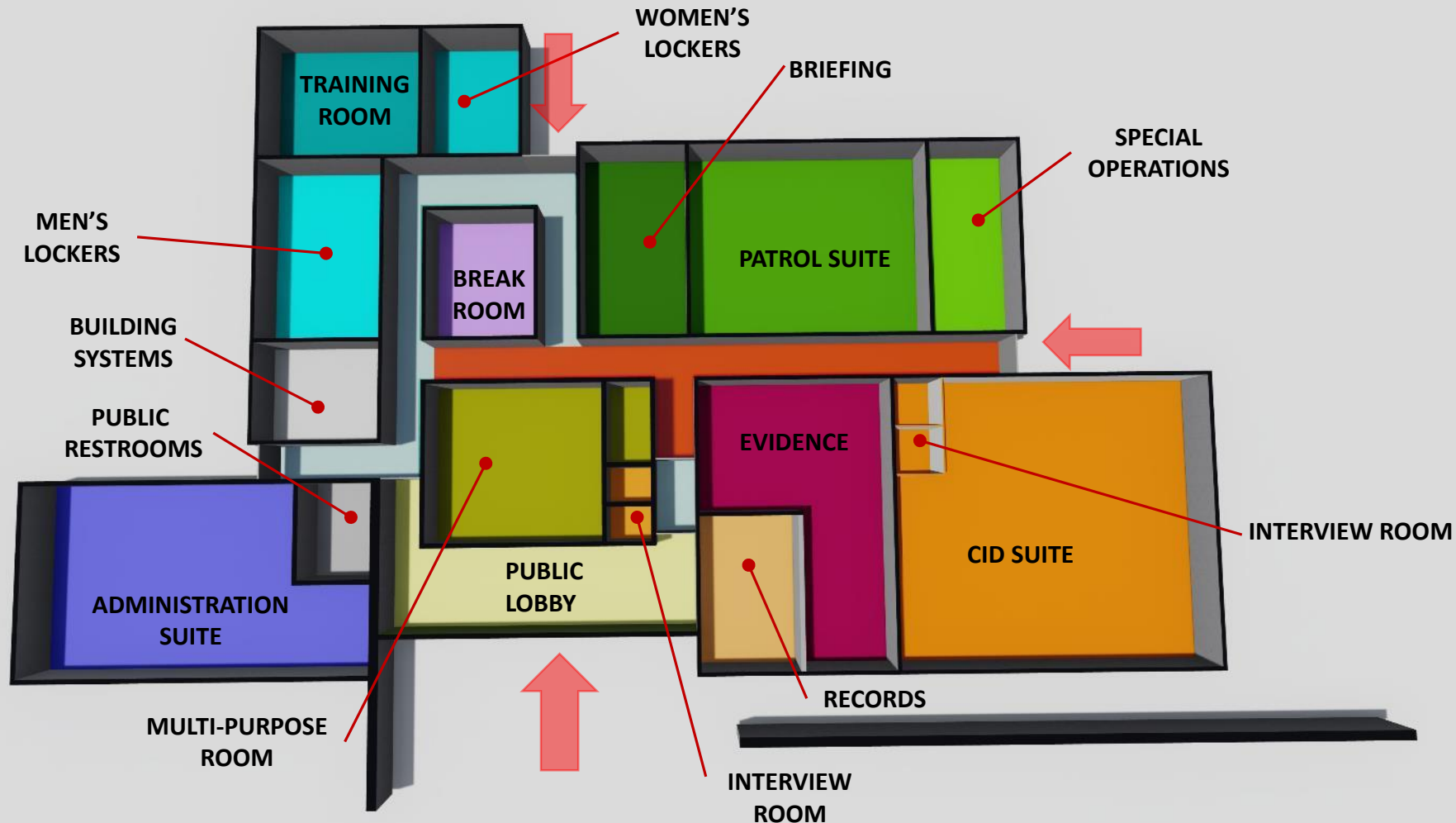
PREPARED BY **HIDELL AND ASSOCIATES ARCHITECTS, INC.** 2019

NEW SHERMAN POLICE HEADQUARTERS

COUNCIL PRESENTATION 6.13.19



New Facility Spatial Concept

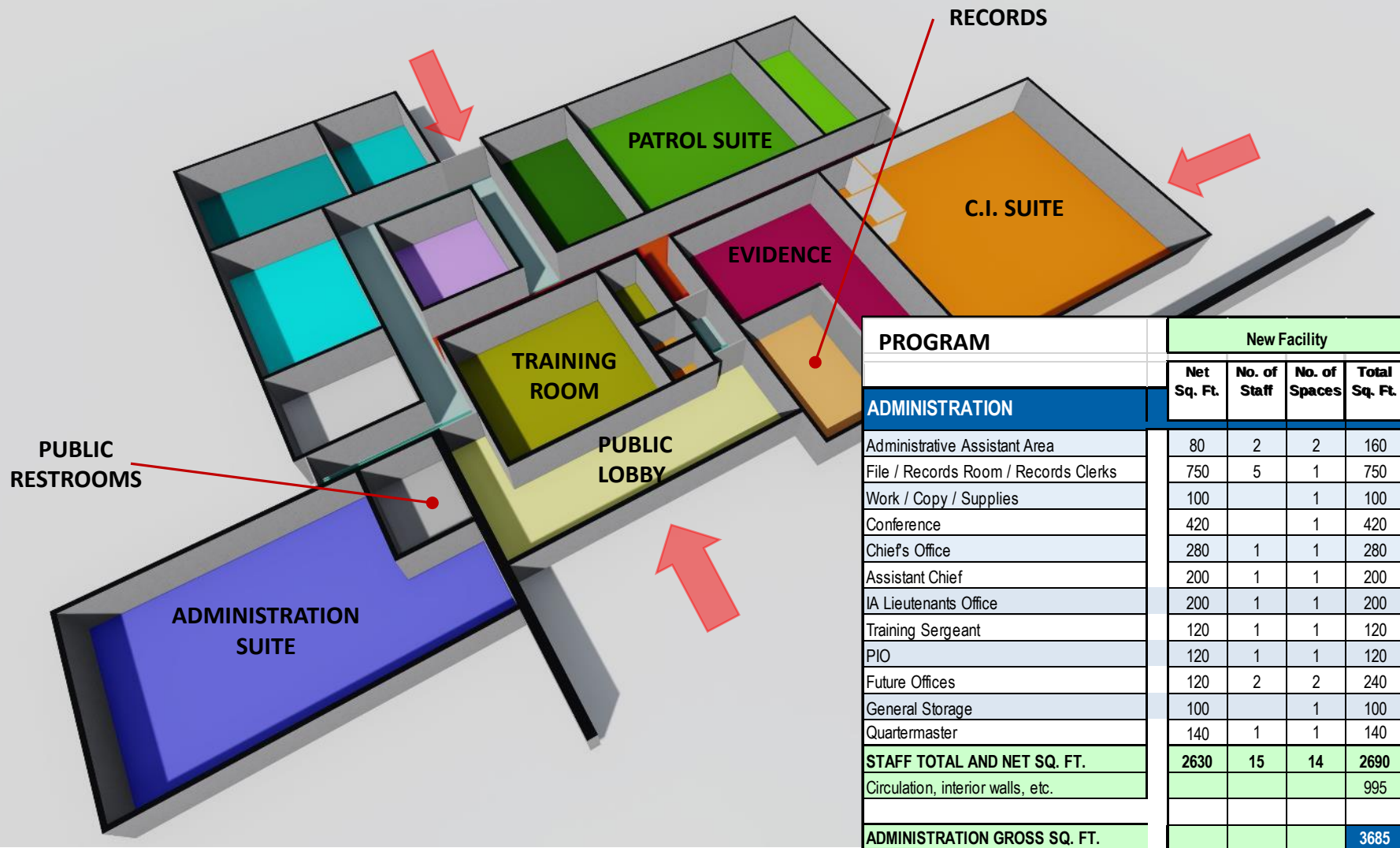


NEW SHERMAN POLICE HEADQUARTERS

COUNCIL PRESENTATION 6.13.19



New Facility Spatial Concept

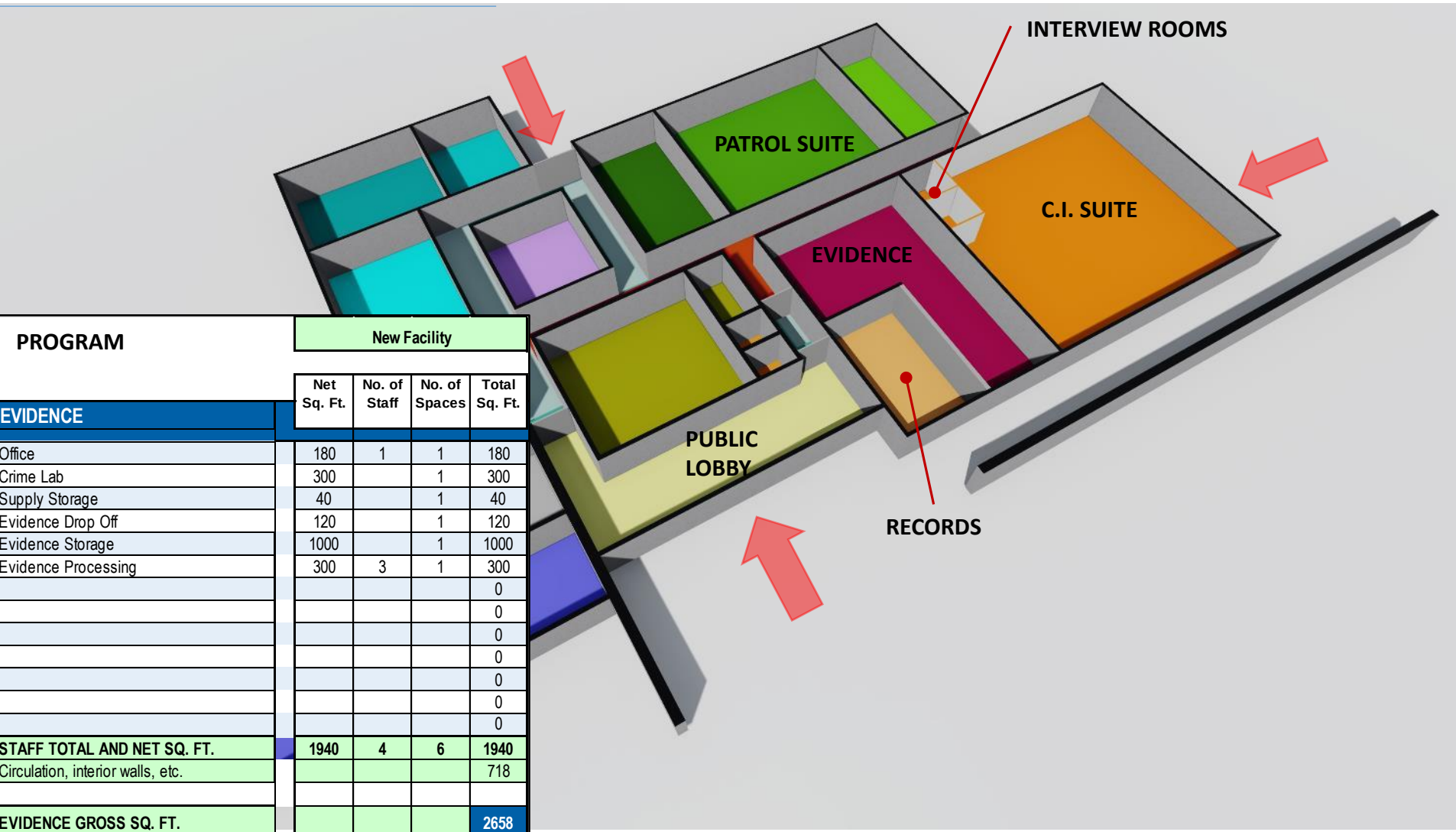


SHERMAN POLICE HEADQUARTERS

COUNCIL PRESENTATION 6.13.19



New Facility Spatial Concept

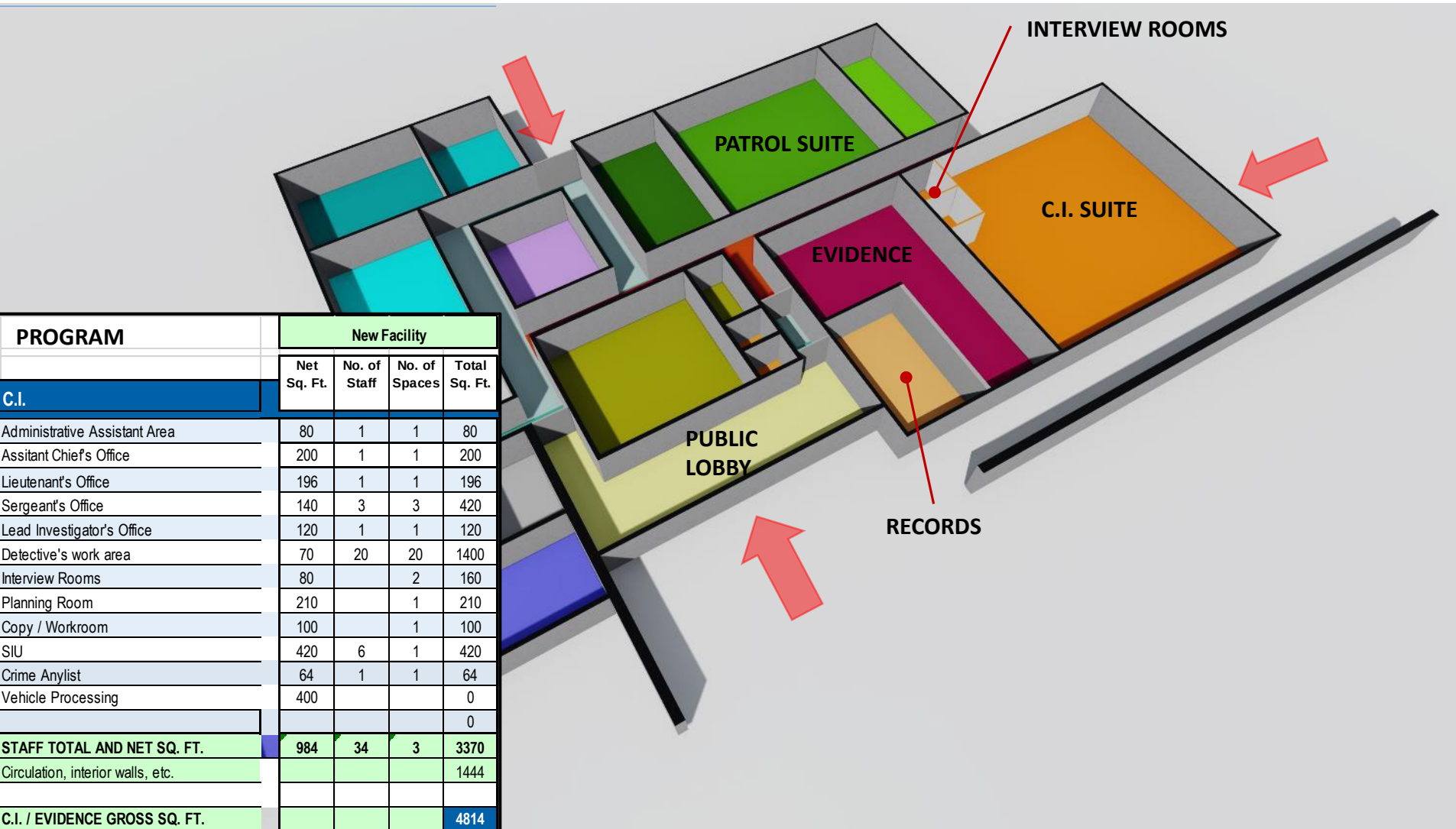


SHERMAN POLICE HEADQUARTERS

COUNCIL PRESENTATION 6.13.19



New Facility Spatial Concept



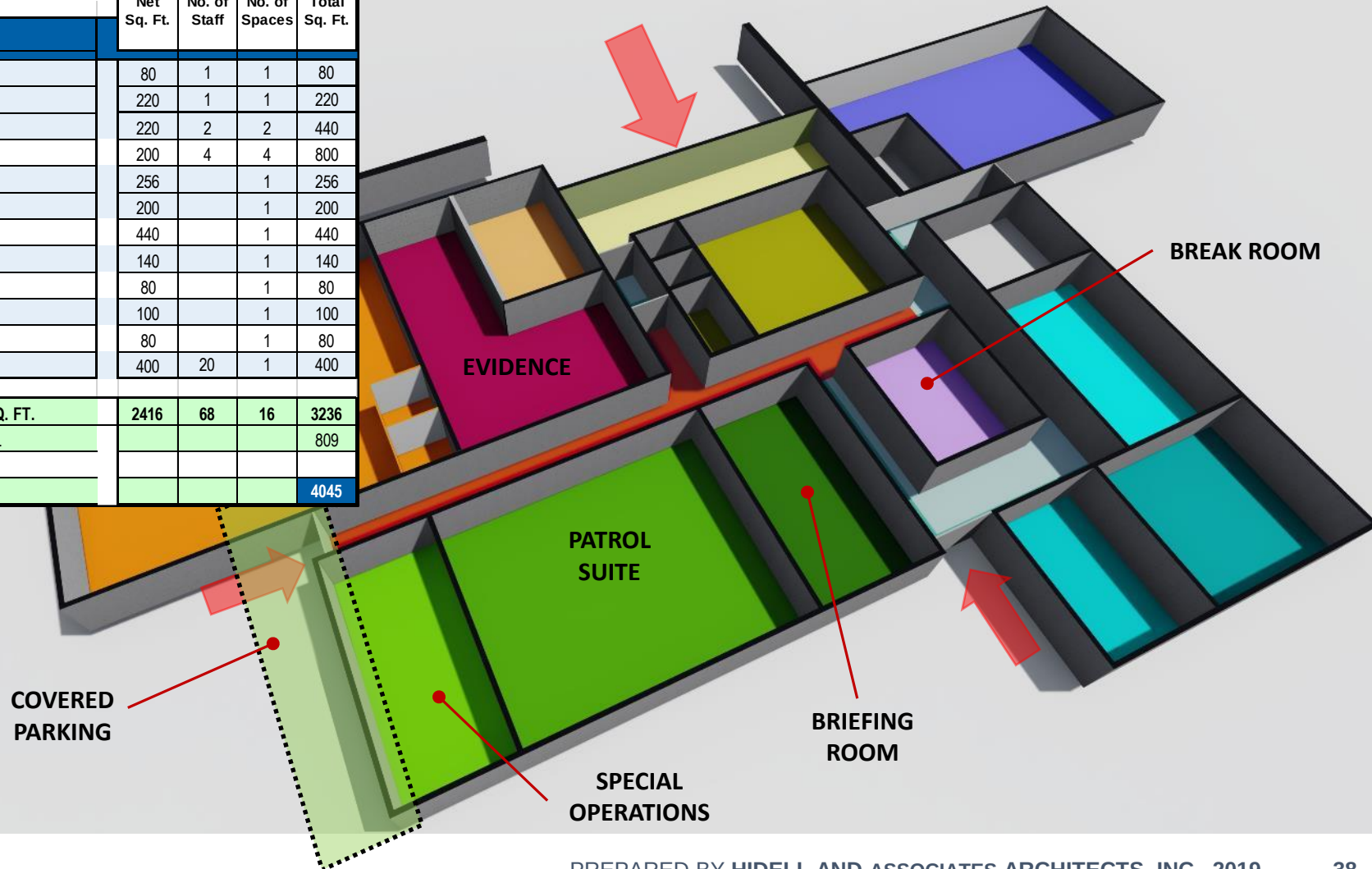
SHERMAN POLICE HEADQUARTERS

COUNCIL PRESENTATION 6.13.19



New Facility Spatial Concept

PROGRAM	New Facility			
	Net Sq. Ft.	No. of Staff	No. of Spaces	Total Sq. Ft.
PATROL				
Administrative Assistant	80	1	1	80
Assitant Chief	220	1	1	220
Patrol Lieutenant	220	2	2	440
Patrol Sergeant's Office	200	4	4	800
Report Writing Room	256		1	256
Armory	200		1	200
Swat Ready Room	440		1	440
Patrol Equipment	140		1	140
Juvenile Waiting Area	80		1	80
Supply Storage	100		1	100
Copy / Workroom	80		1	80
Briefing	400	20	1	400
STAFF TOTAL AND NET SQ. FT.	2416	68	16	3236
Circulation, interior walls, etc.				809
PATROL GROSS SQ. FT.				4045



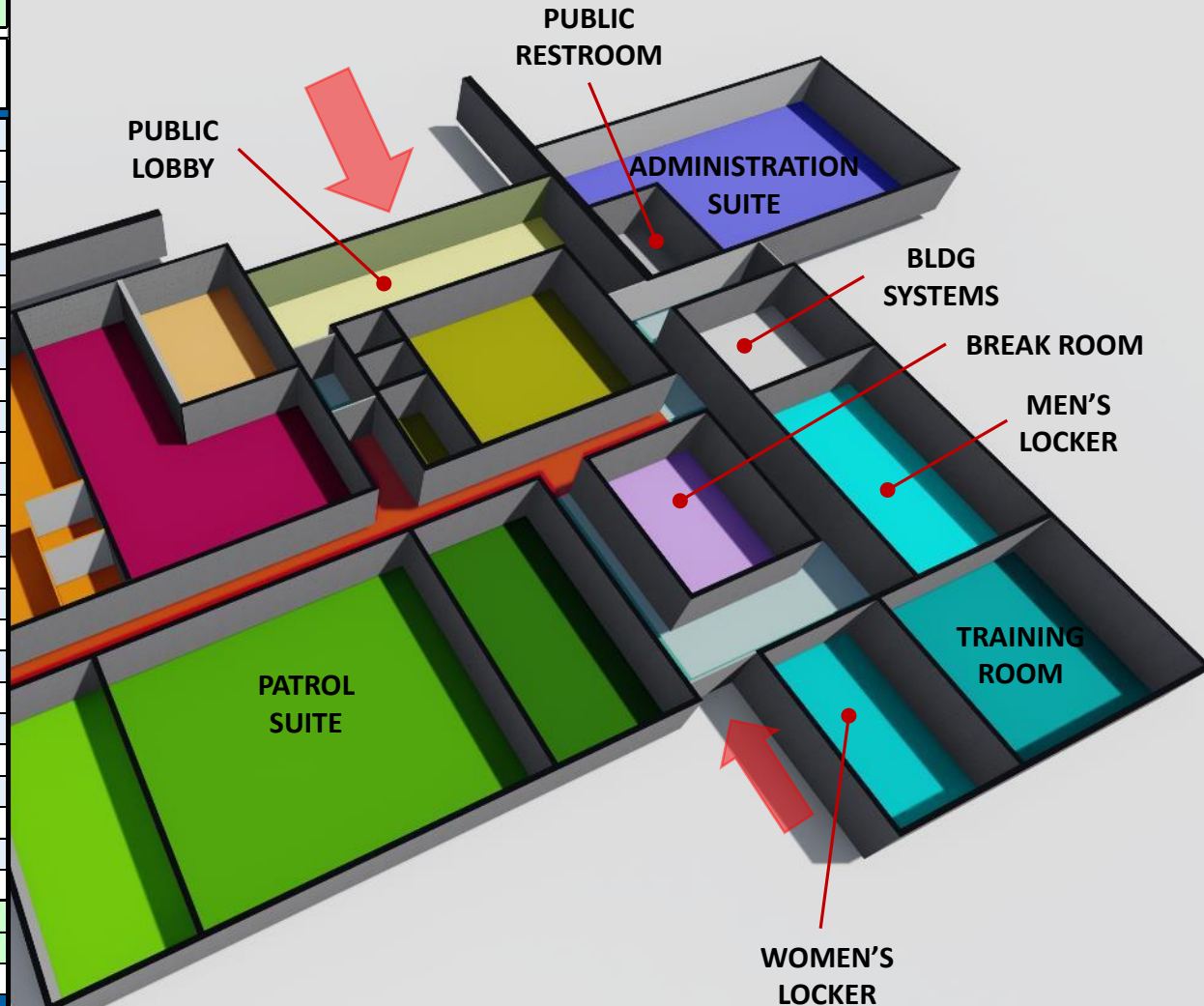
SHERMAN POLICE HEADQUARTERS

COUNCIL PRESENTATION 6.13.19



New Facility Spatial Concept

PROGRAM	New Facility			
	Net Sq. Ft.	No. of Staff	No. of Spaces	Total Sq. Ft.
PUBLIC AREA'S AND SUPPORT				
Entry Vestibule	120		1	120
Lobby	300		1	300
Finger Printing Alcove				0
Report /Soft Interview Room	120		2	240
Multi-Purpose Room	1000		1	1000
Multi-Purpose Storage	100		1	100
Public Restroom	64		2	128
Mens Restroom	200		1	200
Womens Restroom	200		1	200
Vending Alcove				0
Break Room	500		1	500
Women's Locker /Restroom/ Shower	18		10	180
Men's Locker/ Restroom / Shower	18		110	1980
Data / Telecom Room	150		1	150
Janitor's Closet	48		1	48
Mail Area	32		1	32
Stair				0
Elevator				0
Elevator Machine Room				0
Electrical Room	100		1	100
Mechanical Room	180		1	180
General Storage	120		1	120
Fire Riser	50		1	50
Taining Area	600		1	600
				0
STAFF TOTAL AND NET SQ. FT.	3380	0	135	5568
Circulation, interior walls, etc.				1392
SUPPORT GROSS SQ. FT.				6960





SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

B.1.

Meeting Date: 06/03/2019

Prepared By: Pamela Cloer, Assistant to the City Manager

Approved By: Robby Hefton, City Manager

Caption:

SPECIAL PRESENTATION

Presentation of 2019 Community Champion Award

Issue:

The Texoma Health Foundation's presentation of the 2019 Community Champion Award

Background:

Michelle Lemming, President/CEO of the Texoma Health Foundation, will present the 2019 Community Champion Award at the City Council meeting, recognizing one of our own for work in behavioral health.

Origination:

Texoma Health Foundation President/CEO Michelle Lemming
City Manager Robby Hefton



SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

C.1.

Meeting Date: 06/03/2019

Prepared By: Scott Shadden, Director of Developmental Services

Approved By: Robby Hefton, City Manager

Caption:

INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 6217

Amending Chapter 3 of the Code of Ordinances, entitled "Building Regulations", Article 3.14, entitled "Permit, Development and Registration Fees", at Section 3.14.001, entitled "Building Permits"

Issue:

To amend building permit fees

Background:

House Bill No. 852 (HB 852) was signed by the Governor on May 21, 2019 and prohibits the practice for cities currently basing their building permit fees on the cost of a proposed structure or improvement. Specifically, HB 852 provides that: (1) in determining the amount of a building permit or inspection fee required in connection with the construction or improvement of a residential dwelling, a city may not consider: (a) the value of the dwelling; or (b) the cost of constructing or improving the dwelling; and (2) a city may not require the disclosure of information related to the value of or cost of constructing or improving a residential dwelling as a condition of obtaining a building permit except as required by the Federal Emergency Management Agency for participation in the National Flood Insurance Program.

HB 852 was signed by the Governor on May 21st, and it is effective immediately; no grace period applies. Options include square footage-based fees, a flat fee schedule, or any other non-cost-based and reasonable calculation.

Origination:

City Staff

Financial Consideration:

The new fee schedule is expected to generate about the same amount of revenue as the previous schedule.

Staff Recommendation:

Approve the amendment of Section 3.14.001 and the revised building permits fee schedule

Alternatives:

As directed by the City Council

Attachments

Ordinance No. 6217

TML Legislative Update dated May 24, 2019

H.B. No. 852

ORDINANCE NO. 6217

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING CHAPTER 3 OF THE CODE OF ORDINANCES, ENTITLED "BUILDING REGULATIONS", ARTICLE 3.14, ENTITLED "PERMIT, DEVELOPMENT AND REGISTRATION FEES", AT SECTION 3.14.001, ENTITLED "BUILDING PERMITS"; PROVIDING FOR INCLUSION IN THE CODE OF ORDINANCES; PROVIDING FOR SEVERABILITY; PROVIDING FOR A REPEALER; FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS ORDINANCE IS PASSED WAS NOTICED AND IS OPEN TO THE PUBLIC AS REQUIRED BY LAW.

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

SECTION 1. That Chapter 3, Article 3.14 of the Code of Ordinances of the City of Sherman, Texas, entitled "Permit, Development and Registration Fees", Section 3.14.001, entitled "Building Permits", be amended to read as follows:

Sec. 3.14.001 Building permits

Minimum fee	\$50.00
Residential accessory building	\$0.30 per sq. ft.
Fences, pools, Commercial remodel, general repairs, etc. – for each \$1,000 cost	\$5.00
<i>Swimming Pool</i>	<i>\$250.00</i>
<i>Fence</i>	<i>\$50.00</i>
<i>Residential remodel, general repairs, etc.</i>	<i>\$0.30 per sq. ft.</i>
New residential (one- and two-family)	\$0.30 per sq. ft.
Commercial and multifamily	\$0.30 per sq. ft.
Demolition of buildings under 1,000 sq. ft.	\$50.00
Demolition of buildings over 1,000 sq. ft.	\$50.00
Moving permits for buildings	\$70.00
Occupancy permit for other than new buildings	\$50.00

SECTION 2. That it is the intention of the City Council of the City of Sherman, Texas, that the provisions of this ordinance shall become a part of the Code of Ordinances of the City of Sherman, Texas, and that sections of this ordinance may be renumbered or re-lettered to accomplish such intention.

SECTION 3. That the provisions of this ordinance are 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 4. That all ordinances or parts of ordinances in conflict with the provisions of this ordinance are hereby repealed.

SECTION 5. That it is hereby officially found and determined that the meetings at which this ordinance was introduced and passed were open to the public and that public notice of the time, place and purpose of said meetings were given all as required by law.

INTRODUCED on this the _____ day of _____, 2019.

ADOPTED on this the _____ day of _____, 2019.

EFFECTIVE DATE on this the _____ day of _____, 2019.

CITY OF SHERMAN, TEXAS

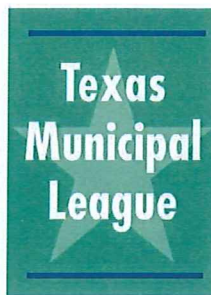
BY: _____
DAVID PLYLER, MAYOR

ATTEST:

BY: _____
LINDA ASHBY, CITY CLERK

**APPROVED AS TO FORM
AND CONTENT:**

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



Legislative UPDATE

May 24, 2019
Number 21

Action Required: **Building Permit Fees**

City officials should immediately review the process by which residential building permit fees are calculated. Many cities currently base their building permit fees on the cost of a proposed structure or improvement. [H.B. 852](#) now prohibits that practice.

Specifically, the bill provides that: (1) in determining the amount of a building permit or inspection fee required in connection with the construction or improvement of a residential dwelling, a city may not consider: (a) the value of the dwelling; or (b) the cost of constructing or improving the dwelling; and (2) a city may not require the disclosure of information related to the value of or cost of constructing or improving a residential dwelling as a condition of obtaining a building permit except as required by the Federal Emergency Management Agency for participation in the National Flood Insurance Program.

The bill was signed by the governor on May 21, and it is effective immediately. No grace period applies, so affected cities should change their system as soon as possible. Options include square footage-based fees, a flat fee schedule, or any other non-cost-based and reasonable calculation.

Please contact Scott Houston, TML general counsel, at shouston@tml.org with questions.

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AN ACT

relating to information a municipality may consider in determining the amount of certain building permit and inspection fees.

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

SECTION 1. Subchapter Z, Chapter 214, Local Government Code, is amended by adding Section 214.907 to read as follows:

Sec. 214.907. PROHIBITION ON CERTAIN VALUE-BASED BUILDING PERMIT AND INSPECTION FEES. (a) In determining the amount of a building permit or inspection fee required in connection with the construction or improvement of a residential dwelling, a municipality may not consider:

(1) the value of the dwelling; or

(2) the cost of constructing or improving the dwelling.

(b) A municipality may not require the disclosure of information related to the value of or cost of constructing or improving a residential dwelling as a condition of obtaining a building permit except as required by the Federal Emergency Management Agency for participation in the National Flood Insurance Program.

SECTION 2. Section 214.907(a), Local Government Code, as added by this Act, applies only to a building permit or inspection fee assessed by a municipality on or after the effective date of this Act in connection with the construction or improvement of a

1 residential dwelling.

2 SECTION 3. This Act takes effect immediately if it receives
3 a vote of two-thirds of all the members elected to each house, as
4 provided by Section 39, Article III, Texas Constitution. If this
5 Act does not receive the vote necessary for immediate effect, this
6 Act takes effect September 1, 2019.

President of the Senate

Speaker of the House

I certify that H.B. No. 852 was passed by the House on April 16, 2019, by the following vote: Yeas 126, Nays 9, 2 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 852 was passed by the Senate on May 8, 2019, by the following vote: Yeas 29, Nays 2.

Secretary of the Senate

APPROVED: _____

Date

Governor



SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

C.2.

Meeting Date: 06/03/2019

Prepared By: Pamela Cloer, Assistant to the City Manager

Approved By: Robby Hefton, City Manager

Caption:

ADOPTION OF ORDINANCES

Consider Adoption of Ordinance Number: 6217

Issue:

C. 1. INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 6217

Amending Chapter 3 of the Code of Ordinances, entitled "Building Regulations", Article 3.14, entitled "Permit, Development and Registration Fees", at Section 3.14.001, entitled "Building Permits"



SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

C.3.

Meeting Date: 06/03/2019

Prepared By: Pamela Cloer, Assistant to the City Manager

Approved By: Robby Hefton, City Manager

Caption:

CONSENT AGENDA

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

Issue:

D. 1. * RESOLUTION NO.6487

Authorizing Execution of a Development Agreement with Nick & Sons Construction, LLC for the Construction of Public Facilities in Amistad Estates, Phase I, an 8.05-acre Development off of Friendship Road, west of F.M. 1417 (Heritage Parkway) in the City of Sherman

E. 4. * OTHER BUSINESS

Consider Request of the 2019 Neighborhood Recreation Committee to Temporarily Close Certain Streets for the Annual "Juneteenth Celebration" on Saturday, June 15, 2019



SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

D.1.

Meeting Date: 06/03/2019

Prepared By: Clint Philpott, Director of Engineering

Approved By: Robby Hefton, City Manager

Caption:

*** RESOLUTION NO. 6487**

Authorizing Execution of a Development Agreement with Nick & Sons Construction, LLC for the Construction of Public Facilities in Amistad Estates, Phase I, an 8.05-acre Development off of Friendship Road, west of F.M. 1417 (Heritage Parkway) in the City of Sherman

Issue:

The construction of public facilities in Amistad Estates, Phase I, an 8.05-acre development off of Friendship Road, west of F.M. 1417 (Heritage Parkway) in the City of Sherman

Background:

Nick & Sons Construction, LLC proposes to construct an 8.05-acre development off of Friendship Road, west of F.M. 1417 (Heritage Parkway), which includes the construction of storm water, water mains, sanitary sewer mains and public roads.

Origination:

Engineering Department

Financial Consideration:

The development fee to be paid by the developer for public inspection will be \$11,456.92.

Staff Recommendation:

Staff recommends approval and execution of the Development Agreement.

Alternatives:

As directed by City Council

Attachments

Resolution No. 6487

Development Agreement - Amistad Estates, Phase I

Filed Plat

Aerial Location Map

RESOLUTION NO. 6487

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF A DEVELOPMENT AGREEMENT WITH NICK & SONS CONSTRUCTION, LLC FOR THE CONSTRUCTION OF PUBLIC FACILITIES IN AMISTAD ESTATES, PHASE I, AN 8.05-ACRE DEVELOPMENT OFF OF FRIENDSHIP ROAD, WEST OF F.M. 1417 (HERITAGE PARKWAY) IN THE CITY OF SHERMAN; FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS RESOLUTION IS PASSED WAS NOTICED AND IS OPEN TO THE PUBLIC AS REQUIRED BY LAW.

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

SECTION 1. That the City Manager be and is hereby authorized and directed, subject to all contract documents being properly completed and approved as to form and content by the City Attorney, to execute a Development Agreement with Nick & Sons Construction, LLC for the construction of public facilities in Amistad Estates, Phase I, an 8.05-acre development off of Friendship Road, west of F.M. 1417 (Heritage Parkway) in the City of Sherman, 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 _____, 2019.

CITY OF SHERMAN, TEXAS

ATTEST:

BY: _____
LINDA ASHBY, CITY CLERK

BY: _____
DAVID PLYLER, MAYOR

**APPROVED AS TO FORM
AND CONTENT:**

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

STATE OF TEXAS §
 §
COUNTY OF GRAYSON §

**DEVELOPMENT AGREEMENT BETWEEN
THE CITY OF SHERMAN AND NICK & SONS CONSTRUCTION, LLC**

THIS DEVELOPMENT AGREEMENT (“Agreement”) is made and entered into this _____ day of _____, 2019 (the “Effective Date”), by and among the City of Sherman (“City”), a municipal corporation organized under the laws of the State of Texas, Nick & Sons Construction, LLC, (“Developer”).

WITNESSETH:

WHEREAS, City recognizes the importance of its continued role in local economic development; and

WHEREAS, Developer is developing a portion of the City and making improvements to the City; and

WHEREAS, Developer owns or controls lands located in Sherman, Texas, and described to the City by the Developer as Amistad Estates, Phase I, and attached hereto and made a part hereof as if fully set out in this paragraph as Exhibit “A” and hereinafter referred to as the "Property", and Developer intends to develop the Property by constructing improvements thereon; and

WHEREAS, the Developer desires that the City accept the dedication of the streets, utilities, and other improvements as reflected on the plans and specifications submitted by the Developer as a part of the public facilities of the City, as indicated in Paragraph 2 of Article I; and

WHEREAS, the CITY is willing to provide, in accordance with the provisions of this Agreement and the prevailing state and local laws, city services to the Property and thereafter operate applicable facilities so that the occupants of the improvements on the Property will receive City services;

NOW, THEREFORE, in consideration of the mutual covenants and obligations herein, the parties agree as follows:

**ARTICLE I.
SPECIFIC CONTRACT PROVISIONS**

1. **Assurance of Title:** At the time of execution of this Agreement, the Developer agrees to deliver to City a copy of a Title Insurance Policy, or an opinion of title from a qualified attorney-at-law addressed to the City in a form and substance satisfactory to City with respect to the Property, which opinion shall include a current report on the status of the title, setting out the name of the legal title holders, the outstanding mortgages, taxes, liens

and covenants. The provisions of this paragraph are for the purpose of evidencing Developer's legal right to grant the exclusive rights of service contained in this Agreement.

2. **Assurance of Accuracy of Documents:** Developer has caused the subdivision plat of the Property (the "plat") and all plans and specifications (the "plans") for the streets, utilities and other improvements to be developed on the Property (collectively the "Project") as part of the public facilities of the City, to be prepared by a Registered Professional Engineer and that Plat and Plans accurately depict such subdivision and the improvements comprising the Project. Developer understands that the City will rely on the accuracy of the Plat and Plans in making its determination as to whether the documents comply with all City ordinances, state and federal law.
3. **Development Documents:** Upon the execution of this Agreement, Plat, Plans, and orders of the City Planning and Zoning Commission and the City Council, made in connection with the approval of the subdivision depicted on the Plat (hereinafter the "Subdivision") are confirmed, ratified, and agreed upon by both parties and attached hereto as Exhibit "B". Developer agrees to comply with such orders and Ordinance No. 2684, and any amendments as of the date of the execution of the contract, as applicable to the Subdivision; and all of the work of the Project will be done under the supervision of the City Engineer (as defined in Paragraph 8 of this Article) to City standards, and in accordance with applicable City regulations. The Plat, Plans, orders of the City Planning and Zoning Commission, and the City Council and Ordinance No. 2684 (hereinafter collectively referred to as the "Development Documents") are incorporated into this Agreement a part thereof for all purposes.
4. **Delivery of Improvements:** The Developer will pay for and deliver to the City free and clear of all liens and costs, all of the improvements provided in the Development Documents.
5. **Performance Bond:** No work shall be performed within the Subdivision until the Developer presents to the City Manager a satisfactory Performance Bond and a Payment Bond, as provided by Chapter 2253 of the Texas Government Code, from the Contractor in favor of the Developer and the City. Such bond shall be made for 100% of the contract price for all streets and utilities and public works to be installed in the Subdivision, and shall be in a form containing all other provisions set forth in Chapter 2253 of the Texas Government Code, including, but not limited to, Section 2253.021 of that Chapter.
6. **Failure to Complete Development:** If the Developer does not complete the Improvements contained in the Development Documents on or before December, 2019, City may, at its election, use the Performance Bond to complete such Improvements. The date in this Paragraph may be extended by the mutual agreement of the parties. Such extension shall be in writing, as provided in Paragraph 13 of Article II.
7. **Availability of Public Facilities:** No public facilities will be made available to any lot within any segment of this Subdivision until the work on each segment is performed and approved as agreed upon in this Agreement.

8. **Registered Civil Engineer:** All of the plans and specifications for the improvements herein mentioned in the Development Documents, shall be prepared by a Registered Professional Civil Engineer, and all of the improvements shall be built under the supervision of such engineer, and the engineer shall certify to the City that, as each segment is built, such segment as built is true and correct in accordance with the plans and specifications, and that the same was built under his supervision, and the certificate shall be signed and sealed by such engineer. All of the expense of such engineering shall be paid for by the Developer.
9. **City Engineer:** Before work is begun on any improvement, the City Engineer shall designate a person, hereinafter identified as "City Engineer," who shall be notified and arrangements made for inspection by the City Engineer at such stages of construction as required by him, and no improvement constructed underground shall be covered by the Developer until inspected by the City Engineer and approved by him. At any time any construction is contrary to the plans and specifications, the City Engineer shall be, and is, empowered to stop construction and require correct construction and installation at the Developer's risk and without liability to the City.
10. **Coordination of Work:** The work will be coordinated between the City and the Developer so that the utilities will be in place before the permanent improvements are installed.
11. **Utility Arrangements:** The Developer will make its own arrangements with gas, electric, and telephone service providers for extensions of their utilities, and upon complying with this Agreement, the City utilities will be furnished.
12. **Fees:** Other fees normally charged by the City for building permits, water taps, service connections, and similar fees will be paid as required to the City by the Developer.
13. **Guarantee or Maintenance Bond:**
 - A. If, within one year after the acceptance, defects should appear in the materials or workmanship, the Developer shall have such defects promptly repaired at its own expense, and shall leave the work as intended by the plans and specifications. This guarantee will apply to all parts of the work which have been accepted by the City.
 - B. Instead of the Guarantee set for in subparagraph (A) of this paragraph, Developer may provide a Maintenance Bond to the City at the time of final acceptance of the improvements by the City Engineer. The Bond shall name the City as an obligee under the bond and the bond shall provide a one (1) year guarantee on all the improvements contained in the Development Documents.
14. **WAIVER OF RIGHTS UNDER STATE LAW:**
 - A. Developer understands that, pursuant to Section 212.904 of the Texas Local Government Code, the developer is entitled to an apportionment of the municipal

infrastructure cost and that such apportionment must be done by a professional engineer. Developer hereby agrees that any land or property it donates to the City, as reflected on the Final Plat, is roughly proportionate to the need for such land. Developer further acknowledges and agrees that all prerequisites to such a determination of rough proportionality have been met, and that any costs incurred relative to said donation are related both in nature and extent to the impact of the development of the Property and its needs related thereto. BY MY SIGNATURE ON THIS AGREEMENT, DEVELOPER HEREBY FREELY, KNOWINGLY AND VOLUNTARILY WAIVES ITS RIGHTS UNDER SECTION 212.904 OF THE TEXAS LOCAL GOVERNMENT CODE, OR ANY OTHER RELATED CLAIMS. DEVELOPER AGREES THAT THE DEVELOPER'S AGREEMENT MAY PROCEED WITHOUT THE REQUIREMENTS IMPOSED ON THE CITY UNDER SECTION 212.904 OF THE TEXAS LOCAL GOVERNMENT CODE, EXCEPT DEVELOPER SPECIFICALLY RESERVES ITS RIGHT TO APPEAL THE APPORTIONMENT IN ACCORDANCE WITH SECTION 212.904 OF THE TEXAS LOCAL GOVERNMENT CODE. I CONSENT TO THIS WAIVER AFTER HAVING THE OPPORTUNITY TO REVIEW THIS AGREEMENT AND WAIVER PROVISION WITH MY ATTORNEY, OR IF I HAVE NOT REVIEWED THIS WITH AN ATTORNEY, THAT I HAVE HAD THE OPPORTUNITY TO DO SO AND HAVE VOLUNTARILY CHOSEN NOT TO SEEK THE ADVICE OF AN ATTORNEY.

- B. BOTH DEVELOPER AND THE CITY FURTHER AGREE TO WAIVE AND RELEASE ALL CLAIMS ONE MAY HAVE AGAINST THE OTHER RELATED TO ANY AND ALL ROUGH PROPORTIONALITY AND INDIVIDUAL DETERMINATION REQUIREMENTS MANDATED BY *DOLAN V. TOWN OF TIGARD*, 512 U.S. 374 (1994), AND ITS PROGENY, AND WELL AS ANY OTHER REQUIREMENTS OF A NEXUS BETWEEN THE DEVELOPMENT CONDITIONS AND THE PROJECTED IMPACT OF THE FOREGOING, INCLUDING ALL DEDICATIONS OF LAND, PARKLAND, AND ANY INFRASTRUCTURE REFERENCED HEREIN. I CONSENT TO THIS WAIVER AFTER HAVING THE OPPORTUNITY TO REVIEW THIS AGREEMENT AND WAIVER PROVISION WITH MY ATTORNEY, OR IF I HAVE NOT REVIEWED THIS WITH AN ATTORNEY, THAT I HAVE HAD THE OPPORTUNITY TO DO SO AND HAVE VOLUNTARILY CHOSEN NOT TO SEEK THE ADVICE OF AN ATTORNEY.

15. **Other Provisions:**

- A. Upon Completion of the Subdivision one electronic copy and one set of reproducible "Record" drawings will be supplied to the City.
- B. The Developer shall pay to the City an engineering plan review, inspection, and testing fee of \$11,456.92.
- C. Developer agrees that the development, as set forth in the Contract Documents, will comply with all federal, state and local laws relating to the discharge of storm water upon completion of the development.

- D. Developer and City agree that any and all goods and services relative to infrastructure dedicated to the City are exempt from state and local sales tax in accordance with Texas Tax Code §§151.309 and 151.311.

ARTICLE II.

GENERAL CONTRACT PROVISIONS

1. **Force Majeure.** If the performance of any of the parties hereto is delayed by reason of war, civil commotion, acts of God, inclement weather, unanticipated subsurface conditions, fire or other casualty, court injunction or any circumstances which are reasonably beyond the control of the party obligated or permitted under the terms of this Agreement to do or perform the same, regardless of whether any such circumstance is similar to any of those enumerated or not, the party so obligated or permitted shall be excused from doing or performing the same during such period of delay, so that the time period applicable to such design or construction requirement shall be extended for a period of time equal to the period such party was delayed. The terms above shall not apply to extend the time permitted for any payment obligations set forth in this Agreement.
2. **INDEMNIFICATION AND HOLD HARMLESS.** TO THE MAXIMUM EXTENT PERMITTED BY LAW, DEVELOPER OBLIGATES ITSELF TO THE CITY TO FULLY AND UNCONDITIONALLY PROTECT, INDEMNIFY AND DEFEND THE CITY, ITS OFFICERS, AGENTS AND EMPLOYEES, AND HOLD IT HARMLESS FROM AND AGAINST ANY AND ALL COSTS, EXPENSES, REASONABLE ATTORNEY FEES, CLAIMS, SUITS, LOSSES OR LIABILITY FOR INJURIES TO PROPERTY, INJURIES TO PERSONS (INCLUDING DEVELOPERS EMPLOYEES), INCLUDING DEATH, AND FROM ANY OTHER COSTS, EXPENSES, REASONABLE ATTORNEY FEES, CLAIMS, SUITS, LOSSES OR LIABILITIES OF ANY AND EVERY NATURE WHATSOEVER ARISING IN ANY MANNER, DIRECTLY OR INDIRECTLY, OUT OF OR IN CONNECTION HERewith, REGARDLESS OF CAUSE OR OF THE SOLE, JOINT, COMPARATIVE OR CONCURRENT NEGLIGENCE OR GROSS NEGLIGENCE OF DEVELOPER, ITS OFFICERS, AGENTS OR EMPLOYEES. THIS INDEMNIFICATION AND SAVE HARMLESS SHALL APPLY TO ANY IMPUTED OR ACTUAL JOINT ENTERPRISE LIABILITY. This indemnity does not waive any governmental immunity available to the City under Texas law and does not waive any defenses of the parties under Texas law.
3. **Authority to Bind.** Each general partner or member executing this Agreement on behalf the Developer represents that, by executing this Agreement in such capacity, it acts within the scope of its authority and does not exceed the bounds of its authority to act to bind such party regarding the obligations and assurances contained in this Agreement. City represents that the execution of this Agreement as provided below has been duly authorized by the City Council as provided in the Approval Resolution.
4. **Events of Default.** A default shall exist if either party fails to perform or observe any material covenant contained in this Agreement. The non-defaulting party shall immediately

notify the defaulting party in writing upon becoming aware of any change in the existence of any condition or event which would constitute a default or, with the giving of notice or passage of time, or both, would constitute a default under this Agreement. Such notice shall specify the nature and the period of existence thereof and what action, if any, the notifying party requires or proposes to require with respect to curing the default.

5. **Remedies Available to City.** If a default by Developer shall occur and continue, after thirty (30) day's notice to cure default, City may, at its option, pursue any and all remedies it may be entitled to, at law or in equity, in accordance with Texas law and including using the Performance Bond to complete the work, without the necessity of further notice to or demand upon Developer. City shall not, however, have the right to exercise such remedies for so long as Developer proceeds in good faith and with due diligence to remedy and correct the default, provided that Developer has commenced to cure such default within thirty (30) days following notice, pursues such cure with reasonable diligence and completes such cure within one hundred eighty (180) days.
6. **No Waiver of Defenses.** Nothing in this Agreement shall be construed or intended to waive any defenses available to the City, including, but not limited to, governmental immunity.
7. **Venue and Governing Law.** This Agreement is performable in Grayson County, Texas and venue of any action arising out of this Agreement shall be exclusively in Grayson County. This Agreement shall be governed and construed in accordance with the laws of the State of Texas.
8. **Notices.** Any notice required by this Agreement shall be deemed to be properly served (i) three (3) days following deposit if deposited in the U.S. mail by certified letter, return receipt requested; (ii) on the next business day if sent by nationally recognized overnight delivery service; or (iii) upon receipt if transmitted by facsimile or electronic transmission, addressed to the recipient at the recipient's address shown below, subject to the right of either party to designate a different address by notice given in the manner just described.

CITY:

DESIGNEE: Clint Philpott, P.E.
ADDRESS: 220 W. Mulberry Street
Sherman, TX 75090
PHONE: 903-892-7327
FAX: 903-870-7802

DEVELOPER: Nick & Sons Construction, LLC

DESIGNEE: Nicholas Diaz, Managing Member
ADDRESS: 1018 N. Ross
Sherman, TX 75090
PHONE: _____
FAX: _____

9. **Legal Construction.** In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision thereof and this Agreement shall be considered as if such invalid, illegal, or unenforceable provision had never been contained in this Agreement.
10. **Counterparts.** This Agreement may be executed in any number of counterparts, which may be transmitted originally or electronically, each of which shall be deemed an original and constitute one and the same instrument.
11. **Captions.** The captions to the various clauses of this Agreement are for informational purposes only and shall not alter the substance of the terms and conditions of this Agreement.
12. **Successors and Assigns.** The terms and conditions of this Agreement are binding upon the successors and assigns of all parties hereto, provided, however, this Agreement shall not be assigned by Developer without prior written approval by the City Manager of the City, which approval shall not be unreasonably withheld or delayed. City may assign or delegate any of its rights or obligations under this Agreement but the same shall not constitute a novation.
13. **Entire Agreement.** This Agreement embodies the complete agreement of the parties hereto, superseding all oral or written previous and contemporary agreements between the parties and relating to matters in this Agreement, and except as otherwise provided herein cannot be modified without written agreement of the parties to be attached to and made a part of this Agreement.
14. **Interpretation of Agreement.** This is negotiated Agreement. If any part of this Agreement is in dispute, the parties stipulate that the Agreement shall not be construed more favorably for either party.

IN WITNESS WHEREOF, parties have caused this Agreement to be executed in duplicate this _____ day of _____ 2019, with an original to each party.

Developer: _____

NAME: _____ Nicholas Diaz

TITLE: _____ Managing Member

ATTEST:

BY: _____

NAME: _____

TITLE: _____

CITY: CITY OF SHERMAN

BY: _____

NAME: Robby Hefton

TITLE: City Manager

ATTEST: **BY:** _____

NAME: Linda Ashby

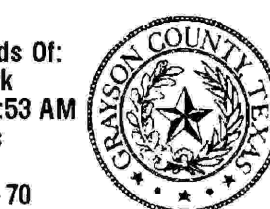
TITLE: City Clerk

APPROVAL RECOMMENDED:

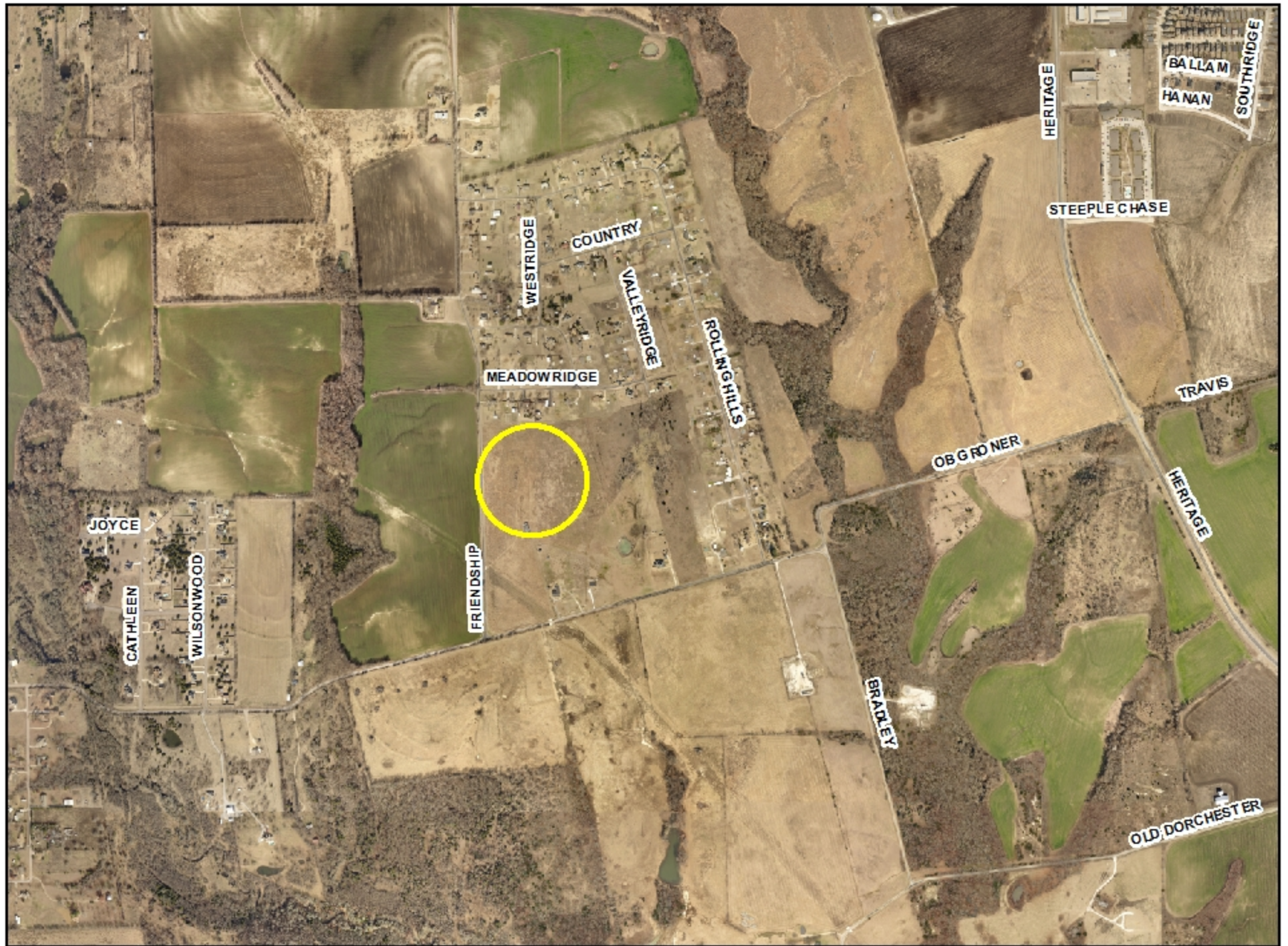
Clint Philpott, P.E. / Director Engineering

APPROVED AS TO FORM:

Brandon S. Shelby, City Attorney



Amistad Estates, Phase I



0 550 1,100 2,200 3,300 4,400 Feet

1 inch = 1,123 feet





SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

D.2.

Meeting Date: 06/03/2019

Prepared By: Clint Philpott, Director of Engineering

Approved By: Robby Hefton, City Manager

Caption:

RESOLUTION NO. 6488

Authorizing Execution of a Professional Services Agreement with Teague Nall & Perkins, Inc. for the Engineering Design of Moore Street from West Travis Street to Park Avenue

Issue:

To consider a contract for professional services with Teague Nall & Perkins, Inc. for the engineering design of Moore Street from West Travis Street to Park Avenue

Background:

The Sherman Independent School District (SISD) has started construction of their high school facilities. In order to ensure that the roadway is in place when they are ready to begin school, staff is seeking permission to start the design of Moore Street from West Travis Street, north to Park Avenue. This phase includes design of a four-lane median divided section along the existing Moore Street. Construction will be phased and will only include the west two lanes. Once additional development and traffic in the area expands, the additional east two lanes will be needed.

Origination:

Engineering Department

Financial Consideration:

Preliminary and Final Engineering Design of Moore Street from West Travis Street to Park Avenue will be \$203,000.00.

Staff Recommendation:

It is recommended that the contract for professional services with Teague Nall & Perkins, Inc. for the engineering design of Moore Street from West Travis Street to Park Avenue be approved.

Alternatives:

As may be directed by the City Council

Attachments

Resolution No. 6488

Professional Services Agreement

Scope of Services

Aerial Location Map

RESOLUTION NO. 6488

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF A PROFESSIONAL SERVICES AGREEMENT WITH TEAGUE NALL & PERKINS, INC. FOR THE ENGINEERING DESIGN OF MOORE STREET FROM WEST TRAVIS STREET TO PARK AVENUE; 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 Teague Nall & Perkins, Inc. for the engineering design of Moore Street from West Travis Street to Park Avenue, 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 _____, 2019.

CITY OF SHERMAN, TEXAS

ATTEST:

BY: _____
LINDA ASHBY, CITY CLERK

BY: _____
DAVID PLYLER, MAYOR

**APPROVED AS TO FORM
AND CONTENT:**

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

AGREEMENT FOR PROFESSIONAL SERVICES

THIS Agreement for Professional Services ("Agreement") is entered into _____ by and between the CITY OF SHERMAN, TEXAS, hereinafter referred to as the "City", and TEAGUE NALL & PERKINS, a Texas corporation, hereinafter referred to as "Company".

WHEREAS, the City desires Company to perform certain work and services set forth in the Scope of Services attached hereto as Exhibit A and incorporated herein (the "Scope of Services") (the work and services to be provided by the Company under this Agreement, including all plans, drawings, specifications, designs, reports, records, and other work product, and estimates, set forth in the Scope of Services and otherwise described or referred to herein are referred to in this Agreement as the "Services"); and

WHEREAS, the Company has expressed a willingness and desires to perform the Services as set forth in this Agreement.

NOW, THEREFORE, the City of Sherman, Texas and Teague Nall & Perkins in consideration of the covenants and agreements set forth herein and other good and valuable consideration, the sufficiency of which is hereby acknowledged, do hereby contract and agree as follows:

ARTICLE I

GENERAL

The Company shall furnish and pay for all labor, tools, materials, equipment, supplies, transportation and management necessary to perform all Services set forth in Article II hereof for the City in accordance with the terms, conditions and provisions of the Scope of Services, attached

hereto as Exhibit "A" and incorporated herein for all purposes, and all of the terms, conditions, and provisions of this Agreement. The City may, at any time, stop any Services by the Company upon giving the Company written notice. Company shall be bound to City by the terms, conditions and responsibilities toward the City for Company's services set forth in this Agreement.

Company shall serve as City's design professional and engineering representative for the project for which the Services are being provided by Company, providing professional engineering services, consultation and advice with respect thereto. Company's work and services consist of that work and services performed by Company and its owners, directors, officers, employees, agents, contractors, subcontractors, representatives, and consultants.

Company shall perform all work hereunder in a manner satisfactory and acceptable to City in accordance with the terms and conditions of this Agreement, including (without limitation) the standard of care set forth in this Agreement. Company shall perform all of its services in a timely and professional manner, utilizing at all times an economical and expeditious manner for performing such services. No less than monthly, Company shall keep City informed, orally or in writing (as requested by City), as to the status of all services of Company in process. All oral information shall be subsequently confirmed in writing.

Company shall not begin work on any Services described herein or other work until City directs Company in writing to proceed.

Company will use its professional skill, judgment and abilities in the performance of its work and Services hereunder, and all work and Services performed under this Agreement shall be conducted in a manner consistent with that level of care and skill ordinarily exercised by reputable members of the engineering profession currently practicing in the same locality in which the work

and Services hereunder are being provided under similar conditions. Company shall re-perform and otherwise remedy any work or Services provided by or for Company not meeting or satisfying this standard of care without additional compensation. Further, Company shall perform all services in accordance with, and Company's work product shall comply with, any applicable law, rule, statute, ordinance, regulation, standard, policy or order of any federal, state or local governmental entity or agency having jurisdiction over any matter related to this Agreement or the project for which the Services are being provided by the Company. Company shall be wholly and solely responsible for any work or Services provided by any officer, employee, agent, representative, contractor or subcontractor of Company.

Company represents that it is authorized to practice civil engineering in the State of Texas and that any necessary licenses, permits or other authorization to practice civil engineering and professional surveying and to provide the Services set forth herein have been heretofore acquired as required by law, rule or regulation. Company agrees and acknowledges that City is entering into this Agreement in reliance on Company's professional abilities with respect to performing the Services set forth herein.

Notwithstanding anything to the contrary in this Agreement, the Company is and shall be construed to be an independent contractor exercising control over its work and services and the manner in which it is performed. Nothing in this Agreement is intended nor shall be construed to create an employer-employee relationship, a joint venture, a joint enterprise relationship, or to allow the City to exercise discretion or control over the professional manner in which the Company performs the work and Services which are the subject matter of this Agreement; provided always however that the work and Services to be provided by Company shall be provided in a manner consistent with all applicable laws, standards, rules and regulations governing such work and

Services. The method and manner in which Company's work and Services hereunder shall be performed shall be determined by Company in its sole discretion. The officers, employees, agents, and representatives of, and the methods, equipment and facilities used by, the Company shall at all times be under the Company's exclusive direction and control.

ARTICLE II

SERVICES

A. The following services, when authorized in writing by a Notice to Proceed, shall be performed by the Company in accordance with the City's requirements:

PREPARATION OF ALL PLANS, SPECIFICATIONS, DRAWINGS, DESIGNS, DOCUMENTS, REPORTS, RECORDS, OTHER WORK PRODUCT, AND ESTIMATES NECESSARY FOR THE MOORE STREET (W. TRAVIS STREET TO PARK AVENUE) PROJECT DESCRIBED IN THE SCOPE OF SERVICES ATTACHED HERETO AS EXHIBIT "A".

B. Company shall be responsible for the professional quality, technical accuracy, and the coordination of all designs, drawings, specifications, plans and other work and Services furnished by for, or on behalf of Company under this Agreement. Company shall, without additional compensation, correct or revise any errors or deficiencies in the design, drawings, specifications, plans and other work and Services.

C. Neither City's review, approval or acceptance of, nor payment for any of the Services required or provided under this Agreement, shall be construed to operate as a waiver of any rights under this Agreement or of any cause of action arising out of the performance of this

Agreement or a release of the responsibility and liability of Company, its owners, officers, employees, subcontractors, agents and consultants for the accuracy and competency of the same, and Company shall be and remain liable to City in accordance with applicable law for all damages to City caused by Company's negligent performance of or willful misconduct in connection with any of the Services or any other services or work furnished by or on behalf of Company under or in connection with this Agreement, nor shall such review, approval, acceptance, or payment be deemed to be an assumption of or an indemnification for such responsibility or liability by City for any defect, error or omission in the same, and shall not constitute nor be deemed a release of the responsibility and liability of Company, its employees, associates, agents and consultants for the accuracy or competency of their designs, working drawings and specifications, or other Services, documents and work, it being understood that City at all times is relying on Company's skill and knowledge in preparing and providing the Services.

D. The rights and remedies of City and Company under this Agreement are as provided by law.

E. Notwithstanding City's review, approval, or acceptance of, or payment for, any plans, drawings, specifications, or any other work product or Services of Company, Company represents that (i) such plans, drawings, specifications, and other work product or Services (and including, without limitation, as the same may be amended or supplemented by Company), (i) shall be sufficient and adequate for the project and fit for the purposes for which they are intended, and (ii) shall, to the best of Company's knowledge, information and belief as a civil engineer performing the practice of civil engineering in accordance with the standards, duties, and obligations set forth herein, be free from material error, and shall be satisfactory to City. In accordance with the standard of care set forth herein, Company agrees that if it shall recommend

unsuitable materials in connection with the project for which the Services are being provided by the Company or this Agreement or if the design of the project should be defective in any way, Company will assume sole responsibility for any damages, loss, claims, or expenses to the extent caused by Company's recommendation of unsuitable materials or defective design.

ARTICLE III

PAYMENT

A. City shall pay Company for all Services authorized in writing and properly performed by Company on the basis herein described, subject to additions or deletions for changes or extras agreed upon in writing, and subject to the City's right to withhold payment pursuant to the terms of this Agreement.

B. Partial payment shall be paid based upon a percentage of work completed. Company shall submit to City monthly invoices for its Services under this Agreement. Each invoice shall be accompanied by such documentation as the City may require to verify the accuracy of the invoice, including an itemized statement of reimbursable costs incurred (if any), and the sum of all prior payments under this Agreement. Company shall not be entitled to any compensation for any Services or work not actually performed or for any lost profits as a result of any abandonment or suspension of any Services or work by the City.

Any provision hereof to the contrary notwithstanding, City shall not be obligated to make payment to Company hereunder if:

1. Company is in default of any of its obligations under this Agreement or any other documents in connection with the Services or the project (and payment may be withheld to the extent of any such default);

2. Any part of such payment is attributable to any work or Services of Company which are not performed in accordance with this Agreement;

3. Company has failed to make payment promptly to subcontractors or consultants or other third parties used by Company in connection with Company's Services or other work hereunder for which the City has made payment to Company; or

4. If City, in its good faith judgment and after consultation with Company, determines that the portion of the compensation then remaining unpaid will not be sufficient to complete the Company's Services or other work under this Agreement, no additional payments will be due Company hereunder unless and until Company performs a sufficient portion of its Services so that such portion of the compensation remaining unpaid is determined by City to be sufficient to complete the Company's Services or other work.

C. Upon complete performance of this Agreement by Company and final approval and acceptance of Company's Services by City, City will make final payment to Company of the balance due under this Agreement within thirty (30) days of the following month after final payment for such Services has been billed by Company.

D. City may deduct from any amounts due or to become due to Company any sum or sums owing by Company to City. In the event of any breach by Company of any provision or obligation of this Agreement, or in the event of the assertion by other parties of any claim or lien against City, or the City's premises or property, arising out of Company's performance of this Agreement, City shall have the right to retain out of any payments due or to become due to

Company an amount sufficient to completely protect the City from any and all loss, damage or expense there from, until the breach, claim or lien has been satisfactorily remedied or adjusted by the Company.

E. Company shall not be entitled to any compensation for any Services or work not actually performed or for any lost profits as a result of any abandonment or suspension of any Services or other work by the City.

ARTICLE IV

TIME FOR PERFORMANCE

A. Company shall perform all Services and any other work as provided for under this Agreement in a proper, efficient and professional manner. Subject to the terms and provisions of this Agreement, both parties have agreed to the provisions of this Agreement in anticipation of the orderly and continuous progress of the Services through completion of the Scope of Services specified in Exhibit "A", attached hereto.

B. In the event Company's performance of this Agreement is delayed or interfered with by acts of the City or others, Company may request an extension of time for the performance of same as hereinafter provided, but shall not be entitled to any increase in fee or price, or to damages or additional compensation as a consequence of such delays.

C. No allowance of any extension of time, for any cause whatsoever, shall be claimed by or made to the Company, unless Company shall have made written request upon City for such extension within forty-eight (48) hours after the cause for such extension occurred, and unless City and Company have agreed in writing upon the allowance of additional time to be made.

ARTICLE V

DOCUMENTS

A. All instruments of service (including all plans, specifications, drawings, reports, information, designs, documents, computations, computer programs, estimates, surveys, other data or work items, etc., in whatever form or format (whether electronic or otherwise)) prepared by or for Company under or in connection with this Agreement shall be submitted for approval of the City. All instruments of service shall be professionally sealed as may be required by law or by City.

B. All such instruments of service, together with necessary supporting documents, shall be delivered to City, and shall be, belong to, and remain the sole property of the City for the City's exclusive reuse at any time, and the City shall have unlimited rights, for the benefit of City, in all instruments of service, including the right to use same on any other work of City without additional cost to City. The City shall have the right to use such instruments of service for the purpose of completing the project for which the instruments of service were prepared or for such other purposes as the City may deem appropriate; provided, however, that should the City use the same for a purpose not in connection with the project, the City does so at its own risk.

C. Company agrees to and does hereby grant and assign to City all intellectual property rights (whether copyright or otherwise) in and to all such instruments of service in which Company may have a copyright or other intellectual property interest, and to all designs as to which Company may assert any rights or establish any claim under patent, copyright, or other intellectual property laws. Company, after completion of the Services and final payment, agrees to furnish the originals of all such instruments of service to the City (or, if this Agreement is terminated or the project for

which the Services are being provided is abandoned prior to such completion, Company shall provide the originals of all such instruments of service (whether finished or unfinished) to the City upon such termination or abandonment and the payment of any amounts then due the Company pursuant to this Agreement).

D. All documents or other instruments of service supplied by or on behalf of Company to City as provided herein shall be in Microsoft Word 2003 or compatible with Microsoft Word 2003.

ARTICLE VI

TERMINATION

A. City may suspend or terminate this Agreement at any time and for any reason (or for no reason), in its sole discretion, by giving written notice to the Company. In the event of such suspension or termination by City, Company shall have no recourse against City, except for payment for the Services of Company, in accordance with the terms of this Agreement, reasonably determined by the City to have been properly performed hereunder prior to the suspension or termination and for which Company has not been paid. Such payment will be due upon delivery of all finished or unfinished documents, data, studies, surveys, drawings, maps, models, reports, photographs or other items, or any other instruments of service, in whatever form or format, prepared by, for, or on behalf of Company in connection with this Agreement, to City.

B. Either City or Company may suspend or terminate this Agreement because of a breach of this Agreement by the other party, such suspension or termination to be effective ten (10) days after receipt by the breaching party of a written notice specifying such breach, unless the breaching party corrects such breach or presents a mutually agreeable plan to cure such breach

within such time. In the event of such suspension or termination, payment to the Company, in accordance with the terms of this Agreement, will be made on the basis of Services reasonably determined by City to be satisfactorily performed prior to the date of suspension or termination. Such payment will be due upon delivery of all finished or unfinished documents, data, studies, surveys, drawings, maps, models, reports, photographs or other items, or any other instruments of service, in whatever form or format, prepared by, for, or on behalf of Company in connection with this Agreement, to City.

In the event of such termination, City may proceed to complete the Services in any manner deemed proper by City, either by the use of its own forces or by resubmitting to others.

In the event of such termination, City may, without terminating this Agreement or taking over the Services, furnish the necessary materials, equipment, supplies and/or help necessary to remedy the situation, at the expense of the Company.

C. Should the City require a modification of this Agreement, and in the event City and Company fail to agree upon such modification, either City or Company shall have the option in their respective sole discretion of terminating this Agreement. In the event of such termination, payment to Company shall be made by the City in accordance with the terms of this Agreement, for the Services mutually agreed upon by the City and the Company to be properly performed by the Company prior to such termination date. Such payment will be due upon delivery of all finished or unfinished documents, data, studies, surveys, drawings, maps, models, reports, photographs or other items, or any other instruments of service, in whatever form or format, prepared by, for, or on behalf of Company in connection with this Agreement, to City.

D. In the event of termination of this Agreement for cause or breach of this Agreement, Company shall promptly deliver to City all finished or unfinished documents, data, studies, surveys, drawings, maps, models, reports, photographs or other items, or any other instruments of service, in whatever form or format, prepared by, for, or on behalf of Company in connection with this Agreement, to City.

ARTICLE VII

INSURANCE

A. In connection with this Agreement, Company shall provide and maintain the minimum insurance coverages set forth below:

1. Company shall provide and maintain Workers Compensation at statutory limits, including Employers Liability coverage a minimum limits of \$500,000 each-occurrence each accident/\$500,000 by disease each-occurrence/\$500,000 by disease aggregate.

2. Company shall provide and maintain in full force and effect during the time of this Agreement, commercial automobile liability insurance (including, but not limited to, insurance covering the operation of owned, non-owned, and hired automobiles, trucks and other vehicles) protecting Company and City as an additional Insured at minimum combined single limits of \$1,000,000 per occurrence for bodily injury and property damage.

3. Company shall provide Commercial General Liability Insurance at minimum combined single limits of \$1,000,000 per-occurrence and \$2,000,000 general aggregate for bodily injury and property damage, which coverage shall include products/completed operations (\$1,000,000 products/ completed operations aggregate) and contractual liability. Coverage for

products/completed operations must be maintained for at least two (2) years after the construction work has been completed. Coverage must be amended to provide for an each- project aggregate limit of insurance.

4. Company shall also provide and maintain Professional Liability coverage at minimum limits of \$2,000,000.00 covering claims resulting from engineering errors and omissions. Such insurance shall be kept in effect for at least four (4) years after the completion of the Services and this Agreement. If Company fails to maintain the insurance covered during that time, City may pay the premiums to keep the insurance in effect and recover the cost from the Company. If coverage is written on a claims-made basis, a policy retroactive date equivalent to the inception date of this Agreement (or earlier) must be maintained during the full term of this Agreement and for the four year period thereafter.

B. With reference to the foregoing insurance, Company shall specifically endorse applicable insurance policies as follows:

1. The City of Sherman, Texas shall be named as an additional insured with respect to General Liability and Automobile Liability.

2. All liability policies with the exception of professional liability shall contain no cross liability exclusions or insured versus insured restrictions.

3. A waiver of subrogation in favor of the City of Sherman, Texas shall be contained in the Workers Compensation and all liability policies.

4. All insurance policies shall be endorsed to the effect that the City of Sherman, Texas will receive at least sixty (60) days' notice prior to cancellation or non-renewal of the insurance.

5. All insurance policies, which name the City of Sherman, Texas as an additional insured, must be endorsed to read as primary coverage regardless of the application of other insurance.

6. Required limits may be satisfied by any combination of primary and umbrella liability insurances.

7. Company may maintain reasonable and customary deductibles, subject to approval by the City of Sherman, Texas

8. Insurance must be purchased from insurers that are financially acceptable to the City of Sherman, Texas.

C. All insurance must be written on forms filed with and approved by the Texas Department of Insurance. Certificates of Insurance shall be prepared and executed by the insurance company or its authorized agent, delivered to the City simultaneously with the execution of this Agreement, and shall contain provisions representing and warranting the following:

1. Set forth all endorsements and insurance coverages according to requirements and instructions contained herein.

2. Shall specifically set forth the notice-of-cancellation or termination provisions to the City of Sherman, Texas,

3. Upon request, Company shall furnish the City of Sherman, Texas with certified copies of all insurance policies.

D. City reserves the right to review the insurance requirements contained herein and to adjust coverages and limits when deemed necessary and prudent by City.

ARTICLE VIII

COMPANY'S INDEMNIFICATION OBLIGATION

Company covenants and agrees to FULLY INDEMNIFY AND HOLD HARMLESS the City of Sherman, Texas and the elected officials, the officers, employees, representatives, and volunteers of the City of Sherman, Texas, individually or collectively, in both their official and private capacities (the City of Sherman, Texas, and the elected officials, the officers, employees, representatives, and volunteers of the City of Sherman, Texas each being a "Sherman Person" and collectively the "Sherman Persons"), from and against any and all costs, claims, liens, harm, damages, losses, expenses, fees, fines, penalties, proceedings, judgments, actions, demands, causes of action, liability and suits, of any kind and nature whatsoever, made upon or incurred by any Sherman Person, whether directly or indirectly, (collectively, the "Claims"), that arise out of, result from, or relate to an act of negligence, intentional tort, intellectual property infringement, or failure to pay a subcontractor or supplier committed by the Company or the Company's agent, consultant under contract, or another entity over which the Company exercises control (such agent, consultant under contract, or another entity being "Company Persons"). SUCH INDEMNITY AND HOLD HARMLESS OBLIGATION SHALL AND DOES INCLUDE CLAIMS FOUND TO HAVE BEEN CAUSED IN PART BY THE NEGLIGENCE OF A SHERMAN PERSON. However

when Claims arise out of the co-negligence of a Sherman Person and the Company or any Company Persons, Company's liability under this clause shall be reduced by that portion of the total amount of the Claims equal to the Sherman Person or Persons' proportionate share of the negligence that caused the loss attributable to such negligence. Likewise, Company's liability for Sherman Person's defense costs and attorneys' fees shall be reduced by that portion of the defense costs and attorneys' fees equal to Sherman Person or Persons' proportionate share of the negligence that caused the loss attributable to such negligence.

Company shall promptly advise the City in writing of any claim or demand against any Sherman Person or Company or Company Person related to or arising out of Company's activities under this Agreement. The Sherman Persons shall have the right, at the Sherman Persons' option and at own expense, to participate in such defense without relieving Company of any of its obligations hereunder. The provisions of any indemnity, and hold harmless obligation set forth in this Agreement shall survive the termination or expiration of this Agreement.

ARTICLE IX

COMPANY INDEMNIFICATION FOR EMPLOYEES

Company agrees that it is an independent contractor and not an agent of the City, and that Company is subject, as an employer, to all applicable unemployment compensation statutes, laws, rules, and regulations, so as to relieve City of any responsibility or liability from treating Company's employees as employees of City for the purpose of keeping records, making reports or payments of unemployment compensation taxes or contributions. WITHOUT LIMITING THE INDEMNITY, AND HOLD HARMLESS OBLIGATION SET FORTH IN ARTICLE VIII AND ANY OTHER INDEMNITY, AND HOLD HARMLESS PROVISION INCLUDED IN THIS AGREEMENT, COMPANY FURTHER AGREES TO DEFEND, INDEMNIFY AND HOLD HARMLESS THE CITY OF SHERMAN, TEXAS AND ALL OTHER SHERMAN PERSONS (AS DEFINED IN ARTICLE VIII) FROM AND AGAINST AND REIMBURSE THE SAME FOR ANY CLAIMS, COSTS, LIENS, HARM, DAMAGES, LOSSES, FEES, PROCEEDINGS, ACTIONS, CAUSES OF ACTION, DEMANDS, PENALTIES, FINES, JUDGMENTS, SUITS, EXPENSES OR LIABILITY OF ANY KIND OR NATURE INCURRED UNDER OR RELATED TO SAID STATUTES OR IN CONNECTION WITH EMPLOYEES OF COMPANY.

ARTICLE X

ASSIGNMENT

Company shall not and has no power or authority to sell, assign, transfer, or otherwise convey (by any means, including by operation of law or otherwise), or subcontract, this Agreement or any right, duty, obligation or part thereof, without the prior written consent of City. Sale of

more than 50% ownership of Company shall be construed as an assignment, transfer, or other conveyance, and any such sale, assignment, transfer, or other conveyance, or subcontract, without the City's prior written consent shall be null and void *ab initio*.

ARTICLE XI

APPLICABLE LAWS; GOVERNING LAW; VENUE

Company shall comply with all Federal, State, County and Municipal laws, ordinances, regulations, safety orders, resolutions and codes (including, without limitation, building and related codes), including but not limited to the Americans With Disabilities Act and Chapter 469 of the Texas Government Code (relating to elimination of architectural barriers), relating or applicable to the work and Services to be performed under this Agreement.

This Agreement is performable in Grayson County, State of Texas and shall be governed by the laws of the State of Texas; and, with respect to any conflict of law provisions, the parties agree that such conflict of law provisions shall not affect the application of the law of Texas (without reference to its conflict of law provisions) to the governing, interpretation, validity and enforcement of this Agreement. Venue on any suit or matter hereunder shall be exclusively in Grayson County, Texas.

ARTICLE XII

ADJUSTMENTS IN SERVICES

No claims for extra services, additional services or changes in the services will be made by Company without a written agreement with City prior to the performance of such services.

ARTICLE XIII

EXECUTION BECOMES EFFECTIVE

This Agreement will be effective upon the last of the representatives of the parties to execute this Agreement, as set forth below.

ARTICLE XIV

AGREEMENT AMENDMENTS

This Agreement contains the entire and integrated understanding of the parties with respect to the subject matter hereof and there are no oral understandings, statements or stipulations bearing upon the meaning or effect of this Agreement which have not been incorporated herein. This Agreement may only be modified, amended, supplemented or waived by a written instrument executed by duly authorized representatives of the parties, except as may be otherwise provided therein.

ARTICLE XV

GENDER AND NUMBER; HEADINGS

The use of any gender in this Agreement shall be applicable to all genders, and the use of singular number shall include the plural and conversely. Article and section headings are for convenience only and shall not be used in interpretation of this Agreement.

ARTICLE XVI

NOTICES AND AUTHORITY

A. The Company agrees to send all notices required under this Agreement to the City Manager of the City of Sherman at 220 W. Mulberry St., Sherman, TX 75090.

B. The City agrees to send all notices required under this Agreement to the Company at 5237 N. Riverside Drive, Suite 100, Fort Worth, TX 76137.

C. For purposes of this Agreement, notices and all other communications provided for herein shall be in writing, addressed as provided hereinafter to the party to whom the notice or request is given, and shall be either (i) delivered personally, (ii) sent by United States certified mail, postage prepaid, return receipt requested, or (iii) placed in the custody of Federal Express Corporation or other nationally recognized carrier to be delivered overnight. Notice shall be deemed given when received. From time to time either party may designate another address within the 48 contiguous states of the United States for all purposes of this Agreement by giving the other party not less than ten (10) days advance notice of such change of address in accordance with the provisions hereof.

D. The undersigned officers and/or agents of each of the parties hereto are the properly authorized officials or representatives and have the necessary authority to execute this Agreement on behalf of each of the respective parties.

ARTICLE XVII

MISCELLANEOUS

A. No Third Party Benefits. This Agreement and each of its provisions are solely for the benefit of the parties hereto and are not intended to create or grant any rights, contractual or otherwise, to any third person or entity.

B. Rights and Remedies Cumulative; No Waiver; Survival of Remedies. The rights and remedies provided by this Agreement are cumulative, and the use of any one right or remedy by either party shall not preclude or waive its right to use any or all other remedies. Said rights and remedies are given in addition to any other rights the parties may have by law statute, ordinance, or otherwise. The failure by either party to exercise any right, power, or authority given to it by this Agreement, or to insist upon strict compliance with the terms of this Agreement, shall not constitute a waiver of the terms and conditions of this Agreement with respect to any other or subsequent breach thereof, nor a waiver by such party of its rights at any time thereafter to require exact and strict compliance with all the terms hereof. Any rights and remedies either party may have with respect to the other arising out of this Agreement shall survive the cancellation, expiration or termination of this Agreement.

C. Severability. The terms and provisions of this Agreement are severable, and if any term or provision is held to be illegal, invalid or unenforceable under present or future laws, such provision shall be fully severable and this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable term or provision is not a part hereof, and the remaining provisions hereof shall remain in full force and effect. In lieu of any illegal, invalid or unenforceable term or provision herein, the parties agree to seek to negotiate the insertion of a term or provision as

similar in its terms to such illegal, invalid or unenforceable term or provision as may be possible, with the intent that such added term or provision is legal, valid and enforceable.

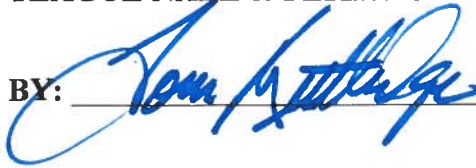
D. Release of Information. Company shall not divulge or release any information concerning the project or this Agreement to the public, including any the media representative, without City's prior written consent.

E. Force Majeure. Neither party is liable to the other for any damages for delay in performance caused by acts of God, strikes, lockouts, accidents, fire, casualty, labor trouble, failure of power, governmental authority, riots, insurrections, war, acts or threats of terrorism, or other events or reasons of a like nature which are beyond the control of the party obligated to perform and not avoidable by the diligence of that party ("Event of Force Majeure"); in such event, the party obligated to perform give the other party prompt notice of such delay and the performance of this Agreement shall be excused for the period of such delay. If such an event necessitates a change in the time required for performance of any act or services hereunder, subject to the other terms and provisions of this Agreement, the parties shall make an equitable adjustment of the schedule and price; provided, however, that the party obligated to perform shall continue to promptly perform all of its obligations under this Agreement while the parties are determining the nature and extent of any such adjustments.

F. Authorized Signatories. The undersigned officers and/or agents of the parties hereto are the properly authorized officials or representatives and have the necessary authority to execute this Agreement on behalf of each of the respective parties, and each party hereby certifies to the other that any necessary resolutions or other act extending such authority have been duly passed and are now in full force and effect.

IN WITNESS WHEREOF, parties have caused this Agreement to be executed in duplicate this _____ day of _____ 2019, with an original to each party.

COMPANY: TEAGUE NALL & PERKINS

BY: 

NAME: Tom Rutledge

TITLE: Principal

ATTEST: BY: 

NAME: Michael Wilson

TITLE: Sr. Project Manager

CITY: CITY OF SHERMAN

BY: _____

NAME: Robby Hefton

TITLE: City Manager

ATTEST: BY: _____

NAME: Linda Ashby

TITLE: City Clerk

Clint Philpott, P.E. / Director of Engineering

APPROVED AS TO FORM:

Brandon S. Shelby, City Attorney

AUTHORIZATION FOR PROFESSIONAL SERVICES

PROJECT NAME: City of Sherman
Public Infrastructure Improvements for
W. Moore Street (W. Travis Street to Park Avenue)
Streets, Drainage and Water

Sherman, Texas

TNP PROJECT NUMBER: _____

CLIENT: City of Sherman
Attn: Clint Philpott, Director of Engineering

ADDRESS: 220 W. Mulberry Street
Sherman, Texas 75090

903.892.7327

City of Sherman (CLIENT) hereby requests and authorizes Teague Nall and Perkins, Inc., (CONSULTANT) to perform the following services:

Article I

SCOPE OF BASIC SERVICES:

Provide Surveying and Civil Engineering for streets, drainage and water improvements. A detailed scope of services is included as Attachment 'A' and is made a part hereto.

Article II

COMPENSATION to be on a basis of the following **Basic Services based on a Lump Sum as follows:**

W. MOORE STREET

Surveying

Topographic Survey: Ten Thousand Dollars (\$10,000);
ROW/Easement Documents (4 Total @ \$2,000 Each): Eight Thousand Dollars (\$8,000)

Street and Drainage Improvements

Engineering: One Hundred Fifty Thousand Dollars (\$150,000);
Bidding and Construction Administration (Hourly Budget): Ten Thousand Dollars (\$10,000)

Water Improvements

Engineering: Twenty-Two Thousand Dollars (\$22,000);
Construction Administration (Hourly Budget): Three Thousand Dollars (\$3,000)

1. **ADDITIONAL SERVICES:** **ADDITIONAL SERVICES** shall be any service provided by the ENGINEER which is not specifically included in **BASIC SERVICES** as defined. **ADDITIONAL SERVICES** shall include, but shall not be limited to:

- a. Subcontract charges not described in **BASIC SERVICES** or Attachment 'D';
- b. Traffic Studies;
- c. Median Landscape and Hardscape Improvements;
- d. Signalization;
- e. Illumination.

ADDITIONAL SERVICES shall be considered additional work and shall be reimbursed at standard TNP hourly rates or TNP standard rates for items provided in-house, or direct expenses times a multiplier of 1.10 for non-labor, subcontract or mileage items.

2. **PAYMENT TERMS:** CLIENT shall be billed monthly for services rendered and pay promptly upon receipt of invoice. Delays of transmitting payments to CONSULTANT more than 30 days from invoice date may result in cessation of services until payment is received.

Article III

SCHEDULE: The proposed services shall begin within 5 working days of authorization to proceed.

Article IV

CONTRACT PROVISIONS: Contract provisions are attached hereto and made a part hereof.

Please execute and return a signed copy for our files. Receipt of an executed copy of this contract will serve as notice to proceed. No work shall commence on the project until an executed copy of this contract is received by CONSULTANT. By signing below, the signer warrants that he or she is authorized to execute binding contracts for the CLIENT for the services indicated.

Approved by CLIENT:

City of Sherman

Accepted by CONSULTANT:

TNP, Inc.

By: _____

Title: _____

Date: _____

By: _____

Tom Rutledge

Tom Rutledge

Title: Principal

Date: May 28, 2019

ATTACHMENT 'A'

ITEMIZED SCOPE OF SERVICES

Teague Nall and Perkins, Inc., (TNP) shall render the following professional services (**BASIC SERVICES**) necessary for the paving, drainage and water improvements associated with W. Moore Street from W. Travis Street to Park Avenue.

PROJECT SCOPE

Project scope will include the topographic and boundary survey, applicable ROW/easement documents, engineering design and construction administration of improvements associated with W. Moore Street from W. Travis Street to Park Avenue.

The proposed roadway is a 4-lane median divided section with associated left-turn lanes and will be contained in an 86' ROW. The overall length is approximately 3,000 LF. The design will be for the ultimate 4-lane roadway section, however, the plans will be setup to bid and construct only the western two lanes at this time. The design also includes the necessary storm drain for the roadway and adjacent contributing areas. A drainage study will be developed to determine the entire drainage shed that comes to the roadway and the system will be designed to accept drainage from adjacent properties as warranted. Approximately 3,200 linear foot of 12" water line will be designed along the western parkway with necessary stubs across the road to serve the eastern properties. The water line will connect to the existing system in W. Travis Street and will show the plan and profile of the proposed water line. All water improvements will be setup as a separate section in the bid proposal to be used by the City.

SURVEY

Topographic Survey

Prepare a topographic survey for the limits of the roadway, drainage and improvements showing one-foot contour intervals with an accuracy of 0.1 feet. Survey the existing improvements and all visible features that are necessary for engineering. Locate all existing water, sewer and drainage utilities vertically and horizontally using the City's GPS monuments as control. Survey will be prepared in latest version of AutoCAD Civil 3D 2018.

ROW/Easement Documents

Provide separate instrument exhibits and descriptions for offsite ROW/easements. It is anticipated that a total of 4 easements will be required for the proposed improvements.

ENGINEERING

Contract Documents

Upon completion of the topographic design survey, TNP will begin design for the streets, drainage and water improvements. The Engineer will coordinate work as necessary to interface with City staff and provide periodic updates on design as well as meet with City staff to review scope, opinion of cost as well as project schedules. Once final plans have been completed, the Consultant will deliver original plan documents with Engineer's seal and signature, sufficient for printing and distribution for bidding. TNP will prepare final cost opinions upon delivery of final contract documents to confirm project budget. TNP will be available as necessary, present project updates, final design and project costs to the City council as necessary to support City staff.

Bidding (Billed Hourly)

Once plans are approved to move forward to bidding, TNP will reproduce the final plans and contract documents for the City to be used for bidding. The City will bid the project. Upon receipt of bids, TNP will prepare the bid tab for the City. All bidding services will be billed hourly as requested by City staff.

Construction Phase (Billed Hourly)

TNP will assist the City with construction administration on an hourly basis as requested by staff.

ATTACHMENT 'B'

PROJECT SCHEDULE

Project Schedule

TNP will begin field surveys in June 2019. Based on current project scope for survey and design the projected project schedule is as follows:

06.04.19 – 06.18.19: Field Design Surveys (Approx. 2-weeks)
06.18.19 – 11.15.19: Engineering Design from Conceptual Phase to Bidding (Approx. 5-months)
11.15.19 – 12.08.19: Bidding (Min. 3-week bid time)
12.12.19: Bid Opening
12.13.19 – 12.20.19: Evaluation of low bidder and check references. Recommendation to Council.
01.06.20: City Council Award (Normal Council Meeting on 1st Monday of month)
01.07.20 – 01.14.20: Contracts, Bonds & Insurance
01.15.20: Preconstruction Meeting
01.20.20: Notice to Proceed Construction
09.20.20: Projected Completion Date (Assumes 8-months Construction Time)

These are estimated timelines based on efforts to complete the survey and engineering. The construction timeline is estimated and will be based on actual bid time from the successful low bidder. The dates shown for council award and contractor efforts are subject to final staff approval and are subject to change.

During the process of design and plan deliverables, TNP will provide updated project schedules to the City.

ATTACHMENT 'C' PROVISIONS

1. **AUTHORIZATION TO PROCEED**
Signing this agreement shall be construed as authorization by CLIENT for TNP, Inc. to proceed with the work, unless otherwise provided for in this agreement.
2. **LABOR COSTS**
TNP, Inc.'s Labor Costs shall be the amount of salaries paid TNP, Inc.'s employees for work performed on CLIENT's Project plus a stipulated percentage of such salaries to cover all payroll-related taxes, payments, premiums, and benefits.
3. **DIRECT EXPENSES**
TNP, Inc.'s Direct Expenses shall be those costs incurred on or directly for the CLIENT's Project, including but not limited to necessary transportation costs including mileage at TNP, Inc.'s current rate when its, or its employee's, automobiles are used, meals, lodging, laboratory tests, computer services, telephone, printing and binding charges times a multiplier of 1.10. Reimbursement for these expenses shall be on the basis of actual charges when furnished by commercial sources and on the basis of usual commercial charges when furnished by TNP, Inc.
4. **OUTSIDE SERVICES**
When technical or professional services are furnished by an outside source, an additional amount of 10% (actual cost times a multiplier of 1.10) shall be added to the cost of these services for TNP, Inc.'s administrative costs.
5. **OPINION OF PROBABLE COST**
In providing opinions of probable cost, the CLIENT understands that TNP, Inc. has no control over construction costs or the price of labor, equipment, or materials, or over the Contractor's method of pricing, and that the opinions of probable cost provided to CLIENT are to be made on the basis of the design professional's qualifications and experience. TNP, Inc. makes no warranty, expressed or implied, as to the accuracy of such opinions as compared to bid or actual costs.
6. **PROFESSIONAL STANDARDS**
TNP, Inc. shall be responsible, to the level of competency presently maintained by other practicing professional engineers in the same type of work in the State of Texas, for the professional and technical soundness, accuracy, and adequacy of all design, drawings, specifications, and other work and materials furnished under this Authorization. TNP, Inc. makes no other warranty, expressed or implied.
7. **TERMINATION**
Either CLIENT or TNP, Inc. may terminate this authorization by giving 10 days written notice to the other party. In such event CLIENT shall forthwith pay TNP, Inc. in full for all work previously authorized and performed prior to effective date of termination. If no notice of termination is given, relationships and obligations created by this Authorization shall be terminated upon completion of all applicable requirements of this Authorization.
8. **MEDIATION**
In an effort to resolve any conflicts that arise during the design or construction of the project or following the completion of the project, the CLIENT and the ENGINEER agree that all disputes between them arising out of or relating to this Agreement shall be submitted to nonbinding mediation unless the parties mutually agree otherwise.

The CLIENT and the ENGINEER further agree to include a similar mediation provision in all agreements with independent contractors and consultants retained for the project and to require all independent contractors and consultants retained also to include a similar mediation provision in all agreements with subcontractors, subconsultants, suppliers or fabricators so retained, thereby providing for mediation as the primary method for dispute resolution between the parties to those agreements.
9. **LEGAL EXPENSES**
In the event legal action is brought by CLIENT or TNP, Inc. against the other to enforce any of the obligations hereunder or arising out of any dispute concerning the terms and conditions hereby created, the losing party shall pay the prevailing party such reasonable amounts for fees, costs and expenses as may be set by the court.
10. **PAYMENT TO TNP, INC.**
Monthly invoices will be issued by TNP, Inc. for all work performed under the terms of this agreement. Invoices are due and payable on receipt. If payment is not received within 30 days of invoice date, all work on CLIENT's project shall cease and all work products and documents shall be withheld until payment is received by TNP. Time shall be added to the project schedule for any work stoppages resulting from CLIENT's failure to render payment within 30 days of invoice date. Interest at the rate of 1½% per month will be charged on all past-due amounts, unless not permitted by law, in which case, interest will be charged at the highest amount permitted by law.
11. **LIMITATION OF LIABILITY**
TNP, Inc.'s liability to the CLIENT for any cause or combination of causes is in the aggregate, limited to an amount no greater than the fee earned under this agreement.
12. **ADDITIONAL SERVICES**
Services not specified as Basic Services in Scope and Attachment 'A' will be provided by TNP, Inc. as Additional Services when required. The CLIENT agrees upon execution of this contract that no additional authorization is required. Additional services will be paid for by CLIENT as indicated in Article II, Compensation.
13. **SALES TAX**
In accordance with the State Sales Tax Codes, certain surveying services are taxable. Applicable sales tax is not included in the fee set forth and will be added on and collected when required by state law. Sales tax at the applicable rate will be indicated on invoice statements.
14. **SURVEYING SERVICES**
In accordance with the Professional Land Surveying Practices Act of 1989, the CLIENT is informed that any complaints about surveying services may be forwarded to the Texas Board of Professional Land Surveying, 12100 Park 35 Circle, Building A, Suite 156, MC-230, Austin, Texas 78753, (512) 239-5263.
15. **LANDSCAPE ARCHITECT SERVICES**
The Texas Board of Architectural Examiners has jurisdiction over complaints regarding the professional practices of persons registered as landscape architects in Texas. The CLIENT is informed that any complaints about landscape architecture services be forwarded to the Texas Board of Architectural Examiners, Hobby Building: 333 Guadalupe, Suite 2-350, Austin, Texas 78701, Telephone (512) 305-9000, Fax (512) 305-8900.
16. **INVALIDITY CLAUSE**
In case any one or more of the provisions contained in this Agreement shall be held illegal, the enforceability of the remaining provisions contained herein shall not be impaired thereby.
17. **PROJECT SITE SAFETY**
TNP, Inc. has no duty or responsibility for project site safety. Means and methods of construction and jobsite safety are the sole responsibility of the contractor.
18. **DRAINAGE CLAUSE**
The parties to this Agreement recognize that the development of real property has the potential to increase water runoff on downstream properties, and that such increase in runoff increases the possibility of water damage to downstream properties. The CLIENT agrees to indemnify and hold the ENGINEER harmless from any and all claims and damages arising, directly or indirectly, from water or drainage damage to downstream properties resulting from the development and construction of the Project. CLIENT shall not be required to reimburse ENGINEER for any claims or expenses arising out of the Project if it is determined by a court of competent jurisdiction that ENGINEER was negligent in the performance of its duties and obligations, and that ENGINEER's negligence was the direct cause of damage to a property downstream of the Project.
19. **CONSTRUCTION MEANS AND METHODS AND JOBSITE SAFETY**
Means and methods of construction and jobsite safety are the sole responsibility of the contractor

ATTACHMENT 'D'
TEAGUE NALL AND PERKINS, INC.
Standard Rate Schedule for Time and Expense Contracts
Effective January 1, 2019 to December 31, 2019*

Engineering /Landscape Architecture/ROW	From	-	To	
Principal	\$200	-	\$250	Per Hour
Team Leader	\$190	-	\$230	Per Hour
Senior Project Manager	\$160	-	\$220	Per Hour
Project Manager	\$120	-	\$175	Per Hour
Senior Engineer	\$180	-	\$225	Per Hour
Project Engineer	\$120	-	\$160	Per Hour
Engineer III/IV	\$95	-	\$120	Per Hour
Engineer I/II	\$ 90	-	\$110	Per Hour
Landscape Architect / Planner	\$110	-	\$200	Per Hour
Landscape Designer	\$80	-	\$110	Per Hour
Senior Designer	\$110	-	\$150	Per Hour
Designer	\$100	-	\$130	Per Hour
Senior CAD Technician	\$90	-	\$120	Per Hour
CAD Technician	\$70	-	\$110	Per Hour
IT Consultant	\$100	-	\$170	Per Hour
Clerical	\$50	-	\$90	Per Hour
Construction Inspector II	\$75	-	\$100	Per Hour
Construction Inspector III	\$90	-	\$110	Per Hour
Senior Construction Inspector	\$100	-	\$125	Per Hour
Construction Superintendent	\$150	-	\$180	Per Hour
ROW Manager	\$120	-	\$150	Per Hour
Senior ROW Agent	\$90	-	\$130	Per Hour
ROW Agent	\$80	-	\$110	Per Hour
Relocation Agent	\$100	-	\$130	Per Hour
Senior Utility Coordinator	\$90	-	\$140	Per Hour
Utility Coordinator	\$80	-	\$130	Per Hour
Intern	\$50	-	\$70	Per Hour

Surveying

Survey Manager	\$190	-	\$230	Per Hour
Registered Professional Land Surveyor (RPLS)	\$140	-	\$190	Per Hour
Field Coordinator	\$100	-	\$130	Per Hour
S.I.T. or Senior Survey Technician	\$70	-	\$120	Per Hour
Survey Technician	\$65	-	\$100	Per Hour
1-Person Field Crew w/Equipment**	\$125			Per Hour
2-Person Field Crew w/Equipment**	\$160			Per Hour
3-Person Field Crew w/Equipment**	\$180			Per Hour
4-Person Field Crew w/Equipment**	\$200			Per Hour
Flagger	\$40			Per Hour
Abstractor (Property Deed Research)	\$85			Per Hour

Subsurface Utility Engineering (SUE)

SUE Project Manager	\$185 Per Hour
SUE Engineer	\$160 Per Hour
Sr. Utility Location Specialist	\$100 Per Hour
Utility Location Specialist	\$ 85 Per Hour
1-Person Designator Crew w/Equipment***	\$120 Per Hour
2-Person Designator Crew w/Equipment***	\$145 Per Hour
2-Person Vac Excavator Crew w/Equip (Exposing Utility Only)	\$250 Per Hour (4 hr. min.)
2-Person Vac Excavator Crew w/Equip for QL-A ****	\$450 Per Hour (4 hr. min.)
Core Drill (equipment only)	\$750 Per Day

All subcontracted and outsourced services shall be billed at rates comparable to TNP's billing rates above or cost times a multiplier of 1.10.

* Rates shown are for calendar year 2019 and are subject to change in subsequent years.

** Survey equipment may include truck, ATV, Robotic Total Station, GPS Units and Digital Level.

*** Includes crew labor, vehicle costs, and field supplies.

**** Rate applies to Quality Level A (QL-A) test holes on utilities that were designated by TNP as QL-B.

ATTACHMENT 'D'
TEAGUE NALL AND PERKINS, INC.
Standard Rate Schedule for Time and Expense Contracts
Reimbursed Direct Cost Items
Effective January 1, 2019 to December 31, 2019*

Direct Cost Reimbursables

Photocopies:	\$0.154/sf	letter, legal and 11" x 17" size bond paper, B&W
	\$0.7701/sf	letter, legal and 11" x 17" bond paper, color
Prints:	\$0.154/sf	letter, legal and 11" x 17" bond paper, B&W
	\$0.7701/sf	letter, legal and 11" x 17" bond paper, color
Plots:	\$0.154/sf	letter, legal and 11" x 17" bond paper, B&W
	\$0.7701/sf	letter, legal and 11" x 17" bond paper, color
	\$0.50/sf	22" x 34" and larger bond paper or vellum, B&W
	\$1.00/sf	22" x 34" and larger mylar or acetate, B&W
Mileage	\$0.58/mile	
Plans on CD	\$20/each	

Moore Street



0 500 1,000 2,000 3,000 4,000 1 inch = 1,000 feet
Feet



SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

E.1.

Meeting Date: 06/03/2019

Prepared By: Pamela Cloer, Assistant to the City Manager

Approved By: Robby Hefton, City Manager

Caption:

OTHER BUSINESS

Receive Quarterly Report on the Sherman Cultural District

Issue:

To receive the Sherman Cultural District quarterly report from Mrs. Cary Wacker, Associate Vice President for Institutional Advancement & Director of the Center for Community & Regional Development at Austin College

Background:

This second quarterly report highlights progress by the Sherman Cultural District Advisory Council to implement initiatives of the 5-year strategic plan for the Cultural District.

The first quarterly report was presented at the March 18th City Council meeting; and the third quarterly report will be provided at the August 5th City Council meeting.

Origination:

City Council

Financial Consideration:

This presentation is for informational purposes only and has no impact on the City's revenues or expenses.

Staff Recommendation:

No action is required of the City Council.

Alternatives:

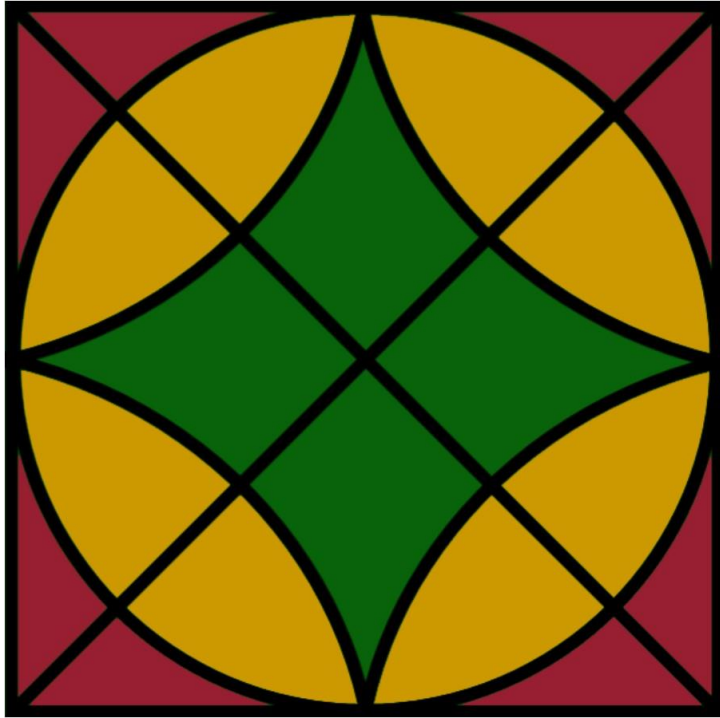
None recommended

Attachments

Quarterly Report of June 3, 2019

Quarterly Report

Spring 2019



SHERMAN
CULTURAL
DISTRICT

Spring 2019 Summary



- ▶ Cultural Conversations - April →
- ▶ Committees actively meeting
- ▶ Coordinating with other arts organizations
- ▶ Sherman Art League display →
- ▶ 64 Arts-based events on the calendar
 - ▶ March - 16
 - ▶ April - 26
 - ▶ May - 22
- ▶ Planning events for 2019-2020



Coming Up - Focalpoint(!) events

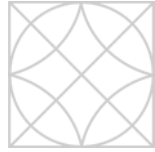


- ▶ June 6 - Booth at Hot Summer Nights kick-off
- ▶ “Themes” for summer assignments:
 - ▶ June: “My summer in Sherman means.....”
- ▶ Two student interns for summer activities
- ▶ Summer photography workshops
- ▶ Call for artists - first round of temporary public art by August 1

Focalpoint(!)



Planning Now: Events & Projects for 2019-2020



- ▶ Texas Commission on the Arts - Grant Projects
- ▶ Arts Fest Activities
- ▶ Wayfinding Signage
- ▶ Art Dash - February 2020
- ▶ Summer 2020 event to be announced! →
- ▶ Art for new downtown infrastructure
↓



**Texas
Commission
on the Arts**
State Cultural District





SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

E.2.

Meeting Date: 06/03/2019

Prepared By: Clint Philpott, Director of Engineering

Approved By: Robby Hefton, City Manager

Caption:

OTHER BUSINESS

Receive Update from Engineering Director Clint Philpott on the City's Stormwater Utility Program

Issue:

Provide an update on the City's Stormwater Utility Program and discuss future projects within the program

Background:

The City started the Stormwater Utility Fee in December 2017. Since that time Sherman's Federal Emergency Management Agency (FEMA) maps have been updated; and multiple properties within the Flood Plain have been removed. Design has also started on several bridge / culvert improvement projects. This presentation will provide an update to Council as to how program funds have made improvements within the City and within the Flood Plain.

Origination:

City Manager

Financial Consideration:

There is no financial impact associated with this presentation.

Staff Recommendation:

The Council need take no action on this presentation - for informational purposes only.



SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

E.3.

Meeting Date: 06/03/2019

Prepared By: Pamela Cloer, Assistant to the City Manager

Approved By: Robby Hefton, City Manager

Caption:

OTHER BUSINESS

Consider Changing the Location of the City Council's Budget Workshop called for June 13-14, 2019

Issue:

Changing the location for this year's Budget Workshop

Background:

At the February 18, 2019 meeting, the City Council approved the budget calendar for the 2019-2020 fiscal year. They also approved the City Council Chambers as the location for the Budget Planning Meeting and the Budget Workshop.

The Mayor and City Manager would like to move the location of this year's Budget Workshop from the City Council Chambers to Schulman's Movie Bowl Grille located at 110 East F.M. 1417 and U.S. Highway 75 in Sherman.

Origination:

Mayor David Plyler
City Manager Robby Hefton

Financial Consideration:

None

Staff Recommendation:

The staff recommends that the Council, **by motion and order**, approve the relocation of this year's Budget Workshop to Schulman's Movie Bowl Grille.

Alternatives:

The City Council could decide to leave the City Council Chambers as the site for the Budget Workshop or select another location.

Attachments

Approved Budget Calendar FY 2019-2020

APPROVED BUDGET CALENDAR

FISCAL YEAR 2019-2020

Budget Planning Meeting with City Council and Financial Update	April 26, 2019
Budget Workshop*	June 13-14, 2019
Present Draft Budget to Council	August 5, 2019
Introduction and Public Hearing of Budget Ordinance Final Action on Budget Ordinance Introduction and First Public Hearing of Tax Rate Ordinance	August 19, 2019
Second Public Hearing on Tax Rate Ordinance	September 3, 2019
Final Action on Tax Rate Ordinance	September 16, 2019

Notes:

Meeting times to be confirmed after the Budget Calendar is approved.

It is recommended that the Budget Planning Meeting and the Budget Workshop be held in the City Council Chambers.

At the June 3, 2019 meeting, the City Council will consider approving Schulman's Movie Bowl Grille as the location for the Budget Workshop.

* This is expected to be a one-day Workshop; but an additional day is scheduled as a placeholder in case more time is needed.



SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

E.4.

Meeting Date: 06/03/2019

Prepared By: Nate Strauch, Community & Support Services Manager

Approved By: Robby Hefton, City Manager

Caption:

*** OTHER BUSINESS**

Consider Request of the 2019 Neighborhood Recreation Committee to Temporarily Close Certain Streets for the Annual "Juneteenth Celebration" on Saturday, June 15, 2019

Issue:

Council approval is requested for the street closures and use of City facilities and services to facilitate the annual "Juneteenth Celebration" on Saturday, June 15, 2019 from 7:00 a.m. - 7:00 p.m. A request has been made to close the streets around the Municipal Building and to provide additional solid waste containers and barricades.

Background:

In past years, the "Juneteenth Celebration" was held at Martin Luther King, Jr. Park; but four years ago, the Neighborhood Recreation Committee moved their event to Lucy Kidd-Key Park and enjoyed the growth and unity within the community at the festival.

Origination:

Karen Brown, Committee Secretary of the Neighborhood Recreation Committee

Financial Consideration:

Lucy Kidd-Key Park and the Gazebo have been reserved. Labor and equipment to drop-off/pick-up barricades and solid waste containers will be required. Assistance from Building Maintenance will be needed at start up for electrical/water connection of vendor booths and amusement activities.

Staff Recommendation:

It is recommended that the City Council approve the request to utilize the Municipal Building grounds and City services to host this annual event.

Alternatives:

As directed by Council

Attachments

Neighborhood Recreation Committee Request dated May 29, 2019
Juneteenth Parade Route Map

The N. R. C. (Neighborhood Recreation Committee)

P.O. Box 731, Sherman, TX 75091

“Helping the Community Move Forward”

5/29/2019

City of Sherman

Attn: Sarah McRae

The Neighborhood Recreation Committee will be hosting a Juneteenth Parade on Saturday, June 15, 2019. The car lineup will begin at 10:00am at East Street Park, with the Parade to begin at 11:00am. The route for the Parade will start on East Street, making a right on Evergreen, then a right on Broughton, a right on Brockett, left on Travis, right on Washington, and end with a left onto Rusk Street.

After the Parade, the N.R.C. will be hosting the Annual Juneteenth Celebration at Lucy Kidd-Key Park located at 405 N. Rusk Street. The Celebration will begin at noon.

We would like to request barricades for Pecan, Elm, Mulberry, and Rusk Streets. All Activities will be occurring on these streets.

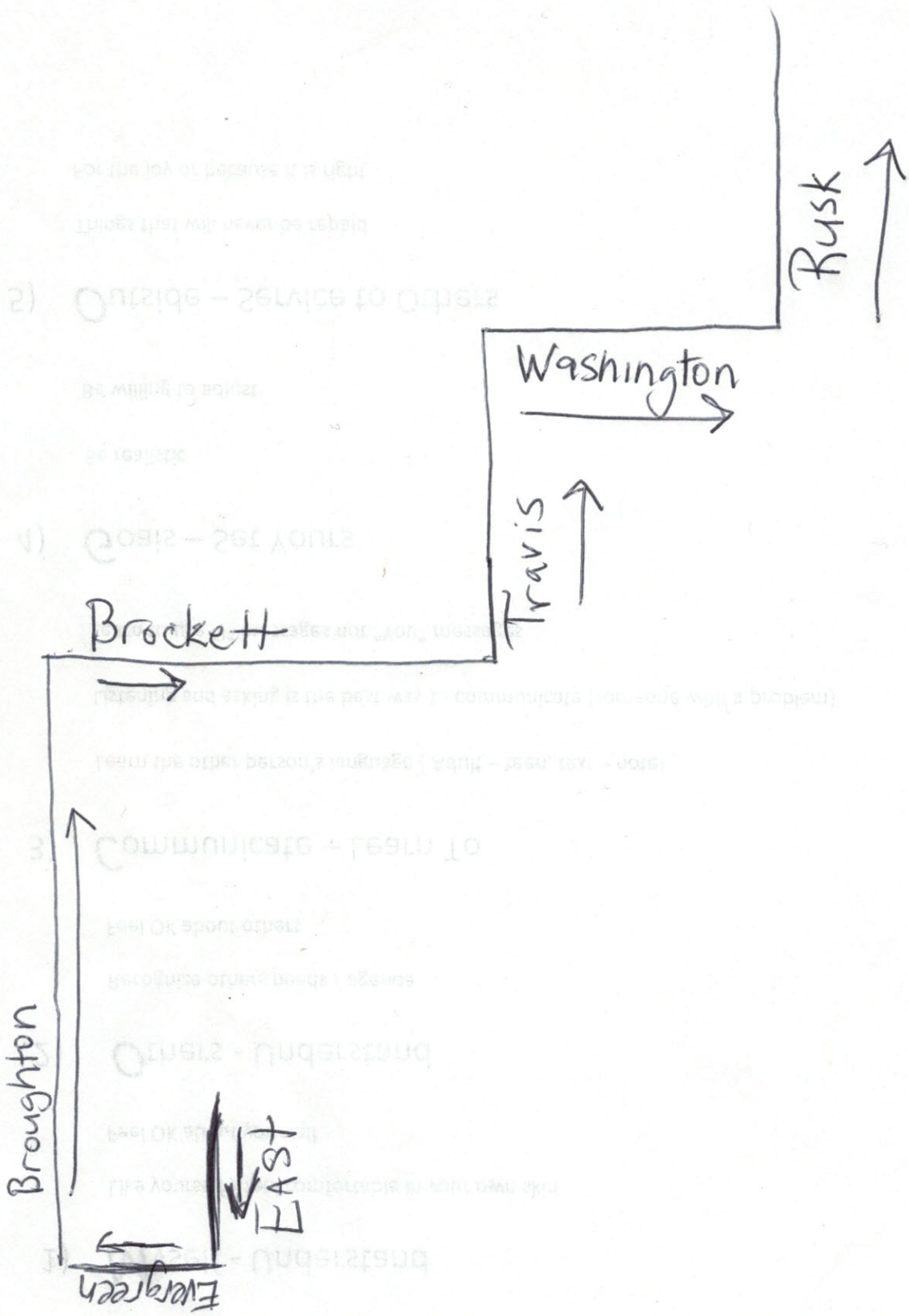
We would like for the street closures to begin at 7:00am and end at 7:00pm.

For any additional information, please contact Karen Brown at (903)209-6664 or kbrown6860@yahoo.com.

Thank you in advance for your support of the Annual Juneteenth Celebration.

Sincerely,

Karen Brown- Committee Secretary



CONTROL YOUR OWN LIFE



SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

Meeting Date: 06/03/2019

Prepared By: Pamela Cloer, Assistant to the City Manager

Approved By: Robby Hefton, City Manager

Caption:

COUNCIL CALENDAR

Attachments

2019 Council Calendar

2019

JANUARY						
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FEBRUARY						
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APRIL						
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30						

JULY						
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28	29	30	31			

AUGUST						
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SEPTEMBER						
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29	30					

OCTOBER						
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NOVEMBER						
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DECEMBER						
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29	30	31				

1/21/2019	Martin Luther King, Jr. Day/Called City Council Meeting on 1/22/2019
2/27/2019	Called Council Meeting - Training Session for Council Members
4/26/2019	Called Budget Planning Meeting in Council Chambers
6/13/2019	Called Budget Workshop in Council Chambers
6/14/2019	Called Budget Workshop in Council Chambers
9/2/2019	Labor Day/Called City Council Meeting on 09/03/2019

[illegible]