

**CITY OF SHERMAN
CITY COUNCIL REGULAR MEETING AGENDA
COUNCIL CHAMBERS OF THE CITY HALL
220 WEST MULBERRY STREET
SHERMAN, TEXAS
MONDAY, MAY 18, 2015
5:00 P.M.**

- A. 1. CALL TO ORDER, QUORUM DETERMINED, MEETING DECLARED OPEN**
- A. 2. PLEDGE OF ALLEGIANCE LED BY DEPUTY MAYOR DAVID PLYLER**
- A. 3. INVOCATION BY DEPUTY MAYOR DAVID PLYLER**
- A. 4. APPROVE MINUTES OF THE CALLED CITY COUNCIL (BUDGET PLANNING) MEETING OF APRIL 21, 2015 AND THE REGULAR CITY COUNCIL MEETING OF MAY 4, 2015**

Proclamations

- B. 1. PROCLAMATION**
“Motorcycle Safety and Awareness Month” – May 2015

Public Hearing

- C. 1. INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 5877**
Approving a Negotiated Settlement between the Atmos Cities Steering Committee ("ACSC") and Atmos Energy Corp., Mid-Tex Division, Regarding the Company's 2014 and 2015 Rate Review Mechanism Filings; Approving a Settlement Agreement with Attached Rate Tariffs and Proof of Revenues; Declaring Existing Rates to be Unreasonable; Adopting Tariffs that Reflect Rate Adjustments Consistent with the Negotiated Settlement; Finding the Rates to be Set by the Settlement Tariffs to be Just and Reasonable and in the Public Interest; Requiring the Company to Reimburse ACSC's Reasonable Ratemaking Expenses; Declaring an Effective Date; Requiring Delivery of this Ordinance to the Company and the ACSC's Legal Counsel
- C. 2. INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 5878**
Amending Chapter 5 of the Code of Ordinances, entitled "Fire Prevention and Protection", at Article 5.04, entitled "Liquefied Petroleum Gas"

Close Public Hearing and Consider Adoption of Ordinances

C. 3. ADOPTION OF ORDINANCES

Consider Adoption of Ordinance Numbers: 5877 and 5878

C. 4. 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. 5971

Authorizing Execution of an Agreement with Sean Vanderveer under the City of Sherman's Central Business District Historic Building Restoration and Improvement Grant Program for Improvements to 127 North Walnut Street

D. 2. * RESOLUTION NO. 5972

Finding and Determining a Public Purpose and Public Necessity Exists for Construction of City Project South Sherman Relief Sewer; Appointing an Appraiser and Negotiator as Necessary; Authorizing the City Manager to Establish Just Compensation for the Property Rights to be Acquired; Authorizing the City Manager to Take all Steps Necessary to Acquire the Needed Property Rights in Compliance with All Applicable Laws and Regulations

D. 3. * RESOLUTION NO. 5973

Authorizing Execution of an Agreement with Tobar Properties, LLC for the Abatement of Ad Valorem Property Taxes for the Construction of a New Single-Family Residence at 900 North East Street

Requests to Advertise

E. 1. * REQUEST TO ADVERTISE

Construction of the Wastewater Treatment Plant Headworks Lift Station and Electrical Upgrade Improvements

E. 2. * REQUEST TO ADVERTISE

Construction of the Sears Lift Station Relief Sewer Project

Other Business

F. 1. OTHER BUSINESS

Receive Presentation from Parks and Recreation Director Kevin Winkler on "The Taylor Street Complex"

G. CITIZEN REQUESTS

H. MEDIA QUESTIONS

Consider Board/Commission Appointments

I. 1. APPOINT/REMOVE OR CONSIDER QUALIFICATIONS TO BOARDS AND COMMISSIONS

- (a) Parks and Recreation Advisory Board (2)

I. 2. APPOINT/REMOVE OR CONSIDER QUALIFICATIONS TO BOARDS AND COMMISSIONS

- (a) Sherman Housing Authority (2)

J. COUNCIL COMMENTS

Executive Session

K. 1. EXECUTIVE SESSION

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

Section 551.071 Consultation with City Attorney concerning Pending or Contemplated Litigation:

- (a) Receive the City Attorney's Briefing on Pending or Contemplated Litigation

Section 551.074 Personnel Matters:

- (a) Deliberate the Appointment, Employment, Evaluation, Reassignment, Duties, Discipline, or Dismissal of a Public Officer or Employee

The Council reconvenes into General Session

L. 1. OPEN MEETING

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

M. 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 15, 2015 at 3:00 p.m., and said time of posting was 72 hours before said meeting was convened or called to order.

Dated this 15th day of May, 2015
City of Sherman, Texas

City Clerk

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

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

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

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

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

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

Mayor

Carolyn S. Wacker

Deputy Mayor

David Plyler

Council Members

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

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

Lawrence Davis, Council – District #1

Terrence R. Steele, Council – District #2

Tom Watt, Council – District #3

David Plyler, Council – District #4



SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

Agenda Item No. A. 4.

Meeting Date: 05/18/2015

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 21, 2015 AND THE REGULAR CITY COUNCIL MEETING OF MAY 4, 2015

Attachments

April 21, 2015

FY 2015 Budget Planning Meeting

May 4, 2015

Loy Lake Bridge

STATE OF TEXAS §
 April 21, 2015
COUNTY OF GRAYSON §

BE IT REMEMBERED THAT A Called Meeting of the Sherman City Council was begun and held in the City Council Chambers on April 21, 2015.

COUNCIL MEMBERS PRESENT: Mayor Cary Wacker; Deputy Mayor David Plyler.
Council Members Davis, Johnson, Sofey, Steele, Watt.

COUNCIL MEMBERS ABSENT: None.

CITY STAFF PRESENT: Robby Hefton, City Manager; Brandon Shelby, City Attorney; Don Keene, Director of Administration and Finance; Mark Gibson, Director of Utilities; Scott Shadden, Development Services Director; Steve Ayers, Director of Community and Support Services; Clay Barnett, Director of Public Works and Engineering; Danny Jones, Interim Fire Chief; Otis Henry, Police Chief; Mary Lawrence, Director of Finance; Kevin Winkler, Parks and Recreation Director; Tammy Davis, Controller; Jim Cross, Assistant Public Works Director; Lisa Whitfield, Engineering and Development Coordinator; Clint Philpott, City Engineer; Steve West, Animal Control Supervisor; Jamie Baggs, Fire Department Division Chief; Tom Brown, Fire Department Division Chief; Dan Wood, Fire Department Division Chief; Patsy Reeves, Administrative Secretary; Pam Cloer, Assistant to the City Manager; Linda Ashby, City Clerk.

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

 Budget Planning
 Financial Update and Council Input for 2015-2016 Budget Year

 Adjournment

CALL TO ORDER, QUORUM DETERMINED, MEETING DECLARED OPEN

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

FINANCIAL UPDATE AND COUNCIL INPUT FOR 2015-2016 BUDGET YEAR

Robby Hefton, City Manager, said the purpose of the meeting is to set the stage for the work that the staff has already begun on the budget process for this year, and to make sure the staff is heading in the right direction, based on the Council's direction.

Many things that will be discussed are from the plan that has already been put into place last year. There will be a financial update for things going on this year and how the City ended 2014. There will be a projection of 2015 and a look at 2016. After the financial update, Mr. Hefton will discuss the staff plan and the staff initiatives. Mr. Hefton said he has formerly spoken with each Council Member about the things that are important to them. Some of those are also included today. But the main thing today, will be that the staff has "their marching orders" going forward.

From a financial and operational standpoint, there were some changes and movement of staff. At the end of the meeting, the Council will confirm the dates for the budget workshop and approval and adoption of the budget.

COUNCIL MINUTES – APRIL 21, 2015

Financial Update

Mary Lawrence, Director of Finance, presented the financial update. The General Fund ended the year up \$1.7 million above the ending balance in 2013, almost entirely due to sales tax. She called this the “Panda Effect.” The City received about \$1.4 million more sales tax revenue than what was budgeted. Since there was other construction in Sherman at the time, there is no way to determine how much of the sales tax could be attributed to Panda Energy. There were hundreds of workers that were staying at Sherman hotels, eating at the restaurants, and shopping at the stores. Even with this indicator, an underlying growth can still be seen that is not related to Panda Energy.

Expenses for 2014 were also down slightly compared to budget and there were some open positions in the Police Department. The ending reserves for FY 2014 were \$8.9 million, up to about 106 days.

In the Utility Fund, reserves were down about \$1.2 million, including a \$1.1 million transfer from the Utility Fund to the General Fund. Revenues were up compared to budget and actual expenses were below budget. Ending reserves were at \$5.4 million, or 89 days.

In the Solid Waste Fund, ending reserves for 2014 were at almost \$1.7 million and revenues were up a little. A portion of this was construction related, but there were some ongoing increases that should continue. Ending reserves were at 107 days.

The Capital Improvement Program fund balances at September 30, 2014 were \$700,000 in the General Improvement Fund and \$2 million in the Utility Improvement Fund. Most of the General Improvement Fund balances are encumbered for projects that were budgeted in 2014, but were not completed. Most of the Utility Improvement Fund balances are also encumbered for projects such as the Gallagher Tank Repainting and Repair Project, which is budgeted at \$1 million.

Ms. Lawrence outlined the specific line items for the General Fund with actual amounts for 2014. The Panda Effect was obvious in the sales tax line item and she said less was budgeted for 2015. The difference in the property tax revenue from 2014 to 2015 is mostly due to the rate increase. About \$600,000 is attributed to the 2.4 cent tax rate increase, however there is some new value growth. She said about one-third of the growth between 2014 and 2015 is new value of Panda Energy added to the tax roll.

She said the transfer from the Utility Fund to the General Fund will be about \$1.1 million lower next year and is non-recurring. Ms. Lawrence explained that, this year instead of basing the projected expenditures for 2015 on what had been budgeted, the staff looked at what had actually been spent for the last three years, and then averaged that amount. This amount was then adjusted for known things that were going on. She said hopefully this would give a more realistic picture of the actual amounts.

She said of the \$2,984,000 projected for transfers out, \$1.5 million is street sales tax revenue that is being moved from the General Fund to the General CIP Fund and will be used for the projects this summer.

The projected fund balance in the General Fund at the end of 2015 is projected to be about 97 days.

Ms. Lawrence displayed property tax collections revenue, excluding the Tax Increment Financing Zones, both with and without Panda Energy. The project was about two-thirds complete in 2015 and they decided to start their tax abatement. The City received about \$400,000 total revenue from Panda in 2015. In 2016, the abatement goes down but they will have the full value on the roll. The abatement ends in 2020 and the full value of Panda Energy will be on the tax roll in 2020. It is projected to be at least \$1 million.

COUNCIL MINUTES – APRIL 21, 2015

The chart also shows the effect of the tax rate increase from 2014 to 2015. Very little of this increase is other new property added to the tax roll.

Ms. Lawrence explained the sales tax history saying from 2009 to 2013 was before Panda Energy. There was a sharp increase from Panda Energy and the numbers now appear to be decreasing. However, she said Panda money was one-time, and there is still a nice increase anyway. She said Sherman has had growth without Panda.

Hotels don't send in their tax receipts until the end of April, however she said two of the big hotels have already sent theirs in. The staff compared these hotel tax receipts for the first calendar quarter of 2015 with their receipts for the first calendar quarter of 2014, and one hotel's receipts had declined 10% and the other declined about 20%. Since it appears that something is decreasing, the staff slowed down the end of the year projections.

For the Utility Fund, the water revenue in 2014 came in about what was budgeted. For 2015 there is an increase, mainly due to Panda Energy. The City expects to receive \$900,000 to \$1 million annually in water revenue just from Panda Energy. Without Panda, the growth in water revenue is pretty flat. She added that the water revenue number can "swing" several hundred thousand dollars either way, depending on a wet versus dry summer.

Ms. Lawrence said the debt service in the Utility Fund was budgeted at almost \$5.2 million for 2015, and the actual should be at almost \$4.7 million. In addition to the \$4.6 million for 2016, there will also be a part of the debt from the Water Treatment Plant Expansion. That project will cost \$20 million and the debt service will be \$1.2 million to \$1.5 million. With this amount added, the City will be at about \$6 million for debt service on known projects by 2017. That amount does not include the new water tower or any other projects that are needed. The debt service expenditure will increase in both the 2016 and 2017 budget.

The ending balance in the Utility Fund will be at about 119 days at the end of the current year.

In the Solid Waste Fund, as in all funds, the vehicle usage expenditure is expected to be down a lot. When the budget was built, gasoline was \$3.50 per gallon and was expected to increase. Instead it dropped to \$2.00 per gallon. Therefore there were some savings in all the funds, but the Solid Waste Fund has really benefited from those savings.

The Solid Waste Fund is expected to end reserves at about 73 days.

The staff has assessed the fleet replacement in the Solid Waste Fund and looked at the condition of the fleet and the lifecycle of the fleet. A pro-active plan has been developed for replacing the fleet. Ongoing that plan indicates that the City needs to spend about \$850,000 annually.

From 2008 to 2012, the City was not replacing fleet at that level. Fleet replacement in 2015 was a "catch up" year. In 2016 and 2017 the City is getting closer to that ongoing funding level. At the current rate, the City is not at that funding level. To maintain the fleet, the staff will propose a modest rate increase to keep the level of funding for the solid waste fleet.

Mr. Hefton added that the staff doesn't know exactly what the rates will look like for the Solid Waste Fund, but he said it would not be a 20% rate hike. There will probably be a modest increase in both the residential and commercial solid waste program. He added that, during the economic downturn, the staff put off capital spending in both rolling stock and in capital projects. This is a symptom of the staff doing the best they could with what they had.

COUNCIL MINUTES – APRIL 21, 2015

Council Member Johnson asked if this was just in the Solid Waste Fund or in all the funds. Mr. Hefton said this proposal was just in the Solid Waste Fund. Proportionally, solid waste is very capital intensive and very equipment intensive. Overall the City is in better shape from a fleet standpoint, in the Utility Fund and the General Fund. Fleet for the General Fund is also less expensive than the equipment needed for the Solid Waste Fund. Mr. Hefton said there was no other significant rate increase in the other funds and the staff plans to “hold the line” knowing that the street sales tax will be coming up this year.

Council Member Watt said there was a 119 day reserve in the Utility Fund and since Mr. Hefton's personal comfort zone is around 75 days, would it be possible to transfer some of the money to fleet and delay the rate increase. Mr. Hefton said the staff might possibly be able to do that and will look at that scenario. However, they don't have a view of the budget yet in any of the funds for 2016. That is still being developed.

He added that the debt service line item will be significantly different in a year or two, than it is today. There will be \$1.5 million in expenses on the Water Treatment Plant Expansion alone, that aren't showing up now. Mr. Hefton said \$1.5 million is about 23 days of reserves. If the City does nothing to the finances, the balance of reserves will decrease with the additional expenses coming on line.

The staff will look at the General Fund and the Utility Fund, but the Solid Waste Fund is about where it needs to be, in terms of reserves. The other two funds are higher than normal, however it doesn't take into account transferring any money for capital projects that will need to be accomplished. Hopefully there will be a major project for the Loy Lake Rebuild that will be partially funded by street sales tax, partially funded by TIF dollars, and partially funded by General Fund dollars. There are projects that are already scheduled to do, that the City has no funding for other than the fund balances.

He added that if they needed to forgo a rate increase in the Solid Waste Fund for 2016, the staff will bring back some options for the Council to discuss at the June budget work session. Mayor Wacker said the Council will discuss options, but last year they started looking at some of the big projects that have been put off for so long, and made a philosophical decision to stop doing the short term fix of the transfer between funds and build up the reserves so some of the critical projects could be done.

Critical Issues

Just like last year, Mr. Hefton said the staff went through a process to determine critical needs from a staff and operational standpoint, that are coming in 2016 and beyond. Priorities were identified as high, medium, and lower priorities in terms of things that are most critical. Projects that were most critical for last year were the Water Treatment Plant expansion, staffing and compensation issues, capital and CIP funding, stormwater management, and the Fire Station maintenance and relocation.

Those priorities were updated and items that had moved up to a higher priority this year were added. These include street maintenance and sidewalks; water system improvements, including the above-ground storage tanks; substandard structures; Wastewater Treatment Plant improvements; F.M. 1417 development; the development ordinances; and a public information officer. He could not guarantee that there would be funding for all the priorities, but they are high priorities to the staff and if funding can be found, they will be proposed to the Council.

The staff made some system improvements and upgrades to Incode. The City Engineer position has also been filled. The Council also approved a plan to replace the City's telephone system at last night's meeting. That project had already been identified as important, but it became more important, and will ultimately save the City \$60,000 annually in operating costs.

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Of those projects identified last year, the Water Treatment Plant expansion is ongoing and the Pilot Program is underway. The project is on schedule and bonds have been issued for the engineering and design work. Bonds will probably be issued in late 2015 or early 2016 for the \$20 million.

Compensation and staffing are ongoing issues. Some adjustments were made in 2015, especially for patrol and how the City was recruiting. There will be an update on the success of that program either at the budget workshop or prior to the workshop.

There was no action taken in 2015 on stormwater management and planning. There may be some grant opportunities or some smaller steps that could be taken in 2016, such as property acquisition or developing ordinances related to floodwater management, that could move the issue forward.

The City is in the process of site location for Fire Station No. 6 on the north side of Sherman. The staff expects to have made major steps for that project and hopefully have the land under contract or purchased by the end of the fiscal year.

Capital, capital maintenance, fleet, and funding will continue to be a major focus not only this fiscal year, but for several years to come.

Mr. Hefton said the staff always looks at the operating budget for one year, but the CIP funds will be provided as well. The staff will also continue to make progress on the critical issues that were discussed. He introduced the critical issues for 2016.

He said the Street Sales Tax has been in place for seven years. In 2007, the first year it was presented to voters, it passed by a three-to-one margin. Four years later the voters passed the Street Sales Tax by a nine-to-one margin. Mr. Hefton said there is widespread support in the community for Street Sales Tax and it is an excellent program because it places the responsibility for maintenance of the streets on the people who use it. That is, people within the City and people who come to Sherman to use our services. From a retail standpoint, over half of the sales tax revenue comes from those outside of Sherman. Mr. Hefton said it just makes sense to have those people help maintain the street infrastructure.

The Street Sales Tax issue will come up for consideration again in November 2015. It is a four year program and can only be used for streets that exist at the time of the election. The City generates a little over \$1 million annually from this revenue source. At the end of the eight year period, the City will have completed dozens of miles of mill and overlay and over 100 miles of chip seal and other improvements to help maintain the streets. Those funds were also used to help with the downtown area, Sherman Commons, and other areas of the City. Mr. Hefton said it is vital that the City continue this source of funding for the streets.

Other items that are staff priorities for 2016 include compensation, benefits and staffing for employees. Mr. Hefton said the City is in the service industry and two-thirds or more of the costs in the General Fund are people costs. He felt it would always be important to keep up with the market and to take care of the employees. He would also like to consider hiring a public information officer and a city planner for 2016 if funding it available.

Mr. Hefton said F.M. 1417 development from S.H. 56 north to U.S. Hwy 82 or maybe Plainview Road is also a critical issue. The new Wal-Mart will be open by the end of 2015 and their presence on F.M. 1417 is already driving activity. The staff feels like they have a "short window" to help manage and direct the growth that will occur on F.M. 1417. If the City is not proactive in managing that growth, Mr. Hefton said it will be managed for us, perhaps in ways that we don't like. Much of the staff's attention will be focused on the issue in 2016, and there may be dollars attached as they start to consider

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developer's ordinances for the area. There is already an overlay ordinance for F.M. 1417 that is helpful, but considerations need to be made about encouraging the right type of development.

As for transportation, Mr. Hefton said there are very few opportunities between U.S. Hwy 82 and S.H. 56 to ensure that there is good arterial transportation from S.H. 289 and the western boundary of Sherman into F.M. 1417 and even the center of the City. There is a limited opportunity to help drive the transportation corridor in the area. Mr. Hefton said there are many aspects to managing the growth on F.M. 1417, which will need to be considered.

Other staff priorities include the capital improvement plan and fleet funding that was discussed earlier.

A year or two ago, Mr. Hefton said there was a presentation about the results of the Stormwater Management Study that recommended projects that totaled about \$55 million. Many of those projects initially related to things like the purchase of property within the floodplain. FEMA's objective, since they make repairs and improvements to properties in the floodway, is to provide grant funding to purchase property in the floodplain so that when floods happen they can mitigate the damage that occurs. Mr. Hefton said there might be an opportunity for the City to use a little of their money and a lot of FEMA's money to purchase property in the floodplain and the floodway.

He said there might also be some development ordinances that could be considered, especially those concerning detention. The City should consider whether they need to focus on a regional detention effort or continue with on-site detention. There are some items concerning stormwater management that Mr. Hefton felt could be considered during the upcoming fiscal year.

Council Member Watt said the City doesn't have any program in place to communicate or educate the citizens if they are in flood areas. Mr. Hefton said there is not a dedicated communication or education plan in place, nor is there funding for such a plan. In the future, the City should consider if there needs to be a stormwater management fee that would provide annual funding for such education programs. He did not feel that 2016 was the right time for that, because he felt the Street Sales Tax was the most important current issue.

Mr. Hefton added that there are things that the City can do that won't commit them to annual outlays. He added that part of the reserve funds in the General Fund could be set aside as matching funds for any projects that might require a percentage match with FEMA for purchase of property. The staff will continue to look at ongoing ways to improve conditions and educate the public and mitigate damage that has happened in the past. The City can't stop flooding, but they can help mitigate the damage and encourage people not to build in the floodplain or to make flooding worse.

Council Member Watt said he is glad the City is taking steps, even if they are small steps. Mr. Hefton said the City could do all \$55 million worth of the FEMA projects and still not be where they need to be with flooding. For the next fiscal year, he said the staff will try to do what they can with the money available, but not initiate a stormwater management fee. Council Member Sofey confirmed that the City would have to spend about \$200,000 to even begin the process and fund the study. Mr. Hefton said they should also be prepared to implement the plan if the study is done. Council Member Sofey felt that the stormwater fee would be needed at some point, to have an ongoing source of revenue for the plan.

Mr. Hefton said he thought that maybe 2017 would be the year that the City starts the process of the Stormwater Management Fee Study, when there might be better funding to commit to an ongoing revenue source such as the stormwater management fee. The study itself will take six to 12 months to complete.

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Mr. Hefton said he felt the City could do a better job with code enforcement and substandard structures than in the past. The City hasn't been able to dedicate a lot of funding to the issue in the past. He felt the City might use some of the fund balance in the General Fund as well as the Community Development Block Grant. The CDBG funding does limit where projects can be done to target areas, which are generally on the east side of town. He felt combining CDBG funding sources with other creative ways to address substandard structures, would allow the City to accomplish more.

He said the City of Gainesville has a program where they partner with private entities to reclaim the antique wood, ornamental architecture, windows, doors, and fixtures, that are within the house that has a value to resell. By doing that, they have been able to significantly reduce the cost of demolishing the houses. This has allowed them to demolish about 200 houses in a two year period. Currently it is done on a voluntary basis.

Sherman's process is dictated by law that requires a certain number of notices and specific time between notices, and due process for the individuals and the property owners. The process takes months before the City can even get close to demolishing a house. Mr. Hefton said these are all unoccupied structures and not houses that need to be rehabilitated.

He felt there were other ways that funding could be used for substandard structures that are more palatable to property owners. These should be on a volunteer basis and allow the City to move more quickly and to be more successful.

Mr. Hefton said the City may also want to change the process for communicating with property owners and tenants on the structures that are occupied. He felt the changes would not be too expensive and may identify a different funding source to make a greater impact for the City. By the summer, Mr. Hefton said he would like to have a list of structures and properties identified so if the Council approves the plan and funding is available for 2016, the staff will be ready to start the program.

Mr. Hefton said there is a dedicated funding source with downtown tax increment financing funds for the downtown sidewalks. The TIF program generates about \$60,000 annually. For the past few years, that funding has been earmarked for the SITEScape Plan that was completed two or three years ago. The City paid \$300,000 to \$400,000 of the TIF funds for the project, and the TxDOT grant completed the project. The project ended up being about a 50-50 split. The City depleted all the downtown TIF funds with the previous streetscape project.

Beginning in 2015 and in 2016, the City will have the additional \$50,000 or \$60,000 annually that can be used for a project. The staff believes that downtown sidewalks would be a good use for the funds. The project must be in the Central Business District, which goes over to U.S. Hwy 75 and up to Travis Street. He felt a "noticeable" difference could be made, starting around the Courthouse Square and moving up Travis Street.

Mr. Hefton said the goal of the Loy Lake Road Rebuild is to finish what was started. There is a nice wide, six-lane bridge that will be completed soon. The City's part of the project, which connects the bridge, south to Sara Swamy Drive, will be open at the same time. That road will be a nice, four-lane, divided median, concrete curb and gutter road with sidewalk. It then narrows back down from Sara Swamy Drive to U.S. Hwy 82. The City wants to complete that part of Loy Lake Road to complete the project. That portion of the road will cost over \$2 million. The project is a perfect use of TIF funds, however they will not pay the total cost of the project. Hopefully, Street Sales Tax money can also be used for the project.

Mr. Hefton said for the most part, the City already has the right-of-way for the project and the utility poles are already set many feet from the curb. He said there might be a small right-of-way acquisition

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that would still be needed. The Street Sales Tax can be used for anything within the street right-of-way and on a street that existed prior to the election. Money can also be used from the General Fund fund balance.

Mr. Hefton addressed space utilization for City facilities and said the goal is to better use the space that is available. There has been some remodeling at City Hall, and the cost was a few thousand dollars because the internal staff was used. The staff would like to do that in several City buildings to better utilize the available space and there will be some funding in 2016 for that project.

Updating the development ordinances was discussed in regards to F.M. 1417, however Mr. Hefton said the City needs to look at that citywide as well, and could include items such as regional detention, updating along F.M. 1417, or any other growth corridors. He said there were some issues with large lot development to the west that presents some unique challenges. The needs of citizens living on a quarter of an acre in town are different from those living on one to five acres in town. The staff has identified some issues in ordinances that already exist such as animal ordinances. The staff needs to take a more comprehensive look at the needs of the citizens.

There are several big utility issues including the Water Treatment Plant expansion, a new above-ground storage tank, as well as major projects at the Wastewater Treatment Plant. Utility issues will continue to be a priority.

The staff has also discussed a solid waste rate adjustment that will be an alternative for discussion at the budget work session. He said these are the “high profile” issues but there are other operational items that are part of the normal process for budget development.

Council Priorities

Mr. Hefton also presented a list of priorities that he has heard the Council Members discuss over the last few months. At the end of the meeting he would like to know if the City Council feels the staff is “headed in the right direction.”

The City has the Downtown Grant Program that has been in place for several years and has been very successful over the past few years. Lately all the money that has been allocated for the program has been spent. He outlined several of the projects that have been funded through that program. During the budget workshop, Mr. Hefton said he will need to know the level of funding that the City Council would like to budget for that program.

The Council has also indicated they want stepped up code enforcement and cleanup along S.H. 56, which could be tied to the code enforcement and substandard structures. The staff would like to continue with a more aggressive approach over the next year.

Mr. Hefton said about three years ago there was money earmarked for a project to improve the kitchen in the Municipal Ballroom. The Ballroom is a great facility, however it doesn't have a full service kitchen, partly because the building is 90 years old and installing a grease trap and other things required by the code, would be a challenge. Money can be budgeted in the Hotel/Motel Tax Fund for some improvements to the Ballroom. There are ample reserves in that fund for this type of project.

Improved safety along Grand Avenue is a concern and needs to be addressed. Mr. Hefton said he did not have a plan for that today, but it could include crosswalk lighting and/or flashing lights. He said the staff will work with Austin College to address these safety issues.

Issues concerning the development ordinances include regional detention versus on-site detention, a F.M. 1417 overlay, enhancements to the multi-family architectural standards to make sure the City is

COUNCIL MINUTES – APRIL 21, 2015

getting the type of development they want, and some funding alternatives as it relates to development. These funding alternatives could include fees in lieu of on-site detention, impact fees, or pro-rata fees.

Council Member Steele verified that regional detention would allow developers to use their property instead of building an on-site detention pond such as the one behind Wal-Mart near Town Center. Mr. Hefton said Dean Gilbert Lake is a regional flood control structure that helps manage the flow of water downstream. Developers could pay a fee instead of constructing on-site detention ponds and that fee would be used to construct regional detention ponds that could be better placed. He said these are more practical and effective.

Mr. Hefton presented a list of “marching orders” for the FY 2016 Budget development. Council Members agreed that the following list was items they would like to see addressed in the budget.

- Pursue Street Sales Tax Reauthorization
- Stormwater – Investigate leveraging FEMA grant money for projects
- Fire Station – Site 6 location and/or purchase
- Staffing/Compensation – PIO and City Planner positions, employee pay adjustment
- F.M. 1417 Development/Management
- Downtown Sidewalks
- Loy Lake Road Rebuild
- Solid Waste Rate Adjustment – At least discussing as an alternative
- Downtown Incentive Program Continuation – At some level
- Step Up Code Enforcement/Cleanup along S.H. 56
- Improvements to Ballroom – Especially kitchen
- Traffic and Pedestrian Safety Enhancements along Grand Avenue
- Development Ordinances
- Stepped-up Code Enforcement for Substandard Structures – Additional money and a change in approach

Mr. Hefton asked what items the staff missed that the Council Members would like to see addressed in the budget.

Council Member Watt said when you continue to add money to employee salary and compensation, you create a “compression” for the police and fire employees. He asked if the staff planned to look at that issue. Mr. Hefton said that issue is citywide but does seem to be more pronounced in the Police and Fire Departments. The structure provided by Civil Service already puts that in place where you change one and it affects the others in terms of keeping the appropriate amount of separation among the ranks.

Mr. Hefton said for the non Civil Service employees there is more of an opportunity to provide a uniform change. Police and Fire might want to say they focused more on entry-level salaries in FY 2015 to help with recruiting, next fiscal year they might look at a different section of employees. He wanted to allow the Police and Fire Chief to look at what best suits their needs for compensation.

Mr. Hefton said in the General Fund, every 1% pay increase equates to about \$150,000 to \$170,000. He assured the City Council the staff would not be proposing a 5% pay increase. However, he did want to do something for the employees while the City was experiencing a good financial picture.

Council Member Davis asked about health insurance for employees. Mr. Hefton said so far this year, the claims have been better than last year. Last year there was about \$5 million in claims. This year it looks like it will be in the \$4.6 million range. The City has a history of building up contributions to fund the health insurance through the General Fund, the Utility Fund, and the Solid Waste Fund. He felt the City is appropriately funded in those major funds to cover the healthcare costs. He said there might be

COUNCIL MINUTES – APRIL 21, 2015

a “market adjustment” of 2% or 3% increase, but he did not feel that the City would need to add a large amount to the fund to help the claims. In fact, this year looks like it leveled off a little bit. Mr. Hefton said because of the Affordable Care Act, the City is limited to some of the things that they can do. Previously the City could have cut benefits and increased premiums, but they don’t have that ability anymore. The City is allowed a certain percentage of increase or change in benefits without triggering some unwanted consequences.

He added that the staff will manage the plan as best they can, but there may be a point in time where some of the increase must be passed to employees. But because of the Affordable Care Act, the employees are protected in the amount the City can increase the premiums or decrease the benefits. He said he didn’t expect any changes to the insurance, however that is the single largest cost to the City, besides the actual paychecks.

Mayor Wacker asked if there were any wellness programs or options that the City could consider. She asked the staff to review these options to help manage the costs.

Mr. Hefton said the staff should be done with the budget internally within the next four to five weeks. They will be preparing the presentations through the end of May for the budget work shop, which is scheduled for June 25 and 26. The other budget dates will be governed by the budget work shop date, State law, and the City’s Charter. Final action on the Tax Rate Ordinance is scheduled for September 8. He said the Appraisal District’s preliminary numbers should be available by the end of May, however the City does their own analysis to determine the values and property tax.

Mr. Hefton said about 10 years ago, one of the major industries overpaid sales tax by about \$1.5 million to \$2 million. Instead of writing a check to pay the overpayment back to the Comptroller, the City financed the repayment interest free over a 10 year period. That repayment will stop in December 2015. That has amounted to between \$180,000 to \$190,000 that has been withheld from the City on an annual basis. Therefore the impact for 2016 will be about \$150,000 and beyond 2016 will be a known \$200,000 a year, more that the City will be getting than they are now. Even if the sales tax base stays flat, this will help the City.

ADJOURNMENT

There being no further business to come before the City Council, motion was duly made and approved to adjourn the Called Meeting at 1:20 p.m.

MAYOR

ATTEST

CITY CLERK

An aerial photograph of a swimming pool facility. In the foreground, a large green water slide curves into the pool. The pool is surrounded by a light-colored deck with several large blue patio umbrellas. In the background, there is a parking lot with several cars and a line of trees.

FY2015 Budget Planning Meeting



Meeting Agenda

FY 2015 Financial Update

Critical issues recap – FY 2015

FY2016 Budget planning and critical issues discussion

Council Direction for FY 2016

Budget Calendar

An aerial photograph of a swimming pool facility. The pool is light blue with several slides, including a large green one in the foreground. There are several large blue umbrellas around the pool. In the background, there is a parking lot with several cars and a line of trees.

Financial Update

Current Year Highlights

General Fund

- FY2014 ending reserves up \$1.7 million
- FY2014 revenues up ~\$1.4 million vs budget (sales tax)
- FY2014 expenses down vs budget slightly (open positions; partially used for transfer)
- Ending reserves for FY14 at \$8.9 million (106 days)

Utility Fund

- FY2014 ending reserves down \$1.2 million (transfers to General and CIP funds)
- FY2014 revenue up \$900k vs budget (SEDCO funding, sewer)
- Ending reserves for FY14 at \$5.4 million (89 days)

Current Year Highlights

Solid Waste Fund

- FY2014 ending reserves = projections
- FY2014 revenues up vs. budget (\$300k) about half is one-time
- Ending reserves at 107 days

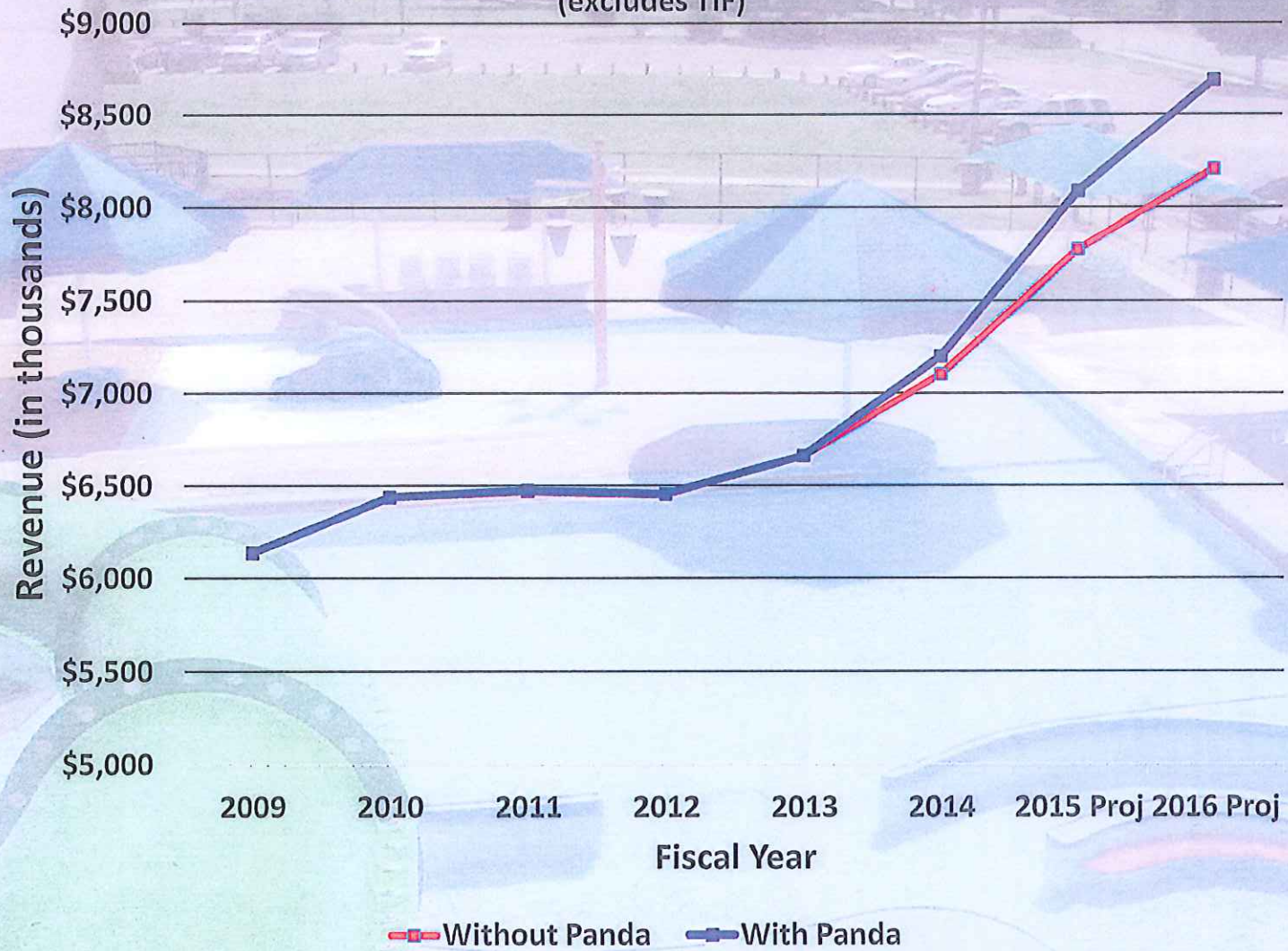
CIP Fund Balances at 9/30/14:

- General \$700k
- Utility \$2.0M

City of Sherman GENERAL FUND

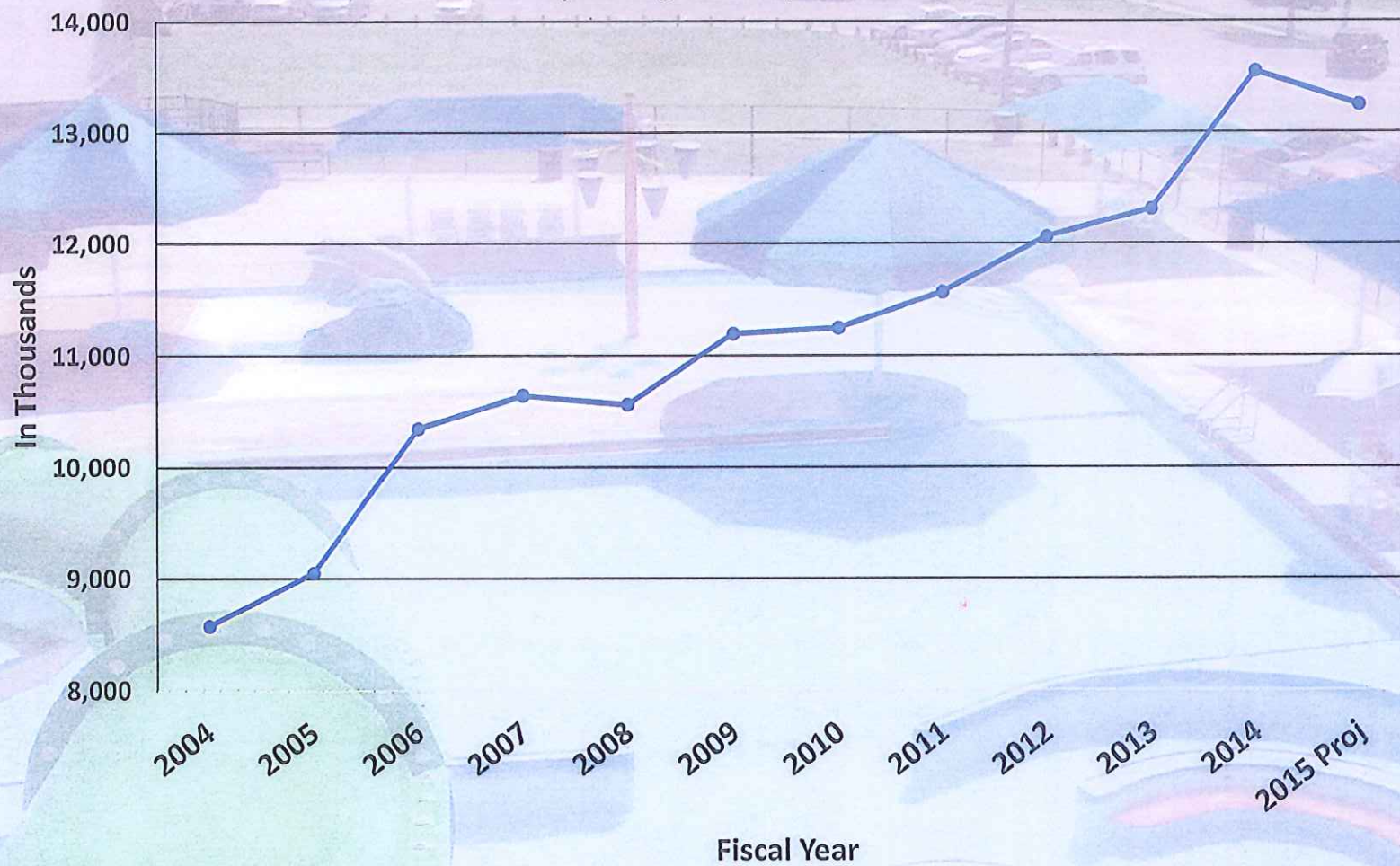
	Actual 2013-2014	Adjusted Budget 2014-2015	Projected 2014-2015
Beginning Fund Balance	\$ 7,220,472	\$ 8,707,442	\$ 8,909,217
Revenues			
Property Tax	6,393,344	7,430,000	7,365,000
Sales Tax	14,675,996	13,706,000	14,350,000
Franchise Tax	3,089,548	2,898,000	3,039,000
Other Taxes	139,888	146,000	141,000
Fines & Forfeitures	635,760	906,150	616,000
Recreation	296,591	319,000	319,000
Permits & Licenses	401,428	378,500	379,000
Rentals	52,109	79,995	80,000
Cemetery	135,218	247,700	248,000
Sales & Service	527,275	538,000	538,000
Ambulance Service	1,242,824	1,300,000	1,240,000
Interest Earned	51,004	50,000	65,000
Grant Revenue	58,750	58,410	58,000
Miscellaneous Income	254,333	151,100	151,000
Total Revenues	27,954,066	28,208,855	28,589,000
Transfers In	4,311,000	3,486,000	3,486,000
Total Revenues and Transfers In	32,265,066	31,694,855	32,075,000
Total Funds Available	39,485,538	40,402,297	40,984,217
Expenditures			
Personnel	21,371,028	22,254,326	22,190,000
Supplies	1,298,954	1,523,327	1,283,000
Maintenance	1,039,523	1,420,867	1,118,000
Utilities	1,382,864	1,434,450	1,385,000
Contract Wages	171,050	180,430	187,000
Information Technology	499,996	553,090	553,000
Contractual services	1,566,418	1,726,382	1,613,000
Vehicle Usage	1,284,212	1,515,006	1,133,000
Capital Expenses	223,202	259,162	259,000
Transfers Out	1,739,075	2,983,614	2,984,000
Total Expenditures	30,576,321	33,850,654	32,705,000
Excess Revenues over Expenditures	1,688,745	(2,155,799)	(630,000)
Ending Fund Balance	\$ 8,909,217	\$ 6,551,643	\$ 8,279,217

Tax Collections (excludes TIF)



Sales Tax History

(excluding Street tax)



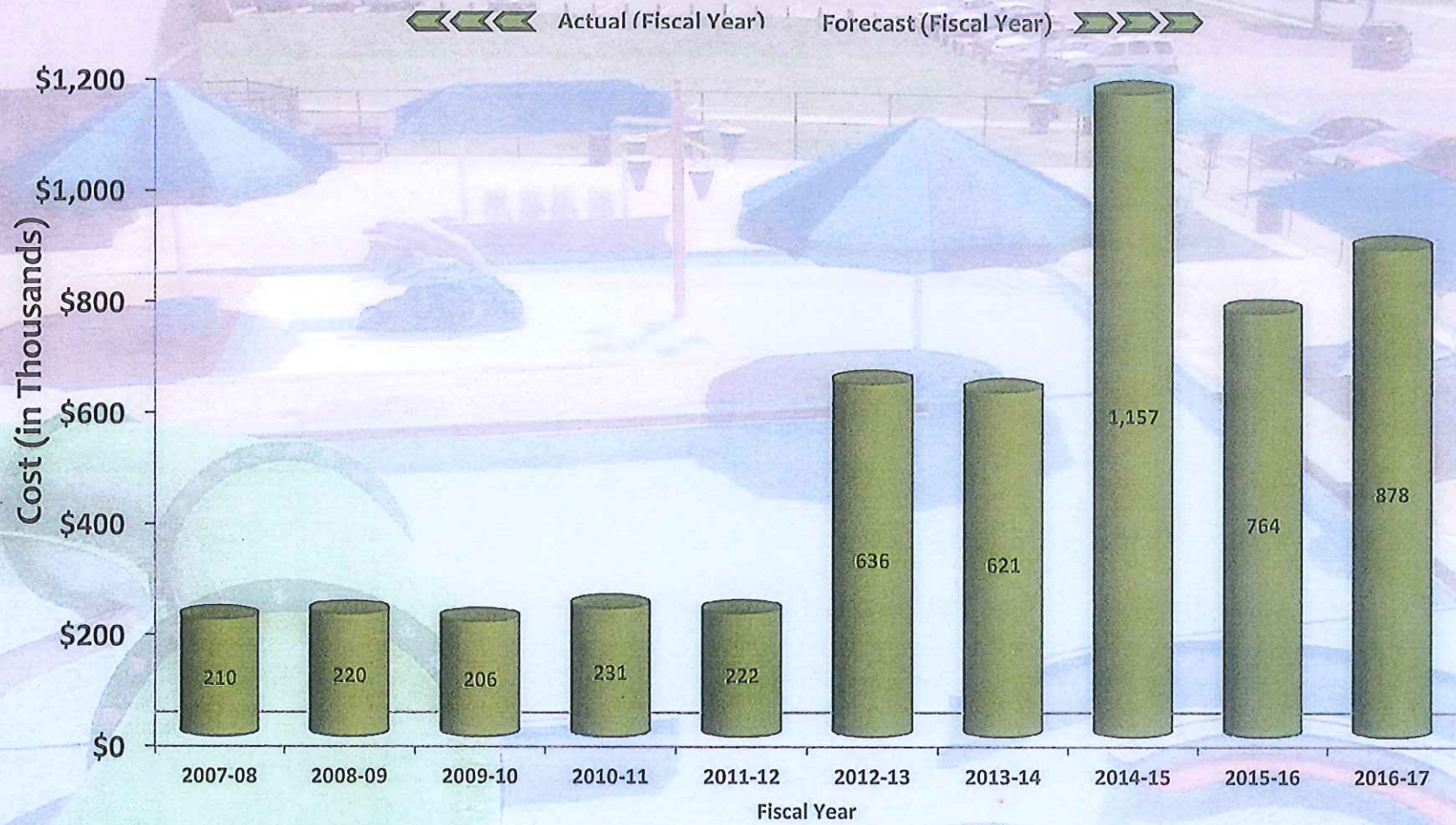
**City of Sherman
UTILITY FUND**

	Actual 2013-2014	Adjusted Budget 2014-2015	Projected 2014-2015
Beginning Reserve	\$ 6,533,544	\$ 4,683,306	\$ 5,373,763
Revenues			
Water Sales	12,106,292	12,683,000	12,806,000
Sewer Sales	6,877,244	7,022,000	6,908,000
Lab Charges	142,038	131,000	152,000
Service & Penalties	533,224	542,000	546,000
Interest Earned	6,235	11,000	14,000
Intergovernmental	900,724	546,467	546,000
Miscellaneous Income	266,610	144,000	200,000
Total Revenues	20,832,366	21,079,467	21,172,000
Transfers In	135,000	153,100	153,100
Total Revenues and Transfers In	20,967,366	21,232,567	21,325,100
Total Funds Available	27,500,910	25,915,873	26,698,863
Expenditures			
Personnel	4,846,693	5,036,904	5,034,000
Supplies	879,222	1,029,336	903,000
Maintenance	1,572,852	1,950,652	1,597,000
Utilities	2,266,719	2,561,420	2,329,000
Information Technology	68,181	90,170	90,000
Debt Service	4,626,405	5,163,079	4,672,000
Contractual services	1,463,446	1,562,379	1,347,000
Contract Wages	95,349	124,000	75,000
Vehicle Usage	255,273	344,390	245,000
Other	678,794	451,000	550,000
Capital Expenses	34,213	68,794	69,000
Total Expenditures	16,787,147	18,382,125	16,911,000
Transfers Out			
General Fund-Franch & Admin	1,643,000	1,747,000	1,747,000
General Fund-Other	2,057,000	1,100,000	1,100,000
Other Funds	1,600,000	350,000	350,000
Fleet	40,000	308,680	308,680
Total Transfers Out	5,340,000	3,505,680	3,505,680
Total Expenditures and Transfers Out	22,127,147	21,887,805	20,416,680
Excess Revenues over Expenditures	(1,159,781)	(655,238)	908,420
Ending Reserve	\$ 5,373,763	\$ 4,028,069	\$ 6,282,183

City of Sherman SOLID WASTE FUND

	Actual 2013-2014	Adjusted Budget 2014-2015	Projected 2014-2015
Beginning Fund Balance	\$ 1,446,768	\$ 1,595,793	\$ 1,656,102
Revenues			
Solid Waste Service	5,683,353	5,561,000	5,628,000
Service & Penalties	42,552	52,000	52,000
Interest Earned	1,695	1,500	2,000
Miscellaneous Income	125,221	87,200	87,000
Total Revenues	5,852,820	5,701,700	5,769,000
Total Funds Available	7,299,588	7,297,493	7,425,102
Expenditures			
Personnel	1,470,493	1,565,756	1,566,000
Supplies	107,536	162,380	153,000
Maintenance	48,834	59,999	50,000
Utilities	27,011	30,590	25,000
Information Technology	12,987	14,350	14,000
Contractual services	1,577,922	1,511,042	1,568,000
Contract Wages	-	2,080	2,000
Vehicle Usage	979,276	995,510	855,000
Capital Expenses	51,183	-	-
Transfers Out-Franchise & Admin	611,000	639,000	639,000
Transfers Out-Billing	135,000	153,100	153,000
Transfers Out-Fleet	622,244	1,157,478	1,157,000
Total Expenditures	5,643,486	6,291,285	6,182,000
Excess Revenues over Expenditures	209,334	(589,585)	(413,000)
Ending Fund Balance	\$ 1,656,102	\$ 1,006,208	\$ 1,243,102 ¹⁰

Fleet Replacement by Fund



An aerial photograph of a swimming pool complex. In the foreground, there are large, green, rounded slides. The pool water is a light blue. Several large, blue, conical umbrellas are scattered around the pool deck. In the background, there is a parking lot with several cars and a line of trees. The text "Critical Issues Discussion" is overlaid in the center of the image.

Critical Issues Discussion

Long-Term Planning Priorities

Priorities

Highest Priorities

Water Plant Expansion
 Staffing & Compensation
 Training - City-wide
 Public Safety
 Regional pay scale, recruiting, positions
 Succession in key areas
 Capital and CIP Funding
 Ongoing funding mechanism
 Various projects
 Ongoing maintenance (e.g., flat roofs)
 Fleet replacement
 Stormwater Management
 Rate study
 Project prioritization and funding
 Fire Station maintenance and relocation

2014
Staff
Priority

2015
Staff
Priority

CMP
Rank

10

12

12

3

3

3

10

Other Priorities

Street maintenance and sidewalks
 Water System Improvements
 Line from pump station
 Additional above ground storage
 Substandard structures - plan + funding
 Technology for Council Chambers
 IT infrastructure replacement
 Fire Admin Staffing
 Fire NFPA Staffing - safety
 Airport maintenance/planning
 Parks to standard maintenance - contract mowing
 GIS - continued development
 WWTP Improvements
 FM 1417 Development
 Development Ordinances
 Public Information Officer
 INCODE system upgrade
 Alley maintenance
 Plans examination/review
 City Engineer
 WWTP night shift personnel
 Internal communication system
 Intranet, VOIP, Equipment
 Document management system
 Meter change-out/fixed network

8

10

4, 6, 14

5

2

13

13

Critical Issues Update – Current Year

- Water Treatment Plant Expansion – *Engineering and design underway; bonds issued for \$2.5m*
- Compensation and Staffing (esp. public safety) – *adjustments made for FY2015 for patrol and lower ranks; ongoing City-wide*
- Stormwater Management and Planning – *no action taken in FY15; FY16 considerations discussed later*
- Fire Stations – *site location underway; CIP funding set aside for land purchase, but not appropriated for FY2015*
- Capital, capital maintenance, fleet, and funding – *tax rate change for FY2015; annual review of rates and revenues to support ongoing funding*

Budget Process Focus

FY2016 Operating Budget & FY2016-20 CIP

- Includes a change in budget baseline to historical actual spending

FY2015 Critical Issues continued progress

FY2016 Critical Issues focus

Critical Issues FY16 – Staff Priorities

• Street Sales Tax renewal

- Street sales tax election in Nov. 2015 to renew
 - Four year term
 - For existing streets only
 - Approx. \$1 million/year revenue source
 - Will have mill/overlay nearly 30 miles in past eight years, in addition to improvements to Downtown, Sherman commons, and other
 - Vital that we continue to keep priority on maintaining good streets/thoroughfares

Critical Issues FY16 – Staff Priorities

- Compensation, benefits and staffing – ongoing
- FM 1417 Development – Hwy 82 to Hwy 56
- Capital improvement plan and fleet funding
- Stormwater Management and Planning
- Fire Station(s)
- Code Enforcement and substandard structures
 - Change approach (voluntary compliance)
 - Use off-duty police officers?
 - Additional funding thru General Fund + CDBG
- Downtown Sidewalks

Critical Issues – Staff Priorities

- Loy Lake Rebuild (Street sales tax, TIF, bond)
 - \$2 million+ cost
- Space utilization (PD, Municipal bldg, City Hall, Public Works bldg)
- Development Ordinances updates
- Utility issues – Water system improvements + wastewater improvements
- Solid Waste Rates adjustment

Council Priorities

(not already included in staff priorities)

- Downtown incentives at \$_____ level
- Stepped up code enforcement/cleanup along Hwy 56
- Improvements to Ballroom (esp kitchen) – to be more competitive
- Improved safety along Grand Avenue – crosswalk lighting &/or flashing lights
- Development ordinances
 - Funding alternatives
 - Regional detention vs on-site
 - Hwy 1417 overlay
 - Multi-family architectural standards enhancement

Direction – FY2016

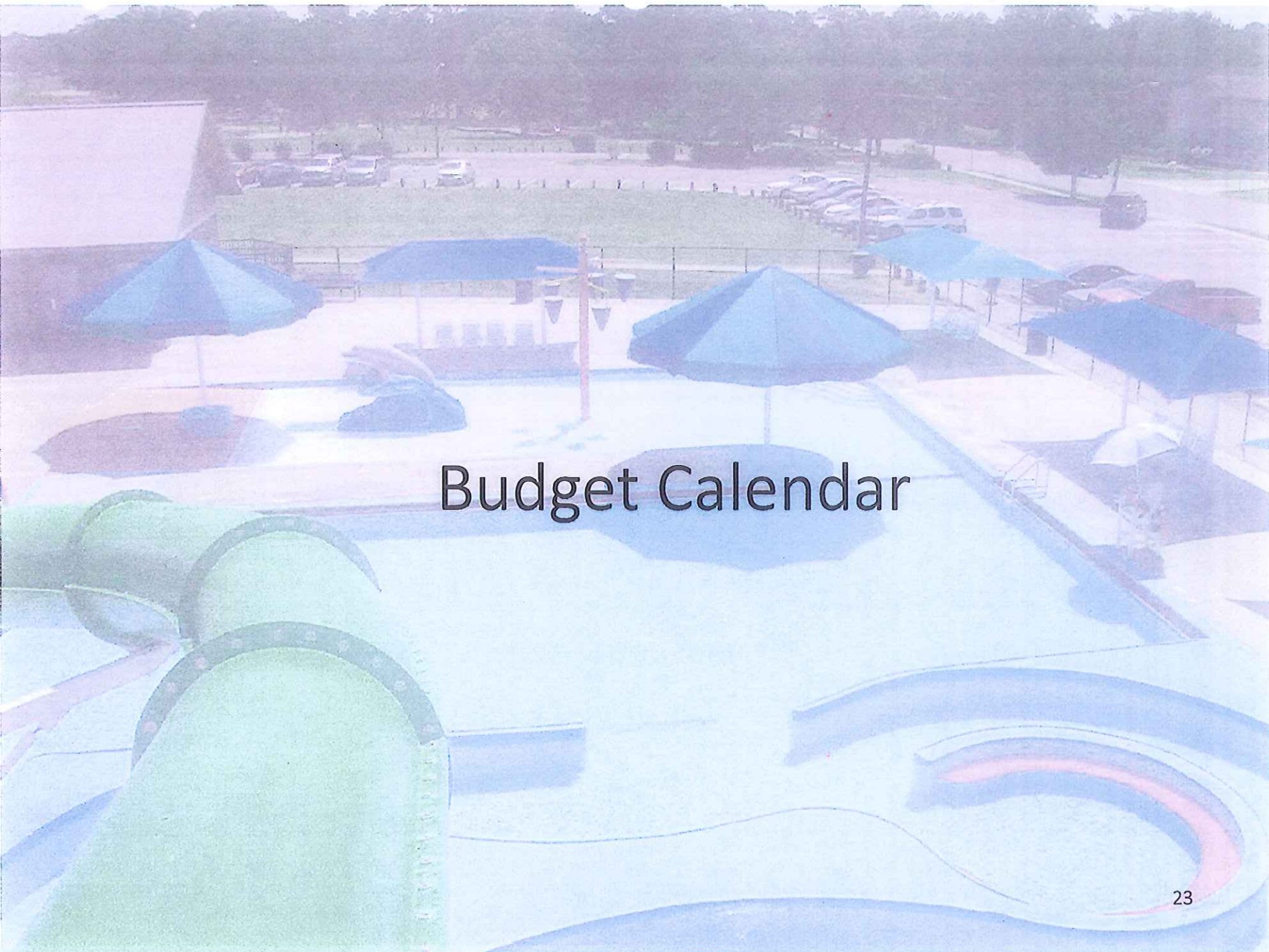
- ✓ Pursue Street Sales Tax Reauthorization??
- ✓ Stormwater – Investigate leveraging FEMA grant \$\$ for projects??
- ✓ Fire Station - Site location/purchase??
- ✓ Staffing/Compensation
 - ✓ Employee pay adjustment ??
 - ✓ PIO and City Planner positions ??
- ✓ Hwy 1417 development management ??
 - ✓ Transportation, development standards, economic development, growth management

Direction – FY2016

- ✓ Downtown sidewalks ??
- ✓ Loy Lake rebuild??
- ✓ Solid Waste rate adjustment ??
- ✓ Downtown incentives program continuation – at enhanced level ??
- ✓ Step up code enforcement/cleanup along Hwy 56 ??
- ✓ Improvements to Ballroom (esp kitchen) ??
- ✓ Traffic and pedestrian safety enhancements along Grand Avenue ??
- ✓ Development ordinances ??
- ✓ Step-up code enforcement/substandard structures ??
 - ✓ Additional \$\$
 - ✓ Change in approach

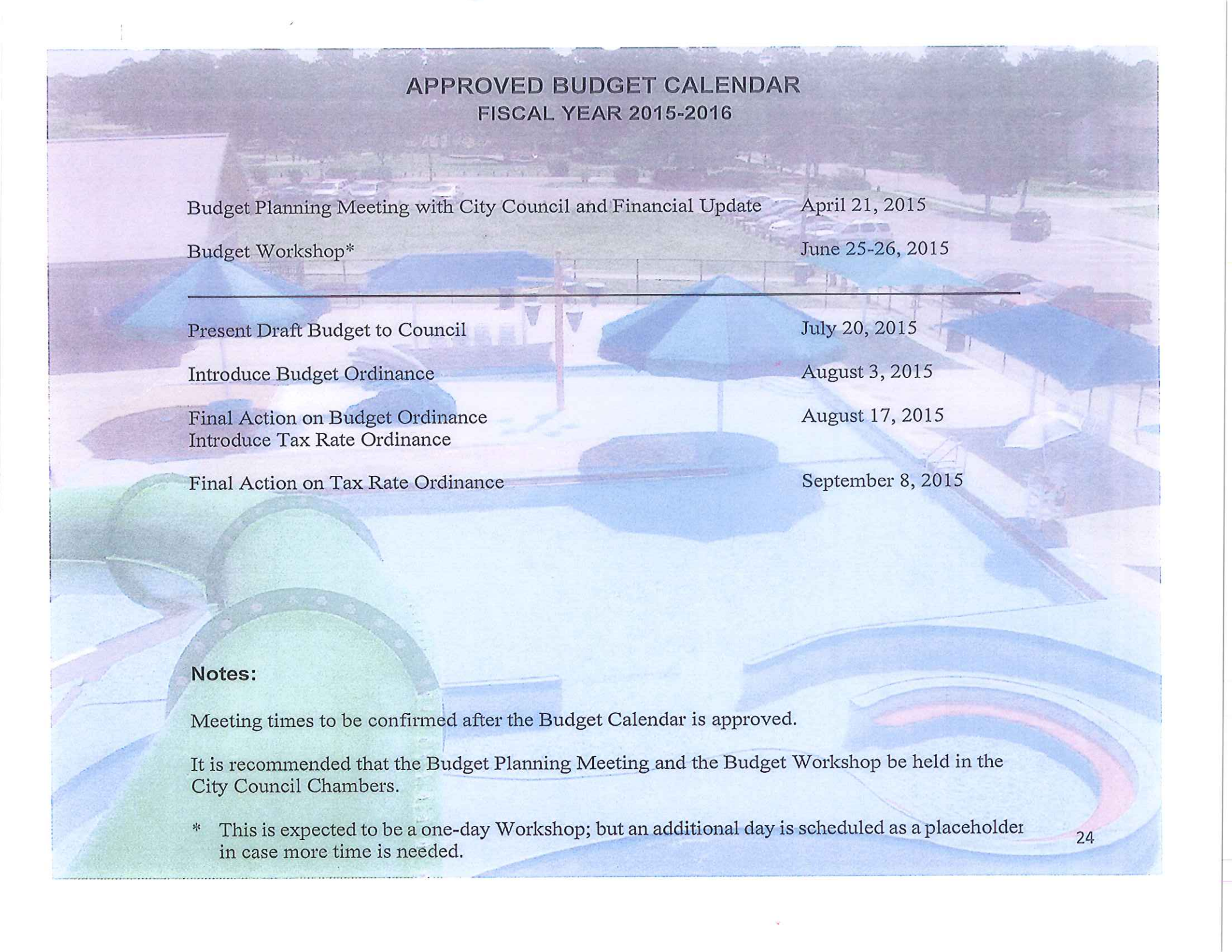
Direction – FY2016

DID WE MISS ANYTHING ??

An aerial photograph of a swimming pool facility. In the foreground, a large green slide structure curves into the pool. The pool is surrounded by a deck with several large blue umbrellas. In the background, there is a parking lot with several cars and a line of trees. The text "Budget Calendar" is overlaid in the center of the image.

Budget Calendar

APPROVED BUDGET CALENDAR FISCAL YEAR 2015-2016



Budget Planning Meeting with City Council and Financial Update	April 21, 2015
Budget Workshop*	June 25-26, 2015
Present Draft Budget to Council	July 20, 2015
Introduce Budget Ordinance	August 3, 2015
Final Action on Budget Ordinance	August 17, 2015
Introduce Tax Rate Ordinance	
Final Action on Tax Rate Ordinance	September 8, 2015

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.

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

May 4, 2015

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

CALL TO ORDER

CALL TO ORDER

APPROVE MINUTES

**“MENTAL HEALTH
AWARENESS MONTH”
(MAY 2015)**

**“POLICE WEEK”
(MAY 10-16, 2015)**

Other officers attending the meeting with Chief Fair were Sergeant Kevin Garbacik, Mark Wood, Brett Mullen, Andrew Dutton, Nathan Hendrickson, Shawn Kelly, and Allen Adams.

PUBLIC HEARING

**PROPOSED AGREEMENT WITH KAISER ALUMINUM
FABRICATED PRODUCTS, LLC FOR THE ABATEMENT OF
AD VALOREM PROPERTY TAXES FOR IMPROVEMENTS
WITHIN INDUSTRIAL REINVESTMENT ZONE, NUMBER
042015-1, CITY OF SHERMAN, TEXAS**

**KAISER ALUMINUM
TAX ABATEMENT
AGREEMENT**

Mayor Wacker said this was the third public hearing on Kaiser Aluminum's request for a tax abatement. She asked if anyone in the audience would like to speak on the issue.

Robby Hefton, City Manager, said Kaiser Aluminum has been a great part of the community for many decades and he is pleased that they are choosing to expand both their employees and their investment in Sherman. The staff is recommending approval of the tax abate agreement.

No citizens appeared before the City Council to discuss the proposed tax abatement agreement with Kaiser Aluminum Fabricated Products, LLC.

The Public Hearing was closed.

CONSENT AGENDA

CONSENT AGENDA

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

RESOLUTIONS

**RESOLUTION NO. 5967 – AUTHORIZING EXECUTION OF AN
AGREEMENT WITH KAISER ALUMINUM FABRICATED
PRODUCTS, LLC FOR THE ABATEMENT OF AD VALOREM
PROPERTY TAXES FOR IMPROVEMENTS WITHIN
INDUSTRIAL REINVESTMENT ZONE, NUMBER 042015-1,
CITY OF SHERMAN, TEXAS**

**RES 5967
KAISER ALUMINUM
TAX ABATEMENT
AGREEMENT**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF AN AGREEMENT WITH KAISER ALUMINUM FABRICATED PRODUCTS, LLC FOR THE ABATEMENT OF AD VALOREM PROPERTY TAXES WITHIN INDUSTRIAL REINVESTMENT ZONE NO. 042015-1.

ACTION TAKEN.

Motion by Council Member Steele to approve Resolution No. 5967, as presented. Second by Council Member Johnson.

VOTING AYE: Johnson, Sofey, Steele, Watt.

VOTING NAY: None.

ABSTAIN: Plyler.

MOTION CARRIED.

**RESOLUTION NO. 5968 – RECOGNIZING THAT THE
PORTION OF HIGHWAY NAMED F.M. 1417, FROM U.S.
HIGHWAY 75 TO OLD LUELLA ROAD, WILL BE KNOWN AS
“VIETNAM VETERANS PARKWAY”**

**RES 5968
DESIGNATING A
PORTION OF
FM 1417 “VIETNAM
VETERANS PARKWAY”**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF

SHERMAN, TEXAS, RECOGNIZING THAT THE PORTION OF HIGHWAY NAMED F.M. 1417, FROM U.S. HIGHWAY 75 TO OLD LUELLA ROAD, WILL BE KNOWN AS “VIETNAM VETERANS PARKWAY”.

Mayor Wacker recognized the Vietnam Veterans that were in attendance at the meeting and thanked them for their work moving the request forward. She said after the resolution is approved, new signage will be installed.

ACTION TAKEN.

Motion by Council Member Watt to approve Resolution No. 5968, as presented. Second by Council Member Sofey.

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

VOTING NAY: None.

MOTION CARRIED.

Mayor Wacker said it would be very meaningful for the citizens and for anyone driving on that portion of the road, to honor those who have sacrificed for our Country.

RESOLUTION NO. 5969 – AUTHORIZING EXECUTION OF AN AGREEMENT WITH JESSIE M. HOLT FOR THE ABATEMENT OF AD VALOREM PROPERTY TAXES FOR THE CONSTRUCTION OF A NEW SINGLE-FAMILY RESIDENCE AT 502 EAST CENTENNIAL STREET

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF AN AGREEMENT WITH JESSIE M. HOLT FOR THE ABATEMENT OF AD VALOREM PROPERTY TAXES FOR THE CONSTRUCTION OF A NEW SINGLE-FAMILY RESIDENCE AT 502 EAST CENTENNIAL STREET.

CONSENT AGENDA.

**RES 5969
RESIDENTIAL TAX
ABATEMENT
(502 E. CENTENNIAL)**

RESOLUTION NO. 5970 – AUTHORIZING EXECUTION OF A PROFESSIONAL SERVICES AGREEMENT WITH KIMLEY-HORN AND ASSOCIATES, INC. FOR TRANSPORTATION AND PLANNING SERVICES OF THE HERITAGE PARKWAY (FM 1417) CORRIDOR

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF A PROFESSIONAL SERVICES AGREEMENT WITH KIMLEY-HORN AND ASSOCIATES, INC. FOR TRANSPORTATION AND PLANNING SERVICES OF THE HERITAGE PARKWAY (FM 1417) CORRIDOR.

**RES 5970
TRANSPORTATION
PLANNING FOR
FM 1417 CORRIDOR**

Clay Barnett, Director of Public Works and Engineering, updated the City Council on the proposed agreement for transportation and planning services for the F.M. 1417 Corridor.

Mr. Barnett said during the budget discussion last month, one of the Council priorities was identified as the F.M. 1417 (Heritage Parkway) Corridor. The staff began preparing for a planning study with Kimley-Horn and Associates.

They were chosen primarily because they prepared the Traffic Study for the Metropolitan Planning Organization and they already had a lot of the data that would be required. Therefore it would be a cost saving measure.

During the planning process, they will look at the amount of traffic on F.M. 1417 and identify some potential connections for Taylor and McGee Streets, across F.M. 1417; update the 2009 Thoroughfare Plan that is included in the 2009 Comprehensive Master Plan; and look at the Overlay District for Heritage Parkway to make sure it is consistent with the look and feel that the Council wants for that neighborhood.

Mayor Wacker said even though this was brought forward for next year's budget, the Council realized that with some current growth potential, it was important enough to accelerate the process, putting the City in good shape going into next year's budget.

ACTION TAKEN.

Motion by Council Member Johnson to approve Resolution No. 5970, as presented. Second by Deputy Mayor Plyler.

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

VOTING NAY: None.

MOTION CARRIED.

Mayor Wacker verified that the start date of the study would be this month and would take several months to complete.

CHANGE ORDER NO. 1

DORCHESTER TRINITY NO. 10 WELL REPAIRS; WEISINGER INCORPORATED; \$9,828.00 INCREASE

The City Council approved Change Order No. 1 for an increase of \$9,828, to Weisinger Incorporated for well repairs on the Dorchester Trinity No. 10 Well.

The change order is a final reconciliatory change order to adjust the final project quantities. After pulling the pump from the well, inspection of the pump revealed problems that needed to be addressed. The repair required wear rings, bearings, impellers, and the suction screen, which added to the final project cost.

After the change order, the final contract amount is \$148,880.

CONSENT AGENDA.

OTHER BUSINESS

RECEIVE DIRECTOR OF PUBLIC WORKS AND ENGINEERING CLAY BARNETT'S UPDATE ON THE LOY LAKE BRIDGE PROJECT

Mr. Barnett presented an update on the Loy Lake Bridge Project. The new bridge is still closed because they are

CHANGE ORDER
WATER WELL
REPAIRS

LOY LAKE BRIDGE
PROJECT UPDATE

working on the area west of the bridge. They are also working on the traffic signals and are progressing as the weather allows.

The project is a public/private partnership totaling \$5.66 million. The Texas Department of Transportation is paying for the major part, \$3.95 million. UCR, the owner of the shopping center east of the highway, contributed \$1.35 million, and the City of Sherman paid \$360,000.

The City's part of the project begins where TxDOT left off, extending a four-lane median divided section to Sara Swamy Drive. It also includes the installation of a traffic signal at Sara Swamy Drive. This project was originally budgeted at \$400,000, but came in about 10% under budget.

Mr. Barnett said the City had a great opportunity to take a \$360,000 investment and turn it into a \$5.66 million project.

He presented a timeline of the project from the MPO approval of funding in June 2012, to discussions with UCR about raising the intersection and constructing a "direct connect" into the shopping center, to the start of TxDOT's construction in January 2014, and then the City's construction.

The project is currently in the fifth and final phase of construction. The City's portion has been complete since about October 2014, with the exception of the median. The City did not want to pour the concrete, which is colored and patterned, until TxDOT decides on their color and pattern. The City will then contract with the same contractor so the areas will match.

Currently TxDOT is finishing up on the west side of the bridge with lime stabilization and pouring the asphalt. When finished, the project should be complete and the bridge should be reopened. They will still need to complete some landscaping and signal installation.

Mr. Barnett said the project had already had to endure some intense weather. Between the frozen weather in February and the rain in March and April, the project has been delayed by a couple of months. The anticipated completion date is mid June 2015, subject to the weather.

For the City's part of the project, Mr. Barnett said the only part that is outstanding is the median paving. The staff will be presenting a change order to the Council. The change order will include the replacement of a concrete panel for \$4,673.17, sidewalk replacement for \$165.50, traffic signal adjustments for \$1,851; and the adjustment of a vault lid for \$1,606.

Mr. Barnett said the next phase for Loy Lake Road would be a Capital Improvement Project to complete a four-lane median divided section between Sara Swamy Drive and U.S. Hwy 82. This project would improve the Gallagher Street intersection and the entrance to Sam's Club. Estimated cost of the project would be over \$2 million.

He reminded everyone to vote in the November 3, 2015 Election, which will include a measure to continue the Street Maintenance Sales Tax.

Mr. Hefton said if you look at what has been constructed at Sara Swamy Drive and U.S. Hwy 75, that is the City's vision for Loy Lake Road all the way to U.S. Hwy 82. As far as the width of the lanes, the turn lanes, the signalization, and the lighting, the proposed project will look like it does now on the north part of the road.

The remainder of the project will be financed through Street Sales Tax and Tax Increment Financing dollars, as well as the budget.

Mr. Barnett added that the new project does include some landscaping and decorative lighting in the median, where the current project does not.

RECEIVE STAFF REPORT ON THE REGULATION OF LIQUEFIED PETROLEUM GAS IN THE CITY LIMITS

LP GAS IN THE CITY LIMITS

Mr. Hefton briefed the City Council on possible regulation of liquefied petroleum gas in the City limits. He said the staff reviewed what other cities are doing. Sherman currently has an ordinance on the books that addresses LPG use within the City, but it is a restrictive ordinance.

As Sherman develops toward the west with larger one acre lots, the cost would be on either the developer or on ATMOS to extend utilities and it is very expensive. There are already several developments to the west that use one acre lots.

After reviewing what other cities, such as Fairview, Little Elm, and Greenville are doing with LP gas, the staff found that some cities allow LPG and some don't. For the cities that do allow it, there is a wide variety of parameters in effect. The staff kept in mind the safety of the citizens and the property owners, and the safety of the emergency response personnel in the event of an emergency involving LPG.

Some of the parameters that seemed to be important were the requirement that there be at least an acre in the parcel; that natural gas was not available within a specified distance; restrictions on the tank size for a residence, generally the 500 to 1,000 gallon range; and that the buried tank be inspected by the Fire Marshal initially, and then inspected by the LPG providers.

Mr. Hefton said if the Council does want to consider moving forward with an LPG ordinance, the staff would propose that the tank be buried with cathodic protection, which would help minimize the risk of loss of life or injury, and loss of property.

He asked for City Council direction of what they would like for the staff to do going forward.

Council Member Sofey said he asked for the issue to be brought forward and he thanked the staff for looking at the issues. He felt the proposed ordinance was very comparable to ordinances from other cities south of Sherman. He liked the recommendations and felt it was developer friendly. Council Member Sofey would like to see the Council move forward with an ordinance.

Mr. Hefton said the staff will bring back an ordinance at the next meeting for Council consideration.

CONSIDER REQUEST OF THE 2015 NEIGHBORHOOD RECREATIONAL COMMITTEE TO TEMPORARILY CLOSE CERTAIN STREETS FOR THE ANNUAL "JUNETEENTH CELEBRATION" AND "JUNETEENTH PARADE" ON SATURDAY, JUNE 20, 2015

The City Council approved the request of the 2015 Neighborhood Recreational Committee to temporarily close certain streets for the Annual "Juneteenth Celebration" and "Juneteenth Parade" on Saturday, June 20, 2015.

CLOSE STREET
ANNUAL JUNETEENTH
CELEBRATION &
PARADE
(JUNE 20, 2015)

The Celebration will be held at Martin Luther King, Jr. Park from 8:00 a.m. until 8:00 p.m. To accommodate the event, the Committee has requested delivery and pick up of barricades for the closure of East Street, between Vernon Holland Street and College Street. Even though East Street will be closed with barricades, accessibility through the street by emergency vehicles must be maintained at all times.

The "Juneteenth Parade" will begin at 11:00 a.m. and will follow a specific route from First Baptist Church to Martin Luther King Jr. Park. The parade will require traffic control assistance and barricades from the City.

CONSENT AGENDA.

APPROVE QUARTERLY INVESTMENT REPORT FOR QUARTER ENDED MARCH 31, 2015

The City Council approved the Quarterly Investment Report for the quarter ended March 31, 2015.

QUARTERLY
INVESTMENT
REPORT

As of March 31, 2015, the portfolio was in compliance with applicable State laws and the Investment Policy. The operating investment portfolio had a book value of about \$21.2 million, an increase of about \$3.2 million from the prior

quarter of \$17.0 million. This increase was due to the purchase of State of Texas political subdivision obligations, U.S. Agencies and a Certificate of Deposit during the period.

The underlying investments were adequately diversified among five different types of securities. This portfolio is appropriately liquid; and its weighted-average maturity was about 490 days, up from 420 days last period. The portfolio yield of 0.605% for the quarter is higher than the benchmark yield of 0.26%. The portfolio value on the City's books is essentially equal to the market value of the overall portfolio.
CONSENT AGENDA.

SITE PLAN APPROVAL FOR KAISER ALUMINUM FABRICATED PRODUCTS, LLC, OWNERS; DANA MANN, REPRESENTATIVE; COFFMAN ENGINEERS, ENGINEERS; AND ROBERT KASBERGER APPLIED SERVICES, ARCHITECT; UNDER ORDINANCE NO. 2252, ARTICLE IV, SECTION 410(2)(J) FOR AN EXPANSION OF THEIR ALUMINUM EXTRUSION PRESS FACILITIES FOR A NEW PRESS LINE BUILDING FOR KAISER ALUMINUM IN THE BLALOCK INDUSTRIAL PARK DISTRICT AT 4300 SOUTH U.S. HIGHWAY 75

SITE PLAN APPROVAL
KAISER ALUMINUM
EXPANSION

The City Council approved the Site Plan for Kaiser Aluminum Fabricated Products, LLC, for an expansion of their Aluminum Extrusion Press Facilities for a new Press Line Building. The new building will be located at this industrial site at 4300 South U.S. Highway 75.

Kaiser Aluminum is expanding their aluminum extrusion press facilities and is adding a new 4400T press line to be located in a separate building, west of the current building. They currently have 122 employees and would also like to add 30 employees, for a total of 152.

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

CITIZENS REQUESTS
SETTING SUN ESTATES

SETTING SUN
ESTATES

Reverend Charles H. Brown, Sr., 4900 Navajo Road, said he has lived in Setting Suns Addition for 31 years and there has been a problem with the area for 25 years. He said the addition is a "ghetto" and a "lost neighborhood." He said it is flat, nasty, dirty, and muddy.

The addition was annexed 25 years ago and they were told they would get curb and guttering and lights. The only thing they got was two lights on Cimmaron.

There is a water problem in the addition and there is nowhere for it to drain. Reverend Brown said it drains into his yard. He asked that the City open up the gutters along Navaho and Cimmaron to help facilitate the drainage.

He said his lawn is a mess and it smells bad from excess water. He said the problems have been going on for 25 years and he is upset with the City. He challenged the City Council and the staff to visit Setting Suns Addition tomorrow to see the problems.

Mayor Wacker said they would make sure that the staff is following up with the issues. Reverend Brown said previous Council Members and staff have said they would do something, but they never did. He urged them to bring the equipment to open the gutters so the water can run off and to install some lighting.

Mayor Wacker asked the staff to set up a meeting with Reverend Brown to see what can be done. She said it takes more than one entity, for example, the lights come from Oncor.

LIGHTING ON F.M. 1417

Reverend Brown said on F.M. 1417 near Pebblebrook there is no lighting and he expressed concern that someone will be killed. The F.M. 1417 intersection with Quail Run is also very dark at night and it is a divided street. He said it is very easy to turn onto the wrong side of that divided street. He asked the staff to look at that area.

LIGHTING ON
F.M. 1417

JUNETEENTH CELEBRATION

Reverend Brown said Juneteenth is not just a Black celebration and he urged the City Council to participate in the parade and the celebration. He said it is a Citywide event and all Sherman citizens should participate.

JUNETEENTH
CELEBRATION

Mayor Wacker confirmed that the Juneteenth Celebration is June 20, 2015.

MEDIA QUESTIONS

PROPOSED LP GAS ORDINANCE

Nate Strauch, Herald Democrat Reporter, asked about the size of the LPG tank that would be proposed for residential areas.

PROPOSED LP
GAS ORDINANCE

Mr. Hefton said the staff would probably recommend the 500 gallon LPG tank, which seems to be the typical size for similar cities.

APPOINT/REMOVE OR CONSIDER QUALIFICATIONS TO
BOARDS AND COMMISSIONS

RED RIVER GROUNDWATER CONSERVATION DISTRICT
BOARD OF DIRECTORS (1)

ACTION TAKEN.

Motion by Council Member Sofey to reappoint Mark Gibson to the Red River Groundwater Conservation District Board of Directors for a term from August 31, 2015 through August 31, 2019. Second by Council Member Johnson.

COUNCIL MINUTES – MAY 4, 2015

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

VOTING NAY: None.

MOTION CARRIED.

COUNCIL COMMENTS

VIETNAM VETERANS PARKWAY

Deputy Mayor Plyler said he was thrilled to be able to rename a portion of F.M. 1417 to Vietnam Veterans Parkway. Mayor Wacker also asked representatives to give her regards to Nancy Knapp, who spearheaded the project.

VIETNAM VETERANS
PARKWAY

VIETNAM VETERANS PARKWAY AND POLICE WEEK

Council Member Sofey addressed the renaming of F.M. 1417 to Vietnam Veterans Parkway adding that it is very important to recognize those that have served to protect us. He also felt it was important to recognize “Police Week” for those that protect us locally.

VIETNAM VETERANS
PARKWAY & POLICE
WEEK

VIETNAM VETERANS PARKWAY

Council Member Watt thanked Charles Holcomb, President of the Vietnam Veterans of America Chapter 973, and the other representatives for attending the meeting for the renaming of Vietnam Veterans Parkway. He also thanked the Council Members for approving the ordinance

VIETNAM VETERANS
PARKWAY

POLICE WEEK

Council Member Watt said Chief Fair did a great job of representing Police Chief Otis Henry by accepting the “Police Week” proclamation, and he thanked him for bringing the other officers with him.

POLICE WEEK

RIDE ALONG WITH POLICE DEPARTMENT

Council Member Steele said when he was on the City Council in 2002, he rode along with Police Officer Shawn Kelly. He was new on the force then, but did a good job.

RIDE ALONG WITH
POLICE DEPT.

ANNOUNCEMENTS

Mayor Wacker announced the following:

- The City is seeking applications to fill a vacancy on the Parks and Recreation Advisory Board. Applications are available on the City’s website or from the City Clerk’s Office.
- The Summer Musical production of “Les Miserables” by the Community Players will begin soon, with many partners in the community participating. The Sherman Museum will also feature an open Lunch Lecture on May 8, 2015 featuring the background story of Victor Hugo’s novel, “Les Miserables.” A vocal performance of the music from “Les Miserables” will be held on May 9, 2015.

ANNOUNCEMENTS

COUNCIL MINUTES – MAY 4, 2015

ADJOURNMENT

On Motion duly made and carried, the meeting adjourned at 5:48 p.m.

ADJOURNMENT

MAYOR

CITY CLERK

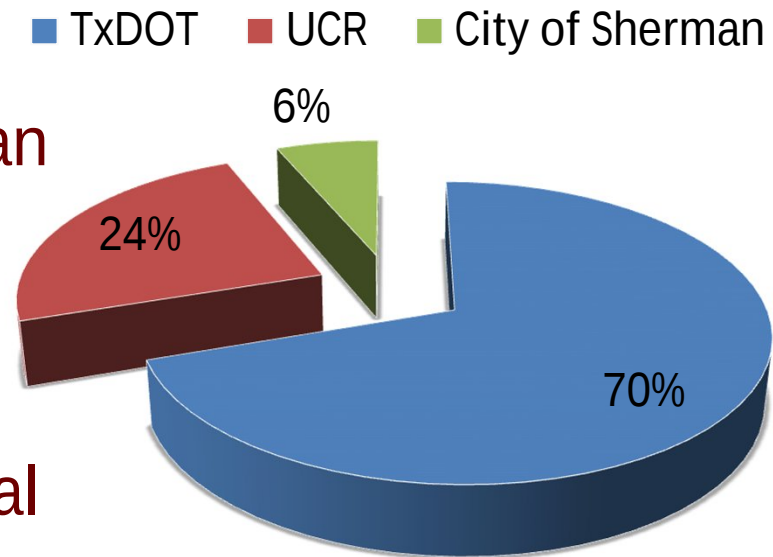
Loy Lake Bridge



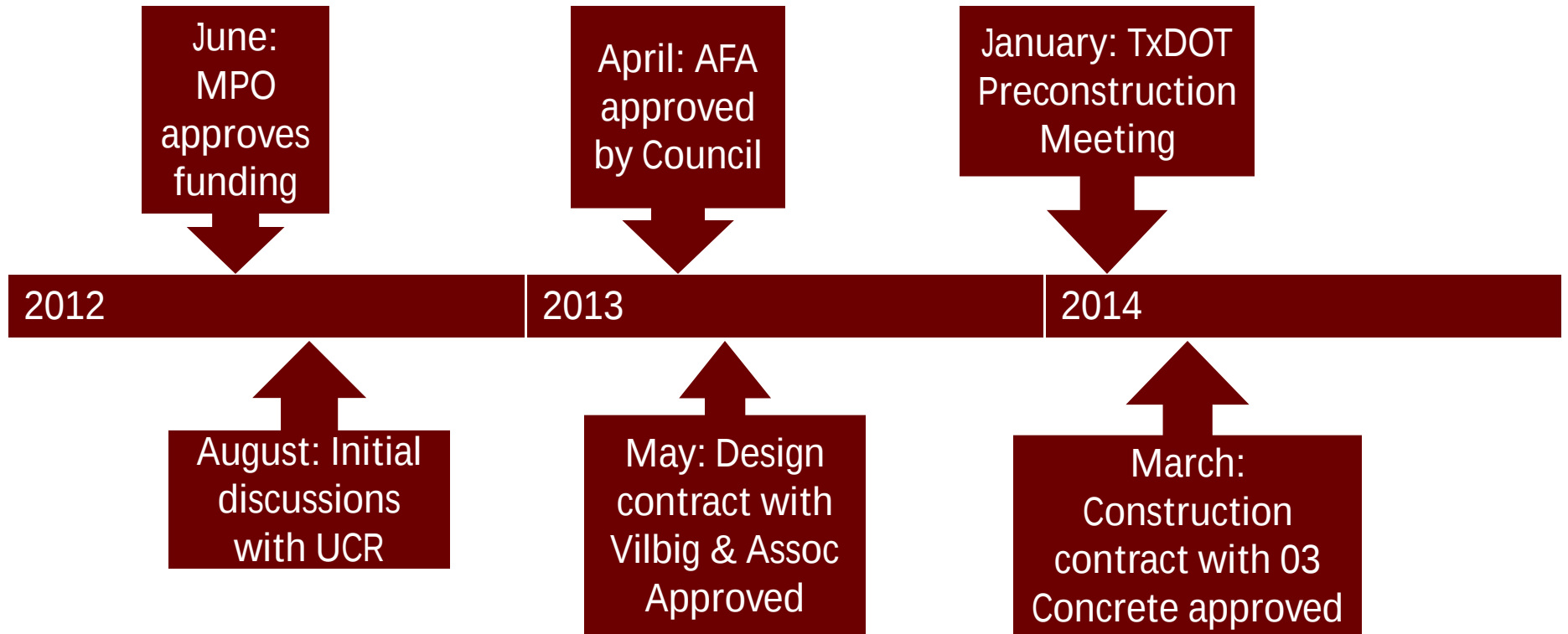
May 4, 2015

Project Financials

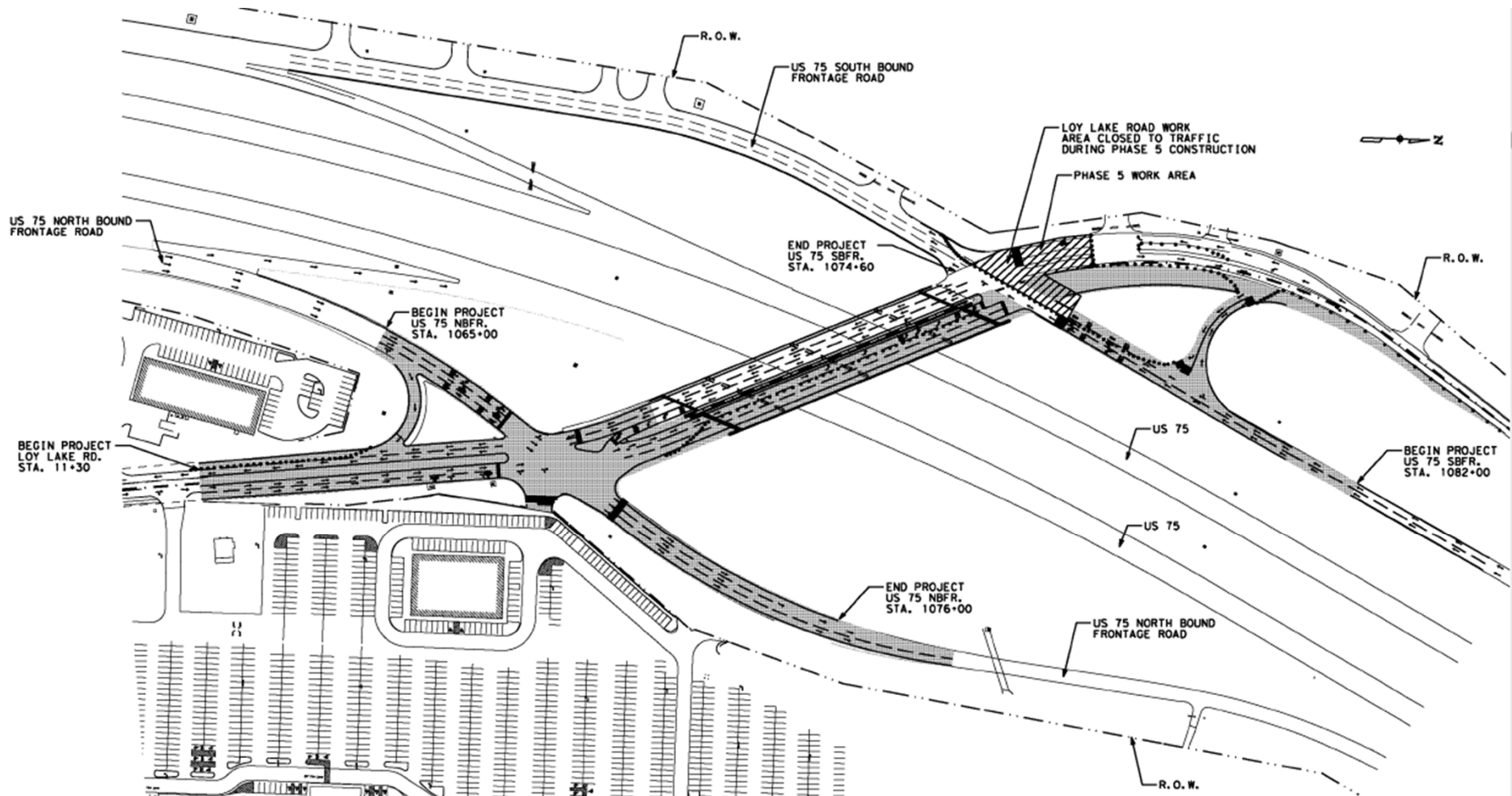
- Public/Private Partnership totaling \$5.66 Million
 - \$3.95 Million from TxDOT
 - \$1.35 Million from UCR
 - \$360k from City of Sherman (\$400k budgeted)
- City of Sherman's portion includes:
 - Extending the 4 lane median divided section from TxDOT's termination point south to Sara Swamy
 - Installation of a traffic signal at Sara Swamy



Project History

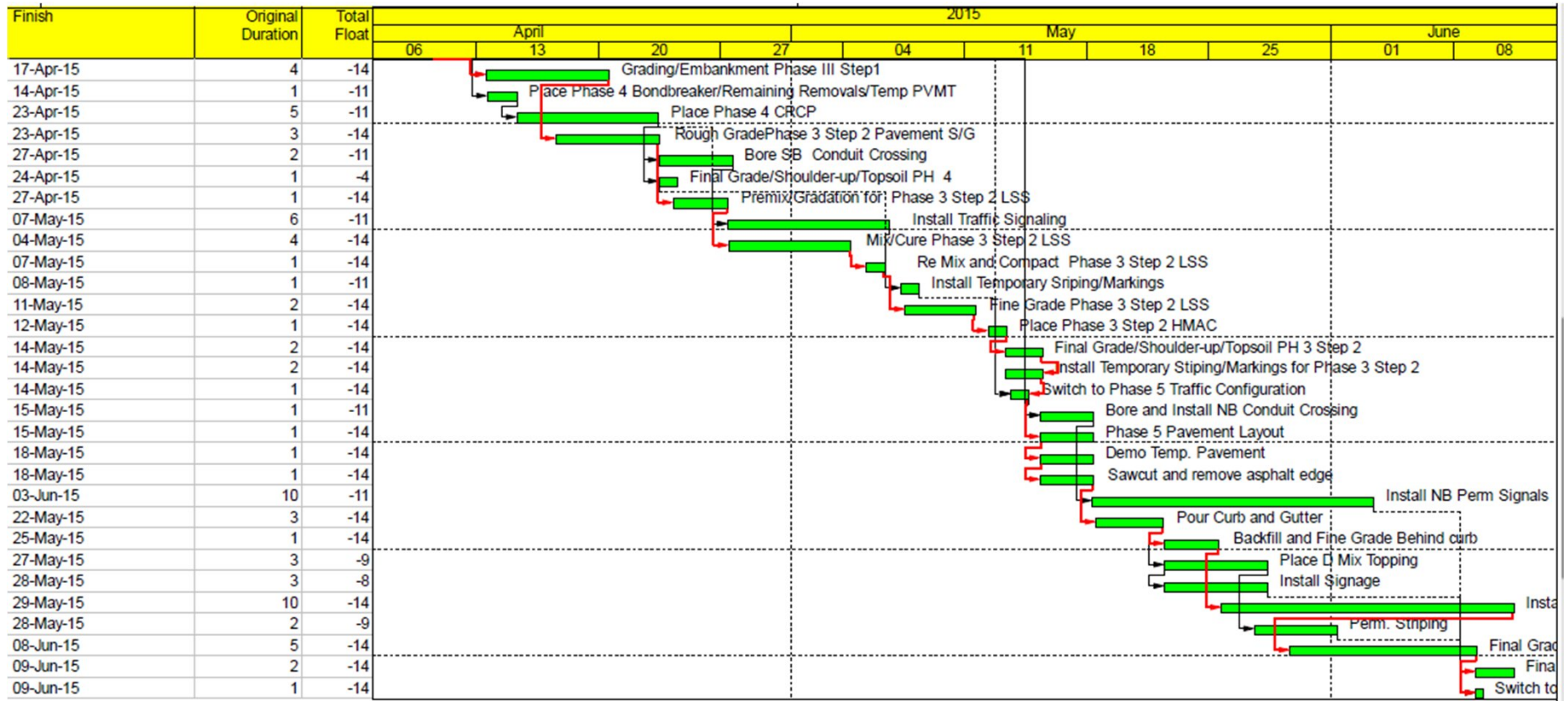


Current Construction Phase



- 5th and final phase of construction
- City's portion is complete with exception of median

Completion Schedule



- February: Frozen weather
- March – April: Rainfall fills Lake Texoma after record low
- April 10, 2015: Loy Lake Road south of the bridge open for traffic
- Anticipated completion date: Mid-June, 2015

Change Order & Final Payment

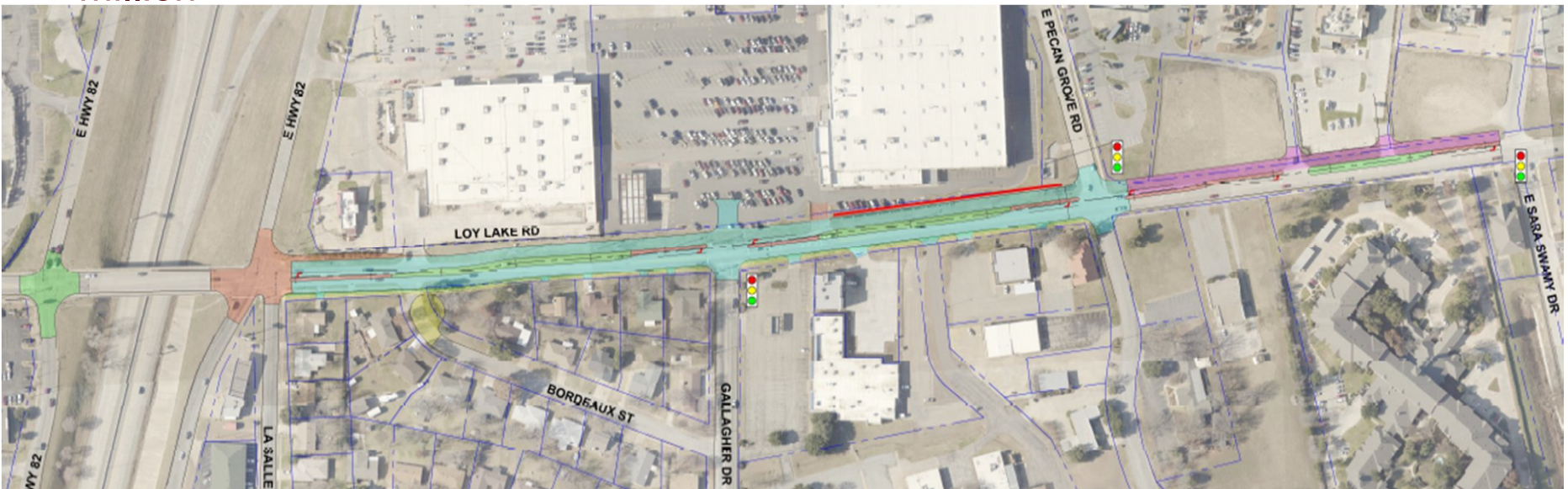
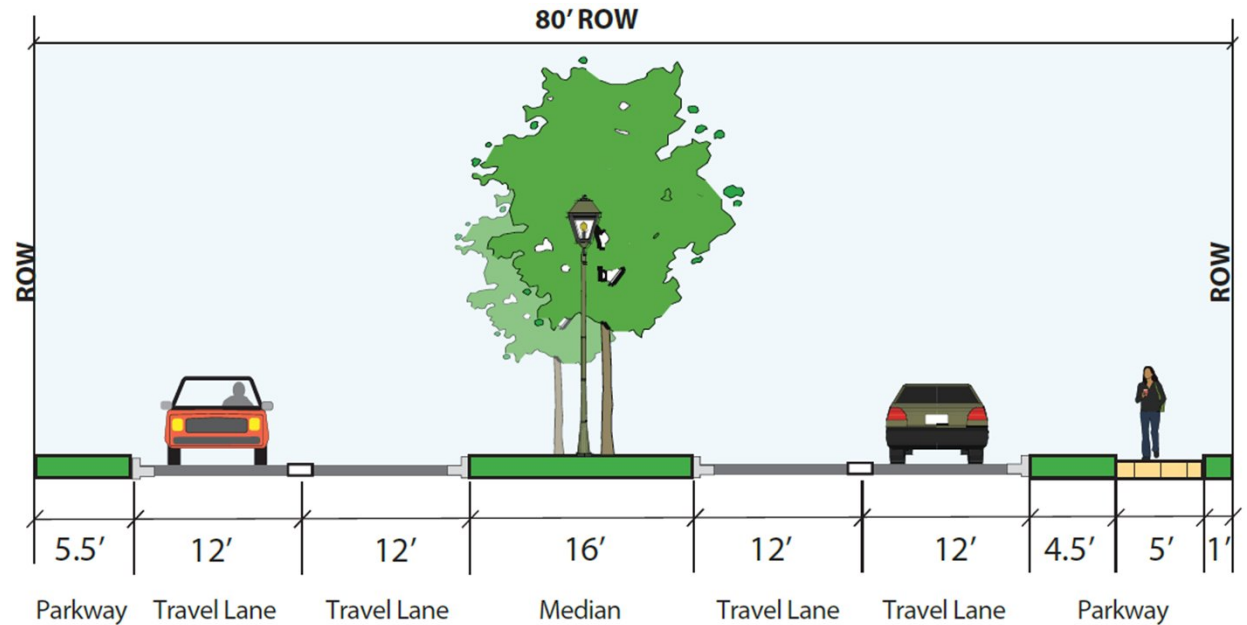
- Council Agenda Item once the median is paved
 - A Change Order in the amount of \$8,295.67
- Includes:

- Concrete panel replacement: \$4,673.17
- Sidewalk replacement: \$165.50
- Traffic signal adjustments: \$1,851.00
- Adjust vault lid: \$1,606.00



Next Phase of Loy Lake

- Completes a four lane median divided section between the US82 frontage road and the Loy Lake Bridge
- Improves the Gallagher Intersection/Sam's Club Entrance
- Estimated Cost: \$2+ million



Sherman Questions

CLASSIC TOWN. BROAD HORIZON.



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





SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

Agenda Item No. B. 1.

Meeting Date: 05/18/2015

Prepared By: Linda Ashby, City Clerk

Approved By: Robby Hefton, City Manager

Caption:

PROCLAMATION

"Motorcycle Safety and Awareness Month" – May 2015

Issue:

The Texoma Chapter of ABATE ("American Bikers Aimed Towards Education") has requested a proclamation designating May as "Motorcycle Safety and Awareness Month."

Background:

Each year in May, Texas ABATE celebrates "Motorcycle Safety and Awareness Month"; and they request a proclamation to publicize their awareness campaign.

Origination:

The request originated with the Texoma Chapter of ABATE.

Financial Consideration:

There is no financial consideration to the City.

Staff Recommendation:

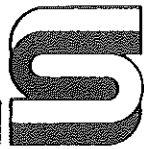
It is the recommendation of the staff to present a proclamation designating May 2015 as "Motorcycle Safety and Awareness Month" in Sherman.

Alternatives:

The Council could choose not to present the proclamation.

Attachments

"Motorcycle Safety and Awareness Month" Proclamation



Proclamation

WHEREAS, our beautiful roadways and twelve-month riding season contribute to Texas having one of the nation's largest motorcycling populations, and

WHEREAS, motorcycle awareness is necessary to increase public awareness about motorcycle use on our roadways, and encourage their safe and proper use among motorcycle riders, and

WHEREAS, campaigns have helped inform riders, and motorists alike, on motorcycle safety issues that can reduce motorcycle related risks, injuries, and most of all, fatalities, and

WHEREAS, it is the responsibility of everyone who gets behind the wheel to become aware of motorcyclists, regarding them with the same respect as any other vehicle traveling the highways of this community, and it is the responsibility of riders, and motorists alike, to obey all traffic laws and safety rules, and

WHEREAS, urging all citizens of our community to become more aware of the inherent danger involved in operating a motorcycle, and for riders and motorists alike, to give each other the mutual respect and privileges they deserve.

NOW THEREFORE, I, Cary Wacker, Mayor of the City of Sherman, Texas, by the authority vested in me, do hereby proclaim May 2015

MOTORCYCLE SAFETY AND AWARENESS MONTH

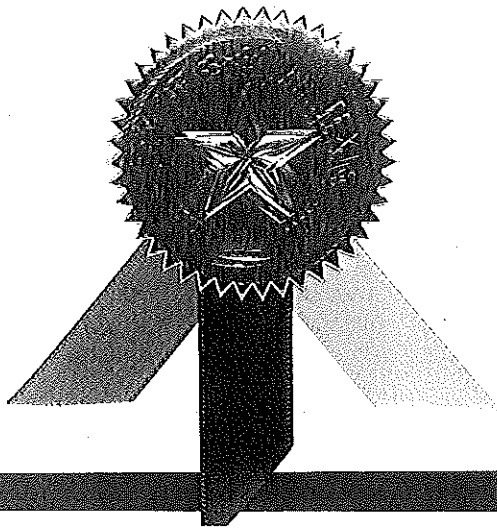
in the City of Sherman and urge all citizens to do their part to increase motorist safety, show mutual respect for all motorists, and to increase motorcycle awareness in our community.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of the City of Sherman to be affixed, this the 18th day of May 2015.

Mayor

ATTEST:

Sinda Ashbey
City Clerk





SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

Agenda Item No. C. 1.

Meeting Date: 05/18/2015

Prepared By: Brandon Shelby, City Attorney

Approved By: Robby Hefton, City Manager

Caption:

INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 5877

Approving a Negotiated Settlement between the Atmos Cities Steering Committee ("ACSC") and Atmos Energy Corp., Mid-Tex Division, Regarding the Company's 2014 and 2015 Rate Review Mechanism Filings; Approving a Settlement Agreement with Attached Rate Tariffs and Proof of Revenues; Declaring Existing Rates to be Unreasonable; Adopting Tariffs that Reflect Rate Adjustments Consistent with the Negotiated Settlement; Finding the Rates to be Set by the Settlement Tariffs to be Just and Reasonable and in the Public Interest; Requiring the Company to Reimburse ACSC's Reasonable Ratemaking Expenses; Declaring an Effective Date; Requiring Delivery of this Ordinance to the Company and the ACSC's Legal Counsel

Issue:

Ratification of a Negotiated Settlement between Atmos Cities Steering Committee ("ACSC") and Atmos Energy Corp., Mid-Tex Division ("Atmos Mid-Tex" or "Company")

Background:

The Rate Review Mechanism ("RRM") tariff was approved by ACSC Cities as part of the settlement agreement to resolve the Atmos Mid-Tex 2007 system-wide rate filing at the Railroad Commission. The RRM allows cities to conduct a more comprehensive review of all of the information regarding changes to Atmos's revenues and expenses, as well as its invested capital. In early 2013, the City adopted a renewed RRM tariff for an additional five years. ACSC and Atmos have reached a negotiated resolution addressing Atmos's second and third filings (the 2014 and 2015 RRM rate increases) pursuant to the renewed RRM tariff.

Atmos's 2014 RRM filing of \$45.7 million was denied by the City. Atmos revised its requested increase to \$43.8 million and appealed to the Railroad Commission. The Railroad Commission reduced the requested increase by \$860,000.00. While the 2014 RRM filing was pending, Atmos filed its 2015 RRM filing of \$24 million. As a result of negotiations, ACSC was able to reduce the Company's requested RRM increase by an estimated \$15 million. Atmos Mid-Tex is requesting monthly increases of \$1.14 (1.59% increase in base bill) for the average residential customer and \$2.69 (0.96% increase) for the average commercial customer.

The alternative to a settlement of the RRM filings would be a contested case proceeding before the Railroad Commission on the Company's current application, which would take several months and cost ratepayers millions of dollars in rate case expenses. The ACSC Legal Counsel believes that the negotiated resolution is consistent with or better than a litigated outcome; and the ACSC Settlement Committee recommends the ACSC members take action to approve the ordinance authorizing new rate tariffs.

The ACSC General Counsel recommends the City adopt the proposed ordinance approving the negotiated settlement agreement resolving both the 2014 and 2015 RRM filings and implementing the rate changes to take effect June 1, 2015.

Origination:

Geoffrey M. Gay, General Counsel to the ACSC, at Lloyd Gosselink Rochelle & Townsend, P.C.

Financial Consideration:

Approval of this ordinance will result in rates that implement a \$65.7 million increase in Atmos's revenues effective June 1, 2015, and a monthly increase of \$1.14 for the average residential customer.

Staff Recommendation:

It is recommended that the City Council adopt the ordinance and approve the Negotiated Settlement with Atmos Mid-Tex.

Alternatives:

As the ACSC Negotiation Team has negotiated the most beneficial settlement, no other alternatives are recommended.

Attachments

Ordinance No. 5877

Attachments

Staff Report

ORDINANCE NO. 5877

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, APPROVING A NEGOTIATED SETTLEMENT BETWEEN THE ATMOS CITIES STEERING COMMITTEE (“ACSC”) AND ATMOS ENERGY CORP., MID-TEX DIVISION REGARDING THE COMPANY’S 2014 AND 2015 RATE REVIEW MECHANISM FILINGS; APPROVING A SETTLEMENT AGREEMENT WITH ATTACHED RATE TARIFFS AND PROOF OF REVENUES; DECLARING EXISTING RATES TO BE UNREASONABLE; ADOPTING TARIFFS THAT REFLECT RATE ADJUSTMENTS CONSISTENT WITH THE NEGOTIATED SETTLEMENT; FINDING THE RATES TO BE SET BY THE SETTLEMENT TARIFFS TO BE JUST AND REASONABLE AND IN THE PUBLIC INTEREST; REQUIRING THE COMPANY TO REIMBURSE ACSC’S REASONABLE RATEMAKING EXPENSES; PROVIDING FOR A REPEALER; PROVIDING FOR SEVERABILITY; DECLARING AN EFFECTIVE DATE; REQUIRING DELIVERY OF THIS ORDINANCE TO THE COMPANY AND THE ACSC’S LEGAL COUNSEL; FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS ORDINANCE IS PASSED WAS NOTICED AND IS OPEN TO THE PUBLIC AS REQUIRED BY LAW.

WHEREAS, the City of Sherman, Texas (“City”) is a gas utility customer of Atmos Energy Corp., Mid-Tex Division (“Atmos Mid-Tex” or “Company”), and a regulatory authority with an interest in the rates and charges of Atmos; and

WHEREAS, the City is a member of the Atmos Cities Steering Committee (“ACSC”), a coalition of similarly-situated cities served by Atmos Mid-Tex (“ACSC Cities”) that have joined together to facilitate the review of and response to natural gas issues affecting rates charged in the Atmos Mid-Tex service area; and

WHEREAS, ACSC and the Company worked collaboratively to develop a new Rate Review Mechanism (“RRM”) tariff that allows for an expedited rate review process by ACSC Cities as a substitute to the Gas Reliability Infrastructure Program (“GRIP”) process instituted by the Legislature, and that will establish rates for the ACSC Cities based on the system-wide cost of serving the Atmos Mid-Tex Division; and

WHEREAS, the initial RRM Tariff was in effect for four (4) years; and

WHEREAS, ACSC Cities and Atmos Mid-Tex entered into another settlement agreement and revised the RRM Tariff; and

WHEREAS, ACSC Cities and Atmos Mid-Tex compromised and reached agreements on the amount of the rate increases to be in effect for the RRM Tariff filings for 2012 and 2013; and

WHEREAS, ACSC Cities and Atmos Mid-Tex were unable to reach an agreement on the 2014 RRM Tariff filing, resulting in the ACSC Cities' rejection of the 2014 RRM filing; and

WHEREAS, Atmos Mid-Tex appealed the ACSC Cities' actions rejecting its 2014 RRM filing to the Railroad Commission of Texas ("Commission"), pursuant to the provisions of the RRM Tariff; and

WHEREAS, Atmos Mid-Tex and ACSC litigated the appeal of the 2014 RRM filing at the Commission; and

WHEREAS, on February 27, 2015, Atmos Mid-Tex filed its 2015 RRM Tariff filing, requesting to increase natural gas base rates system-wide by \$28.762 million; and

WHEREAS, ACSC coordinated its review of Atmos Mid-Tex RRM filing through its Executive Committee, assisted by ACSC's attorneys and consultants, to resolve issues identified in the Company's RRM filing; and

WHEREAS, Atmos Mid-Tex has agreed to withdraw its appeal of ACSC's rejection of its 2014 RRM Tariff rate increase; and

WHEREAS, the Executive Committee, as well as ACSC's counsel and consultants, recommend that ACSC Cities approve the attached Settlement Agreement (**Attachment A to this Ordinance**) as well as the tariffs attached thereto, resolving both the 2014 and the 2015 RRM Tariff filings, which together will increase the Company's revenues by \$65.7 million over the amount allowed under City-approved rates set in 2013; and

WHEREAS, the attached tariffs implementing new rates are consistent with the negotiated Settlement Agreement and are just, reasonable, and in the public interest; and

WHEREAS, the RRM Tariff should be renewed for a period of time commencing in 2016 and continuing until the RRM Tariff is suspended by ordinance of the City; and

WHEREAS, the RRM Tariff contemplates reimbursement of ACSC's reasonable expenses associated with RRM applications;

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

SECTION 1. That the findings set forth in this Ordinance are hereby in all things approved.

SECTION 2. That the City Council finds that the Settlement Agreement (**Attachment A to this Ordinance**) represents a comprehensive settlement of gas utility rate issues affecting the rates, operations, and services offered by Atmos Mid-Tex within the municipal limits arising from Atmos Mid-Tex's 2014 and 2015 RRM filings, is in the public interest, and is consistent with the City's authority under Section 103.001 of the Texas Utilities Code.

SECTION 3. That the existing rates for natural gas service provided by Atmos Mid-Tex are unreasonable. The new tariffs attached hereto and incorporated herein as **Attachment C**, are just and reasonable, and are designed to allow Atmos Mid-Tex to recover annually an additional \$65.7 million in revenue over the amount allowed under currently approved rates, or \$21 million over currently-billed rates, as shown in the Proof of Revenues attached hereto and incorporated herein as **Attachment B**; such tariffs are hereby adopted.

SECTION 4. That the ratemaking treatment for pensions and other post-employment benefits in Atmos' next RRM filing shall be as set forth on **Attachment D**, attached hereto and incorporated herein.

SECTION 5. That in an effort to streamline the regulatory review process, the Atmos Mid-Tex RRM Tariff is renewed for a period commencing with the Company's March 1, 2016 RRM filing for calendar year 2015, effective June 1, 2016, and continuing thereafter until such time as the City adopts an ordinance suspending operation of the RRM Tariff.

SECTION 6. That Atmos Mid-Tex shall reimburse the reasonable ratemaking expenses of the ACSC in processing the Company's RRM application.

SECTION 7. That to the extent any resolution or ordinance previously adopted by the Council is inconsistent with this Ordinance, it is hereby repealed.

SECTION 8. That if any one or more sections or clauses of this Ordinance is adjudged to be unconstitutional or invalid, such judgment shall not affect, impair or invalidate the remaining provisions of this Ordinance and the remaining provisions of the Ordinance shall be interpreted as if the offending section or clause never existed.

SECTION 9. That consistent with the City Ordinance that established the RRM process, this Ordinance shall become effective from and after its passage with rates authorized by attached tariffs to be effective for bills rendered on or after June 1, 2015.

SECTION 10. That a copy of this Ordinance shall be sent to Atmos Mid-Tex, care of Chris Felan, Vice President of Rates and Regulatory Affairs Mid-Tex Division, Atmos Energy Corporation, 5420 LJB Freeway, Suite 1862, Dallas, Texas 75240, and to Geoffrey Gay, General Counsel to ACSC, at Lloyd Gosselink Rochelle & Townsend, P.C., 816 Congress Avenue, Suite 1900, Austin, Texas 78701.

SECTION 11. That it is hereby officially found and determined that the meetings at which this ordinance was introduced and passed were open to the public and that public notice of the time, place and purpose of said meetings were given all as required by law.

INTRODUCED on this the _____ day of _____, 2015.

ADOPTED on this the _____ day of _____, 2015.

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

CITY OF SHERMAN, TEXAS

BY: _____
CAROLYN S. WACKER, MAYOR

ATTEST:

BY: _____
LINDA ASHBY,
CITY CLERK

**APPROVED AS TO FORM
AND CONTENT:**

BY: _____
BRANDON S. SHELBY,
CITY ATTORNEY

**SETTLEMENT AGREEMENT BETWEEN ATMOS ENERGY CORP., MID-TEX
DIVISION AND ATMOS CITIES STEERING COMMITTEE**

WHEREAS, this agreement (“Settlement Agreement”) is entered into by Atmos Energy Corp’s Mid-Tex Division and Atmos Cities Steering Committee (“ACSC”) whose members include the Cities of Abilene, Addison, Allen, Alvarado, Angus, Anna, Argyle, Arlington, Aubrey, Bedford, Bellmead, Benbrook, Beverly Hills, Blossom, Blue Ridge, Bowie, Boyd, Bridgeport, Brownwood, Buffalo, Burkburnett, Burleson, Caddo Mills, Canton, Carrollton, Cedar Hill, Celeste, Celina, Centerville, Cisco, Clarksville, Cleburne, Clyde, College Station, Colleyville, Colorado City, Comanche, Commerce, Coolidge, Coppell, Copperas Cove, Corinth, Corral City, Crandall, Crowley, Dalworthington Gardens, Denison, DeSoto, Duncanville, Eastland, Edgecliff Village, Emory, Ennis, Euless, Everman, Fairview, Farmers Branch, Farmersville, Fate, Flower Mound, Forest Hill, Fort Worth, Frisco, Frost, Gainesville, Garland, Garrett, Grand Prairie, Grapevine, Gunter, Haltom City, Harker Heights, Haskell, Haslet, Hewitt, Highland Park, Highland Village, Honey Grove, Hurst, Hutto, Iowa Park, Irving, Justin, Kaufman, Keene, Keller, Kemp, Kennedale, Kerens, Kerrville, Killeen, Krum, Lake Worth, Lakeside, Lancaster, Lewisville, Lincoln Park, Little Elm, Lorena, Madisonville, Malakoff, Mansfield, McKinney, Melissa, Mesquite, Midlothian, Murphy, Newark, Nocona, North Richland Hills, Northlake, Oakleaf, Ovilla, Palestine, Pantego, Paris, Parker, Pecan Hill, Petrolia, Plano, Ponder, Pottsboro, Prosper, Quitman, Red Oak, Reno (Parker County), Richardson, Richland, Richland Hills, Roanoke, Robinson, Rockwall, Roscoe, Rowlett, Royse City, Sachse, Saginaw, Sansom Park, Seagoville, Sherman, Snyder, Southlake, Springtown, Stamford, Stephenville, Sulphur Springs, Sweetwater, Temple, Terrell, The Colony, Trophy Club, Tyler, University Park, Venus, Vernon, Waco, Watauga, Waxahachie, Westlake, White Settlement, Whitesboro, Wichita Falls, Woodway, and Wylie.

WHEREAS, on February 28, 2014, Atmos filed with the ACSC Cities an application, hereinafter referred to as the 2014 RRM filing, to adjust rates pursuant to Rider RRM - Rate Review Mechanism, which were subsequently consolidated into GUD No. 10359 at the Railroad Commission of Texas; and

WHEREAS, on February 27, 2015, Atmos filed with the ACSC Cities an application, hereinafter referred to as the 2015 RRM filing, to adjust rates pursuant to Rider RRM - Rate Review Mechanism; and

WHEREAS, the Settlement Agreement resolves all issues between Atmos and ACSC (“the Signatories”) regarding the 2014 RRM filing, which is currently pending before the Commission, and the 2015 RRM filing, which is currently pending before the ACSC Cities, in a manner that the Signatories believe is consistent with the public interest, and the Signatories represent diverse interests; and

WHEREAS, the Signatories believe that the resolution of the issues raised in the 2014 RRM filing and the 2015 RRM filing can best be accomplished by each ACSC City approving this Settlement Agreement and the rates, terms and conditions reflected in the tariffs attached to this Settlement Agreement as Exhibit A;

NOW, THEREFORE, in consideration of the mutual agreements and covenants established herein, the Signatories, through their undersigned representatives, agree to the

following Settlement Terms as a means of fully resolving all issues between Atmos and the ACSC Cities involving the 2014 RRM filing and 2015 RRM filing:

Settlement Terms

1. Upon the execution of this Settlement Agreement, the ACSC Cities will approve an ordinance or resolution to approve the Settlement Agreement and implement the rates, terms and conditions reflected in the tariffs attached to the Settlement Agreement as Exhibit A. (Attachment A to the Ordinance ratifying the Agreement). Said tariffs should allow Atmos to recover annually an additional \$65.7 million in revenue over the amount allowed under currently approved rates by implementation of rates shown in the proof of revenues attached as Exhibit B. (Attachment B to the Ordinance ratifying this Agreement). The uniform implementation of gas rates, terms and conditions established by the Settlement Agreement shall be effective for bills rendered on or after June 1, 2015. Consistent with the City's authority under Section 103.001 of the Texas Utilities Code, the Settlement Agreement represents a comprehensive settlement of gas utility rate issues affecting the rates, operations and services offered by Atmos within the municipal limits of the ACSC Cities arising from Atmos' 2014 RRM filing and 2015 RRM filing. No refunds of charges billed to customers by Atmos under the RRM in past periods shall be owed or owing.
2. In an effort to streamline the regulatory review process, Atmos and the ACSC Cities have agreed to renew the Rate Review Mechanism ("Rider RRM") for a period commencing with the Company's March 1, 2016 filing under this mechanism for the calendar year 2015, effective June 1, 2016, and continuing thereafter until such time as either the ACSC Cities issue an ordinance stating a desire to discontinue the operation of the tariff or Atmos files a Statement of Intent. Atmos and the ACSC Cities further agree that the RRM tariff shall remain in effect until such time as new, final rates are established for Atmos. Upon approval of this Settlement Agreement by the ACSC Cities, Atmos shall file an updated RRM Tariff with each city reflecting the provisions of this agreement.
3. Atmos and the ACSC Cities agree that rate base as of December 31, 2014 in the amount of \$1,955,948,256 is just and reasonable and shall be recovered in rates.
4. Atmos and the ACSC Cities agree that a pension and other postemployment benefits balance as of December 31, 2014 in the amount of \$18,284,949 is just and reasonable and shall be used as the beginning balance for purposes of determining pension and other postemployment benefits to be recovered in the next RRM filing (Attachment D to the Ordinance ratifying the Agreement).
5. With regard to the treatment of Atmos' Rule 8.209 regulatory asset under the RRM, Atmos and the ACSC Cities agree to the following with respect to any pending and future RRM filings:
 - a. the capital investment in the Rule 8.209 regulatory asset in the 2014 RRM filing and 2015 RRM filing is reasonable and consistent with the requirements of Rule 8.209;

- b. the classification of projects included in the Rule 8.209 regulatory asset in the 2014 RRM filing and 2015 RRM filing is reasonable and consistent with the requirements of Rule 8.209 and shall serve as a basis for classification of projects in future RRM filings;
 - c. the treatment of blanket replacement projects, system upgrades, relocations, and transmission line replacements in the Rule 8.209 regulatory asset in the 2014 RRM filing and 2015 RRM filing is reasonable and consistent with the requirements of Rule 8.209 and shall be included in future RRM filings.
 - d. the incurred expenses included in the Rule 8.209 regulatory asset in the 2014 RRM and the 2015 RRM are reasonable and consistent with the requirements of Rule 8.209 and shall be included in future RRM filings;
 - e. interest on the Rule 8.209 regulatory asset account shall be calculated using the pre-tax cost of capital most recently approved by the Commission. The use of the pre-tax cost of capital is consistent with Rule 8.209. A return on Rule 8.209 capital investment is only earned once the investment is included in rate base. No change in the Company's calculation of the interest component in its Rule 8.209 regulatory asset accounts is warranted through the period ended May 31, 2015. Beginning June 1, 2015, interest expense shall be calculated monthly using simple interest (*i.e.* 11.49% divided by 12, or approximately 0.96% per month) applied to the total value of the Rule 8.209 asset investment (exclusive of interest) until such time the Rule 8.209 regulatory asset is approved for inclusion in the Company's rate base.
 - f. While Atmos and the ACSC Cities agree to apply the treatments and methodologies set forth in this paragraph, subsections (a) – (e) in all future RRM filings, the regulatory authority retains its right to disallow any capital investment that is not shown to be prudently incurred, and any expense not shown to be reasonable and necessary, in future RRM filings.
 - g. Atmos and the ACSC Cities acknowledge that their agreement regarding the treatment and methodologies applicable to Rule 8.209 capital investments under the RRM tariff shall not prejudice the right of either party to argue for different treatments or methodologies in a future statement of intent proceeding.
6. Revenues approved pursuant to Paragraph 1 of the Settlement Agreement include reimbursement of rate case expenses owed to the ACSC Cities in connection with the 2014 RRM filing.
7. The Signatories agree that each ACSC city shall approve this Settlement Agreement and adopt an ordinance or resolution to implement for the ACSC Cities the rates, terms, and conditions reflected in the tariffs attached to the Settlement Agreement as Exhibit A. Atmos and ACSC further agree that at such time as all of the ACSC Cities have passed an ordinance or resolution consistent with the Settlement and Atmos has received such ordinance or resolution, Atmos shall withdraw its appeal of the currently pending RRM filing before the Railroad Commission of Texas in connection with the 2014 RRM filing.

8. Atmos and the ACSC Cities further agree that the express terms of the Rider RRM are supplemental to the filing, notice, regulatory review, or appellate procedural process of the ratemaking provisions of Chapter 104 of the Texas Utilities Code. If the statute requires a mandatory action on behalf of the municipal regulatory authority or Atmos, the parties will follow the provisions of such statute. If the statute allows discretion on behalf of the municipal regulatory authority, the ACSC Cities agree that they shall exercise such discretion in such a way as to implement the provisions of the RRM tariff. If Atmos appeals an action or inaction of an ACSC City regarding an RRM filing to the Railroad Commission, the ACSC Cities agree that they will not oppose the implementation of interim rates or advocate the imposition of a bond by Atmos consistent with the RRM tariff. Atmos agrees that it will make no filings on behalf of its Mid-Tex Division under the provisions of Section 104.301 of the Texas Utilities Code while the Rider RRM is in place. In the event that a regulatory authority fails to act or enters an adverse decision regarding the proposed annual RRM adjustment, the Railroad Commission of Texas shall have exclusive appellate jurisdiction, pursuant to the provisions of the Texas Utilities Code, to review the action or inaction of the regulatory authority exercising exclusive original jurisdiction over the RRM request. In addition, the Signatories agree that this Settlement Agreement shall not be construed as a waiver of the ACSC Cities' right to initiate a show cause proceeding or the Company's right to file a Statement of Intent under the provisions of the Texas Utilities Code.
9. The Signatories agree that the terms of the Settlement Agreement are interdependent and indivisible, and that if any ACSC city enters an order that is inconsistent with this Settlement Agreement, then any Signatory may withdraw without being deemed to have waived any procedural right or to have taken any substantive position on any fact or issue by virtue of that Signatory's entry into the Settlement Agreement or its subsequent withdrawal. If any ACSC city rejects this Settlement Agreement, then this Settlement Agreement shall be void *ab initio* and counsel for the ACSC Cities shall thereafter only take such actions as are in accordance with the Texas Disciplinary Rules of Professional Conduct.
10. The Signatories agree that all negotiations, discussions and conferences related to the Settlement Agreement are privileged, inadmissible, and not relevant to prove any issues associated with Atmos' 2014 RRM filing and 2015 RRM filing.
11. The Signatories agree that neither this Settlement Agreement nor any oral or written statements made during the course of settlement negotiations may be used for any purpose other than as necessary to support the entry by the ACSC Cities of an ordinance or resolution implementing this Settlement Agreement.
12. The Signatories agree that this Settlement Agreement is binding on each Signatory only for the purpose of settling the issues set forth herein and for no other purposes, and, except to the extent the Settlement Agreement governs a Signatory's rights and obligations for future periods, this Settlement Agreement shall not be binding or precedential upon a Signatory outside this proceeding.

Attachment A

13. The Signatories agree that this Settlement Agreement may be executed in multiple counterparts and may be filed with facsimile signatures.

Agreed to this 7 day of May, 2015.

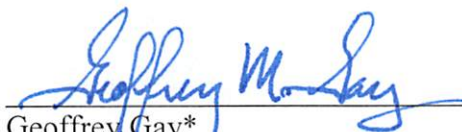
ATMOS ENERGY CORP., MID-TEX DIVISION

By: John A. Paris
John A. Paris
President, Mid-Tex Division

Agreed to this 7th day of May 2015.

ATTORNEY FOR ATMOS CITIES STEERING COMMITTEE, WHOSE MEMBERS INCLUDE THE CITIES OF ABILENE, ADDISON, ALLEN, ALVARADO, ANGUS, ANNA, ARGYLE, ARLINGTON, AUBREY, BEDFORD, BELLMEAD, BENBROOK, BEVERLY HILLS, BLOSSOM, BLUE RIDGE, BOWIE, BOYD, BRIDGEPORT, BROWNWOOD, BUFFALO, BURKBURNETT, BURLESON, CADDO MILLS, CANTON, CARROLLTON, CEDAR HILL, CELESTE, CELINA, CENTERVILLE, CISCO, CLARKSVILLE, CLEBURNE, CLYDE, COLLEGE STATION, COLLEYVILLE, COLORADO CITY, COMANCHE, COMMERCE, COOLIDGE, COPPELL, COPPERAS COVE, CORINTH, CORRAL CITY, CRANDALL, CROWLEY, DALWORTHINGTON GARDENS, DENISON, DESOTO, DUNCANVILLE, EASTLAND, EDGECLIFF VILLAGE, EMORY, ENNIS, EULESS, EVERMAN, FAIRVIEW, FARMERS BRANCH, FARMERSVILLE, FATE, FLOWER MOUND, FOREST HILL, FORT WORTH, FRISCO, FROST, GAINESVILLE, GARLAND, GARRETT, GRAND PRAIRIE, GRAPEVINE, GUNTER, HALTOM CITY, HARKER HEIGHTS, HASKELL, HASLET, HEWITT, HIGHLAND PARK, HIGHLAND VILLAGE, HONEY GROVE, HURST, HUTTO, IOWA PARK, IRVING, JUSTIN, KAUFMAN, KEENE, KELLER, KEMP, KENNEDALE, KERENS, KERRVILLE, KILLEEN, KRUM, LAKE WORTH, LAKESIDE, LANCASTER, LEWISVILLE, LINCOLN PARK, LITTLE ELM, LORENA, MADISONVILLE, MALAKOFF, MANSFIELD, MCKINNEY, MELISSA, MESQUITE, MIDLOTHIAN, MURPHY, NEWARK, NOCONA, NORTH RICHLAND HILLS, NORTHLAKE, OAKLEAF, OVILLA, PALESTINE, PANTEGO, PARIS, PARKER, PECAN HILL, PETROLIA, PLANO, PONDER, POTTSBORO, PROSPER, QUITMAN, RED OAK, RENO (PARKER COUNTY), RICHARDSON, RICHLAND, RICHLAND HILLS, ROANOKE, ROBINSON, ROCKWALL, ROSCOE, ROWLETT, ROYSE CITY, SACHSE, SAGINAW, SANSOM PARK, SEAGOVILLE, SHERMAN, SNYDER, SOUTHLAKE, SPRINGTOWN, STAMFORD, STEPHENVILLE, SULPHUR SPRINGS, SWEETWATER, TEMPLE, TERRELL, THE COLONY, TROPHY CLUB, TYLER, UNIVERSITY PARK, VENUS, VERNON, WACO, WATAUGA, WAXAHACHIE, WESTLAKE, WHITE SETTLEMENT, WHITESBORO, WICHITA FALLS, WOODWAY, AND WYLIE.

By:


Geoffrey Gay*

* Subject to approval by ACSC City Councils

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RRC Tariff No:

RATE SCHEDULE:	C – COMMERCIAL SALES	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS AND UNINCORPORATED AREAS	
EFFECTIVE DATE:	Bills Rendered on or after 06/01/2015	PAGE:

Application

Applicable to Commercial Customers for all natural gas provided at one Point of Delivery and measured through one meter and to Industrial Customers with an average annual usage of less than 30,000 Ccf.

Type of Service

Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

Monthly Rate

Customer's monthly bill will be calculated by adding the following Customer and Ccf charges to the amounts due under the riders listed below:

Charge	Amount
Customer Charge per Bill	\$ 40.00 per month
Rider CEE Surcharge	\$ 0.00 per month ¹
Total Customer Charge	\$ 40.00 per month
Commodity Charge – All Ccf	\$ 0.08020 per Ccf

Gas Cost Recovery: Plus an amount for gas costs and upstream transportation costs calculated in accordance with Part (a) and Part (b), respectively, of Rider GCR.

Weather Normalization Adjustment: Plus or Minus an amount for weather normalization calculated in accordance with Rider WNA.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Rider FF is only applicable to customers inside the corporate limits of any incorporated municipality.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

Agreement

An Agreement for Gas Service may be required.

Notice

Service hereunder and the rates for services provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

¹ Reference Rider CEE - Conservation And Energy Efficiency as approved in GUD 10170. Surcharge billing effective July 1, 2014.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RRC Tariff No:

RATE SCHEDULE:	I – INDUSTRIAL SALES	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS AND UNINCORPORATED AREAS	
EFFECTIVE DATE:	Bills Rendered on or after 06/01/2015	PAGE:

Application

Applicable to Industrial Customers with a maximum daily usage (MDU) of less than 3,500 MMBtu per day for all natural gas provided at one Point of Delivery and measured through one meter. Service for Industrial Customers with an MDU equal to or greater than 3,500 MMBtu per day will be provided at Company's sole option and will require special contract arrangements between Company and Customer.

Type of Service

Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

Monthly Rate

Customer's monthly bill will be calculated by adding the following Customer and MMBtu charges to the amounts due under the riders listed below:

Charge	Amount
Customer Charge per Meter	\$ 700.00 per month
First 0 MMBtu to 1,500 MMBtu	\$ 0.2937 per MMBtu
Next 3,500 MMBtu	\$ 0.2151 per MMBtu
All MMBtu over 5,000 MMBtu	\$ 0.0461 per MMBtu

Gas Cost Recovery: Plus an amount for gas costs and upstream transportation costs calculated in accordance with Part (a) and Part (b), respectively, of Rider GCR.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Rider FF is only applicable to customers inside the corporate limits of any incorporated municipality.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

Curtailment Overpull Fee

Upon notification by Company of an event of curtailment or interruption of Customer's deliveries, Customer will, for each MMBtu delivered in excess of the stated level of curtailment or interruption, pay Company 200% of the midpoint price for the Katy point listed in *Platts Gas Daily* published for the applicable Gas Day in the table entitled "Daily Price Survey."

Replacement Index

In the event the "midpoint" or "common" price for the Katy point listed in *Platts Gas Daily* in the table entitled "Daily Price Survey" is no longer published, Company will calculate the applicable imbalance fees utilizing a daily price index recognized as authoritative by the natural gas industry and most closely approximating the applicable index.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RRC Tariff No:

RATE SCHEDULE:	I – INDUSTRIAL SALES	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS AND UNINCORPORATED AREAS	
EFFECTIVE DATE:	Bills Rendered on or after 06/01/2015	PAGE:

Agreement

An Agreement for Gas Service may be required.

Notice

Service hereunder and the rates for services provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

Special Conditions

In order to receive service under Rate I, Customer must have the type of meter required by Company. Customer must pay Company all costs associated with the acquisition and installation of the meter.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RRC Tariff No:

RATE SCHEDULE:	R – RESIDENTIAL SALES	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS AND UNINCORPORATED AREAS	
EFFECTIVE DATE:	Bills Rendered on or after 06/01/2015	PAGE:

Application

Applicable to Residential Customers for all natural gas provided at one Point of Delivery and measured through one meter.

Type of Service

Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

Monthly Rate

Customer's monthly bill will be calculated by adding the following Customer and Ccf charges to the amounts due under the riders listed below:

Charge	Amount
Customer Charge per Bill	\$ 18.60 per month
Rider CEE Surcharge	\$ 0.02 per month ¹
Total Customer Charge	\$ 18.62 per month
Commodity Charge – All <u>Ccf</u>	\$0.09931 per Ccf

Gas Cost Recovery: Plus an amount for gas costs and upstream transportation costs calculated in accordance with Part (a) and Part (b), respectively, of Rider GCR.

Weather Normalization Adjustment: Plus or Minus an amount for weather normalization calculated in accordance with Rider WNA.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Rider FF is only applicable to customers inside the corporate limits of any incorporated municipality.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

Agreement

An Agreement for Gas Service may be required.

Notice

Service hereunder and the rates for services provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

¹Reference Rider CEE - Conservation And Energy Efficiency as approved in GUD 10170. Surcharge billing effective July 1, 2014.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RRC Tariff No:

RATE SCHEDULE:	T – TRANSPORTATION	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS AND UNINCORPORATED AREAS	
EFFECTIVE DATE:	Bills Rendered on or after 06/01/2015	PAGE:

Application

Applicable, in the event that Company has entered into a Transportation Agreement, to a customer directly connected to the Atmos Energy Corp., Mid-Tex Division Distribution System (Customer) for the transportation of all natural gas supplied by Customer or Customer's agent at one Point of Delivery for use in Customer's facility.

Type of Service

Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

Monthly Rate

Customer's bill will be calculated by adding the following Customer and MMBtu charges to the amounts and quantities due under the riders listed below:

Charge	Amount
Customer Charge per Meter	\$ 700.00 per month
First 0 MMBtu to 1,500 MMBtu	\$ 0.2937 per MMBtu
Next 3,500 MMBtu	\$ 0.2151 per MMBtu
All MMBtu over 5,000 MMBtu	\$ 0.0461 per MMBtu

Upstream Transportation Cost Recovery: Plus an amount for upstream transportation costs in accordance with Part (b) of Rider GCR.

Retention Adjustment: Plus a quantity of gas as calculated in accordance with Rider RA.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Rider FF is only applicable to customers inside the corporate limits of any incorporated municipality.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

Imbalance Fees

All fees charged to Customer under this Rate Schedule will be charged based on the quantities determined under the applicable Transportation Agreement and quantities will not be aggregated for any Customer with multiple Transportation Agreements for the purposes of such fees.

Monthly Imbalance Fees

Customer shall pay Company the greater of (i) \$0.10 per MMBtu, or (ii) 150% of the difference per MMBtu between the highest and lowest "midpoint" price for the Katy point listed in *Platts Gas Daily* in the table entitled "Daily Price Survey" during such month, for the MMBtu of Customer's monthly Cumulative Imbalance, as defined in the applicable Transportation Agreement, at the end of each month that exceeds 10% of Customer's receipt quantities for the month.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RRC Tariff No:

RATE SCHEDULE:	T – TRANSPORTATION	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS AND UNINCORPORATED AREAS	
EFFECTIVE DATE:	Bills Rendered on or after 06/01/2015	PAGE:

Curtailment Overpull Fee

Upon notification by Company of an event of curtailment or interruption of Customer's deliveries, Customer will, for each MMBtu delivered in excess of the stated level of curtailment or interruption, pay Company 200% of the midpoint price for the Katy point listed in *Platts Gas Daily* published for the applicable Gas Day in the table entitled "Daily Price Survey."

Replacement Index

In the event the "midpoint" or "common" price for the Katy point listed in *Platts Gas Daily* in the table entitled "Daily Price Survey" is no longer published, Company will calculate the applicable imbalance fees utilizing a daily price index recognized as authoritative by the natural gas industry and most closely approximating the applicable index.

Agreement

A transportation agreement is required.

Notice

Service hereunder and the rates for services provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

Special Conditions

In order to receive service under Rate T, customer must have the type of meter required by Company. Customer must pay Company all costs associated with the acquisition and installation of the meter.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RIDER:	WNA – WEATHER NORMALIZATION ADJUSTMENT	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS AND UNINCORPORATED AREAS	
EFFECTIVE DATE:	Bills Rendered on or after 11/01/2015	PAGE:

Provisions for Adjustment

The Commodity Charge per Ccf (100 cubic feet) for gas service set forth in any Rate Schedules utilized by the cities of the Mid-Tex Division service area for determining normalized winter period revenues shall be adjusted by an amount hereinafter described, which amount is referred to as the "Weather Normalization Adjustment." The Weather Normalization Adjustment shall apply to all temperature sensitive residential and commercial bills based on meters read during the revenue months of November through April. The five regional weather stations are Abilene, Austin, Dallas, Waco, and Wichita Falls.

Computation of Weather Normalization Adjustment

The Weather Normalization Adjustment Factor shall be computed to the nearest one-hundredth cent per Ccf by the following formula:

$$WNAF_i = R_i \frac{(HSF_i \times (NDD-ADD))}{(BL_i + (HSF_i \times ADD))}$$

Where

- i = any particular Rate Schedule or billing classification within any such particular Rate Schedule that contains more than one billing classification
- $WNAF_i$ = Weather Normalization Adjustment Factor for the i^{th} rate schedule or classification expressed in cents per Ccf
- R_i = Commodity Charge rate of temperature sensitive sales for the i^{th} schedule or classification.
- HSF_i = heat sensitive factor for the i^{th} schedule or classification divided by the average bill count in that class
- NDD = billing cycle normal heating degree days calculated as the simple ten-year average of actual heating degree days.
- ADD = billing cycle actual heating degree days.
- BL_i = base load sales for the i^{th} schedule or classification divided by the average bill count in that class

The Weather Normalization Adjustment for the j th customer in i th rate schedule is computed as:

$$WNA_j = WNAF_i \times q_{ij}$$

Where q_{ij} is the relevant sales quantity for the j th customer in i th rate schedule.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RIDER:	WNA – WEATHER NORMALIZATION ADJUSTMENT	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS AND UNINCORPORATED AREAS	
EFFECTIVE DATE:	Bills Rendered on or after 11/01/2015	PAGE:

Base Use/Heat Use Factors

Weather Station	<u>Residential</u>		<u>Commercial</u>	
	Base use <u>Ccf</u>	Heat use <u>Ccf/HDD</u>	Base use <u>Ccf</u>	Heat use <u>Ccf/HDD</u>
Abilene	10.22	0.1404	98.80	0.6372
Austin	11.59	0.1443	213.62	0.7922
Dallas	14.12	0.2000	208.11	0.9085
Waco	9.74	0.1387	130.27	0.6351
Wichita Falls	11.79	0.1476	122.35	0.5772

Weather Normalization Adjustment (WNA) Report

On or before June 1 of each year, the company posts on its website at atmosenergy.com/mtx-wna, in Excel format, a *Weather Normalization Adjustment (WNA) Report* to show how the company calculated its WNAs factor during the preceding winter season. Additionally, on or before June 1 of each year, the company files one hard copy and a Excel version of the *WNA Report* with the Railroad Commission of Texas' Gas Services Division, addressed to the Director of that Division.

ATMOS ENERGY CORP., MID-TEX DIVISION
PROOF OF REVENUES AND PROPOSED TARIFF STRUCTURE
TEST YEAR ENDING DECEMBER 31, 2014

(a)	(b)	(c)	(d)	(e)	(f)	(g)
1 Proposed Change In Rates:		\$21,066,527	Schedule A			
2 Proposed Change In Rates without Revenue Related Taxes:		<u>\$19,757,254</u>	Ln 1 divided by factor on WP_F-5.1			
3						
4						
5						
6	Revenue	Allocations				
7 Residential	Requirements					
8 Commercial	\$ 338,431,486	77.95%	Per GUD 10170 Final Order			
9 Industrial and Transportation	\$ 84,223,622	19.40%	Per GUD 10170 Final Order			
10 Net Revenue Requirements GUD No. 10170	\$ 11,490,316	2.65%	Per GUD 10170 Final Order			
11	<u>\$ 434,145,424</u>					
12						
17						
18	Rate Class	Current	Proposed Change	Proposed Rates	Proposed Change In Revenues	Proposed Rates with Rate Case Expenses
19						
20 Residential Base Charge		\$ 18.20	\$ 0.36	\$ 18.56	\$ 6,351,350	\$ 327,447,398
21 Residential Consumption Charge		\$ 0.08819	\$ 0.01112	\$ 0.09931	\$ 9,049,383	\$ 80,817,829
22 Commercial Base Charge		\$ 38.50	\$ 1.37	\$ 39.87	\$ 2,000,584	\$ 58,221,364
23 Commercial Consumption Charge		\$ 0.07681	\$ 0.00339	\$ 0.08020	\$ 1,834,968	\$ 43,411,339
24 I&T Base Charge		\$ 675.00	\$ 22.35	\$ 697.35	\$ 220,192	\$ 6,870,292
25 I&T Consumption Charge Tier 1 MMBTU		\$ 0.2807	\$ 0.0130	\$ 0.2937	\$ 142,055	\$ 3,209,350
26 I&T Consumption Charge Tier 2 MMBTU		\$ 0.2056	\$ 0.0095	\$ 0.2151	\$ 117,051	\$ 2,650,282
27 I&T Consumption Charge Tier 3 MMBTU		\$ 0.0441	\$ 0.0020	\$ 0.0461	\$ 42,703	\$ 984,314
28						
29						
					<u>\$ 19,758,287</u>	<u>\$ 523,612,169</u>

Data Sources:
GUD10170_FINAL.xlsm

	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	Proposed Change In Rates:		\$21,066,527	Schedule A			
2	Proposed Change In Rates without Revenue Related Taxes:		\$19,757,254	Ln 1 divided by factor on WP F-5.1			

	Revenue	
	Requirements	Allocations
6		
7 Residential	\$ 338,431,486	77.95%
8 Commercial	\$ 84,223,622	19.40%
9 Industrial and Transportation	\$ 11,490,316	2.65%
10 Net Revenue Requirements GUD No. 10170	<u>\$ 434,145,424</u>	
		Per GUD 10170 Final Order
		Per GUD 10170 Final Order
		Per GUD 10170 Final Order

18	Rate Class	Current	Proposed Change	Proposed Rates	Proposed Change In Revenues	Proposed Revenues	Proposed Rates with Rate Case Expenses
19							
20	Residential Base Charge	\$ 18.20	\$ 0.36	\$ 18.56	\$ 6,351,350	\$ 327,447,398	\$ 18.60
21	Residential Consumption Charge	\$ 0.08819	\$ 0.01112	\$ 0.09931	\$ 9,049,383	\$ 80,817,829	\$ 0.09931
22	Commercial Base Charge	\$ 38.50	\$ 1.37	\$ 39.87	\$ 2,000,584	\$ 58,221,364	\$ 40.00
23	Commercial Consumption Charge	\$ 0.07681	\$ 0.00339	\$ 0.08020	\$ 1,834,968	\$ 43,411,339	\$ 0.08020
24	I&T Base Charge	\$ 675.00	\$ 22.35	\$ 697.35	\$ 220,192	\$ 6,870,292	\$ 700.00
25	I&T Consumption Charge Tier 1 MMBTU	\$ 0.2807	\$ 0.0130	\$ 0.2937	\$ 142,055	\$ 3,209,350	\$ 0.2937
26	I&T Consumption Charge Tier 2 MMBTU	\$ 0.2056	\$ 0.0095	\$ 0.2151	\$ 117,051	\$ 2,650,282	\$ 0.2151
27	I&T Consumption Charge Tier 3 MMBTU	\$ 0.0441	\$ 0.0020	\$ 0.0461	\$ 42,703	\$ 984,314	\$ 0.0461
28					\$ 19,758,287	\$ 523,612,169	

Data Sources:
GUD10170_FINAL.xlsm

RATE SCHEDULE:	C – COMMERCIAL SALES	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS AND UNINCORPORATED AREAS	
EFFECTIVE DATE:	Bills Rendered on or after 06/01/2015	PAGE:

Application

Applicable to Commercial Customers for all natural gas provided at one Point of Delivery and measured through one meter and to Industrial Customers with an average annual usage of less than 30,000 Ccf.

Type of Service

Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

Monthly Rate

Customer's monthly bill will be calculated by adding the following Customer and Ccf charges to the amounts due under the riders listed below:

Charge	Amount
Customer Charge per Bill	\$ 40.00 per month
Rider CEE Surcharge	\$ 0.00 per month ¹
Total Customer Charge	\$ 40.00 per month
Commodity Charge – All Ccf	\$ 0.08020 per Ccf

Gas Cost Recovery: Plus an amount for gas costs and upstream transportation costs calculated in accordance with Part (a) and Part (b), respectively, of Rider GCR.

Weather Normalization Adjustment: Plus or Minus an amount for weather normalization calculated in accordance with Rider WNA.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Rider FF is only applicable to customers inside the corporate limits of any incorporated municipality.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

Agreement

An Agreement for Gas Service may be required.

Notice

Service hereunder and the rates for services provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

¹ Reference Rider CEE - Conservation And Energy Efficiency as approved in GUD 10170. Surcharge billing effective July 1, 2014.

RATE SCHEDULE:	I – INDUSTRIAL SALES	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS AND UNINCORPORATED AREAS	
EFFECTIVE DATE:	Bills Rendered on or after 06/01/2015	PAGE:

Application

Applicable to Industrial Customers with a maximum daily usage (MDU) of less than 3,500 MMBtu per day for all natural gas provided at one Point of Delivery and measured through one meter. Service for Industrial Customers with an MDU equal to or greater than 3,500 MMBtu per day will be provided at Company's sole option and will require special contract arrangements between Company and Customer.

Type of Service

Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

Monthly Rate

Customer's monthly bill will be calculated by adding the following Customer and MMBtu charges to the amounts due under the riders listed below:

Charge	Amount
Customer Charge per Meter	\$ 700.00 per month
First 0 MMBtu to 1,500 MMBtu	\$ 0.2937 per MMBtu
Next 3,500 MMBtu	\$ 0.2151 per MMBtu
All MMBtu over 5,000 MMBtu	\$ 0.0461 per MMBtu

Gas Cost Recovery: Plus an amount for gas costs and upstream transportation costs calculated in accordance with Part (a) and Part (b), respectively, of Rider GCR.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Rider FF is only applicable to customers inside the corporate limits of any incorporated municipality.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

Curtailment Overpull Fee

Upon notification by Company of an event of curtailment or interruption of Customer's deliveries, Customer will, for each MMBtu delivered in excess of the stated level of curtailment or interruption, pay Company 200% of the midpoint price for the Katy point listed in *Platts Gas Daily* published for the applicable Gas Day in the table entitled "Daily Price Survey."

Replacement Index

In the event the "midpoint" or "common" price for the Katy point listed in *Platts Gas Daily* in the table entitled "Daily Price Survey" is no longer published, Company will calculate the applicable imbalance fees utilizing a daily price index recognized as authoritative by the natural gas industry and most closely approximating the applicable index.

RATE SCHEDULE:	I – INDUSTRIAL SALES	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS AND UNINCORPORATED AREAS	
EFFECTIVE DATE:	Bills Rendered on or after 06/01/2015	PAGE:

Agreement

An Agreement for Gas Service may be required.

Notice

Service hereunder and the rates for services provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

Special Conditions

In order to receive service under Rate I, Customer must have the type of meter required by Company. Customer must pay Company all costs associated with the acquisition and installation of the meter.

RATE SCHEDULE:	R – RESIDENTIAL SALES	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS AND UNINCORPORATED AREAS	
EFFECTIVE DATE:	Bills Rendered on or after 06/01/2015	PAGE:

Application

Applicable to Residential Customers for all natural gas provided at one Point of Delivery and measured through one meter.

Type of Service

Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

Monthly Rate

Customer's monthly bill will be calculated by adding the following Customer and Ccf charges to the amounts due under the riders listed below:

Charge	Amount
Customer Charge per Bill	\$ 18.60 per month
Rider CEE Surcharge	\$ 0.02 per month ¹
Total Customer Charge	\$ 18.62 per month
Commodity Charge – All <u>Ccf</u>	\$0.09931 per Ccf

Gas Cost Recovery: Plus an amount for gas costs and upstream transportation costs calculated in accordance with Part (a) and Part (b), respectively, of Rider GCR.

Weather Normalization Adjustment: Plus or Minus an amount for weather normalization calculated in accordance with Rider WNA.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Rider FF is only applicable to customers inside the corporate limits of any incorporated municipality.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

Agreement

An Agreement for Gas Service may be required.

Notice

Service hereunder and the rates for services provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

¹Reference Rider CEE - Conservation And Energy Efficiency as approved in GUD 10170. Surcharge billing effective July 1, 2014.

RATE SCHEDULE:	T – TRANSPORTATION	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS AND UNINCORPORATED AREAS	
EFFECTIVE DATE:	Bills Rendered on or after 06/01/2015	PAGE:

Application

Applicable, in the event that Company has entered into a Transportation Agreement, to a customer directly connected to the Atmos Energy Corp., Mid-Tex Division Distribution System (Customer) for the transportation of all natural gas supplied by Customer or Customer's agent at one Point of Delivery for use in Customer's facility.

Type of Service

Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

Monthly Rate

Customer's bill will be calculated by adding the following Customer and MMBtu charges to the amounts and quantities due under the riders listed below:

Charge	Amount
Customer Charge per Meter	\$ 700.00 per month
First 0 MMBtu to 1,500 MMBtu	\$ 0.2937 per MMBtu
Next 3,500 MMBtu	\$ 0.2151 per MMBtu
All MMBtu over 5,000 MMBtu	\$ 0.0461 per MMBtu

Upstream Transportation Cost Recovery: Plus an amount for upstream transportation costs in accordance with Part (b) of Rider GCR.

Retention Adjustment: Plus a quantity of gas as calculated in accordance with Rider RA.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Rider FF is only applicable to customers inside the corporate limits of any incorporated municipality.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

Imbalance Fees

All fees charged to Customer under this Rate Schedule will be charged based on the quantities determined under the applicable Transportation Agreement and quantities will not be aggregated for any Customer with multiple Transportation Agreements for the purposes of such fees.

Monthly Imbalance Fees

Customer shall pay Company the greater of (i) \$0.10 per MMBtu, or (ii) 150% of the difference per MMBtu between the highest and lowest "midpoint" price for the Katy point listed in *Platts Gas Daily* in the table entitled "Daily Price Survey" during such month, for the MMBtu of Customer's monthly Cumulative Imbalance, as defined in the applicable Transportation Agreement, at the end of each month that exceeds 10% of Customer's receipt quantities for the month.

RATE SCHEDULE:	T – TRANSPORTATION	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS AND UNINCORPORATED AREAS	
EFFECTIVE DATE:	Bills Rendered on or after 06/01/2015	PAGE:

Curtailment Overpull Fee

Upon notification by Company of an event of curtailment or interruption of Customer's deliveries, Customer will, for each MMBtu delivered in excess of the stated level of curtailment or interruption, pay Company 200% of the midpoint price for the Katy point listed in *Platts Gas Daily* published for the applicable Gas Day in the table entitled "Daily Price Survey."

Replacement Index

In the event the "midpoint" or "common" price for the Katy point listed in *Platts Gas Daily* in the table entitled "Daily Price Survey" is no longer published, Company will calculate the applicable imbalance fees utilizing a daily price index recognized as authoritative by the natural gas industry and most closely approximating the applicable index.

Agreement

A transportation agreement is required.

Notice

Service hereunder and the rates for services provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

Special Conditions

In order to receive service under Rate T, customer must have the type of meter required by Company. Customer must pay Company all costs associated with the acquisition and installation of the meter.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RIDER:	WNA – WEATHER NORMALIZATION ADJUSTMENT	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS AND UNINCORPORATED AREAS	
EFFECTIVE DATE:	Bills Rendered on or after 11/01/2015	PAGE:

Provisions for Adjustment

The Commodity Charge per Ccf (100 cubic feet) for gas service set forth in any Rate Schedules utilized by the cities of the Mid-Tex Division service area for determining normalized winter period revenues shall be adjusted by an amount hereinafter described, which amount is referred to as the "Weather Normalization Adjustment." The Weather Normalization Adjustment shall apply to all temperature sensitive residential and commercial bills based on meters read during the revenue months of November through April. The five regional weather stations are Abilene, Austin, Dallas, Waco, and Wichita Falls.

Computation of Weather Normalization Adjustment

The Weather Normalization Adjustment Factor shall be computed to the nearest one-hundredth cent per Ccf by the following formula:

$$WNAF_i = R_i \frac{(HSF_i \times (NDD-ADD))}{(BL_i + (HSF_i \times ADD))}$$

Where

- i = any particular Rate Schedule or billing classification within any such particular Rate Schedule that contains more than one billing classification
- $WNAF_i$ = Weather Normalization Adjustment Factor for the i^{th} rate schedule or classification expressed in cents per Ccf
- R_i = Commodity Charge rate of temperature sensitive sales for the i^{th} schedule or classification.
- HSF_i = heat sensitive factor for the i^{th} schedule or classification divided by the average bill count in that class
- NDD = billing cycle normal heating degree days calculated as the simple ten-year average of actual heating degree days.
- ADD = billing cycle actual heating degree days.
- BL_i = base load sales for the i^{th} schedule or classification divided by the average bill count in that class

The Weather Normalization Adjustment for the j th customer in i th rate schedule is computed as:

$$WNA_j = WNAF_i \times q_{ij}$$

Where q_{ij} is the relevant sales quantity for the j th customer in i th rate schedule.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RIDER:	WNA – WEATHER NORMALIZATION ADJUSTMENT	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS AND UNINCORPORATED AREAS	
EFFECTIVE DATE:	Bills Rendered on or after 11/01/2015	PAGE:

Base Use/Heat Use Factors

Weather Station	<u>Residential</u>		<u>Commercial</u>	
	Base use <u>Ccf</u>	Heat use <u>Ccf/HDD</u>	Base use <u>Ccf</u>	Heat use <u>Ccf/HDD</u>
Abilene	10.22	0.1404	98.80	0.6372
Austin	11.59	0.1443	213.62	0.7922
Dallas	14.12	0.2000	208.11	0.9085
Waco	9.74	0.1387	130.27	0.6351
Wichita Falls	11.79	0.1476	122.35	0.5772

Weather Normalization Adjustment (WNA) Report

On or before June 1 of each year, the company posts on its website at atmosenergy.com/mtx-wna, in Excel format, a *Weather Normalization Adjustment (WNA) Report* to show how the company calculated its WNAs factor during the preceding winter season. Additionally, on or before June 1 of each year, the company files one hard copy and a Excel version of the *WNA Report* with the Railroad Commission of Texas' Gas Services Division, addressed to the Director of that Division.

ATMOS ENERGY CORP., MID-TEX DIVISION
PENSIONS AND RETIREE MEDICAL BENEFITS FOR CITIES APPROVAL
TEST YEAR ENDING DECEMBER 31, 2014

Line No.	Description (a)	Shared Services (b)		Mid-Tex Direct (e)		Adjustment Total (g)
		Pension Account Plan ("PAP")	Post-Retirement Medical Plan ("FAS 106") (c)	Pension Account Plan ("PAP") (d)	Supplemental Executive Benefit Plan ("SERP") (f)	
1	Fiscal Year 2014 Towers Watson Report (excluding Removed Cost Centers)	\$ 6,388,826	\$ 4,542,023	\$ 9,481,670	\$ 165,758	\$ 8,736,645
2	Allocation to Mid-Tex	46.26%	46.26%	71.70%	100.00%	71.70%
3	FY14 Towers Watson Benefit Costs (excluding Removed Cost Centers) Allocated to MTX (Ln 1 x Ln 2)	\$ 2,955,304	\$ 2,101,021	\$ 6,798,531	\$ 165,758	\$ 6,264,334
4	O&M and Capital Allocation Factor	100.00%	100.00%	100.00%	100.00%	100.00%
5	FY14 Towers Watson Benefit Costs To Approve (excluding Removed Cost Centers) (Ln 3 x Ln 4)	\$ 2,955,304	\$ 2,101,021	\$ 6,798,531	\$ 165,758	\$ 6,264,334
6						\$ 18,284,949
7						
8	Summary of Costs to Approve:					
9						
10	Total Pension Account Plan ("PAP")	\$ 2,955,304	\$ 2,101,021	\$ 6,798,531		\$ 9,753,835
11	Total Post-Retirement Medical Plan ("FAS 106")				\$ 6,264,334	\$ 8,365,356
12	Total Supplemental Executive Retirement Plan ("SERP")				\$ 165,758	\$ 165,758
13	Total (Ln 10 + Ln 11 + Ln 12)	\$ 2,955,304	\$ 2,101,021	\$ 6,798,531	\$ 165,758	\$ 18,284,949
14						
15						
16	O&M Expense Factor	95.82%	95.82%	43.03%	21.00%	43.03%
17						
18	Expense Portion (Ln 13 x Ln 16)	\$ 2,831,859	\$ 2,013,260	\$ 2,925,600	\$ 34,809	\$ 2,695,721
19						
20	Capital Factor	4.18%	4.18%	56.97%	79.00%	56.97%
21						
22	Capital Portion (Ln 13 x Ln 20)	\$ 123,445	\$ 87,761	\$ 3,872,930	\$ 130,949	\$ 3,568,614
23						
24	Total (Ln 18 + Ln 22)	\$ 2,955,304	\$ 2,101,021	\$ 6,798,531	\$ 165,758	\$ 6,264,334
						\$ 18,284,949

STAFF REPORT

The City, along with other similarly situated cities served by Atmos Energy Corp., Mid-Tex Division (“Atmos Mid-Tex” or “Company”), is a member of the Atmos Cities Steering Committee (“ACSC”). The RRM Tariff was adopted by the City as an alternative to the Gas Reliability Infrastructure Program (“GRIP”), the statutory provision that allows Atmos to bypass the City’s rate regulatory authority to increase its rates annually to recover capital investments. In February 2014, Atmos Mid-Tex filed its second annual filing under the Rate Review Mechanism (“RRM”) Tariff, seeking an increase of \$45.7 million. Although ACSC attempted to reach a settlement with the Company as it had in past years, the wide differences between the Company and ACSC’s consultants’ recommendations made a compromise impossible. On the recommendation of the ACSC Executive Committee and ACSC’s legal counsel, the City in 2014 adopted a Resolution denying the requested rate increase.

The Company appealed the City’s denial to the Railroad Commission of Texas (“Commission”) and revised its requested increase to \$43.8 million. A hearing was held on the Company’s appeal on September 3, 2014. On April 28, 2015, the Commission’s Hearings Examiner issued his Proposal for Decision (“PFD”) in the Company’s appeal of the City’s denial of the 2014 RRM rate increase. This PFD was not favorable to ACSC, but did recommend a reduction of approximately \$860,000 to the Company’s adjusted 2014 filing.

While the parties were waiting for the PFD from the Hearings Examiner in the appeal of the 2014 RRM filing, on February 27, 2015, Atmos Mid-Tex filed with the City another rate increase request under the RRM Tariff, seeking additional revenues in the amount of \$28.762 million (total system) or \$24.0 million (affected cities). The City worked with ACSC to analyze the schedules and evidence offered by Atmos Mid-Tex to support its 2015 request to increase rates. The Ordinance and attached Settlement Agreement and tariffs are the result of negotiation between the Mid-Tex Executive Committee and the Company to resolve issues raised by ACSC during the review and evaluation of Atmos Mid-Tex’s filing. The recommended Settlement Agreement also requires Atmos to abate its appeal of the City’s rejection of the 2014 RRM rate increase pending approval by all ACSC cities of the Settlement Agreement. The Agreement requires Atmos to give the City the benefit of the adjustments to the 2014 rate increase recommended by the PFD.

The Ordinance and Settlement tariffs approve rates that will increase the Company’s revenues by \$65.7 million for the Mid-Tex Rate Division, effective for bills rendered on or after June 1, 2015. The monthly residential customer charge will be \$18.60. The consumption charge will change from \$0.08819 per Ccf to \$0.09931 per Ccf. The monthly bill impact for the typical residential customer consuming 60 Ccf will be an increase of \$1.14 (about a 1.59% increase in the base bill). The typical commercial customer will see an increase of \$2.69 or 0.96%.

The ACSC Executive Committee and its designated legal counsel and consultants recommend that all Cities adopt the Ordinance approving the negotiated Settlement Agreement resolving both the 2014 and the 2015 RRM filings and implementing the rate change.

RRM Background:

The RRM tariff was originally approved by ACSC Cities as part of the settlement agreement to resolve the Atmos Mid-Tex 2007 system-wide rate filing at the Railroad Commission. In early

2013, the City adopted a renewed RRM tariff for an additional five years. This is the third RRM filing under the renewed tariff. The RRM tariff and the process implementing that tariff were created collaboratively by ACSC and Atmos Mid-Tex as an alternative to the legislatively-authorized GRIP surcharge process. ACSC has opposed GRIP because it constitutes piecemeal ratemaking, does not allow any review of the reasonableness of Atmos' expenditures, and does not allow participation by cities or recovery of cities' rate case expenses. In contrast, the RRM process has allowed for a more comprehensive rate review and annual adjustment as a substitute for GRIP filings. ACSC's consultants have calculated that had Atmos filed its 2015 case under the GRIP provisions, it would have received additional revenues from ratepayers of approximately \$10 million.

Purpose of the Ordinance:

The purpose of the Ordinance is to approve the Settlement Agreement and the resulting rate change under the RRM tariff. As a result of the negotiations, the Executive Committee was able to reduce the Company's requested \$28.8 million rate increase for Mid-Tex cities to \$21,962,784. When added to the settlement of the 2014 RRM filing and the adjustments recommended by the PFD, the Company will receive total additional annual revenues of \$65.7 million. Because the 2014 rates have been in effect since June 1, 2014, the increase to currently-billed rates is \$21 million. Approval of the Ordinance will result in rates that implement an increase in Atmos Mid-Tex's revenues effective June 1, 2015.

Why Approve the Settlement Agreement:

While it is annoying and disconcerting to annually consider rate adjustments from Atmos Mid-Tex, the Texas legislature has granted gas utilities the right, through the GRIP process, to an annual increase based on increases in invested capital. GRIP is piecemeal ratemaking and ignores increases in revenues and declines in O&M expenses that may be associated with plant additions. ACSC found it preferable to negotiate with Atmos to substitute an expedited comprehensive review process that includes consideration of revenues and expenses as well as invested capital for the GRIP process.

Compelling reasons for approving the Settlement include:

1. While the 2015 RRM system-wide filing exceeded \$28 million, a comparable GRIP filing would have been in excess of \$38 million. ACSC has negotiated a reduction to the 2015 filing of approximately \$6 million. Therefore, the 2015 RRM result is approximately \$16 million better for ratepayers within municipal limits than ratepayers within Environs.
2. ACSC counsel is convinced that the Proposal for Decision ("PFD") by Railroad Commission Examiners in the 2014 RRM appeal will not improve if we file Exceptions and Replies to Exceptions. Counsel recommends action to avoid the PFD becoming a final order that would serve as precedent in future rate proceedings.
3. The token benefit to ratepayers authorized in the PFD to the 2014 appeal has been incorporated into the Settlement Agreement.
4. Atmos will file its formal withdrawal of its 2014 appeal only after all ACSC members approve the Settlement Agreement.

5. The alternative to approval of the Settlement Agreement would be another contested case hearing on appeal of the 2015 filing, implementation of interim rates on June 1, 2015 at the full value of the Company's request (or \$6 million higher than proposed by the Settlement) and continuation of the 2014 appeal with resulting rate case expenses borne by ratepayers.

Explanation of "Be It Ordained" Sections:

1. This section approves all findings in the Ordinance.
2. This section finds the Settlement Agreement (attached to the Ordinance) to be a comprehensive settlement of gas utility rate issues arising from Atmos Mid-Tex's 2014 and 2015 RRM filings, and that such settlement is in the public interest and consistent with the City's statutory authority.
3. This section finds the existing Atmos Mid-Tex rates to be unreasonable, and approves the new tariffed rates providing for additional revenues over currently-billed rates of \$21 million and adopts the attached new rate tariffs.
4. This section establishes the baseline for pensions and other post-employment benefits for future rate cases.
5. This section renews the Atmos Mid-Tex RRM Tariff for an additional period of time, commencing with the filing to be made on March 1, 2016, and continuing until the RRM Tariff is suspended by ordinance of the City.
6. This section requires the Company to reimburse Cities for reasonable ratemaking costs associated with reviewing and processing the RRM filing.
7. This section repeals any resolution or ordinance that is inconsistent with this Ordinance.
8. This section is a savings clause, which provides that if any section(s) is later found to be unconstitutional or invalid, that finding shall not affect, impair or invalidate the remaining provisions of this Ordinance. This section further directs that the remaining provisions of the Ordinance are to be interpreted as if the offending section or clause never existed.
9. This section provides for an effective date upon passage which, according to the Cities' ordinance that adopted the RRM process, is June 1, 2015.
10. This paragraph directs that a copy of the signed Ordinance be sent to a representative of the Company and legal counsel for the Steering Committee.
11. This section finds that the meeting was conducted in compliance with the Texas Open Meetings Act, Texas Government Code, Chapter 551.



SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

Agenda Item No. C. 2.

Meeting Date: 05/18/2015

Prepared By: Clay Barnett, Director of Public Works and Engineering

Approved By: Robby Hefton, City Manager

Caption:

INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 5878

Amending Chapter 5 of the Code of Ordinances, entitled "Fire Prevention and Protection", at Article 5.04, entitled "Liquefied Petroleum Gas"

Issue:

To amend the City's Liquefied Petroleum Gas (LPG) code provisions to permit the use of propane/LPG for residential use

Background:

At the April 6, 2015 City Council meeting, Councilman Jason Sofey requested staff address several ordinances, including the Development Ordinance in general. He wanted to encourage development as the economy picks up, especially through the use of LPG or propane in Sherman's outlying areas. A staff presentation was given at the May 4, 2015 City Council meeting, where direction was given by Council for staff to proceed with amending the current LPG ordinance.

The City regulates LPG within its city limits in Chapter 5, Article 5.04 of the Code of Ordinances. The essence of the changes are to allow underground LPG tanks of up to 500 gallons within the city limits on lots of at least one acre in size if natural gas utilities are not available within 300' of the property considering LPG use. The ordinance requires inspection of plans, inspection during installation, and periodic inspection by LPG vendors. LPG containers would also require cathodic protection.

Origination:

Council Member Jason Sofey

Financial Consideration:

There is no financial impact to be considered.

Staff Recommendation:

Staff recommends the City Council adopt the proposed amendments to the City's Liquefied Petroleum Gas code provisions.

Alternatives:

The Council could make revisions to or choose not to adopt the ordinance.

Attachments

Resolution No. 5878

ORDINANCE NO. 5878

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING CHAPTER 5 OF THE CODE OF ORDINANCES, ENTITLED "FIRE PREVENTION AND PROTECTION", AT ARTICLE 5.04, ENTITLED "LIQUEFIED PETROLEUM GAS"; 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 5, Article 5.04 of the Code of Ordinances of the City of Sherman, Texas, entitled "Liquefied Petroleum Gas", be amended so that such Article shall read as follows:

ARTICLE 5.04 LIQUEFIED PETROLEUM GAS

Division 1. Generally

Sec. 5.04.001 Definitions

The following words, terms and phrases, when used in this article, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

Inspector or inspecting authority. The department of code enforcement or fire marshal of the city.

Liquefied petroleum gas. Any material which is composed predominantly of any of the following hydrocarbons or mixtures of them: propane, propylene, butanes (normal butane or isobutane and butylenes.)

Liquefied Petroleum Gas ~~Docket No. 1 Safety Rules~~ (as revised or amended). The rules and regulations issued by the ~~state railroad commission, liquefied petroleum gas division~~ *State Railroad Commission, Liquefied Petroleum Gas Division*.

Premises. The grounds, as well as all buildings and appurtenances pertaining thereto, and any adjacent premises if directly or indirectly under the control of the same person.

Railroad ~~commission~~ Commission. The ~~railroad commission of the state~~ *Railroad Commission of the State* or any regularly authorized deputy or agent thereof.

Vehicles. Automobiles, trucks, trailers and all appurtenances pertaining thereto.

Sec. 5.04.002 Penalty for violation

Any person who shall violate any provision of this article shall be punished as provided in section 1.01.009.

Sec. 5.04.003 Purpose, construction

This article is declared to be remedial and shall be construed to secure the beneficial interests and purposes thereof, which are public health, safety and welfare, through provisions for safety to life and property from fire and other hazards incident to the handling, storing and dispensing of liquefied petroleum gas on certain premises within the corporate limits of the city.

Sec. 5.04.004 Compliance with state regulations and article

No person shall keep, store, retain, handle, haul, transport, dispense, or distribute within the corporate limits of the city any liquefied petroleum gas except upon full compliance with the requirements of the Liquefied Petroleum Gas ~~Docket No. 4~~ *Safety Rules* and this article.

Sec. 5.04.005 Installation, use, storage and transfer

(a) No person shall install, maintain or use any container, equipment or liquefied petroleum gas system for the purpose of storage, burning or use of liquefied petroleum gas within a residential district of the city; provided, however, that a maximum of ten (10) gallons at any one (1) time of liquefied petroleum gas to be used solely for the purpose of testing liquefied petroleum gas equipment or for residential use or for use in motor vehicles, trailers, mobile homes or motor homes, may be maintained within any district of the city if the regulations established by the ~~railroad-commission~~ *Railroad Commission* are complied with for such maintenance or use. Liquefied petroleum gas containers utilized in motor vehicles, trailers, mobile homes or motor homes may exceed the ten-gallon capacity limitation specified herein, provided that all ~~railroad-commission~~ *Railroad Commission* rules, regulations and permits are complied with.

(b) Exception. Except as permitted in subsection (a) above, permanent liquefied petroleum gas containers are permitted in the incorporated city limits if natural gas is not available within 300' of property line, provided the following criteria is met:

- (1) ~~Tanks will not be used for residential utilities~~ *Liquefied petroleum gas containers shall not provide liquefied petroleum gas to any other lot than the lot upon which the liquefied petroleum gas container is located;*
- (2) ~~Above and below ground tank installation, which must~~ *The installation of the liquefied petroleum gas container shall be inspected by the fire marshal;*
- (3) ~~Tank~~ *Liquefied petroleum gas container shall not exceed five hundred (500) gallon capacity;*

- (4) ~~Lot size will be a minimum~~ Liquefied petroleum gas containers are allowed to be placed on a lot with a lot size of one (1) acre or greater, ~~with all adjoining lots having a minimum of one (1) acre and shall be located underground with cathodic protection provided for the liquefied petroleum gas container;~~
- (5) Screening materials around the ~~tank~~ liquefied petroleum gas container may be used in accordance with local liquefied petroleum gas distributors recommendation so long as at least fifty percent (50%) of the screening is clearly marked and legible from a distance of one hundred (100) feet; placard must be marked with an upper case "P", blue in color with a contrasting background on a sign at least 8' 8" x 11" in size; lettering must be at least 8" in height; and
- (6) The liquefied petroleum gas distributor will be the responsible party to inspect all safety features, inspect the pressure relief valve at the time of each delivery of product to verify the cap has not been rendered inoperable, and verify that there are no other safety concerns. In as such, any deficiencies in the system will immediately be reported to the fire marshal prior to the off-loading of the product.

(c) Liquefied petroleum gas shall not be transferred from one (1) vehicle to another within the corporate limits of the city, except that, in case of emergency, such transfer may be made under the supervision of the fire marshal or the fire department. No liquefied petroleum gas shall be dispensed from tank trucks or truck trailers to consumer vehicles.

(d) The provisions of subsection (a) above shall not apply to liquefied petroleum gas systems actually installed and in use as of the effective date of Ordinance 5331 adopted September 6, 2005. ~~However, subsections (a), and (b) and (c) above will become applicable to each such instance of existing use covered hereby on the thirty first day after natural gas connections become available at such locations.~~

Sec. 5.04.006 Plans and specifications for installations

(a) Prior to the installation of any liquefied petroleum gas system within the city, plans and specifications for such installation, in duplicate, shall be submitted to the department of code enforcement and the fire marshal. Upon completion of the examination, one (1) copy of the proposed plans will be returned marked for correction or tentative approval by the inspecting authority.

(b) Piping, pipe fittings, appliances and other equipment designed or intended for the distribution of liquefied petroleum gas shall not be installed, repaired, extended or altered until a detailed set of plans and specifications for such use and equipment has been filed and approval obtained.

Sec. 5.04.007 Inspection and approval of distribution equipment

Piping, pipe fittings, appliances and other equipment for the distribution of liquefied petroleum gas shall not be placed in service until after the same have been tested, inspected and approved

by the fire marshal and *a propane service provider licensed and certified by the Railroad Commission* ~~railroad commission inspector~~.

Sec. 5.04.008 License to transfer from one container to another

A license from the office of the fire marshal shall be required for any individual to transfer liquefied petroleum gas from one (1) container to another within the city. No fee will be charged for this license. Before the license is issued, the applicant must satisfactorily demonstrate to the inspecting authority his ability to transfer liquefied petroleum gas. Such license shall be valid for a period of one (1) year from the date of issue and may be revoked by the inspecting authority for any just cause. Such license shall not be transferable.

Sec. 5.04.009 Fire extinguishers at ~~tank~~ liquefied petroleum gas container installations

Each ~~tank~~ *liquefied petroleum gas container* storage installation for liquefied petroleum gas shall be provided with fire extinguishers of a type and size and at locations approved by the fire marshal. Extinguishers shall be at all times fully charged and shall be kept in good mechanical condition.

Sec. 5.04.010 Notice of defective or improperly installed or operated equipment

Whenever liquefied petroleum gas equipment is found to be defective or improperly installed or is being handled or operated in such a manner as to become a menace to the public safety or welfare, the same may be deemed a nuisance by the inspecting authority by the serving of a written notice upon the owner thereof or upon the person having control thereof on the premises whereupon the matter covered in such notice shall be immediately remedied or abated.

Sec. 5.04.011 Permit to operate delivery vehicle on other than designated truck route

No tank truck, tank trailer or other vehicle of any type used for the purpose of transporting liquefied petroleum gas within the corporate limits of the city shall be driven into or upon any street, lot, building or other area other than a designated truck route, without first securing a permit from the fire marshal.

Sec. 5.04.012 Parking of delivery vehicles on designated truck routes

No tank truck, tank trailer or other vehicle of any type used for the purpose of transporting liquefied petroleum gas shall park longer than thirty (30) minutes on any designated truck route within the corporate limits of the city.

Secs. 5.04.013–5.04.030 Reserved

Division 2. Service Stations and Storage Facilities

Sec. 5.04.031 Application of and compliance with division

This division applies to storage facilities and to storage containers, dispensing devices, and pertinent equipment in service stations where liquefied petroleum gas is stored and is dispensed into fuel tanks of motor vehicles or storage facilities. All containers and pertinent equipment shall comply with the requirements of this division and the regulations of the ~~liquefied petroleum gas division of the railroad commission~~ *Liquefied Petroleum Gas Division of the Railroad Commission*.

Sec. 5.04.032 Location

Liquefied petroleum gas service stations and storage facilities shall not be located in any district other than commercial or manufacturing districts outside the fire district as established by the zoning ordinance.

Sec. 5.04.033 Design and construction generally

All ~~tanks~~, *liquefied petroleum gas* containers and appurtenant equipment installed for the storage and dispensing of liquefied petroleum gas within the corporate limits of the city, for the purpose of providing liquefied petroleum gas for industrial, commercial and domestic uses, shall be designed, constructed, equipped and installed in a manner as required by the laws of the state as defined in the Liquefied Petroleum Gas ~~Docket No. 1~~ *Safety Rules* (regulating the handling and odorization of liquefied petroleum gases and specifications for the design, construction and installation of equipment used in the transportation, storage and dispensing of liquefied petroleum gases and adoption of terms and reports) and all special regulations of the ~~railroad commission~~ *Railroad Commission* promulgated in conformity with the laws of the state. Copies of these regulations shall be kept on file with the city secretary and in the office of the building official and shall be available for inspection and examination by the public at all reasonable times.

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

SECTION 3. That the provisions of this ordinance are severable and the invalidity of any word, phrase or part of this ordinance shall not affect the validity of effectiveness of the remainder of the ordinance.

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

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

INTRODUCED on this the _____ day of _____, 2015.

ADOPTED on this the _____ day of _____, 2015.

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

CITY OF SHERMAN, TEXAS

BY: _____
CAROLYN S. WACKER, MAYOR

ATTEST:

BY: _____
LINDA ASHBY,
CITY CLERK

**APPROVED AS TO FORM
AND CONTENT:**

BY: _____
BRANDON S. SHELBY,
CITY ATTORNEY



SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

Agenda Item No. C. 3.

Meeting Date: 05/18/2015

Prepared By: Pamela Cloer, Assistant to the City Manager

Approved By: Robby Hefton, City Manager

Caption:

ADOPTION OF ORDINANCES

Consider Adoption of Ordinance Numbers: 5877 and 5878

Issue:

C.1. INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 5877

Approving a Negotiated Settlement between the Atmos Cities Steering Committee ("ACSC") and Atmos Energy Corp., Mid-Tex Division, Regarding the Company's 2014 and 2015 Rate Review Mechanism Filings; Approving a Settlement Agreement with Attached Rate Tariffs and Proof of Revenues; Declaring Existing Rates to be Unreasonable; Adopting Tariffs that Reflect Rate Adjustments Consistent with the Negotiated Settlement; Finding the Rates to be Set by the Settlement Tariffs to be Just and Reasonable and in the Public Interest; Requiring the Company to Reimburse ACSC's Reasonable Ratemaking Expenses; Declaring an Effective Date; Requiring Delivery of this Ordinance to the Company and the ACSC's Legal Counsel

C.2. INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 5878

Amending Chapter 5 of the Code of Ordinances, entitled "Fire Prevention and Protection", at Article 5.04, entitled "Liquefied Petroleum Gas"



SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

Agenda Item No. C. 4.

Meeting Date: 05/18/2015

Prepared By: Pamela Cloer, Assistant to the City Manager

Approved By: Robby Hefton, City Manager

Caption:

CONSENT AGENDA

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

Issue:

D.2. * RESOLUTION NO. 5972

Finding and Determining a Public Purpose and Public Necessity Exists for Construction of City Project South Sherman Relief Sewer; Appointing an Appraiser and Negotiator as Necessary; Authorizing the City Manager to Establish Just Compensation for the Property Rights to be Acquired; Authorizing the City Manager to Take all Steps Necessary to Acquire the Needed Property Rights in Compliance with All Applicable Laws and Regulations

D.3. * RESOLUTION NO. 5973

Authorizing Execution of an Agreement with Tobar Properties, LLC for the Abatement of Ad Valorem Property Taxes for the Construction of a New Single-Family Residence at 900 North East Street

E.1. * REQUEST TO ADVERTISE

Construction of the Wastewater Treatment Plant Headworks Lift Station and Electrical Upgrade Improvements

E.2. * REQUEST TO ADVERTISE

Construction of the Sears Lift Station Relief Sewer Project



SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

Agenda Item No. D. 1.

Meeting Date: 05/18/2015

Prepared By: Pamela Cloer, Assistant to the City Manager

Approved By: Robby Hefton, City Manager

Caption:

RESOLUTION NO. 5971

Authorizing Execution of an Agreement with Sean Vanderveer under the City of Sherman's Central Business District Historic Building Restoration and Improvement Grant Program for Improvements to 127 North Walnut Street

Issue:

An agreement with Sean Vanderveer for a Building Restoration and Improvement Grant for improvements to a historically significant, Central Business District property at 127 North Walnut Street

Background:

The City Council has allocated \$40,000.00 of the Hotel-Motel Occupancy Tax revenues for the 2014-2015 fiscal year for a Building Restoration and Improvement Grant Program, designed to stimulate substantial, visible, and permanent improvements to historically significant commercial buildings and to spur interest in vacant and underutilized buildings of historical value, in the Central Business District. Grants under the program are awarded at the City Council's sole discretion, in the maximum amount of \$25,000.00 per project. In all cases, applicants are required to provide matching funds at a ratio of four to 1 (4:1). Each grant is packaged as a forgivable loan with a lien placed on the property. The lien is released at the end of five years provided that, for the duration, the business remains open, operative, and free of graffiti and blight; taxes are kept current, and the property remains in compliance with all Development Services Department and Fire Department work orders. Projects must begin within 90 days of permit approval and be completed within twelve months.

At the March 16th meeting, the City Council awarded the eighth application received under the program to Kelly Square, Inc. to make renovations to relocate the Kelly Square sign and extend/connect the balcony along the front of the structure at 115 North Travis Street. The grant was awarded at an estimated reimbursement of approximately \$3,400.00, leaving a maximum available grant amount of \$3,100.00 for any other projects for this fiscal year.

This application from Sean Vanderveer is the ninth received under the program. The project is to restore the historic structure established in 1887 and located at the southeast corner of Wall and Walnut Streets in Downtown Sherman. The project will make renovations to remove the property from the substandard structure list and prepare it for either a retail or restaurant purpose. The expected costs for the proposed renovation work are approximately \$18,256.00; thus, at 25% reimbursement, the grant qualifies for the balance remaining in the fund for this fiscal year. The applicant has provided proof of the property's historical significance.

Origination:

Sean Vanderveer, Grant Applicant

Financial Consideration:

The 2014-2015 Hotel-Motel Tax Fund contains an allocation of \$40,000.00 for this incentive program for the Central Business District. Grants are at the discretion of the City Council; and any amount up to \$25,000.00 may be awarded. Grant funds remain in the amount of \$3,100.00 for this fiscal year.

Staff Recommendation:

As the application meets the requirements of the program, it is recommended that the City Council consider an award to Sean Vanderveer.

Alternatives:

The City Council could deny this request.

Attachments

Resolution No. 5971

Agreement

Grant Program Guidelines & Policies

Grant Application

Warranty Deed

Current Photos

Historic Photos

Cost Estimates

Architectural Drawings

Aerial Location Map

RESOLUTION NO. 5971

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF AN AGREEMENT WITH SEAN VANDERVEER UNDER THE CITY OF SHERMAN'S CENTRAL BUSINESS DISTRICT HISTORIC BUILDING RESTORATION AND IMPROVEMENT GRANT PROGRAM FOR IMPROVEMENTS TO 127 NORTH WALNUT STREET; FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS RESOLUTION IS PASSED WAS NOTICED AND IS OPEN TO THE PUBLIC AS REQUIRED BY LAW.

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

SECTION 1. That the City Manager be and is hereby authorized and directed, subject to all contract documents being properly completed and approved as to form and content by the City Attorney, to execute an agreement with Sean Vanderveer, for improvements to 127 North Walnut Street under the City of Sherman's Central Business District Historic Building Restoration and Improvement Grant Program, 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 _____, 2015.

CITY OF SHERMAN, TEXAS

BY: _____
CAROLYN S. WACKER, MAYOR

ATTEST:

BY: _____
LINDA ASHBY, CITY CLERK

**APPROVED AS TO FORM
AND CONTENT:**

BY: _____
BRANDON S. SHELBY,
CITY ATTORNEY



**CITY OF SHERMAN
CENTRAL BUSINESS DISTRICT HISTORIC
BUILDING RESTORATION AND IMPROVEMENT GRANT PROGRAM**

AGREEMENT

THIS AGREEMENT is made and entered into on this the _____ day of _____, 2015, by and between the City of Sherman, a municipal corporation of the State of Texas, hereinafter referred to as "City", and Sean Vanderveer, hereinafter referred to as "Applicant(s)."

WITNESSETH THAT, in consideration of the mutual promises and undertaking herein for the purpose of carrying out the restoration of a downtown property, thereby benefiting both the Applicants and the City;

THEREFORE, the Applicants and the City certify and agree to the terms and conditions as set forth below:

**I.
TERMS OF AGREEMENT**

1. **Ownership and Grant Program.** The Applicants represent and presented documentation that they are the owners of or tenants in good standing of a certain property located at 127 North Walnut Street in the City of Sherman, Grayson County, Texas, hereinafter referred to as "Property," lying within an area where the City is conducting a Central Business District Historic Building Restoration and Improvement Grant Program as described in the Program's "Guidelines and Policies," a copy of which has been provided to the Applicants and is attached hereto as Exhibit "A" and made a part of this Agreement for all purposes, a copy of which has been provided to the Applicants.
2. **Property Description and Eligibility.** The Property is of commercial, retail, service, professional and/or office use, and Applicants' proposed improvements to the Property listed in the Central Business District Historic Building Restoration and Improvement Grant Program Application are eligible improvements as described in the Program's Guidelines and Policies. Applicants state that all of the information contained in the application is truthful and discloses sufficient information so as not to be misleading. The submitted application is attached hereto as Exhibit "B" and incorporated into this Agreement for all purposes.
3. **Compliance with Codes.** All improvements to be undertaken will be consistent with all applicable Zoning and Building Codes.

4. **City Approval for Work.** Only the work that is agreed to by the City and the Applicants, which will be outlined in a formal written notice to proceed to be provided to the Applicants by the City upon Application approval, will be eligible for reimbursement. Any changes to the project that are not approved by the City in writing will not be eligible for reimbursement. Any work that is begun by the Applicants prior to receiving a written notice to proceed from the City will not be eligible for reimbursement.
5. **Rebate/Reimbursement.** The City will rebate a portion of the cost of eligible building improvements as described in the Program Guidelines. Reimbursement claims for all eligible expenses for completed improvements must be accompanied by the following supporting documents: applicable planning and building permits, canceled checks and paid invoices/receipts for eligible work.
6. **Lien.** Upon completion of the work, the City shall record a conditional lien on the property in the full amount of the City's monetary grant to Applicants and the Applicants consent to such lien. The lien shall remain in effect until the terms and conditions in Exhibit "A" have been fully complied with or the lien in favor of the City has been paid in full.
7. **Display of Sign.** After the work has been completed, Applicants shall display a sign or banner (provided by the City) indicating participation in the Central Business District Historic Building Restoration and Improvement Grant Program. The sign shall be displayed either on the exterior or in the front window of the building for a period of thirty (30) days.
8. **City Access to Building.** Applicants agree to allow the City or its agents access to buildings and improvements, when convenient for all parties, for inspection of the Central Business District Historic Building Restoration and Improvement Grant Program work.
9. **Work Payment and Personnel.** In accordance with the terms of this Agreement, the Applicants shall hire all personnel and pay for all labor, materials, tools, transportation, services, City licenses and permits necessary to perform or cause to have performed, and all work as specified in the Application. Applicants are aware of Labor Code Section 3700, which requires worker's compensation insurance or self insurance for employees.
10. **Time Period for Work.** Upon the signing of this Agreement, the Applicants shall have a period of ninety (90) days in which to take out a building permit. Work shall commence within sixty (60) days of the approval date of the building permit and be completed within twelve (12) months thereafter. Extensions, if warranted, may be granted at the discretion of the City. No change to work without the written consent of both the City and Applicants will be permitted.
11. **Notice and Compliance with Laws.** The Applicants shall give all notices required and comply with all applicable laws, ordinances and codes and shall, at their expense, secure and pay all said fees and charges for the performance of the work.

12. **No City Liability.** Applicants understand and agree that the City and their officers, agents, and employees, shall have no responsibility or liability of any failure or inadequacy of performance or defective workmanship or materials in regard to the agreed-upon improvements.
13. **Proper Use of Hotel/Motel Tax Revenues.** Applicants acknowledge that they are aware that the money being provided to them through this agreement comes from the City's Hotel/Motel Tax revenues; and Applicants further acknowledge and agree that they have independently determined that the project contemplated by this agreement and the submitted application complies with the State law regarding the use and application of such money, as set forth in the Texas Tax Code at Chapter 351, Section 351.101 and, in particular, that the project will enhance and promote tourism by attracting visitors from outside the City and the project will enhance the historical restoration, rehabilitation, or preservation of a historic structure. Applicants further acknowledge and agree that, if the project is determined at any time not to comply with Chapter 351 of the Texas Tax Code, any and all money acquired from the City by Applicants for this project shall be immediately and fully reimbursed to the City.

II. GENERAL TERMS

Assignment of Agreement

No assignment by a party hereto of any rights under or interests in the Agreement will be binding on another party hereto without the written consent of the party sought to be bound and, unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under this Agreement.

INDEMNIFICATION

Applicants shall indemnify, release, defend and hold City, their officers, employees and agents, harmless from all claims, losses, liabilities, damages, suits, actions or proceedings by any person including Applicants, their employees and agents from personal injury, death or property damage from any cause whatsoever in whole or in part arising out of this Agreement or the activities completed hereunder by this indemnification shall not include the sole negligence or willful misconduct of City, their officers, employees or agents.

Successors and Assigns

City and Applicants each bind themselves, their partners, successors, assigns, and legal representatives to the other parties hereto, their partners, successors, assigns, and legal representatives in respect to all covenants, agreements, and obligations contained in this Agreement.

Severability and Conflict

Any provision or part of the Agreement held to be void or unenforceable under any Law or Regulation shall be deemed stricken, and all remaining provisions shall continue to be valid and binding upon City and the Applicants, who agree that the Agreement shall be reformed to replace such stricken provision or part thereof with a valid and enforceable provision that comes as close as possible to expressing the intention of the stricken provision.

Captions

Section or other headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

Choice of Law: Venue

This Agreement, the entire relationship of the parties, and any litigation between the parties (whether grounded in contract, tort, statute, law or equity) shall be governed by, construed in accordance with, and interpreted pursuant to the laws of the State of Texas, without giving effect to its choice of laws principles. This Agreement is wholly performable in Grayson County, Texas. Exclusive venue for any litigation between the parties shall be brought in Grayson County, Texas, and shall be brought in the State District Courts of Grayson County, Texas, or in the United States District Court for the Eastern District of Texas. The parties waive any challenge to personal jurisdiction or venue (including without limitation a challenge based on inconvenience) in Grayson County, Texas, and specifically consent to the jurisdiction of the State District Courts of Grayson County, Texas, or in the United States District Court for the Eastern District of Texas, Sherman Division.

Binding Authority

By their signatures below, the individuals represent that they have reviewed this Agreement with their attorney and that the individuals have the express authority to enter into this Agreement.

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 both the parties to be attached to and made a part of this Agreement.

IN WITNESS WHEREOF, City and the Applicants have signed this Agreement in duplicate. One counterpart each has been delivered to City and the Applicants. All portions of the Agreement have been signed or identified by City and the Applicants or on their behalf.

EXECUTED on this the _____ day of _____, 2015.

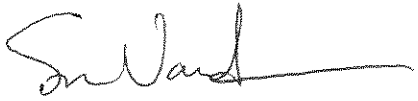
CITY OF SHERMAN, TEXAS:

APPLICANT:

By:

Robby Hefton, City Manager

By:



Sean Vanderveer

Address: 806 N. Woods Street
Sherman, Texas 75092

Phone: 903.815.5143

**APPROVED AS TO FORM
AND CONTENT:**

By:

Brandon S. Shelby, City Attorney



**CITY OF SHERMAN
CENTRAL BUSINESS DISTRICT HISTORIC
BUILDING RESTORATION AND IMPROVEMENT GRANT PROGRAM**

GUIDELINES AND POLICIES

The Building Restoration and Improvement Grant Program is designed to stimulate improvements to existing historically significant buildings in the Central Business District of the City of Sherman, Texas, to promote tourism, to enhance the physical appearance and economic vitality of downtown Sherman, and to promote joint public/private investment to complement ongoing historical revitalization efforts.

Program Objectives and Available Assistance

- To make positive, high-impact visual improvements to historically significant commercial buildings by providing an overall enhanced image for downtown Sherman, thereby attracting visitors to shop, dine, and do business in the Central Business District
- To provide a maximum of \$25,000.00 per project as a matching monetary incentive, a grant packaged as a forgivable loan with a conditional lien placed on the subject property, to the owners of historically significant commercial properties in the Central Business District for high-quality improvements to their properties
- In all cases, the applicant must provide matching funds at a ratio of four to one (4:1); meaning that, for every \$4.00 the applicant invests in the renovation or improvement of the subject property, the City will reimburse \$1.00 of qualified expenditures, up to the maximum grant authorized by the City Council not to exceed \$25,000.00 per project

Eligibility Requirements

- Assistance under this program will be considered subject to the availability of funding.
- Historic buildings within the downtown improvement area (map attached) that are of a commercial, retail, service, or professional use are eligible to participate in the program.
- For mixed-use historic buildings, only the portion of the building that is commercial, retail, service, or professional is eligible.
- The building to be improved must have historical significance either from an architectural point of view or a historical use or event that would tend to attract tourists to the buildings location.

Minimum Guidelines

- Buildings improved with funds from this program must remain open, operative, and free of graffiti and blight for a period of five (5) years from the date of agreement and until the lien is released.
- Tax payments for the subject property shall be up-to-date at the time of application and kept current throughout the five-year grant period.

- Outstanding work orders for the City's Developmental Services Department and/or the City's Fire Department and requests to comply therewith must be addressed prior to grant approval. Any noncompliance or outstanding violations will disqualify the applicant.
- **Grants will be approved at the sole discretion of the City.**
- To be accepted into the program, projects must make a substantial visible improvement to the appearance of the building, at the discretion of City staff. Repainting a building its same colors is considered maintenance, not an improvement.
- Building improvements should maintain the character of the downtown area; and the design drawings must be approved by the City in order to access funding for improvement.
- Improvements to be undertaken shall conform to the City's Codes and any other policies and regulations applying to the subject property.
- **Retroactive applications will not be accepted.** Applicants must consult with City staff before work begins to define a project scope.
- Program funds shall be made available only to projects that enhance and are sensitive to the historical nature of the structure.
- For properties with multiple storefronts, it is recommended that the façade treatment provide a cohesive theme while also allowing for some distinctive design elements to the various businesses, such as signage, exposing transom windows, lighting, flower boxes, murals, etc., to provide better street visibility and promote economic development downtown.
- For corner buildings fronting more than one street, improvements must be made to each frontage if determined necessary by City staff.

Application Prioritization

Funding is limited, and project applications will be prioritized on a first-come, first-served basis.

Eligible Improvements

Eligible improvements must be permanent in nature as determined exclusively by the City of Sherman. All improvements must be consistent with the City of Sherman Master Plan, Zoning Ordinance, Building Regulations, and other applicable laws. Eligible costs include the cost of materials, equipment, and contracted labor to complete eligible improvements, including, but not limited to, the following:

- New commercial or mixed-use construction
- Commercial code compliance renovations
- Permanent commercial interior remodeling improvements
- Permanent commercial site (exterior) improvements
- Compliance with Americans with Disabilities Act (ADA) for commercial properties
- Work necessary to bring the structure up to life-safety code standards
- Installation, repair, and replacement of exit (exterior) doors and hardware
- Repair, replacement, or addition of exterior shutters and awnings/canopies
- Repair, replacement or purchase of signs (when performed as part of an overall façade improvement)
- Repair and replacement or installation of interior and exterior stairs, porches, railings, and exit facilities
- Repair and rebuilding of interior and exterior walls, including cleaning, sealing, tuck pointing and painting

- Repair or replacement of frames, sills, glazing, replacement of glass and installation of new windows
- Installation of permanently affixed landscaping, such as stone or brick planters
- Installation, repair, or replacement of exterior lighting
- Mechanical, including rewiring, replumbing, insulation, mechanical systems/climate control

The City will prioritize projects. Consideration will be given to (1) threats to the survival of the structure, (2) importance of the structure to the overall goals of the program, (3) structural integrity and condition, and (4) cost effectiveness of the proposed work. In determining the grant amount, the City will also consider the time required to complete the project. Applicants are requested to limit their requests to projects that can be completed in a twelve (12) month period.

Ineligible Improvements

- No structural addition that would enlarge the residential (livable) space of the project is to be financed with these funds – nor an area not originally a livable space made livable.
- Residential structures
- Real estate or building purchases
- Furnishings and equipment purchases
- Working capital
- Inventory financing
- Title reports and legal fees
- Professional fees such as architects, engineers, and solicitors
- Labor provided by the Applicant or tenant of the building
- Extermination of insects, rodents, vermin and other pests
- Improvements that do not comply with City of Sherman Master Plan, Zoning Ordinance, Building Regulations, and other applicable laws
- Expenses incurred prior to grant application approval. Improvements cannot be undertaken before grant application approval.

Property Lien

Once the work is completed, the City will record a conditional lien on the property to ensure that the property improved with funds from this program remains open, operative, and free of graffiti and blight for a period of five (5) years from the date of agreement. If the Applicant fails to maintain the funded improvements for the entire five-year period, the City will recover its costs through the lien. If the Applicant satisfactorily fulfills the program requirements, the lien will be released at the end of five (5) years from the date of agreement.

Application Process

Program Application and Agreement forms are available in the City Manager's Office in the Sherman City Hall, 220 West Mulberry Street, Sherman, Texas 75091-1106, telephone (903) 892-7201. The application process is as follows:

- After reviewing the program guidelines, the Applicant will meet with City staff to discuss the desired work to be undertaken. If the proposed work is within the program guidelines, as determined exclusively by City staff, a completed application is submitted to the City. Written bids, sketches, color samples, and material supplies should be included.
- The Applicant is responsible for submitting plans and specifications to the City and obtaining all required planning and building permits, and any other applicable approvals, with the assistance of City staff.
- The Sherman City Council will consider the recommendations made by the City staff and will make its decision in a public meeting. The Council's decision will be made by adopting a resolution, which will authorize the City Manager to enter into a grant agreement with the Applicant.
- With the Council's authorization, the City Manager will cause the necessary documents to be drawn up and will sign the grant agreement.
- Upon approval, the City will send a "Notice to Proceed" to the Applicant. The Applicant may proceed with the planned building improvements pursuant to the approved design and issued permits. All payments for the work should be made by the Applicant and supported by clearly defined invoices outlining eligible work. Work shall commence within ninety (90) days of the approval date of the building permits. Extensions may be granted solely at the discretion of City staff.
- City staff will monitor the ongoing progress during construction to ensure that the work is performed according to the approved application and plans. No changes to work shall be made without the written consent of both the Applicant and the City. Approved "Change in Work" forms will be attached to the original application, dated and signed by the City Manager.
- Deviations from approved plans and specifications may disqualify the Applicant from this grant program.
- Once the work is completed, the City will record a conditional lien, good for five (5) years, on the subject property to be released upon completion of the program requirements.
- Funds will be disbursed upon completion of the project. City staff will conduct a final inspection before the grant funds will be disbursed to the Applicant. A Certificate of Approval will be issued to the Applicant.
- Reimbursement claims for all eligible expenses must be submitted with the following supporting documents.
 - A completed Rebate Claim form supplied by the City of Sherman
 - Any applicable planning and building permits
 - Cancelled checks and paid invoices/receipts for eligible work

After final approval of the improvements, the rebate reimbursement will be processed. Allow thirty (30) days for receipt of the rebate check.

- After the work is completed, Applicant shall display a sign or banner (provided by the City) indicating participation in the City of Sherman Central Business District Historic Building Restoration and Improvement Grant Program. The sign or banner shall be displayed either on the exterior or in the front window of the building for a period of thirty (30) days.

Loan Applications

The loan application requires:

- Information summarizing the project, including complete construction plans and specifications
- The project cost and the amount of other dollars being brought to the project
- Preliminary commitment of private funds
- Specific uses of all funds
- Current financial and/or profit and loss statements
- Amount of grant requested and proposed term being requested
- Current lien/title report on the subject property

All applications must be made on forms provided by the City of Sherman. For further information, please contact:

George Olson
City Manager
City of Sherman

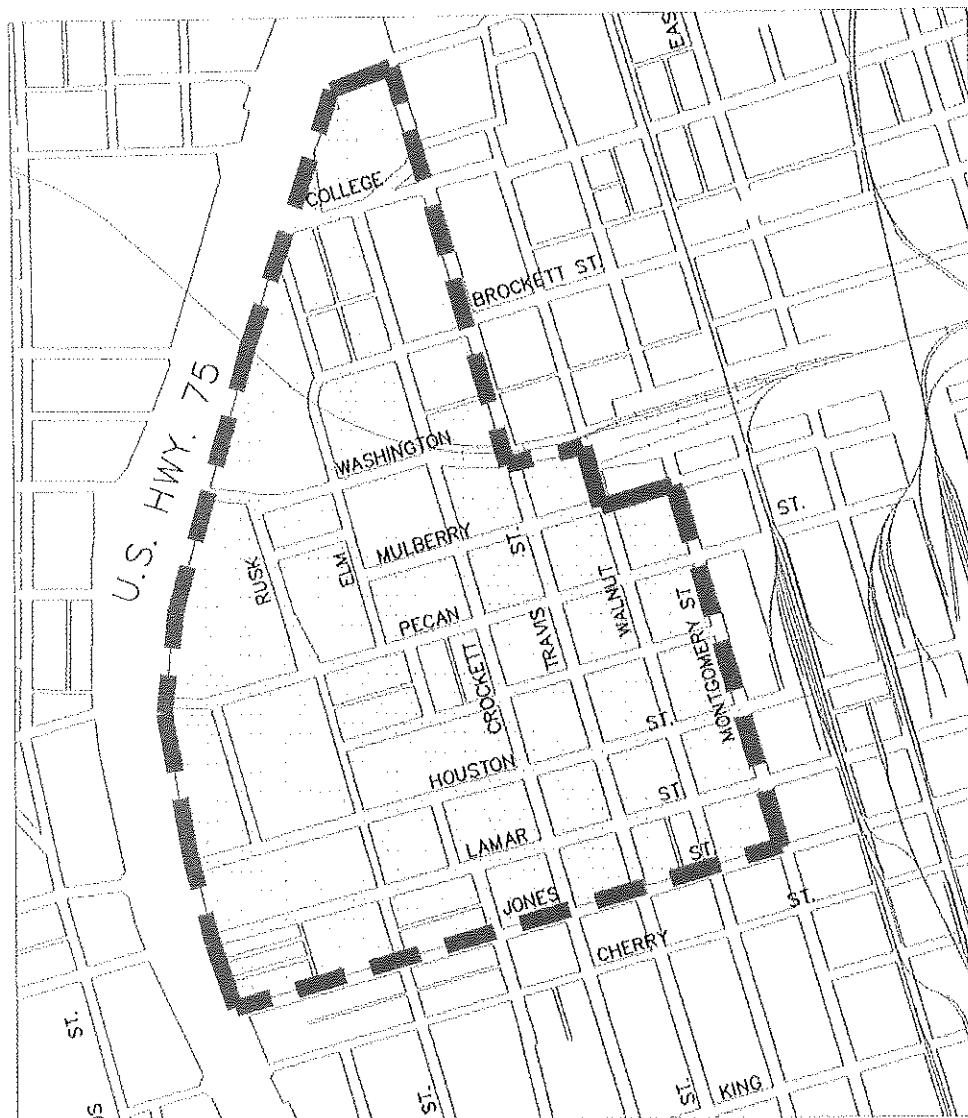
Physical Address:
Sherman City Hall, City Manager's Office
220 West Mulberry Street
Sherman, Texas 75090
or
Mailing Address:
P. O. Box 1106
Sherman, Texas 75091-1106

Telephone: (903) 892-7201
Facsimile: (903) 892-7355
E-Mail: georgeo@ci.sherman.tx.us

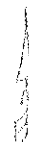
Scott Shadden
Developmental Services Director
City of Sherman

Physical Address:
Sherman City Hall, Building Inspection
220 West Mulberry Street
Sherman, Texas 75090
or
Mailing Address:
P. O. Box 1106
Sherman, Texas 75091-1106

Telephone: (903) 892-7333
Facsimile: (903) 892-7274
E-Mail: scotts@ci.sherman.tx.us



CITY OF SHERMAN, TEXAS
 CENTRAL BUSINESS DISTRICT
 HISTORIC BUILDING RESTORATION
 AND IMPROVEMENT GRANT PROGRAM
 Department of Developmental Services





**CITY OF SHERMAN
CENTRAL BUSINESS DISTRICT HISTORIC
BUILDING RESTORATION AND IMPROVEMENT GRANT PROGRAM**

Submission Requirements

It is strongly recommended that all Applicants carefully review the “City of Sherman Central Business District Historic Building Restoration and Improvement Grant Program Guidelines and Policies” prior to completing an application.

It is also recommended that Applicants discuss their proposed improvements and any questions regarding the submission requirements with the Developmental Services Department and the City Manager’s Office prior to completing the application form.

Please ensure that the following items have been included in your submission. Failure to provide the necessary documentation will delay the processing of your application.

Application Checklist:

- ☐ Copy of deed included
- ☐ Copy of mortgage (if applicable) included
- ☐ Description of proposed improvements – designs/drawings attached
- ☐ Pictures attached
- ☐ Estimate of costs/quotes or other details
- ☐ Signature of owner/authorized agent
- ☐ Application complete
- ☐ Are improvements in compliance with the City of Sherman Master Plan, Zoning Ordinance, Building Regulations, and other applicable laws?
- ☐ All material, pictures, drawings, newspaper articles, original deeds, etc. that will help identify the building as a historically significant structure through architectural design, building use or events that have taken place in or around it.
- ☐ Architectural and elevation renderings.



CITY OF SHERMAN
City Manager's Office
220 West Mulberry Street
Sherman, Texas 75090
Tele: (903) 892-7201 Fax: (903) 892-7355

FOR OFFICE USE ONLY	
File # _____	
Assessment Role Number _____	Assessed Property Value _____
Property Address _____	
Date Application Received _____	Date Application Completed _____

**CENTRAL BUSINESS DISTRICT HISTORIC
BUILDING RESTORATION AND IMPROVEMENT GRANT PROGRAM**

Application

The information requested below will be used to process your application under the terms and conditions of the City of Sherman's Historic Building Restoration and Improvement Grant (Forgivable Loan) Program.

I. Applicant Information

1. Applicant(s) name: Sean Vanderveer
Mailing address: 806 North Woods Street
City: Sherman State: TX Zip: 75092
2. Applicant's daytime telephone number: 903-815-5143
Cell # (903) 815-5143 Facsimile # ()
E-mail address: rsvanderveer@yahoo.com
3. Status of applicant (please check one)
☒ Property owner with vacant facility
☐ Property owner with tenant business
☐ Property owner/operator of existing business on property
☐ Property tenant with property owner consent
4. Owner of property is a/an (please check one)
☒ Individual
☐ Partnership (attach copy of Partnership Agreement)
☐ Corporation/profit (attach copy of Articles of Incorporation)
☐ Corporation/nonprofit (attach list of officers and directors)
☐ Trust (attach copy of Trust Agreement)
☐ Other
5. Length of ownership: 17 months
Date purchased: January 2014

II. Property Information

1. Address of property to be improved:

2. Legal description of subject property:
G-0763 MCANAI R J B, 40X150 (C) 6000 SF

3. Tax Assessor Parcel Number(s):
161669

4. Year built: 1887 Square footage: 352
5. Is this a National Register building? Yes ___ No x (check one)
Is this a building of known historical significance? Yes x No ___ (check one)
6. What are the current types of businesses occupying the building?
Building is substandard and cannot be occupied at the current time.

7. Name and phone number of tenant(s), if applicable: N/A

(Attach additional names/numbers, if needed)
8. Use of building after construction: Retail or Restaurant

9. Number of parking spaces provided: 15 Proposed: _____ Total: 15
10. Current zoning: C-1
11. Is a zoning amendment required? Yes ___ No x (check one)
12. Attach architectural and elevation renderings.

III. Project Description

1. Description of Proposed Improvements. Please provide a detailed description of your proposed improvements. Attach a copy of your architectural or design plans. Identify the materials to be used, such as the type of paint or stain (i.e., exterior latex, color, etc.). Include details of new signs or awnings, etc. Provide color photos of the subject property and those adjacent prior to and after the improvements are made.

Please note: Applicants should carefully review the "City of Sherman Central Business District Historic Building Restoration and Improvement Grant Program Guidelines and Policies", and discuss all proposed improvements with the City of Sherman's Developmental Services Department prior to completing this application. It is also

recommended that Applicants discuss their proposed improvements and any questions regarding the submission requirements with the Developmental Services Department and the City Manager's Office prior to completing the application form.

Description: The little building at the corner of Wall and Walnut streets has been an ice shop, gun shop and watch shop. The building is well liked by the community and seems to be an icon for Sherman. We have been told that it is the oldest unmodified building in Sherman. We would like to renovate the building, removing it from the substandard list and get it ready to rent. This will include brick work, new windows and doors, bathroom renovation, new roof and paint.

☐ **Designs Attached**

☐ **Before Picture(s) Attached**

2. How many jobs will be **retained** once the project is completed? _____
- _____ Full-time positions _____ Part-time positions
3. How many **new positions** will result from this project? _____
- _____ 2 Full-time positions _____ 3 Part-time positions

IV. Work Estimates

Please attach two (2) independent contractor estimates for each component of the proposed improvement. Please note that grant/forgivable loan funding shall be based on the lowest bid. Eligible costs shall be the cost of materials, equipment, and contracted labor to complete eligible improvements. Professional fees such as architects, engineers, and solicitors are not eligible costs. Labor provided by the Applicant or tenant of the building is not an eligible cost.

1. Name/Company and Phone Number of Preferred Contractor:
Bluestone Construction, 903-813-1415, Kyle Boothe
- Amount: \$18,256
2. Name/Company and Phone Number of Second Contractor:
Sean Vanderveer, 903-815-5143
- Amount: \$19,400
3. Additional Estimates/Comments: (Please attach additional quotes, as required)
- _____
- _____
- _____

- _____
- _____
- _____
4. Total estimated costs of your improvements: \$18,256
- _____
5. Estimated completion date for your improvements? September 2015

V. Historic Significance

The City's Program for improving the historic buildings of downtown Sherman is being funded through the City's Hotel/Motel Tax revenues, which require that this money may be spent only on historic buildings that would tend to attract tourists. Many factors may indicate a building's historic significance such as age, architectural design, building use, events or significant people. Some of this may be proved through deeds, pictures, books, newspaper articles and the like. Attach to this application all matters that would prove your claim that this is a historic building.

VI. Signature of Owner/Authorized Agent – Affidavit or Sworn Declaration

I/We, Sean Vanderveer, of the City of Sherman, County of Grayson, State of Texas, make oath and say (or solemnly declare) that the information contained in this application is true and that the information contained in the documents that accompany this application in respect of the application is true.

I/We hereby authorize inspections of my/our property to be improved.

I/We acknowledge that any work carried out prior to written confirmation of grant approval may not be eligible.

I/We acknowledge receiving, understanding, and accepting the terms and conditions of the City of Sherman Central Business District Historic Building Restoration and Improvement Grant Program.

Sworn to (or declared before me), Debra Brown, a Notary Public in and for the State of Texas, on this the 12th day of May, 2015.

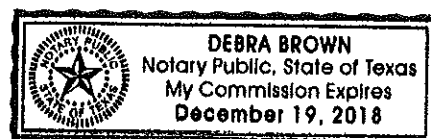
Sean Vanderveer

Applicant

Co-Applicant

Property Owner (if different from Applicant)

Debra Brown
Notary Public, State of Texas
My Commission Expires: 12-19-18



VII. Consent of the Owner to the Use and Disclosure of Personal Information

I/We, Sean Vanderveer,
am the owner of the land that is the subject of this Application and, for the purposes of the
Freedom of Information and Protection of Privacy Act, I/we authorize and consent to the use by
or the disclosure to any person or public body of any personal information that is collected under
the authority of the _____ for the purposes of processing this application.

5/12/15

Date



Signature of Owner(s)

VIII. Authorization for Agent *(complete only if Applicant is not the registered Owner)*

I/We, _____,
the Owner(s) of the subject property, have reviewed and understand the guidelines and policies
for the City of Sherman Central Business District Historic Building Restoration and Improvement
Grant Program, including the requirement of a conditional property lien, and hereby authorize
_____ (Agent) to act on my/our behalf with respect to the
application.

Date

Signature of Owner(s)

Note: Information provided in this application will become part of a public record.

FOR OFFICE USE ONLY (Entire Page)

	Staff Initials	Comments
Ownership Confirmed		
Property Taxes Paid in Full		
Work Order Search (Building)		
Fire Code Conformity		
Master Plan Conformity		
Zoning Conformity		
Building Regulations Conformity		
Copy of Deed Attached		
Copy of Mortgage Attached		
Proof of Historical Significance		
Architectural Renderings		
Elevation Renderings		

Grayson County
Wilma Bush
Grayson County Clerk
Sherman, Texas 75090



70 2014 00003163

Instrument Number: 2014-00003163

As

Recorded On: February 21, 2014

Recordings

Parties: RATLIFF VICTOR JR ETAL

Billable Pages: 5

To VANDERVEER SEAN

Number of Pages: 7

Comment: SPWD

(Parties listed above are for Clerks reference only)

**** Examined and Charged as Follows: ****

Recordings	32.00
Total Recording:	32.00

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

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

File Information:

Document Number: 2014-00003163

Receipt Number: 394976

Recorded Date/Time: February 21, 2014 02:17:24P

Book-Vol/Pg: BK-OR VL-5425 PG-424

User / Station: G WHITE - Cashiering Station 1

Record and Return To:

RED RIVER TITLE CO

421 N. CROCKETT ST

SHERMAN TX 75090



THE STATE OF TEXAS
COUNTY OF GRAYSON

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

Wilma Blackshear Bush

Wilma Blackshear Bush, Grayson County Clerk

017552

	Bk	Vol	Ps
00003163	OR	5425	425

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

SPECIAL WARRANTY DEED

DATE: February 21, 2014

GRANTOR: VICTOR RATLIFF, JR. and REBECCA FAY RATLIFF

GRANTEE AND GRANTEE'S MAILING ADDRESS: SEAN VANDERVEER, 115 East Wall St., Sherman, Texas 75092

CONSIDERATION: TEN AND NO/100 DOLLARS (\$10.00), and other good and valuable consideration, the receipt of which is hereby acknowledged.

PROPERTY (including any improvements): TRACTS ONE, TWO and THREE: Being part of Lots Six (6) and Eight (8) in Block Thirteen (13) of the Original Town Plat of the City of Sherman, Texas, as shown by Plat recorded in Volume "B", Page 1, Deed Records, Grayson County, Texas, and being more particularly described by metes and bounds in Exhibit "A" attached hereto; TRACT FOUR: Being part of the Lot Seven (7) in Block Three (3) of the Original Town Plat of the City of Sherman, Texas, as shown by Plat recorded in Volume "B", Page 1, Deed Records, Grayson County, Texas, and being more particularly described by metes and bounds in Exhibit "A" attached hereto; and TRACT FIVE: Being part of Lot 1 (one) in Block Twelve (12) of the Original Town Plat of the City of Sherman, Texas, as shown by Plat recorded in Volume "B", Page 1, Deed Records, Grayson County, Texas, and being more particularly described by metes and bounds in Exhibit "A" attached hereto.

RESERVATIONS FROM CONVEYANCE:

For Grantor and Grantor's successors, a reservation of all oil, gas and other minerals now owned by Grantor that are in and under the property and that may be produced from it and a reservation of the right of ingress and egress at all times for mining, drilling, exploring, operating, and developing the property for oil, gas and other minerals and for removing them from the property.

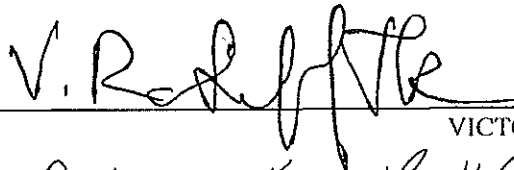
EXCEPTIONS TO CONVEYANCE AND WARRANTY:

This conveyance is made and accepted subject to any and all outstanding minerals, mineral leases, restrictions, covenants, conditions and easements, if any, relating to the hereinabove described property, but only to the extent that they are still in force and effect, and shown of record in the hereinabove mentioned County and State; and also to all zoning laws, regulations and ordinances of municipal and/or other governmental authorities, if any, but only to the extent that they are applicable and enforceable against the hereinabove described property.

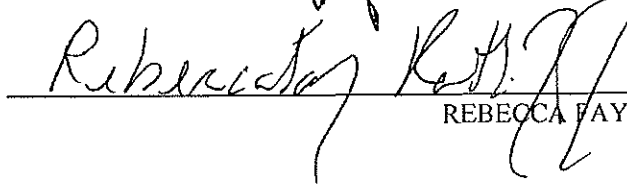
Grantor, for the consideration and subject to the reservations from and exceptions to conveyance and warranty, grants, sells, and conveys to Grantee the property, together with all and singular the rights and appurtenances thereto in any wise belonging, to have and hold it to Grantee, Grantee's heirs, executors, administrators, successors, or assigns forever. Grantor hereby binds Grantor and Grantor's heirs, executors, administrators, and successors to warrant and forever defend all and singular the property to Grantee and Grantee's heirs, executors, administrators, successors, and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof, except as to the reservations from and exceptions to conveyance and warranty, when the claim is by, through or under Grantor, but not otherwise.

When the context requires, singular nouns and pronouns include the plural.

Current ad valorem taxes on said property having been prorated, the payment thereof is assumed by Grantee.



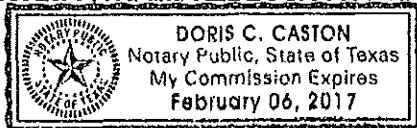
VICTOR RATLIFF, JR.



REBECCA FAY RATLIFF

STATE OF TEXAS
COUNTY OF GRAYSON

This instrument was acknowledged before me on the 21 day of February, 2014, by VICTOR RATLIFF, JR. and REBECCA FAY RATLIFF.





Notary Public, State of Texas

PREPARED IN THE LAW OFFICE OF:
HYNDS & GORDON, P. C.
500 N. Sam Rayburn Freeway, Suite 200
Sherman, Texas 75090
903/892-1807 (phone)
903/893-2015 (fax)
Red River#0117552/db

EXHIBIT A

TRACT FIVE: GCAD # 161669

SITUATED in the County of Grayson, State of Texas, being part of the J.B. McANAIR SURVEY, Abstract No. 763, and also being part of Tract 1, Block 12, of the ORINGINAL TOWN PLAT of the City of Sherman, Texas, and being more particularly described as follows:

BEGINNING at the intersection of the East line of Walnut Street with the South line of East Wall Street;

THENCE South 16 degrees 00 min. East along the East line of Walnut Street, a distance of 23.7 ft. to a ½ inch steel rod;

THENCE North 74 degrees 00 min East, parallel with the South line of East Wall Street, a distance of 150.0 ft. to the Southeast corner of a tract conveyed by M. Leeper and wife to Edmond C. Hentig by deed dated May 3, 1881, of record in Volume 49, page 456 of the Deed Records of Grayson County, Texas;

THENCE North 16 degrees 00 min. West, parallel with the East line of Walnut Street, a distance of 23.7 ft. to the South line of East Wall Street;

THENCE South 74 degrees 00 min. West with the South line of East Wall Street, a distance of 150.0 ft. to the PLACE OF BEGINNING and being the same property described in deed recorded in Volume 801, page 451 of the Deed Records of Grayson County, Texas.

Bk Vol Pg
00003163 OR 5425 430

Filed for Record in:
Grayson County

On: Feb 21, 2014 at 02:17P

As a
Recordings

Document Number: 00003163

Amount: 32.00

Receipt Number - 394976

By:
GAIL WHITE

STATE OF TEXAS COUNTY OF GRAYSON
I hereby certify that this instrument was
filed on the date and time stamped hereon by me
and was duly recorded in the volume and page
of the named records of:
Grayson County
as stamped hereon by me.

Feb 21, 2014

Wilma Bush, Grayson County Clerk
Grayson County

Real Property

County Clerk

Honorable Wilma Blackshear Bush

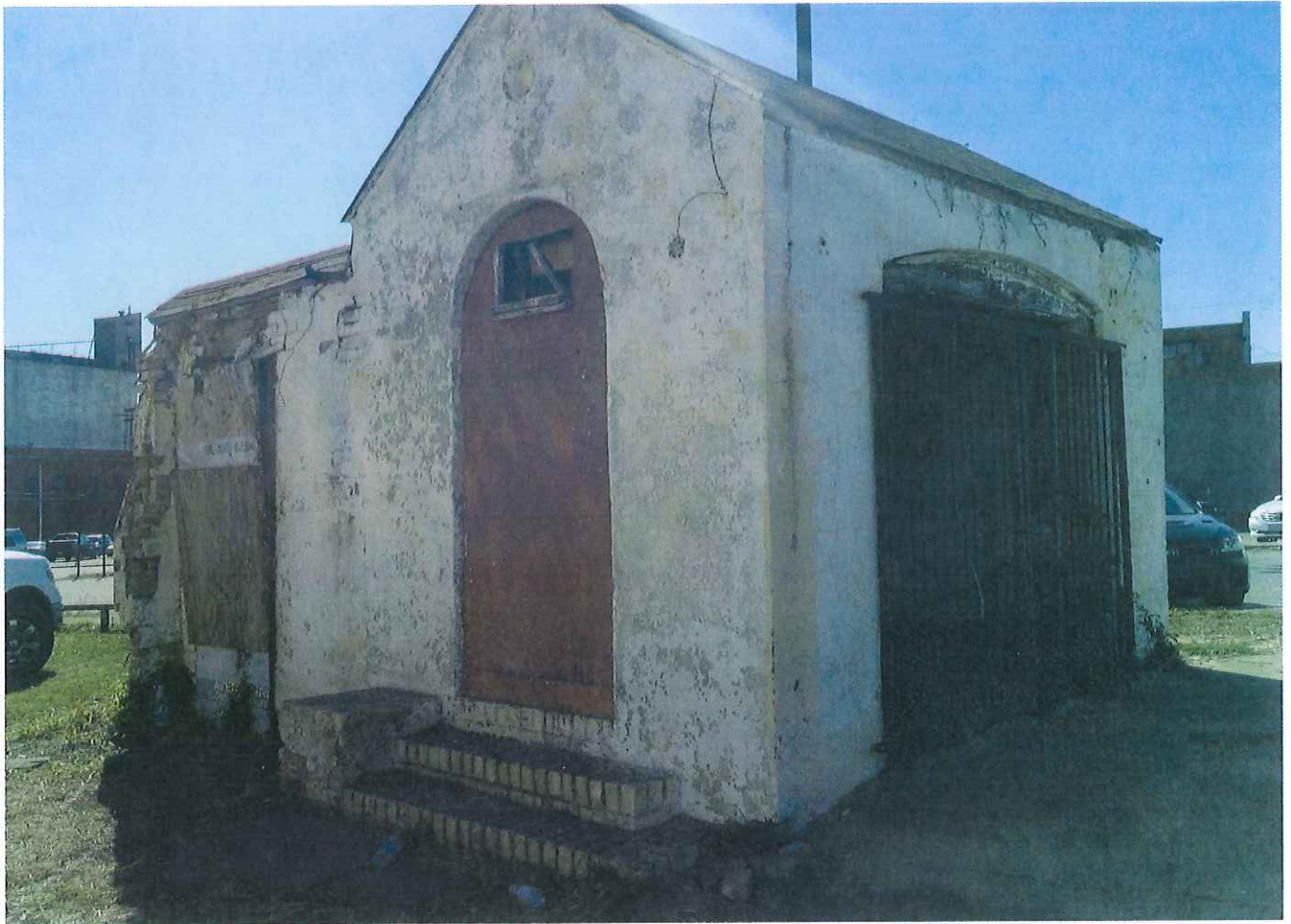
SEARCH RESULTS REPORT

Run Date: 05/12/2015

Run Time: 12:48P

Page: 1 of 1

Instrument	Instrument Type	Recorded Date Book	Volume	Page	Remarks	Instrument Date
3163	SPECIAL W/D	02/21/2014 OR	05425	00424		02/21/2014
Grantor RATLIFF VICTOR JR RATLIFF REBECCA FAY			Grantee VANDERVEER SEAN		PROPERTY DESCRIPTION MULTIPLE TRACTS SEE INSTRUMENT	





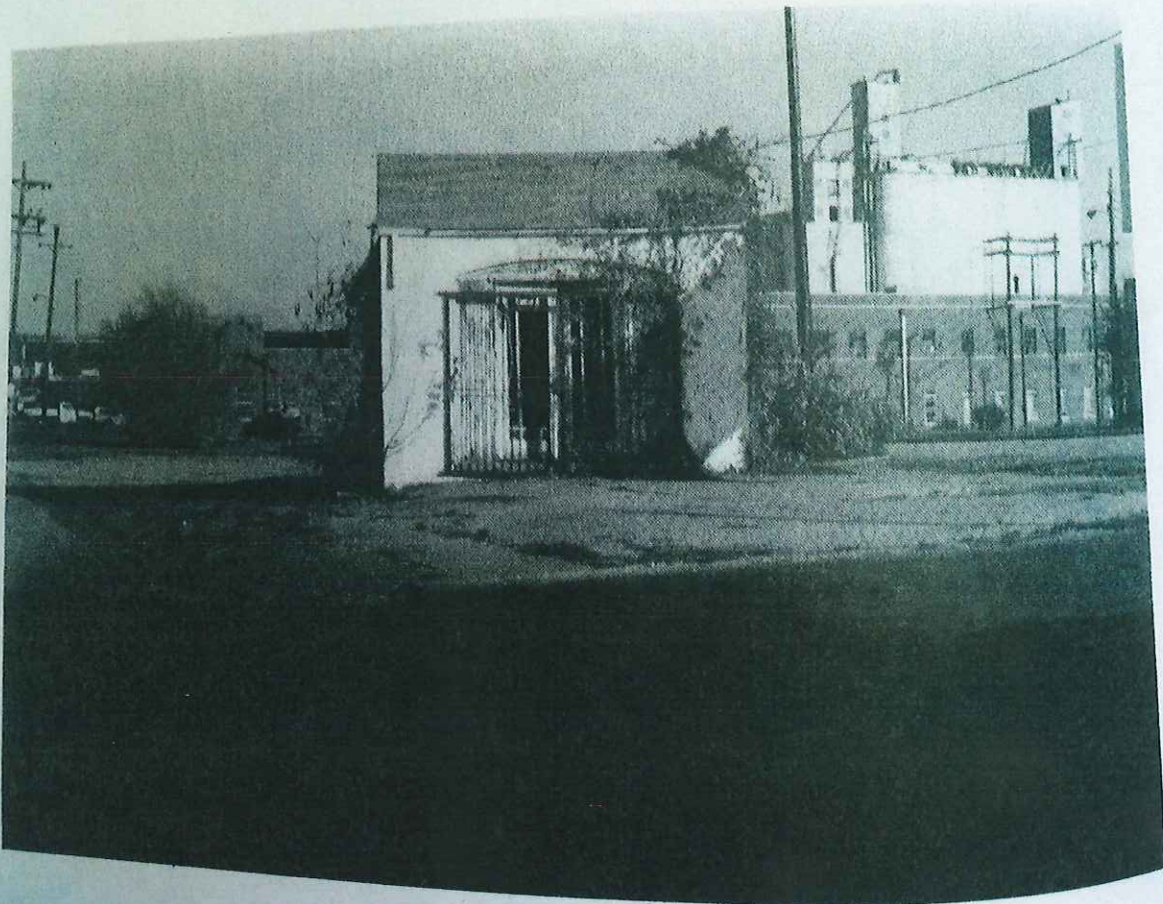


Former Jewelry Repair Shop

127 N. Walnut St.

This unusual little building, set at an angle to the street, has had several interesting uses. Built in 1882, it originally housed an architectural firm's temporary office, which was vacated when the firm completed its work in Sherman. The building was designed to be used by an ice company following the design firm's exit. This explains the 13" thick brick walls. Subsequent uses included an automobile service station and a jewelry and watch repair shop in the 1970s. The building has been vacant and neglected in recent years.

Although it is small, this building has several distinguishing architectural elements, including a ceramic tile roof, arched doorways in front and on both sides, and buttresses at each corner in the rear.



CASUALTY CO.
 Insurance Company That Shares
 Its Policyholders

332

HAGAN PONTIAC
 Sales and Service
 Complete Automotive Service
 113-19 N. CROCKETT

WALNUT N—Cont'd
 110-24 Roberts Sanford & Taylor
 Co hdw whol
 113-15 Automotive Inc parts
 123 Gray's Drive Inn restr
 127 McCollum's Watch Repair
 E Wall intersects

202 Bates Isaac C phys
 206 Moore-Smith Co ins
 208 McCall Dittmer A optom
 210 Triplett Prescription Serv
 212 General Adjustment Bureau

911 Krame
 917 Jacksc
 rear Chaney
 922 Lee F
 1015 Bogar

1200 Whe
 1201 Jon
 1203 Spr
 1204 Cal

WALNUT

Wilson av, 6 west of Travis

WALCOTT AL — From Elm west
 to Rusk between Tennessee and
 King
 313 Bishop Aubrey
 315 Shires Chas W
 321 Potter Sarah Mrs

WALL E — From Travis east to
 Montgomery, 1 north of Houston
 109-11 White Auto Store (rear ent)
 115 Wall Street Cafe
 116-32 Roberts Sanford & Taylor
 Co (side ent)
 117-19 Evans Dry Clns
 121 Three Flowers Beauty Shoppe
 123 Hall Rufus L ins & real est
 125 Hare Frank ins loans real est
 127 Colwick & Son brokers
 129 Edna's Millinery
 131-33 Lewis Printing Co
 N Walnut intersects

221 Baker Bert T
 Hawkins Leslie G

WALL W — From Travis west to
 Crockett 1 north of Houston

CHOICE
 and LAMB
 BEEF, PORK

GRAYSON B
 THERE WHEN YOU NEED
 400 N. Crockett

201

N WALNUT ST—Cont'd
 110 Roberts Sanford & Taylor Co
 (Ofc) whol hdw 892-8191
 Texoma Sporting Goods whol
 892-8191
 113 Vacant (113-115)
 123 Municipal Parking Lot
 127 Brown Mike's Jewelry Repair
 893-6840

E WALL INTERSECTS
 201 General Telephone Co Of The
 Southwest 892-3561
 202 Entrekin E C Bookkeeping &
 Tax Service 893-2842
 204 C & R Coffee Service vending
 206 Cathy's Fund Raising 892-1627
 208 D & S T-Shirts 892-0912
 210 Guynes Optical Service
 892-2833
 212 Taylor Vacuum & Appliance
 Serv 892-0612

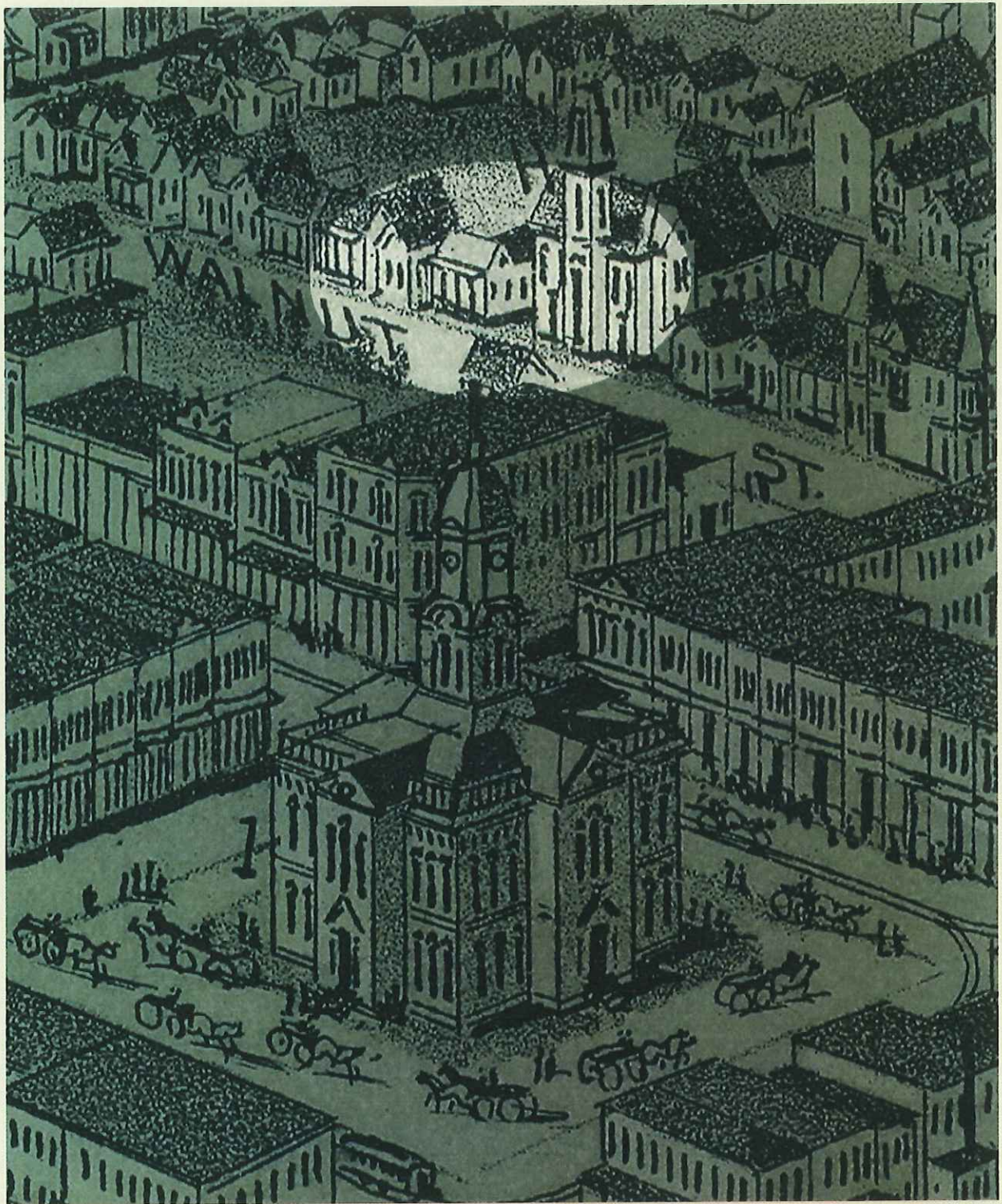
TR RY CRC
 WASHINGT
 502 Binswang
 503 Vacant
 512 United I
 513 Vacant
 515 Vacant
 519 Dutton
 893-20
 519a Vacat
 519b H &
 519c Vaca
 PACIFIC
 600 Texor
 892-
 602 Vaca
 603 Dah
 606 Vac
 608 Vac
 612 Wa
 613 Sta

WALL ST W — FROM 900
 TRAVIS WEST TO
 CROCKETT
 ZIP CODE 75090
 115 Vacant

WALNUT ST N — FROM 200
 HOUSTON NORTH
 BEYOND KERR
 ZIP CODE 75090

107 I O O F Hall 892-4226
 Sherman Encampment No
 21
 Sherman Lodge No 45
 Sherman Rebecca Lodge No
 297
 Theta Rho Girls' Club
 Dean's Outlet furn & appls
 892-8265
 110 Roberts Sanford & Taylor Co
 (Ofc) whol hdw 892-8191
 Texoma Sporting Goods whol
 892-8191
 113 United Service Organization
 892-6324
 115 Sherman Recreation Club
 893-9884
 123 Municipal Parking Lot
 127 Mc Collum's Watch Shop
 E WALL INTERSECTS
 201 General Telephone Co Of
 The Southwest 893-5151
 202 Woodroof Tax Service

TR RY CR
 502 Binswar
 892-91
 503 Aubrey
 Air C
 893-2
 J & F
 Co 8
 507 Vaca
 512 Vaca
 513 Ross
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 519 Dut
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 519a H
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 PAC
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 606
 611
 612



SHERMAN,

TEXAS.
1891

**BLUESTONE PARTNERS
SHERMAN, TEXAS**

*** COST SUMMARY ***

PROJECT NAME: Wall and Walnut
DATE: September 29, 2014
PRICE PER SQUARE FOOT: \$91.28
AREA IN SQUARE FEET: 200
MONTHS REQ'D FOR CONSTRUCTION: 1
NOTES:

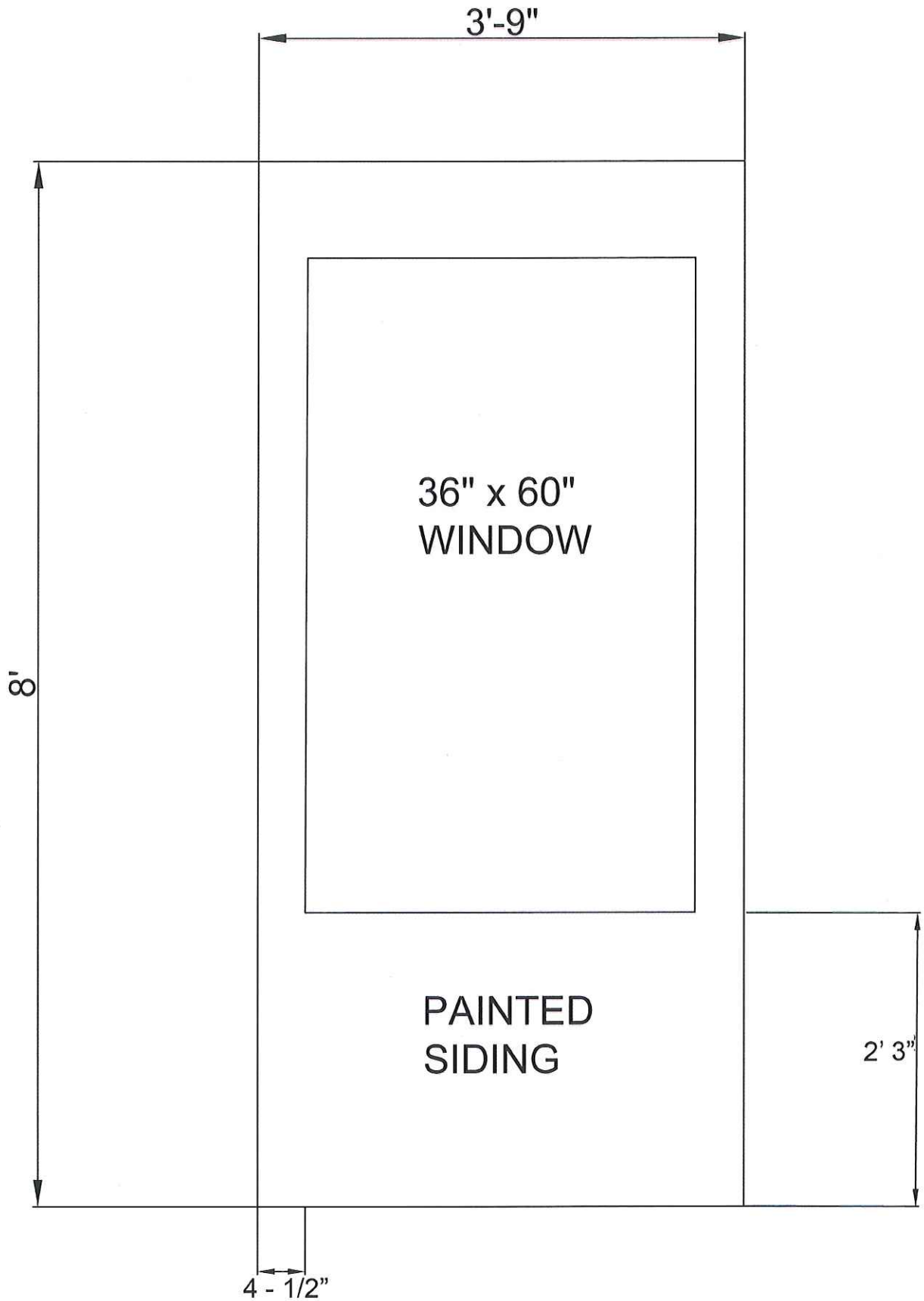
DESCRIPTION	MATERIALS AMOUNT	SUBCONT AMOUNT	TOTAL AMOUNT	COSTS PER SQ. FOOT
General Conditions:				
Permits and Fees		\$200	\$200	\$1.00
Survey, Layout		\$0	\$0	\$0.00
Insurance Requirements		\$100	\$100	\$0.50
Temporary Utilities, Rents and Leases		\$300	\$300	\$1.50
Sitework:				
Site preparation/Demo		\$600	\$600	\$3.00
Parking/Driveways/Sidewalks		\$0	\$0	\$0.00
Mailbox		\$0	\$0	\$0.00
Landscaping/Irrigation		\$800	\$800	\$4.00
Structure/Exterior:				
Exterior Façade Touchup	\$1,100	\$1,500	\$2,600	\$13.00
Framing Labor		\$400	\$400	\$2.00
Framing Package	\$400		\$400	\$2.00
Roof	\$600			
Windows and Doors	\$2,000		\$2,000	\$10.00
Interior:				
Sheetrock/Ceiling Labor and Material		\$1,100	\$1,100	\$5.50
Insulation		\$100	\$100	\$0.50
Trim Material	\$300		\$300	\$1.50
Trim Carpentry Labor		\$300	\$300	\$1.50
Finish Hardware	\$200		\$200	\$1.00
Cabinets		\$0	\$0	\$0.00
Countertops		\$0	\$0	\$0.00
Painting/Wall finish		\$700	\$700	\$3.50
Flooring		\$600	\$600	\$3.00
Interior glass and mirrors Allowance		\$100	\$100	\$0.50
Misc. Labor		\$300	\$300	\$1.50
Appliances Allowance	\$0		\$0	\$0.00
Plumbing Contract and Fixtures (does not include sewer/water main)	\$500	\$800	\$1,300	\$6.50
HVAC Contract		\$1,900	\$1,900	\$9.50
Electrical Contract and Fixtures	\$400	\$600	\$1,000	\$5.00
Alarm System/Fire Sprinkler Allowance		\$0	\$0	\$0.00
Signage Allowance		\$0	\$0	\$0.00
Blinds/Shutters Allowance		\$0	\$0	\$0.00
Construction Related Clean Up and Maintenance		\$400	\$400	\$2.00
COLUMN TOTALS	\$5,500	\$10,800	\$15,700	COL. TOTALS
JOB TOTAL			\$16,300	JOB TOTAL
BUILDER'S PROFIT AND OVERHEAD			\$1,956	
TOTAL BID			\$18,256	TOTAL BID

Sean Vanderveer
Subcontracting Work

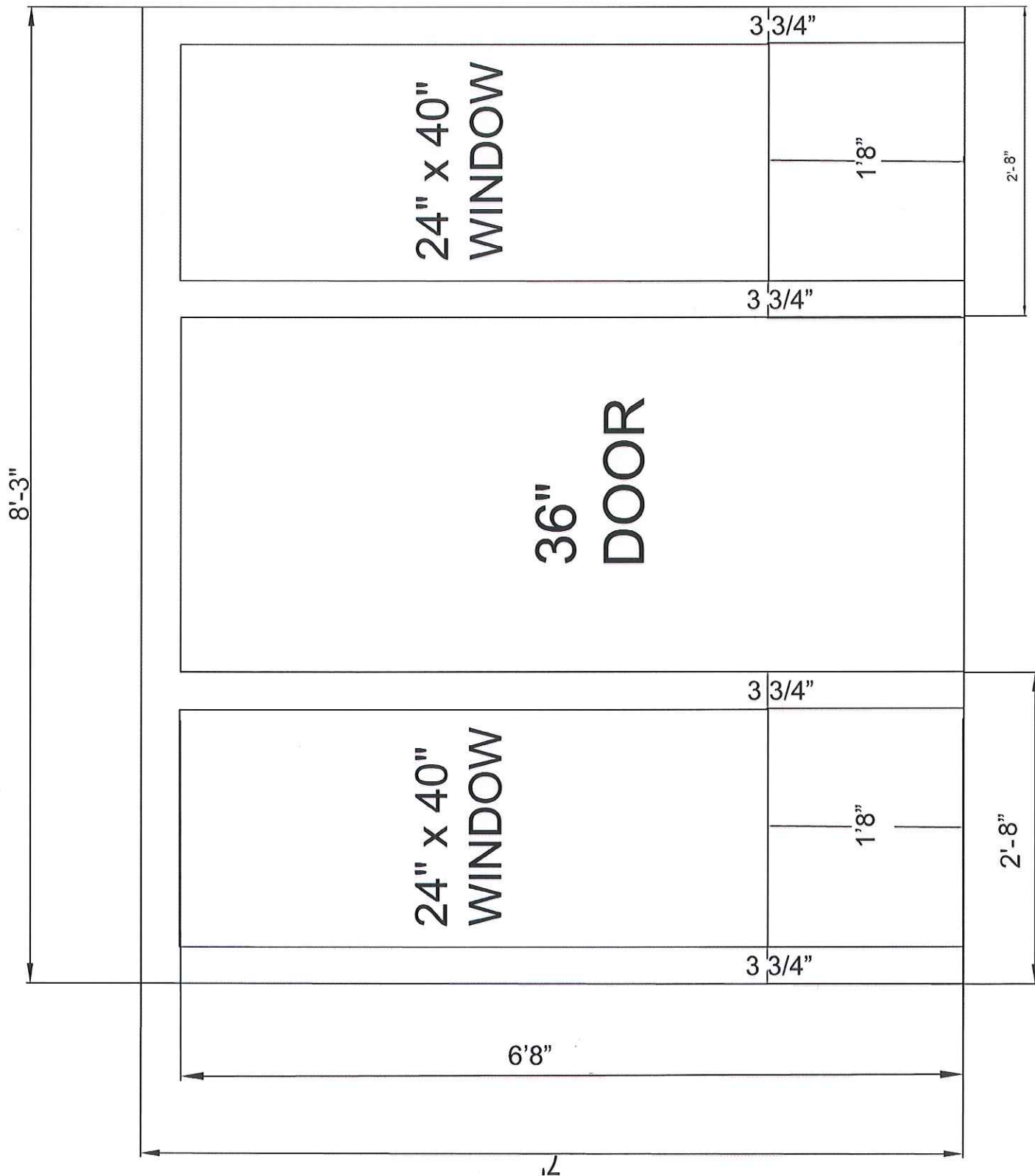
Fees / Permits / Inspections	950
Brick Repair – labor	650
Brick Repair – material	800
Interior / Exterior Framing – labor and material	2,500
Trim / Hardware	700
Exterior windows and door	2,500
Exterior Paint – labor and material	2,200
Interior Paint – labor and material	1,400
Plumbing	2,300
Roof	1,900
HVAC	1,500
Electrical	1,400
Landscape	600
Total	19,400



SIDE OPENINGS



FRONT ELEVATION







SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

Agenda Item No. D. 2.

Meeting Date: 05/18/2015

Prepared By: Mark Gibson, Director of Utilities

Approved By: Robby Hefton, City Manager

Caption:

*** RESOLUTION NO. 5972**

Finding and Determining a Public Purpose and Public Necessity Exists for Construction of City Project South Sherman Relief Sewer; Appointing an Appraiser and Negotiator as Necessary; Authorizing the City Manager to Establish Just Compensation for the Property Rights to be Acquired; Authorizing the City Manager to Take all Steps Necessary to Acquire the Needed Property Rights in Compliance with All Applicable Laws and Regulations

Issue:

To consider granting authority to negotiate for property rights on the City's South Sherman Relief Sewer and, if necessary, to begin condemnation proceedings

Background:

The South Sherman Relief Sewer project was previously approved and budgeted. The proposed sewer route is being resisted by one or more property owners. An appraiser has been obtained and has completed appraisals of the easement areas, which have been submitted to the property owners. It is anticipated that these property owners may not execute easements for this project in a timely manner. To prevent any undue delay in the project, City Council authorization to negotiate, make final offers and, if necessary, begin condemnation proceedings as required by law is requested.

Origination:

Director of Utilities

Financial Consideration:

Property acquisition costs, along with costs for appraisals, surveys, maps and photos

Staff Recommendation:

Staff recommends approval.

Alternatives:

As may be directed by the Council

Attachments

Resolution No. 5972

Location Map

RESOLUTION NO. 5972

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, FINDING AND DETERMINING A PUBLIC PURPOSE AND PUBLIC NECESSITY EXISTS FOR CONSTRUCTION OF CITY PROJECT SOUTH SHERMAN RELIEF SEWER; APPOINTING AN APPRAISER AND NEGOTIATOR AS NECESSARY; AUTHORIZING THE CITY MANAGER TO ESTABLISH JUST COMPENSATION FOR THE PROPERTY RIGHTS TO BE ACQUIRED; AUTHORIZING THE CITY MANAGER TO TAKE ALL STEPS NECESSARY TO ACQUIRE THE NEEDED PROPERTY RIGHTS IN COMPLIANCE WITH ALL APPLICABLE LAWS AND REGULATIONS; FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS RESOLUTION IS PASSED WAS NOTICED AND IS OPEN TO THE PUBLIC AS REQUIRED BY LAW

WHEREAS, the City Council of the City of Sherman, Texas has previously authorized the employment of Freeman-Millican, Inc. to plan for the construction of the South Sherman Relief Project; and

WHEREAS, this project was recommended by the City Staff in order to upgrade sewer service for the City and recommended the acquisition of all necessary property rights; and

WHEREAS, the City Council has considered the South Sherman Relief Sewer Project and has determined that a public purpose and public necessity exists for the acquisition of all necessary and appropriate property rights for the South Sherman Relief Sewer Project; and

WHEREAS, the City Council has funded and approved the South Sherman Relief Sewer Project;

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

SECTION 1. That the City Council hereby finds and determines that a public purpose and public necessity exists for the City of Sherman to acquire all necessary and appropriate property rights in those certain lots, tracts, or parcels of land deemed necessary for the construction of the South Sherman Relief Sewer Project and does further determine the public purpose and public necessity of the City of Sherman acquiring said property together with all necessary and appropriate appurtenances, additions and improvements on, over, under and through those certain lots, tracts and parcels of land

SECTION 2. That the City Manager or his designee is authorized and directed to acquire all appropriate property rights for the South Sherman Relief Sewer Project for the City of Sherman, and to acquire said rights in compliance with State and Federal law. The City Manager, or his designee, is specifically authorized and directed to do each and every act necessary to acquire the needed property rights including, but not limited to, the authority to negotiate, give notices, make written offers to purchase, prepare contracts and, when necessary, to institute proceedings in eminent domain.

SECTION 3. That the City Manager or his designee is hereby appointed as “negotiator” for the acquisition of the South Sherman Relief Sewer Project property and, as such, the City Manager or his designee is authorized and directed to do each and every act and deed hereinabove specified or authorized by reference. Subject to the availability of funds appropriated by the City Council for such purposes and with the advice and recommendation of the City Attorney and the City’s appointed appraiser, the City Manager is specifically authorized to establish the just compensation for the acquisition of this property. If the City Manager or his designee determines that an agreement with the property owner(s) as to just compensation cannot be reached, then the City Attorney is hereby authorized and directed to file or cause to be filed, against the owners and interested parties of the property, proceedings in eminent domain to acquire the above stated interest in the property.

SECTION 4. That a qualified appraiser shall be designated the appraiser of the property to be acquired as necessary.

SECTION 5. That the findings of fact, recitations and provisions set out in the preamble of this resolution are adopted and made a part of the body of this resolution, as if the same were fully set forth herein

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

PASSED AND APPROVED on this the ____ day of _____, 2015.

CITY OF SHERMAN, TEXAS

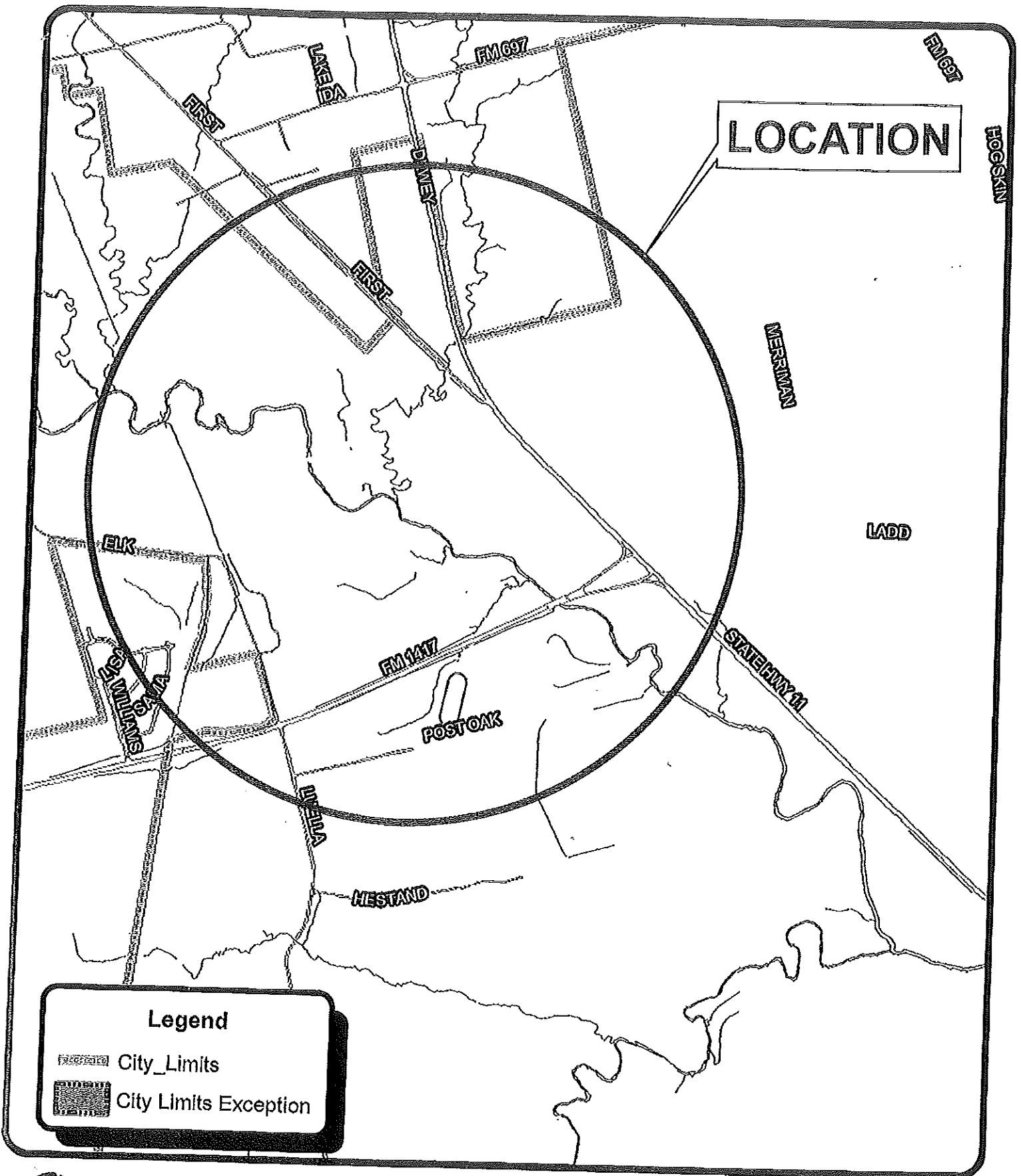
ATTEST:

BY: _____
LINDA ASHBY, CITY CLERK

BY: _____
CAROLYN S. WACKER, MAYOR

APPROVED AS TO FORM AND CONTENT:

BY: _____
BRANDON S. SHELBY, CITY ATTORNEY



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

LOCATION MAP **SOUTH SHERMAN RELIEF SEWER**

1 inch = 1,500 feet





SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

Agenda Item No. D. 3.

Meeting Date: 05/18/2015

Prepared By: Scott Shadden, Director of Developmental Services

Approved By: Robby Hefton, City Manager

Caption:

*** RESOLUTION NO. 5973**

Authorizing Execution of an Agreement with Tobar Properties, LLC for the Abatement of Ad Valorem Property Taxes for the Construction of a New Single-Family Residence at 900 North East Street

Issue:

This item is to consider property tax abatement for the construction of a new single-family residence at 900 North East Street.

Background:

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

Origination:

Tobar Properties, LLC
Mario Tobar, Applicant

Financial Consideration:

A \$75.00 application fee has been received for this residential lot. If granted, the initial abatement for this property will be approximately \$243.60 annually.

Staff Recommendation:

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

Alternatives:

The City Council could decide against granting this abatement.

Attachments

Resolution 5973

Agreement

Application

Warranty Deed

Survey

Building Permit

Site Plan

Photo

Location Map

Residential Reinvestment Zone Map

RESOLUTION NO. 5973

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF AN AGREEMENT WITH TOBAR PROPERTIES, LLC FOR THE ABATEMENT OF AD VALOREM PROPERTY TAXES FOR THE CONSTRUCTION OF A NEW SINGLE-FAMILY RESIDENCE AT 900 NORTH EAST STREET; FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS RESOLUTION IS PASSED WAS NOTICED AND IS OPEN TO THE PUBLIC AS REQUIRED BY LAW.

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

SECTION 1. That the City Manager be and is hereby authorized and directed, subject to receipt of a fully-executed agreement from Tobar Properties, LLC and subject to all contract documents being properly completed and approved as to form and content by the City Attorney, to execute an agreement with Tobar Properties, LLC for the abatement of ad valorem property taxes for a period of ten (10) years, for the construction of one (1) new single-family residence at 900 North East Street, lying within the City of Sherman's Residential Tax Reinvestment Zone, in accordance with the City's policies and procedures established for this purpose.

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

PASSED AND APPROVED on this the ____ day of _____, 2015.

CITY OF SHERMAN, TEXAS

ATTEST:

BY: _____
LINDA ASHBY, CITY CLERK

BY: _____
CAROLYN S. WACKER, MAYOR

**APPROVED AS TO FORM
AND CONTENT:**

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

THE STATE OF TEXAS §
 §
COUNTY OF GRAYSON §

AGREEMENT

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

WITNESSETH:

WHEREAS, on the 18th day of April, 2011, the City Council of Sherman, Texas, passed Ordinance No. 5692 establishing a reinvestment zone for residential tax abatement, as authorized by Chapter 312 of the Texas Tax Code, as amended, hereinafter referred to as CODE; and

WHEREAS, the CITY has adopted a resolution (Resolution No. 5960) stating that it elects to be eligible to participate in a residential tax abatement program; and

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

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

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

WHEREAS, OWNER is prepared to comply with the provisions of the CITY'S guidelines and criteria enacted the 18th day of April, 2011;

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

I.

1.01 To the extent authorized by the Texas Constitution and by the Tax Code, CITY hereby agrees to exempt from City of Sherman taxation a portion of the increase in value of taxable real property of OWNER in the CITY over the same real property and its value as calculated by the Grayson Appraisal District for ad valorem property tax purposes in accordance with the following schedule. Such tax exemption shall be in effect for tax years beginning January 1, 2015, and continuing for tax years 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022,

2023 and 2024, with same constituting ten (10) tax years. However, nothing contained herein shall be construed to grant an abatement of taxes to be assessed based on the change of use of the property from an agricultural use to another use, sometimes referred to as rollback taxes, penalties or interest. In the event rollback taxes are applicable for the real property utilized by OWNER, then such increase in value of taxable property resulting from such rollback shall be used as the tax value for such property for the tax year 2015, sometimes referred to herein as the Base Tax Year.

SCHEDULE OF TAXES ASSESSED

<u>TAX YEAR</u>	<u>ABATEMENT</u>
2015	100%
2016	100%
2017	100%
2018	100%
2019	100%
2020	100%
2021	80%
2022	60%
2023	40%
2024	20%

II.

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

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

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

III.

3.01 The term of this Agreement shall be for tax years 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023 and 2024, as indicated above in paragraph 1.01.

IV.

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

Construction of one (1) new single-family residence at 900 North East Street, Sherman, Texas, and as more particularly described by the following:

BEING Lot 10, Block 5, Hall and Jones Addition

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

VI.

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

VII.

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

VIII.

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

IX.

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

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

9.03 OWNER is hereby notified that the Grayson Appraisal District may impose additional requirements which must be met in order for OWNER to realize the benefit of tax abatement and this Agreement. Contact should be made by OWNER with the District in person at 512 North Travis Street, Sherman, Texas, or by telephone at (903) 893-9673.

X.

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

XI.

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

XII.

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

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

Tobar Properties, LLC
1308 Pintail Drive
Sherman, Texas 75092
(903) 816-0416

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

This Agreement is performable in Grayson County, Texas. Witness our hands on this the _____ day of _____, 2015.

CITY:
CITY OF SHERMAN, TEXAS

OWNER:
TOBAR PROPERTIES, LLC

BY: _____
ROBBY HEFTON
CITY MANAGER

BY: _____
MARIO TOBAR

ATTEST:

BY: _____
LINDA ASHBY
CITY CLERK

APPROVED AS TO FORM
AND CONTENT:

BY: _____
BRANDON S. SHELBY
CITY ATTORNEY

THE STATE OF TEXAS §
COUNTY OF GRAYSON §

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

GIVEN UNDER MY HAND and seal of office this ____ day of _____, 2015 A.D.

NOTARY PUBLIC IN AND FOR THE
STATE OF TEXAS

**CITY OF SHERMAN
APPLICATION FOR RESIDENTIAL TAX ABATEMENT**

Property Owner:

Name: Tobar's Properties LLC

Mailing Address: 1308 Pintail Dr. Sherman TX 75092

Telephone Number: (903) 816-0410

Contact (if different than owner):

Name: _____

Mailing Address: Same

Telephone Number: _____

Property:

Physical Address: 900 N. East St

Summary Legal Description: Lot: 10 Block: 5 Addition: Hall and Jones Addition

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

Improvements:

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

Estimated Value of Improvements: \$70,000

Estimated Date of Start of Construction: 05/05/15

Estimated Date of Completion of Project: 07/05/15

Description of Project: _____

New Bangle Residential Home

Applicant(s): _____

Date: _____

Date: _____

Grayson County
Wilma Bush
Grayson County Clerk
Sherman, Texas 75090



70 2014 00024819

Instrument Number: 2014-00024819

As
Recordings

Recorded On: December 31, 2014

Parties: BATEMAN RODGER ETAL
To TOBARS PROPERTIES LLC

Billable Pages: 1
Number of Pages: 3

Comment: WD

(Parties listed above are for Clerks reference only)

**** Examined and Charged as Follows: ****

Recordings	16.00
Total Recording:	16.00

***** DO NOT REMOVE. THIS PAGE IS PART OF THE INSTRUMENT *****
Any provision herein which restricts the Sale, Rental or use of the described REAL PROPERTY
because of color or race is invalid and unenforceable under federal law.

Record and Return To:

File Information:

Document Number: 2014-00024819
Receipt Number: 416372
Recorded Date/Time: December 31, 2014 02:35:47P
Book-Vol/Pg: BK-OR VL-5565 PG-810
User / Station: R Williams - Cashiering Station 2

MARGARET GRYNWALD
204 N WALNUT
SHERMAN TX 75090



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

Wilma Blackshear Bush

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR DRIVER'S LICENSE NUMBER. GCT 38386B

WARRANTY DEED

DATE: December 18, 2014

GRANTORS: RODGER BATEMAN and BOBBY CATHEY
320 N. Crockett, Sherman, Texas 75090

GRANTEE: TOBAR'S PROPERTIES, LLC
1308 Pintail Drive, Sherman, Grayson County, Texas 75092

CONSIDERATION: For and in consideration of the sum of Ten and No/100ths Dollars (\$10.00) and other good and valuable consideration to the undersigned paid, the receipt and sufficiency of which is hereby acknowledged.

PROPERTY (including improvements):

BEING LOT TEN (10) in BLOCK FIVE (5) of the HALL AND JONES ADDITION to the City of Sherman, Texas, according to the plats recorded in Volume 58, page 245, and in volume 184, page 212, Deed Records, Grayson County, Texas

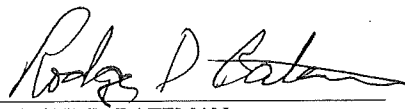
And being the same property conveyed by Sheriff's Deed dated February 17, 2009, filed March 23, 2009, and recorded in Volume 4610, page 848, Official Public Records, Grayson County, Texas.

RESERVATIONS FROM AND EXCEPTIONS TO CONVEYANCE AND WARRANTIES:

All presently valid restrictions, reservations, covenants, conditions, rights-of-way, easements, mineral leases, and royalty and mineral conveyances now outstanding and of record, if any, in Grayson County, Texas, affecting the herein described property.

Grantors, for the consideration and subject to the reservations from and exceptions to conveyance and warranty, grant, sell and convey to Grantee the property together with all and singular the rights and appurtenances thereto in any wise belonging, to have and hold to Grantee, Grantee's successors or assigns forever. Grantors bind Grantors and Grantors' heirs, executors, administrators and successors to warrant and forever defend all and singular the property to Grantee and Grantee's heirs, executors, administrators, successors and assigns against every person whomsoever lawfully claiming or to claim the same or any part thereof, except as to the reservations from and exceptions to conveyance and warranty.

> 
BOBBY CATHEY

> 
RODGER D. BATEMAN

State of Texas
County of Grayson

This instrument was acknowledged before me on the 19th day of December, 2014, by Bobby Cathey and

RECORDED ON 05:05 PM
2014

Filed for Record in
Garrison County

On Dec 31, 2014 at 02:05

As a
Recording

Document Number: 00026819

Amount: 11.00

Receipt Number: 4143722

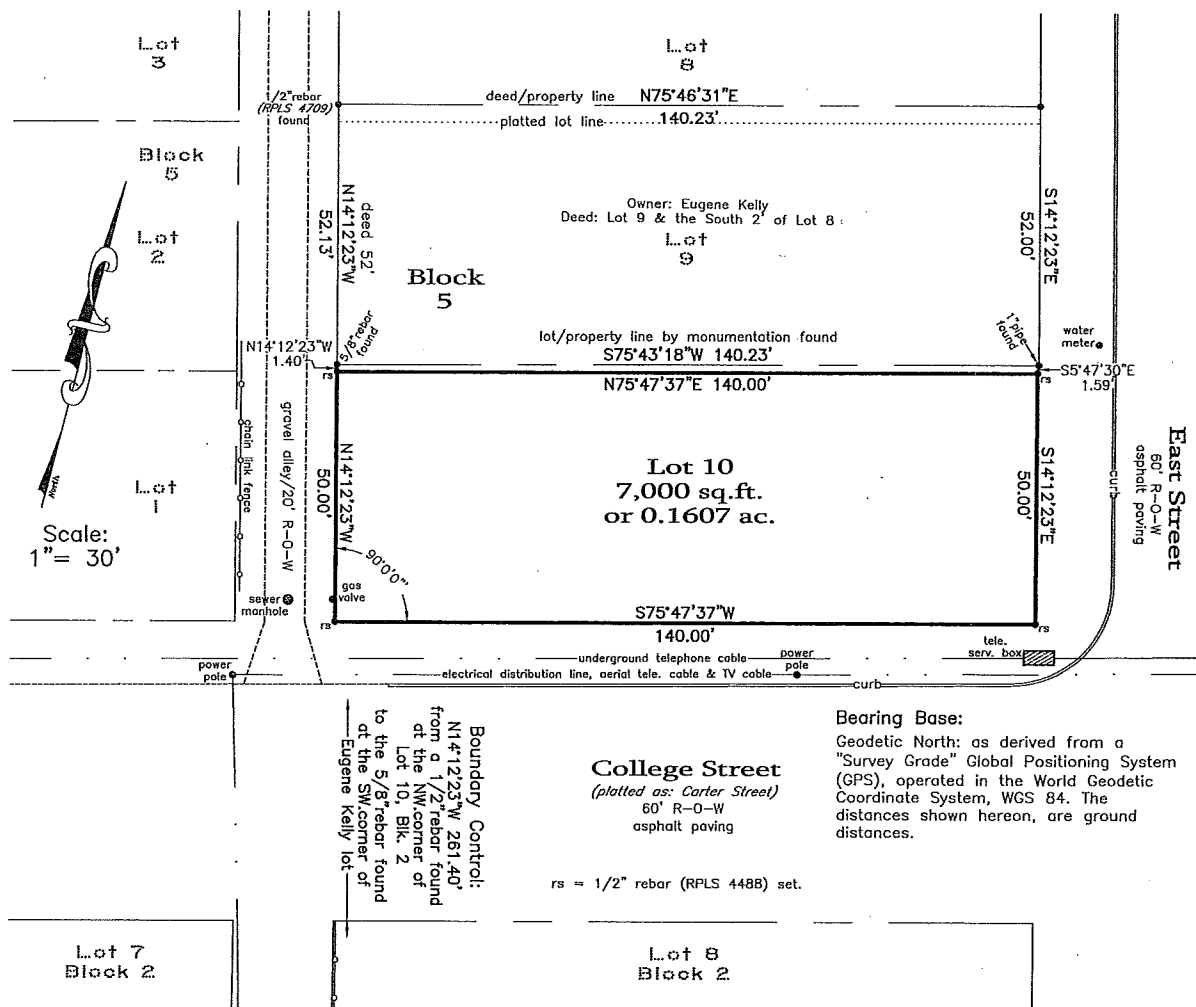
By:
Rebecca Williams

STATE OF TEXAS COUNTY OF GARRISON
I hereby certify that this instrument was
filed on the date and time stamped hereon by me
and was duly recorded in the volume and page
of the record records of
Garrison County
as shown hereon to me

Dec 31, 2014

Notary Public

Willa Ruth Garrison County Clerk
Garrison County



Owner: Tobar's Properties, LLC

Address: 900 N. East Street
Sherman, Texas

This survey was prepared for the sole benefit of the transaction (construction loan) by and between the Owner stated hereon and the Owner's Lender/Mortgage Co. and Abstract/Title Co., and is null and void for any other transactions. Any other use of this survey without the sole consent of the undersigned surveyor is prohibited, and would infringe upon state and federal copyright statutes. Any violation of said statutes will be aggressively pursued.

I, Billy F. Helvey, Registered Professional Land Surveyor, do hereby certify that a survey was performed on the ground of the property shown hereinabove and that this survey complies with both the General Rules of Procedures and Practices as adopted by the Texas Board of Professional Land Surveying and the current Texas Society of Professional Surveyors standards and is a true and correct representation of the property shown hereon.

Legal Description is as follows: Lot 10, Block 5, Hall and Jones Addition, to the City of Sherman, Texas, as per plat of record in Volume 58, Page 245, Deed Records, Grayson County, Texas.

The subject property shown hereon does not lie within the limits of any designated 100-year Flood Hazard Areas, as shown on the "FEMA" Flood Insurance Rate Maps for Grayson County, Texas, Revised Date: September 29, 2010.

Helvey & Associates Surveying, Inc.
222 W. Main St.
Denison, Texas 75020
Ph (903) 463-6191 Fax (903) 463-4088
Firm Registration No. 10088100
Texas Board of Professional Land Surveying

Billy F. Helvey
Billy F. Helvey, R. P. L. S. No. 4488
Copyright Date: February 26, 2015

CITY OF SHERMAN
RESIDENTIAL BUILDING PERMIT

PERMIT #: 150805 SUBCONTRACTOR: TOBAR PROPERTIES LLC DATE ISSUED: 5/05/2015

PROJECT ADDRESS: 900 N EAST ST
PARCEL ID: 160173
SUBDIVISION: HALL & JONES ADDN

LOT #: 10
BLK #: 5
ZONE ORD:

ISSUED TO: TOBAR PROPERTIES LLC
ADDRESS: 1308 PINTAIL
CITY, ST ZIP: SHERMAN TX 75092-4243
PHONE:

CONTRACTOR: TOBAR PROPERTIES LLC
ADDRESS: 1308 PINTAIL
CITY, ST ZIP: SHERMAN TX 75092-4243
PHONE:

PROP. USE: ONE FAMILY RESIDENTIAL
WORK: NEW RESIDENTIAL CONSTRUCTION
VALUATION: \$ 70,000.00
OCCP TYPE: ONE FAMILY RESIDENTIAL
CNST TYPE: WOOD FRAME

SQ FT: 1,300.00
BEDROOMS: 3
BATHROOMS: 2
STORIES: 1

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

NOTES:

NOTICE

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

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

(SIGNATURE OF CONTRACTOR OR AUTHORIZED AGENT)

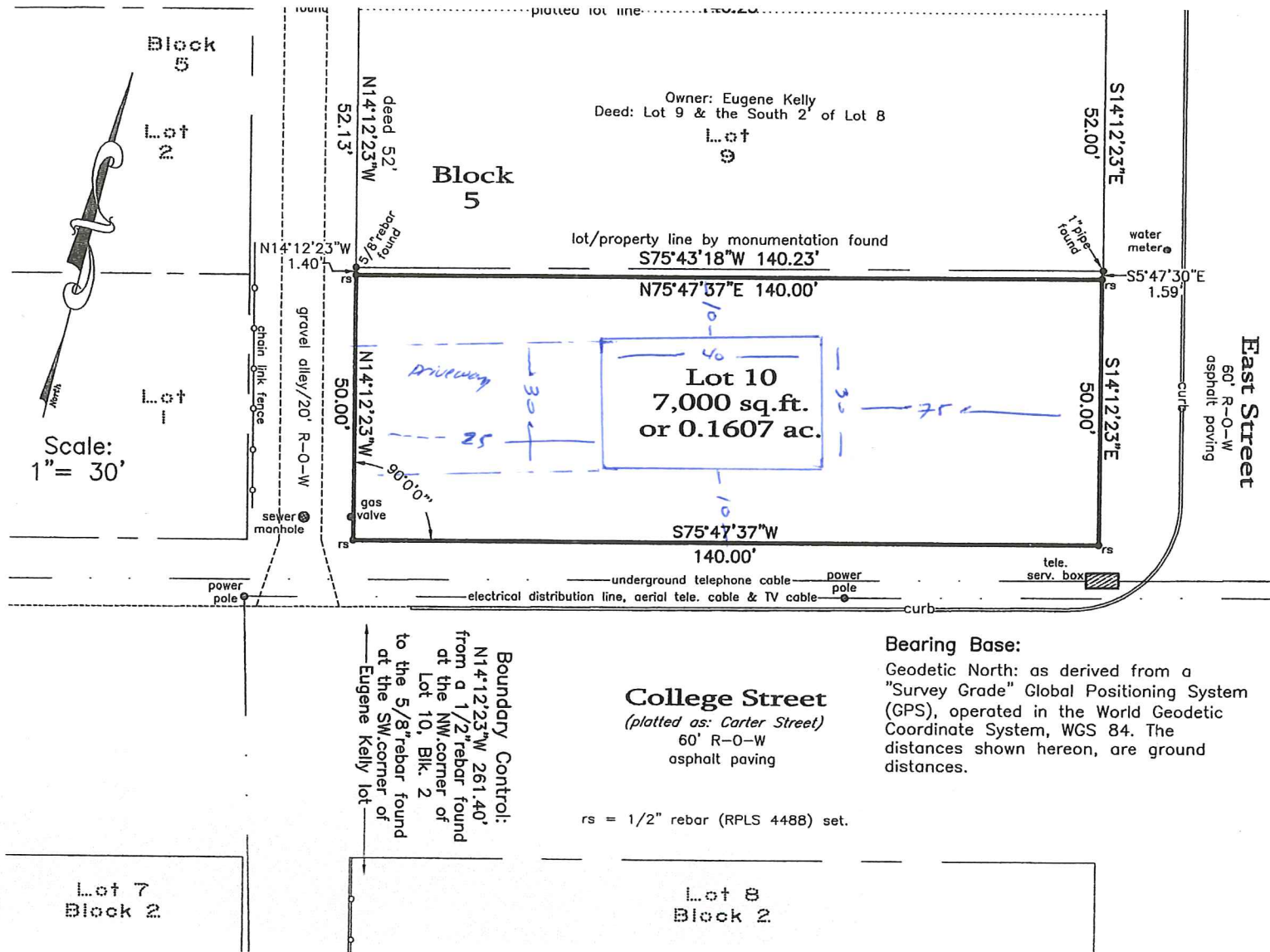
5/5/15
DATE

(APPROVED BY) FLOOD PLAIN ADMINISTRATOR

5/5/15
DATE

(APPROVED BY) BUILDING & ZONING

5/6/15
DATE



Owner: Tobar's Properties, LLC

Address: 900 N. East Street
Sherman, Texas

This survey was prepared for the sole benefit of the transaction (construction loan) by and between the Owner stated hereon and the Owner's Lender/Mortgage Co. and Abstract/Title Co., and is null and void for any other transactions. Any other use of this survey without the sole consent of the undersigned surveyor is prohibited, and would infringe upon state and federal copyright statutes. Any violation of said statutes will be aggressively pursued.

I, Billy F. Helvey, Registered Professional Land Surveyor, do hereby certify that a survey was performed on the ground of the property shown hereinabove and that this survey complies with both the General Rules of Procedures and Practices as adopted by the Texas Board of Professional Land Surveying and the current Texas Society of Professional Surveyors standards and is a true and correct representation of the property shown hereon.

Legal Description is as follows: Lot 10, Block 5, Hall and Jones Addition, to the City of Sherman, Texas, as per plat of record in Volume 58, Page 245, Deed Records, Grayson County, Texas.

The subject property shown hereon does not lie within the limits of any designated 100-year Flood Hazard Areas, as shown on the "FEMA" Flood Insurance Rate Maps for Grayson County, Texas, Revised Date: September 29, 2010.

900 N. East





900 N. East Street

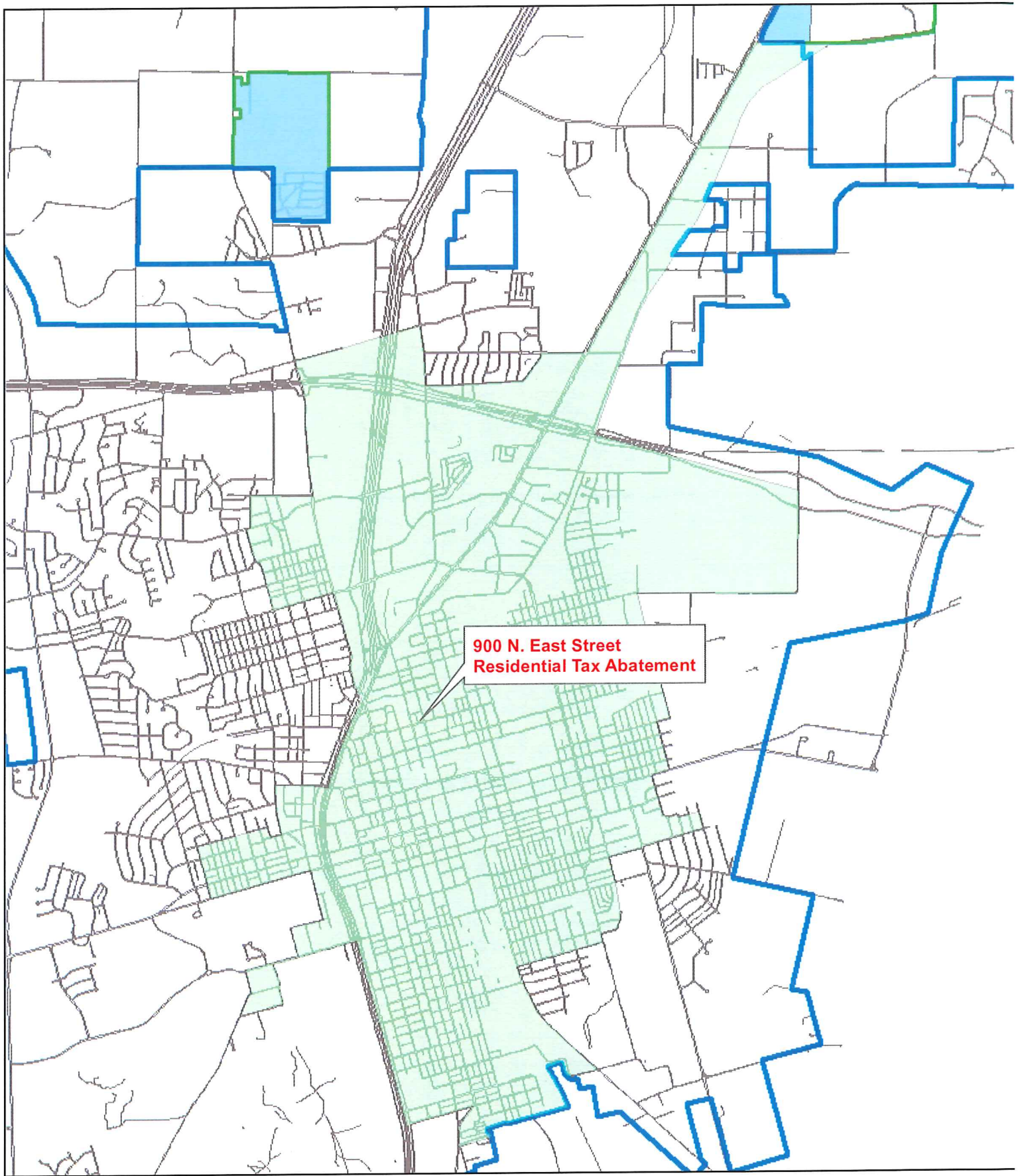
Sherman
CLASSIC TOWN. BROAD HORIZON.

City of Sherman, Texas
Developmental Services Department



NOT TO SCALE

1 in = 78 ft



Sherman
CLASSIC TOWN. BROAD HORIZON.

City of Sherman, Texas
Developmental Services Department

900 N. East Street Residential Tax Abatement



NOT TO SCALE

1 in = 3,508 ft



SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

Agenda Item No. E. 1.

Meeting Date: 05/18/2015

Prepared By: Mark Gibson, Director of Utilities

Approved By: Robby Hefton, City Manager

Caption:

*** REQUEST TO ADVERTISE**

Construction of the Wastewater Treatment Plant Headworks Lift Station and Electrical Upgrade Improvements

Issue:

Permission to advertise for bids for the construction of the Wastewater Treatment Plant Headworks Lift Station and Electrical Upgrade Improvements

Background:

The current Capital Improvement Program contains a project to rebuild the existing headworks lift station at the City's Wastewater Treatment Plant.

Origination:

Department of Utilities Administration

Financial Consideration:

The project will be funded in this year's Capital Improvement Program through bonds issued by the Greater Texoma Utility Authority (GTUA) on behalf of the City of Sherman. The cost of advertising is expected to be about \$200.00.

Staff Recommendation:

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

Alternatives:

As may be directed by the City Council

Attachments

Location Map



Source: Esri, DigitalGlobe, GeoEye, Ikonos, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AEX, Geomapping, Aerogrid, IGN, IGP, swisstopo, and the GIS User Community





SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

Agenda Item No. E. 2.

Meeting Date: 05/18/2015

Prepared By: Mark Gibson, Director of Utilities

Approved By: Robby Hefton, City Manager

Caption:

*** REQUEST TO ADVERTISE**

Construction of the Sears Lift Station Relief Sewer Project

Issue:

Permission to advertise for bids for construction of the Sears Lift Station Relief Sewer in Northwest Sherman

Background:

The current Capital Improvement Program contains a project to construct a sewer from the existing Sears lift station to the lift station located at the intersection of U.S. Highway 75 and F.M. 691 in northwest Sherman.

Origination:

Department of Utilities Administration

Financial Consideration:

The project will be funded in this year's Capital Improvement Program through bonds issued by the Greater Texoma Utility Authority (GTUA) on behalf of the City of Sherman. The cost of advertising is expected to be about \$200.00.

Staff Recommendation:

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

Alternatives:

As may be directed by the City Council

Attachments

Location Map





SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

Agenda Item No. F. 1.

Meeting Date: 05/18/2015

Prepared By: Steve Ayers, Director of Community and Support Services

Approved By: Robby Hefton, City Manager

Caption:

OTHER BUSINESS

Receive Presentation from Parks and Recreation Director Kevin Winkler on "The Taylor Street Complex"

Issue:

A presentation on the use of "The Taylor Street Complex", the City's gymnasium facility at 1424 West Taylor Street

Background:

The property known as Girls Inc. closed its doors and operations in October 2011; and, in May 2012, the City of Sherman received the property by Special Warranty Deed. Located at 1424 West Taylor Street, across from "The Splash" in Fairview Park, the property contains 1.9894 acres of land and a 15,290 square foot metal building.

The facility was rehabilitated in the fall of 2012 through the spring of 2013, re-opened in the summer of 2013, and has been being used by Sherman Parks & Recreation since then to provide indoor activities and sports for our citizens. The structure has been named "The Taylor Street Complex" and is being used as a gymnasium and a training facility.

Origination:

City Manager

Financial Consideration:

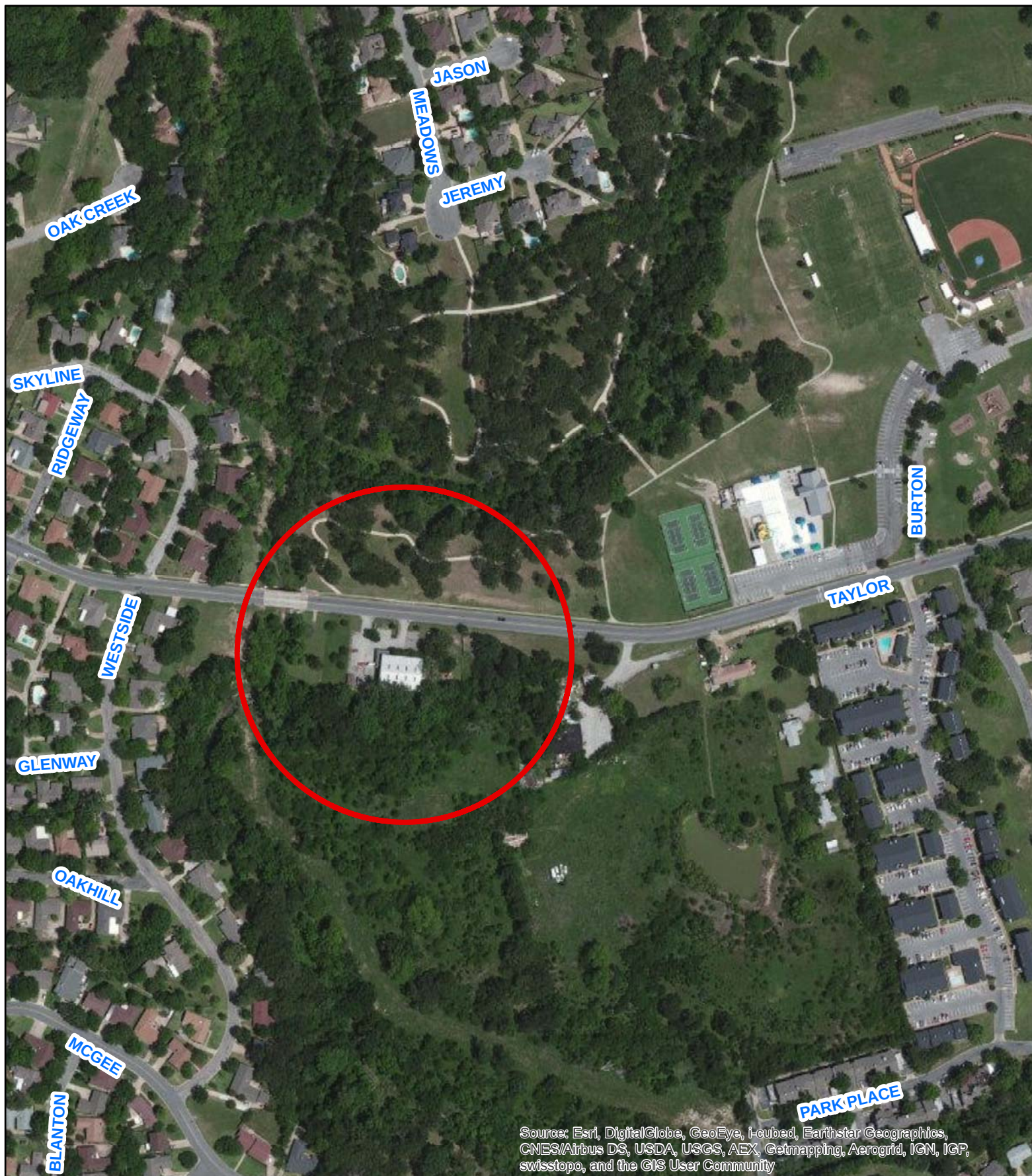
There is no financial impact associated with this presentation.

Staff Recommendation:

The Council need take no action on this presentation; it is for information purposes only.

Attachments

Aerial Location Map





City Council Regular Meeting

Agenda Item No. I. 1.

Meeting Date: 05/18/2015

Prepared By: Linda Ashby, City Clerk

Approved By: Robby Hefton, City Manager

Caption:

APPOINT/REMOVE OR CONSIDER QUALIFICATIONS TO BOARDS AND COMMISSIONS

(a) Parks and Recreation Advisory Board (2)

Issue:

Lauren Roth's term on the Parks and Recreation Advisory Board expired on May 17, 2015. She is eligible and does wish to be reappointed. There is also one vacancy on this Board. Only one application has been submitted to the City for this Board - Brian Jones.

Background:

The Parks and Recreation Advisory Board advises the City Council on long-range planning and the implementation of programs and activities conducted by the Parks and Recreation Department. With Lauren Roth's term expiring, two positions are vacant. Ms. Roth does wish to be reappointed, and Brian Jones has submitted the only other application for this Board.

Origination:

The appointments originated with the City Clerk's Office.

Financial Consideration:

There is no financial consideration.

Staff Recommendation:

It is recommended that the City Council consider a reappointment and an appointment to the Parks and Recreation Advisory Board.

Alternatives:

The alternative is to delay the appointments to the Board.

Attachments

Roster

Fact Sheet

Applicant List

Lauren Roth Letter

Brian Jones Application

MEMBERSHIP ROSTER

PARKS & RECREATION BOARD

LENGTH OF TERMS: TWO YEARS

Ord. 4112 Consecutive Term Limit (3)*effective 7/24/89

MEMBER	DISTRICT	TERM BEGINS	TERM EXPIRES	TERMS	MEMBERSHIP REQUIREMENTS
Vacant			5/21/2015		
Rhonda McCollum	1	A 10/2/2012 R 10/2/2014	10/2/2014 10/2/2016	1 2	
Lauren Roth	4	A 5/17/2011 R 5/17/2013	5/17/2013 5/17/2015	1 2	
Michael Gillum	2	A 10/4/2011 R 10/4/2013	10/4/2013 10/4/2015	1 2	
Jencie Bolin	1	A 10/2/2012 R 10/2/2014	10/2/2014 10/2/2016	1 2	
John Murphy	1	A 10/6/2009 R 10/6/2011 B 10/6/2013	10/6/2011 10/6/2013 10/6/2015	1 2 3	
Trent Bass	1	U 3/17/2009 R 11/8/2009 R 11/8/2011 R 11/8/2013	11/8/2009 11/8/2011 11/8/2013 11/8/2015	0 1 2 3	

NOTE:

Chair: Trent Bass
Vice Chair:

Term: October 2009

FACT SHEET

PARKS AND RECREATION BOARD

Established by ORDINANCE 3181 – MARCH 28, 1977

1. Number of Members: SEVEN (7)
2. Term of Appointment: TWO (2) YEARS
3. Consecutive Term Rule: THREE (3) TERMS – ORDINANCE 4112 (7/24/89)
4. Qualifications for Membership: INTEREST IN PROGRAMS AND ACTIVITIES CONDUCTED BY PARKS AND RECREATION DEPARTMENT. A STUDENT OF SHERMAN HIGH SCHOOL DESIGNATED BY STUDENT COUNCIL, AND THE DIRECTOR OF PARKS AND RECREATION SHALL BE EX-OFFICIO, NON-VOTING MEMBERS
5. Appointed by: MAYOR AND CITY COUNCIL
6. Board Organization

CHAIRPERSON E VICE CHAIRPERSON SECRETARY A

ELECTED APPOINTED
7. Departmental Responsibility: PARKS AND RECREATION DEPARTMENT
8. Meeting Date: FIRST WEDNESDAY OF EACH MONTH
9. Attendance Requirements: WILL FORFEIT SEAT BY MISSING 3 CONSECUTIVE MEETING WITHOUT GOOD CAUSE

=====

PURPOSE:

To assist in long-range planning and implementation of programs and activities conducted by the Parks and Recreation Department.

RESPONSIBILITIES:

Advise concerning future development; to study and make recommendations concerning additional park land or sites; and to recommend means for maximum utilization of facilities.

APPLICANT LIST

Parks and Recreation Advisory Board

Positions Vacant 2

Applicant	Address	District	Qualifications
Lauren Roth	1400 W. Laurel	4	Current Member; Wishes to be Reappointed
Brian Jones	405 W. McGee	1	Grayson County Juvenile Services

COMMENTS:



City Clerk's Office

PUBLIC RECORDS DEPARTMENT

Phone No. (903) 892-7204

Fax No. (903) 892-7394

April 14, 2014

Lauren Roth
1400 W. Laurel
Sherman, Texas 75090



RE: Parks and Recreation Advisory Board

Dear Ms. Roth:

Your term on the Parks and Recreation Advisory Board expires on May 17, 2015. You are eligible for reappointment to the Board. Please let me know whether or not you are interested in reappointment to this board by checking the appropriate statement at the bottom of this letter and returning a copy to me at the address below. If you have any questions or need additional information, please don't hesitate to contact me.

Best regards,

Linda Ashby
City Clerk

cc: Kevin Winkler, Parks and Recreation Administrator

☒

I do wish to be considered for reappointment to this board

☐

I do not wish to be considered for reappointment to this board

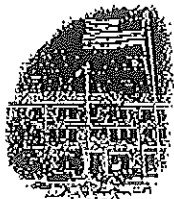
Signature

5/11/15

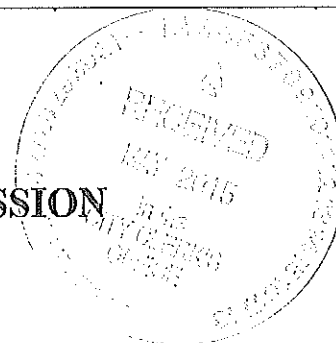
Date

Please return to:

City of Sherman
City Clerk's Office
P.O. Box 1106
Sherman, Texas 75091-1106



CITY OF SHERMAN APPLICATION FOR BOARD OR COMMISSION MEMBERSHIP



Return completed application to:

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

Please type or use black ink

Please complete one application for each board or commission membership

Please limit attachments to two pages

For questions or additional information, call the City Clerk's Office, (903) 892-7206

Name: Brian C. Jones

(Please print legal name and your name as you wish it to appear, if different.)

Name of Board
or Commission: Parks and Recreation Advisory Board

☒ Yes, I would be interested in serving on subcommittees that may be formed.

Personal Information	Occupational Information
Home Address: <u>405 W. McGee</u>	Business Name: <u>Grayson County Juvenile Services</u>
Mailing Address: <u>405 W. McGee</u>	Occupation: <u>Associate Director</u>
Telephone: <u>903-718-0547</u> Fax: _____	Address: <u>86 Dyess</u>
E-Mail: <u>bjones@co.grayson.tx.us</u>	Telephone: <u>903-786-6326</u> Fax: _____
Sherman Resident for <u>15</u> years County: <u>Grayson</u>	E-Mail: <u>bjones@co.grayson.tx.us</u>
Drivers License No.: <u>14783624</u>	
Voter Registration No.: <u>Misplaced 1025507654</u> ✓	

Which Council District do you live in? (see attached map) District 1 ✓

Prior work experience: (please include dates)

1997-2002 Fannin County Juvenile Probation Officer, Gym Owner/Personal Trainer 1998-2002,

Grayson County Juvenile Services Case Manager Supervisor 2002-2003, Grayson County Facility
Administrator 2003-2015, Associate Director 2013-2015

Educational Achievement:

High School Graduate? ☒ Yes ☐ No Year Graduated/Left School? 1990

Business College, Correspondence School, Adult Education, Other? _____

Name of College/University: ETSU

☒ Bachelor's ☐ Master's ☐ PhD

Volunteer Work: (please include dates)

Great Days of Service 2012, 2013

Volunteer coach 2009 to present

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

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

N/A

Taxes - No

Application held for 12 months from date received

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

If so, which one? N/A

Why do you want to become a member of this particular board or commission (*how would you use this experience to benefit the City*)?

My family and I enjoy the use of the local parks in the community and wanted a way in which we could help serve the community. Also wanted to explore other options for outdoor activities for all age citizens of Sherman. It is great to see the activities Sherman provides (camp out, fishing derby, movie night, hot summer nights)

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

1) Adding some new playground equipment for the kids. I know the playground equipment is maintained and there are a variety of parks but adding some additional equipment would be nice. It would be nice to see some playground equipment at Herman Baker park. If the department is financially unable to do a big project maybe recommending adding sections would be easier. Maybe fund-raisers, donations or grants could be used to help with the cost.

2) Outdoor Fitness Equipment for adults-there are outdoor playgrounds for kids but no adult outdoor fitness areas to work out at. This would increase the community health with something new and exciting for adults and seniors. I have observed the community walking and running around the parks but adding some work out equipment would hopefully increase interest in improving community health. I have added some pictures. In researching it there are about 5 of these in Texas and they are down south in Houston and San Antonio.

3) Some additional walking/biking trails for families. It would give families another hiking/biking trail to have access to. Due to fairview having so many people I take my girls (9 & 4) to school parking lots. Austin College, East and West Burns run to ride their bikes. Herman Baker is nice but too hard for the younger kids to accomplish plus having them on some of the trails and on the dam is pretty unsafe. Is there land that is underutilized that could possibly be used to make a trail. Also, there is the North East Texas Trail that is an interesting concept and from looking at maps a couple of railroad routes intersect into from Sherman.

List any abilities, skills, licenses, certificates, specialized training, or interests you have which are applicable to this board or commission:

Owned a gym, organizational and management training for my current job

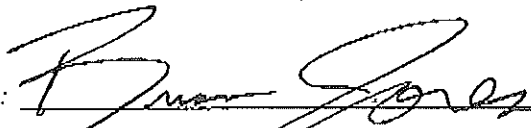
Please specify any business or personal relationships with the City or other activities, which might create a serious conflict of interest or affect your ability to serve if you should be appointed to this board or commission:

N/A

Have you attended a meeting of the board/commission you are applying to or talked to anyone currently on the board? ☒ Yes ☐ No
Comments: I talked with Trent Bass and Rhonda McCollum.

Statement of Intent

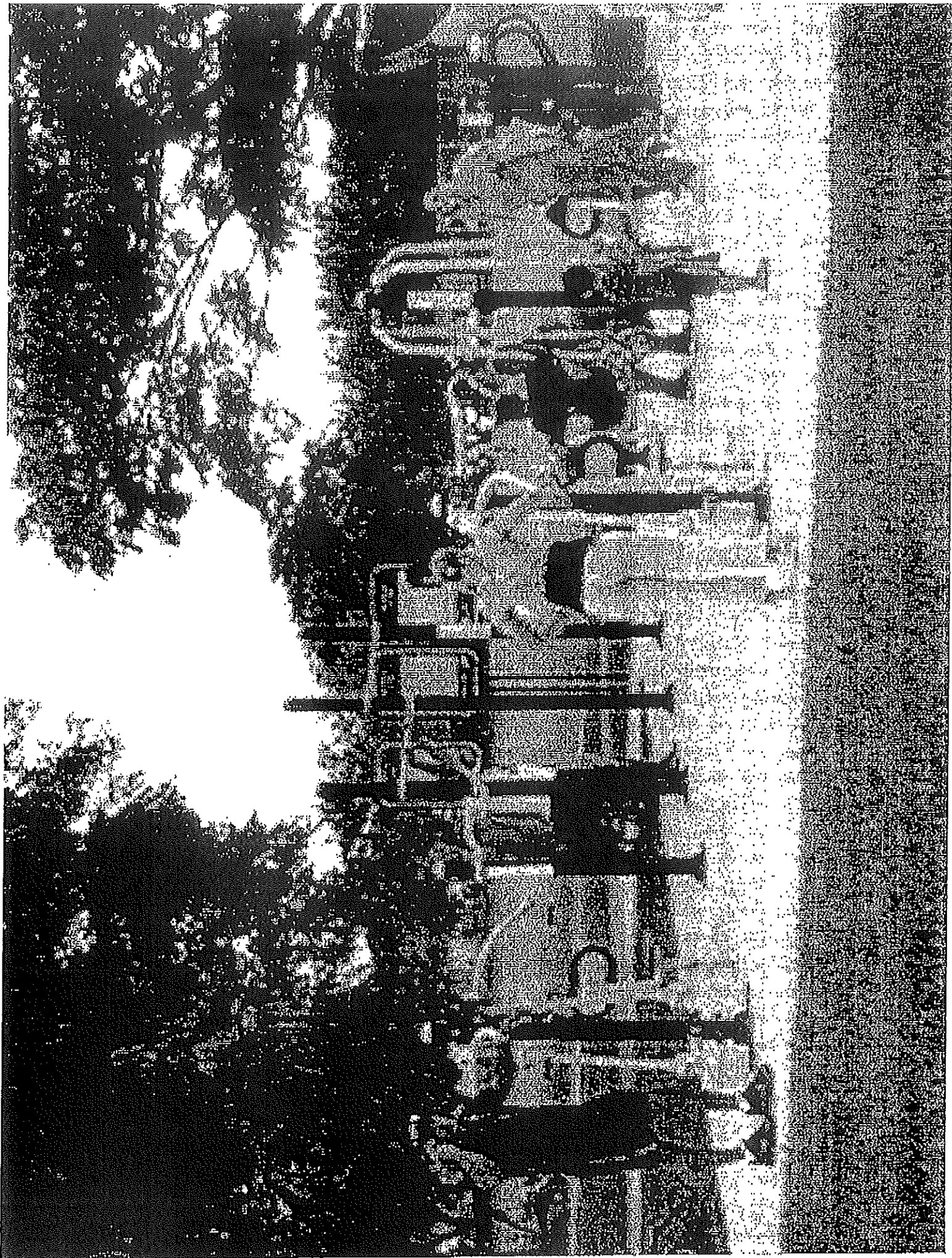
I am aware of the requirements of the City regarding conflicts of interest of appointees to the City of Sherman Boards and Commissions, as noted in the overview. I am aware of meeting dates and times of the Board/Commission for which I have applied, and that Board/Commission members are expected to attend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

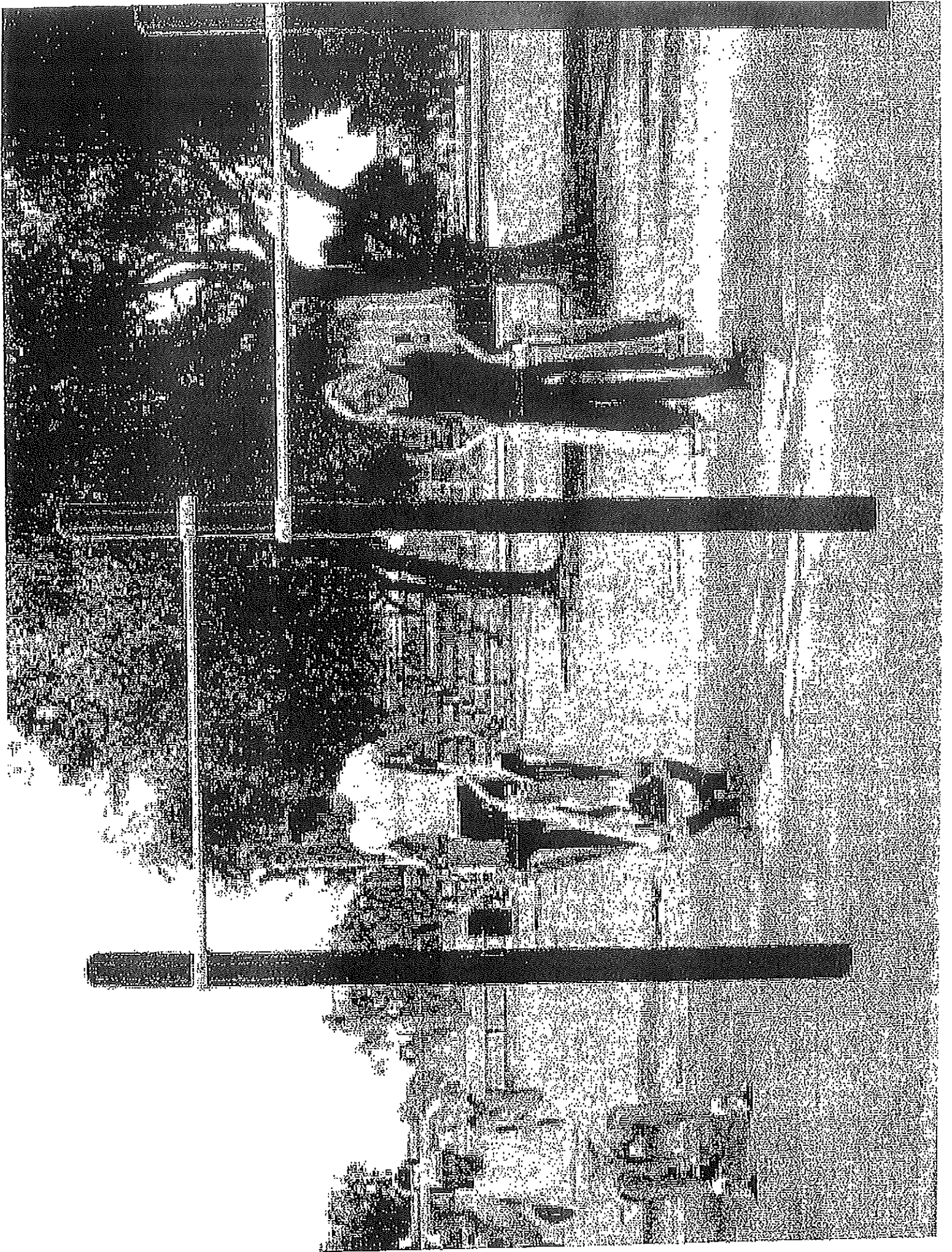
Signature: 

Date: 5/4/14

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


CLASSIC TOWN. BROAD HORIZON.







SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

Agenda Item No. I. 2.

Meeting Date: 05/18/2015

Prepared By: Linda Ashby, City Clerk

Approved By: Robby Hefton, City Manager

Caption:

APPOINT/REMOVE OR CONSIDER QUALIFICATIONS TO BOARDS AND COMMISSIONS

- (a) Sherman Housing Authority (2)

Issue:

The terms of Beth Williams and Barbara Williams on the Sherman Housing Authority Board expire on June 1, 2015. Both are eligible and do wish to serve another term. There are no other applications for this Board.

Background:

The Sherman Housing Authority Board oversees the actions of the Housing Authority, suggests plans, and sets policy and procedures for the Authority.

Origination:

The reappointments originated with the City Clerk's Office.

Financial Consideration:

There is no financial consideration.

Staff Recommendation:

It is recommended that the City Council consider reappointments to the Sherman Housing Authority Board.

Alternatives:

The alternative is to delay reappointments to the Board.

Attachments

Roster

Fact Sheet

Applicant List

Beth Williams Letter

Barbara Williams Letter

MEMBERSHIP ROSTER

HOUSING AUTHORITY BOARD

LENGTH OF TERMS: TWO YEARS
State Law: Terms cannot be limited

MEMBER	DISTRICT	TERM BEGINS	TERM EXPIRES	TERMS	MEMBERSHIP REQUIREMENTS
Barbara Williams	1	U 4/16/2004 R 6/1/2005 R 6/1/2007 R 6/1/2009 R 6/1/2011 R 6/1/2013	6/1/2005 6/1/2007 6/1/2009 6/1/2011 6/1/2013 6/1/2015	1 2 3 4 5 6	
Craig Anthony Davis, Sr.	1	A 7/8/2014	7/8/2016	1	
Beth Williams	4	U 11/14/2000 R 6/1/2001 R 6/1/2003 R 6/1/2005 R 6/1/2007 R 6/1/2009 R 6/1/2011 R 6/1/2013	6/1/2001 6/1/2003 6/1/2005 6/1/2007 6/1/2009 6/1/2011 6/1/2013 6/1/2015	0 1 2 3 4 5 6 7	
Janet Roy	4	U 6/21/2005 R 6/1/2006 R 6/1/2008 R 6/1/2010 R 6/1/2012 R 6/1/2014	6/1/2006 6/1/2008 6/1/2010 6/1/2012 6/1/2014 6/1/2016	0 1 2 3 4 5	
Wanda Crook	2	A 6/1/2010 R 6/1/2012 R 6/1/2014	6/1/2012 6/1/2014 6/1/2016	1 2 3	

NOTE:

Chair:

Vice Chair:

*one year term as chair

FACT SHEET

HOUSING AUTHORITY BOARD

Established by RESOLUTION 12 – FEBRUARY 7, 1966

1. Number of Members: FIVE
2. Term of Appointment: TWO YEARS
3. Consecutive Term Rule: CANNOT BE LIMITED BY STATE LAW
4. Qualifications for Membership: NO RULE
5. Appointed by: MAYOR
6. Board Organization
CHAIRPERSON E VICE CHAIRPERSON E SECRETARY A
ELECTED E APPOINTED A
7. Departmental Responsibility: CITY COUNCIL
8. Meeting Date: LAST WEDNESDAY OF EACH MONTH
9. Attendance Requirements: NO RULE

PURPOSE:

Sets policy for Housing Authority procedures.

RESPONSIBILITIES:

Board oversees actions of Housing Authority and suggests plans and application of procedures.

APPLICANT LIST
Housing Authority Board

Positions Vacant 2

Applicant	Address	District	Qualifications
Beth Williams	2204 Covington Court	4	Current Member; Wishes to be Reappointed
Barbara Williams	315 W. Dexter	1	Current Member; Wishes to be Reappointed

COMMENTS:

April 14, 2015

Beth Williams
2204 Covington Court
Sherman, Texas 75092



RE: Housing Authority Board

Dear Ms. Williams:

Your term on the Housing Authority Board expires on June 1, 2015. You are eligible for reappointment to the Board. Please let me know whether or not you are interested in reappointment to this board by checking the appropriate statement at the bottom of this letter and returning a copy to me at the address below. If you have any questions or need additional information, please don't hesitate to contact me.

Best regards,

Linda Ashby

Linda Ashby
City Clerk

cc: Debbie Eldredge, Sherman Housing Authority

☒

I do wish to be considered for reappointment to this board

☐

I do not wish to be considered for reappointment to this board

Signature

Beth Williams

Date

4-23-15

Please return to: City of Sherman
City Clerk's Office
P.O. Box 1106
Sherman, Texas 75091-1106

PUBLIC RECORDS DEPARTMENT

Phone No. (903) 892-7204

Fax No. (903) 892-7394

April 14, 2015

Barbara Williams
315 W. Dexter
Sherman, Texas 75092

RE: Housing Authority Board

Dear Ms. Williams:

Your term on the Housing Authority Board expires on June 1, 2015. You are eligible for reappointment to the Board. Please let me know whether or not you are interested in reappointment to this board by checking the appropriate statement at the bottom of this letter and returning a copy to me at the address below. If you have any questions or need additional information, please don't hesitate to contact me.

Best regards,

Linda Ashby

Linda Ashby
City Clerk

cc: Debbie Eldredge, Sherman Housing Authority

☒

I do wish to be considered for reappointment to this board

☐

I do not wish to be considered for reappointment to this board

Barbara Williams

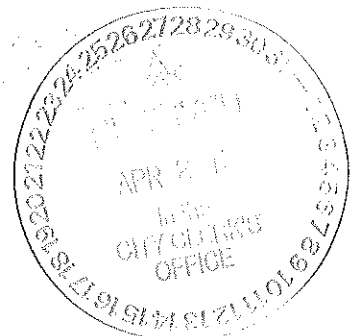
Signature

4-22-15

Date

Please return to:

City of Sherman
City Clerk's Office
P.O. Box 1106
Sherman, Texas 75091-1106





SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

Agenda Item No. N.

Meeting Date: 05/18/2015

Approved By: Robby Hefton, City Manager

Caption:

COUNCIL CALENDAR

Attachments

2015 Council Calendar

2015

JANUARY						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

FEBRUARY						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28

MARCH						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

APRIL						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

MAY						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

JUNE						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

JULY						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

AUGUST						
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

SEPTEMBER						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

OCTOBER						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

NOVEMBER						
S	M	T	W	T	F	S
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8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

DECEMBER						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

1/5/2015	Regular City Council Meeting - Cancelled
4/21/2015	Called Budget Planning Meeting in Council Chambers
06/25-26/2015	Called Budget Workshop in Council Chambers
9/8/2015	Labor Day/Called Council Meeting on 09/8/2015
