

**FARMERSVILLE CITY COUNCIL
REGULAR SESSION AGENDA
February 14, 2012, 6:00 P.M.
Council Chambers, City Hall
205 S. Main Street**

I. PRELIMINARY MATTERS

- Call to Order, Roll Call, Prayer and Pledge of Allegiance
- Welcome guests and visitors: Anyone wanting to speak on any items that are not the subject of a Public Hearing on this agenda is asked to speak at this time, with an individual time limit of 3 minutes. This forum is limited to a total of 30 minutes. Please note that the City Council cannot comment or take any action on this item.
- Announcements relating to items of public interest: Announcements regarding local or regional civic and charitable events, staff recognition, commendation of citizens, traffic issues, upcoming meetings, awards, acknowledgement of meeting attendees, birthdays, and condolences.

II. CONSENT AGENDA

Items in the Consent Agenda consist of non-controversial or "housekeeping" items required by law. Council members may request prior to a motion and vote on the Consent Agenda that one or more items be withdrawn from the Consent Agenda and considered individually. Following approval of the Consent Agenda, excepting the items requested to be removed, the City Council will consider and act on each item so withdrawn individually.

- A. City Council Minutes
- B. City Financial Reports
- C. Police Department Report
- D. Code Enforcement/Animal Control Report
- E. School Resource Officer Report
- F. Fire Department Report
- G. Municipal Court Report
- H. Public Works and Customer Service Report
- I. Library Report
- J. City Manager's Report

III. INFORMATIONAL ITEMS

These Informational Items are intended solely to keep the City Council appraised of the actions and efforts of the various boards and commissions serving the City of Farmersville. Council members may deliberate and/or request further information or clarification regarding any one or more of the items contained in this provision. City Council approval of, or action on, these items is not required or requested.

- A. Update regarding status of grants applied for and/or received by the City
- B. FEDC (4A) Financial Report
- C. FCDC (4B) Financial Report
- D. Planning & Zoning Minutes
- E. FCDC (4B) Meeting Minutes
- F. FEDC (4A) Meeting Minutes
- G. Parks Board Minutes
- H. Main Street Board Minutes
- I. Main Street Report
- J. Building & Property Standards Minutes

IV. READING OF ORDINANCES

- A. Second Reading for Ordinance # O-2012-0214-001 regarding amendments to the City Manager Ordinance
- B. First Reading of Ordinance # O-2012-0228-001 regarding amending the Fiscal Year Budget for 2011-2012 for Project Accounting and Time Entry Software

V. REGULAR AGENDA

- A. Consider and act upon Resolution # R-2012-0214-001 to call the Election for Mayor and two Council Places
- B. Receive recommendation from the Bond Committee to consider issuing bonds. Consider all matters incident and related to ordering and holding a bond election, including the adoption of Resolution # R-2012-0214-002 to call the Special Election for a Bond Election
- C. Consider all matters incident and related to the approving and authorizing publication of notice of intention to issue certificates of obligation, including the adoption of a resolution pertaining thereto.
- D. Receive, approve or disapprove audit report from Rutherford, Taylor and Company for Fiscal Year 2010-2011
- E. Consider and act upon a Resolution # R-2012-0214-003 regarding suspending the March 6, 2012 which Atmos Cities Steering Committee requested for a rate change to permit the City and Atmos Cities Steering Committee time to study the rate increase request and establish reasonable rates to be presented

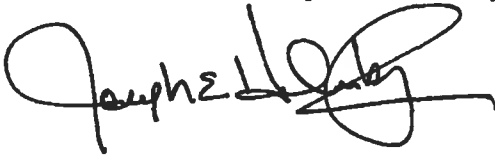
- F. Consider, discuss and act upon awarding the contract to PWR Concrete for the Texas Capital Fund Sidewalk Project
- G. Consider, discuss and act upon implementation of corporate credit cards for City related purchases and related Resolution
- H. Consider, discuss and act upon the Water Management Plan
- I. Consider, discuss and act upon Interconnect Contracts for water service with Caddo Basin SUD, Copeville Water SUD and North Farmersville WSC
- J. Update on the Regional Wastewater Treatment Plan / Lakehaven MUD / MUD formation / Memorandum of Understanding
- K. Update on the Tax Investment Reinvestment Zone (TIRZ) and receive recommendations for three TIRZ Board Members from the City of Farmersville

VI. REQUEST FOR CONSIDERATION OF PLACING ITEMS ON FUTURE AGENDAS

VII. ADJOURNMENT

No action may be taken on comments received under "Recognition of Visitors".

Dated this the 10th day of February, 2012.



Joseph E. Helmberger, P.E., Mayor

The City Council reserves the right to adjourn into Executive Session at any time during the course of this meeting to discuss any matters listed on the agenda, as authorized by the Texas Government Code, including, but not limited to, Sections 551.071 (Consultation with Attorney), 551.072 (Deliberations about Real Property), 551.073 (Deliberations about Gifts and Donations), 551.074 (Personnel Matters), 551.076 (Deliberations about Security Devices), 551.087 (Economic Development), 418.175-183 (Deliberations about Homeland Security Issues) and as authorized by the Texas Tax Code, including, but not limited to, Section 321.3022 (Sales Tax Information).

Persons with disabilities who plan to attend this meeting and who may need assistance should contact the City Secretary at 972-782-6151 or Fax 972-782-6604 at least two (2) working days prior to the meeting so that appropriate arrangements can be made. Handicap Parking is available in the front and rear parking lot of the building.

I, the undersigned authority, do hereby certify that this Notice of Meeting was posted in the regular posting place of the City Hall building for Farmersville, Texas, in a place and manner convenient and readily accessible to the general public at all times, and said Notice was posted February 10, 2012 by 5:00 P.M. and remained so posted continuously at least 72 hours proceeding the scheduled time of said meeting.



Edie Sims, City Secretary





TO: Mayor and Councilmembers
FROM: Ben White, Interim City Manager
DATE: February 14, 2012
SUBJECT: CONSENT AGENDA - City Council Minutes

Electronic minutes are found at the following link:

http://www.farmersvilletx.com/government/agendas_and_minutes/city_council_meetings.jsp

(II - A)

**FARMERSVILLE CITY COUNCIL
MEETING MINUTES
November 22, 2011**

The Farmersville City Council met in a regularly called session on November 22, 2011 at 6:00pm in the Council Chambers at City Hall with the following members present: Mayor Joe Helmberger, Pansy Hundley, Paul Kelly, Billy Long and Jim Foy. Russell Chandler was not present. Staff members present were Police Chief Mike Sullivan, Public Works Director Ben White, City Attorney Alan Lathrom, Fire Chief Kim Morris and City Secretary Edie Sims.

CALL MEETING TO ORDER, ROLL CALL

Mayor Helmberger called the meeting to order. Edie Sims called the roll and announced a quorum was present. Mayor Helmberger welcomed all guests and visitors.

Mayor Helmberger announced that the Farmersville Historical Society Tour of Homes will be December 10th. The High School Drama Club is presenting "A Greater Tuna" on December 2-3.

Paul Kelly stated his family had a family member pass away and requested prayer.

CONSIDER, DISCUSS AND ACT UPON ORDINANCE # O-2011-1122-001 ALTERING THE PRIMA FACIA SPEED LIMITS ESTABLISHED FOR VEHICLES UNDER THE PROVISIONS OF THE TRANSPORTATION CODE, SECTION 545.356 UPON STATE HIGHWAY NO. 380 OR PARTS THEREOF, WITHIN THE INCORPORATED LIMITS OF THE CITY OF FARMERSVILLE

Police Chief Mike Sullivan came before the Council stating he expressed the discrepancy of a small section of road along Highway 380 that remains 65 mph while the large majority of the Highway speed limit is 60, according to TxDOT's most recent speed zone study. To rectify this issue according to Roxanne Cortez with TxDOT, another speed study would have to be performed. Mayor Helmberger recommended the Council approve the Ordinance as presented and when the speed study is performed and completed by TxDOT, a revision can be made. Jim Foy indicated for 3/10 of a mile, it seems difficult to adapt from 60 to 65 and back to 60, then according to the City's speed zone ordinance, drop again to 50 mph. Also there is a conflict regarding the beginning point on the Ordinance. Mayor Helmberger suggested striking "beginning at the west city limits" and have the beginning at mile post 6.838. Paul Kelly motioned to approve Ordinance # O-2011-1122-001 on first reading with Jim Foy seconding the motion. A poll of the Council was taken as follows: Pansy Hundley yes, Paul Kelly yes, Billy Long yes and Jim Foy yes. Motion passed with full Council approval.

WORKSHOP – A PLANNING WORKSHOP REGARDING BONDS, THE PROCESS TO ATTAIN BONDS, A BOND COMMITTEE AND TO DISCUSS PROJECTS

Dave Medanich with First Southwest, came before the Council as the City's longtime representative for bonds. Mr. Medanich described the different types of bonds that were available to the City. General Obligation Bonds require an election and can be issued for any public purpose. However, the Attorney General will not approve bonds if the maximum debt tax rate exceeds \$1.00. These bonds are the most secure obligation which attracts the lowest interest rates. A Certificate of Obligation do not require an election; however are subject to an election if 5% of the registered voters petition a referendum. A Certificate of Obligation sells at the rates equal to the City's General Obligation Bonds. A Certificate of Obligation is a combination of tax and revenue pledge but must be published in the newspaper of local circulation of amount to sell and state the type of project. Revenue Bonds are the most expensive option and the interest is not as strong with larger payments due.

The best opportunity for the City would be either a General Obligation bond or a Certificate of Obligation using an Open Market Financing which is the fastest and most efficient method of funding for the majority of projects. If the Texas Water Development Board is chosen

as a source of income, the project must be an intended use with a plan and not a rehabilitation project. The Water Development Board takes a lot more time and there is a lot of red tape. First Southwest has represented the City of Farmersville for 25 years and will continue to represent us with the best that is for Farmersville. The City of Farmersville currently has an "A2" rating which is a good rating. If the Council chooses a Certificate of Obligation, the projects can be the rehabilitation of streets/drainage and pledge the taxes. The water and sewer should be supported by the water and sewer rates. If an election is required and approved, the City must wait 60 days after the election to sell the debt.

A bond advisory committee must be put together from 3-6 months prior to an election. Currently the City has a bond with is using \$0.15 per \$100 to make payments.

Council concurred to start the process and officially form a Bond Advisory Committee at the next meeting in December. Pansy Hundley questioned if a questionnaire would be effective and help keep the citizens informed. It was unclear if this mechanism would encourage voters regarding a bond or if a questionnaire would be effective at all; however these and other issues will be presented to the Bond Committee who will work with citizens at making informed decisions. Billy Long expressed a concern regarding the Bond Committee to encourage the Nepotism Law.

WORKSHOP – DISCUSSION AND POSSIBLE DIRECTION ON ADOPTION OF A NEW STREET SIGN STANDARD

Public Works Director Ben White displayed the standard signs used by the City of Farmersville currently and compared to an example sign provided by the City of McKinney. The McKinney sign is 9" tall and used highly reflective prismatic sheeting. In 2015, the Federal Government has mandated all street signs to meet the standards which McKinney has already implemented. McKinney took an additional step and added their City logo on the left corner of each street sign. Mr. White offered the Council to consider using this similar format for the City of Farmersville. Mr. White took the same signs before the Marketing Committee who was responsible for branding the City of Farmersville. The Marketing Committee recommended using Garamond Bold as the font style and use a chocolate colored brown as the background for all signage throughout the City along with the City's logo. Mr. White stated he will confirm if the brown color would be accepted as green is the defined color throughout the sign industry.

The signs will be attached to square posts 2" in diameter that have holes throughout the pole to make attachment simple no matter what side the sign needs to be attached. Mr. White also recommended the poles be secured with a concreted base for longevity so the poles will not lean and will meet break-away conditions.

Billy Long stated he would like to see an example of a sign in the color requested. The font and color request will need to be approved; Mr. White stated he will confirm. Jim Foy stated another option regarding the logo would be to have it on a separate blank above the street sign names. Funding for the signage change out will be through the maintenance budget. An example will be brought at the January meeting. No further action was taken by the Council.

CONSIDER AND ACCEPT RESIGNATION OF CHAIRMAN DAVID CORNING FROM THE PLANNING AND ZONING COMMISSION

Billy Long motioned to accept David Corning's resignation from the Planning and Zoning Commission with Paul Kelly seconding the motion. A poll of the Council was taken as follows: Pansy Hundley yes, Paul Kelly yes, Billy Long yes and Jim Foy yes. Motion passed with full Council approval.

CONSIDER APPROVAL OF RESOLUTION # R-2011-1122-001 CASTING THREE VOTES FOR REED GREER TO SERVE ON THE BOARD OF DIRECTORS TO THE COLLIN COUNTY CENTRAL APPRAISAL DISTRICT BOARD

At the previous meeting, the City Council approved to cast three votes for Reed Greer to serve on the Board of Directors for the Collin County Central Appraisal District. The Resolution presented is to confirm the votes as required by the Appraisal District. Therefore, Jim Foy motioned to approve Resolution # R-2011-1122-001 with Paul Kelly seconding the motion. A poll of the Council was taken as follows: Pansy Hundley yes, Paul Kelly yes, Billy Long yes and Jim Foy yes. Motion passed with full Council approval.

CONSIDER, DISCUSS AND ACT UPON THE SITE PLAN FOR THE O'REILLY'S AUTO PARTS STORE TO BE LOCATED AT 1705 WEST AUDIE MURPHY PARKWAY, FARMERSVILLE

Paul Kelly motioned to approve the site plan for the O'Reilly's Auto Parts store with Billy Long seconding the motion. A poll of the Council was taken as follows: Pansy Hundley yes, Paul Kelly yes, Billy Long yes and Jim Foy yes. Motion passed with full Council approval.

CONSIDERATION AND POSSIBLE ACTION REGARDING COLLIN COUNTY'S 50/3 PROGRAM WHICH IS A TAX INCENTIVE PROGRAM TO ENCOURAGE THE CREATION AND RELOCATION OF NEW BUSINESSES TO COLLIN COUNTY AND TO PROPOSE A LIST OF ANY SPECIFIC 50/3 PROGRAM LIMITATIONS THAT WOULD AFFECT THE CITY OF FARMERSVILLE

Collin County Commissioner Joe Jaynes and County Administrator Bill Bilyeu came before the Council to encourage the City Council regarding the 50/3 Tax Incentive Program. Mr. Bilyeu stated this program is through Collin County is is county wide to encourage jobs and growth to Collin County. This program is for new businesses. The County already has several businesses that will not be considered for this program, including sexually oriented businesses, liquor stores, gaming parlors and wrecking yards. Mr. Bilyeu also encouraged the Council to review the Zoning Ordinance for businesses that are already not allowed according to our Zoning Ordinance. Should the Council decide to add/delete a type of business; an addendum can be submitted at any time. There is a conflict with a City's TIRZ district and businesses within the district will not be eligible for this program. Collin County is setting the bar for other counties as this is currently the only county that is offering this type of program. The program will allow the taxes to be reimbursed after three years of operation with a \$100,000 threshold. Mr. Bilyeu requested a response of businesses that the City of Farmersville would like to add to the list not to be considered for this program by December 5th.

Jim Foy recommended pay day loan facilities, pawn shops, tattoo and body piercing, game rooms, liquor stores and sexually oriented businesses. Council concurred with the list provided. A letter will be composed and submitted tomorrow to the County.

DISCUSSION AND POSSIBLE DIRECTION REGARDING THE REGULATIONS FOR THE CIVIC CENTER USE/RENTAL

Public Works Director Ben White came before the Council to address continued issues that have arisen regarding the Civic Center use. Mr. White stated he has identified specific individuals to be responsible for facilities that the City owns. He and staff are searching to find a person that will keep the standards of the Civic Center at a higher level. The Centennial Committee paid to have the floors cleaned and brought back to a higher standard. Mayor Helmberger stated his discontent of having the renters bring their own trash bags, toilet paper and other necessities. At other facilities, these products are expected to be supplied. If the rates need to be increased to cover the costs, then this needs to be examined and brought back to the Council for consideration.

CONSIDERATION AND POSSIBLE ACTION REGARDING THE NEGOTIATION AND EXECUTION OF A CONTRACT FOR RECYCLING SERVICES WITH COMMUNITY WASTE DISPOSAL (CWD)

Council took no action on this item during the Regular Agenda Session.

EXECUTIVE SESSION – DISCUSSION OF MATTERS PERMITTED BY THE FOLLOWING SECTIONS OF TEXAS GOVERNMENT CODE CHAPTER 551.071: CONSULTATION WITH CITY ATTORNEY, REGARDING CONTRACT WITH COMMUNITY WASTE DISPOSAL (CWD) FOR RECYCLING SERVICES

Council exited to Executive Session at 7:38pm in accordance with Texas Government Code Section 551.071, Consultation with Attorney. Council reconvened into Regular Session at 7:55pm.

ACTION REGARDING ITEM DISCUSSED IN EXECUTIVE SESSION

Robert Medogovich approached the Council to state that City Manager John Moran would like to have a conference call next week to work out the final details of the contract.

ADJOURNMENT

Council adjourned at 7:55pm.

APPROVED

Joseph E. Helmberger, P.E., Mayor

ATTEST

Edie Sims, City Secretary

FARMERSVILLE CITY COUNCIL
MEETING MINUTES
December 13, 2011

The Farmersville City Council met in a regularly called session on December 13, 2011 at 6:00pm in the Council Chambers at City Hall with the following members present: Mayor Joe Helmberger, Pansy Hundley, Paul Kelly, Billy Long, Russell Chandler and Jim Foy. Staff members present were Police Chief Mike Sullivan, Public Works Director Ben White, City Attorney Alan Lathrom, Fire Chief Kim Morris, Finance Director Daphne Hamlin and City Secretary Edie Sims.

CALL MEETING TO ORDER, ROLL CALL

Mayor Helmberger called the meeting to order. Edie Sims called the roll and announced a quorum was present. Mayor Helmberger welcomed all guests and visitors.

Mayor Helmberger expressed appreciation to the Chamber of Commerce for their efforts and success with the annual Christmas parade. Also the Farmersville Downtown Merchants Association, the Marketing Committee and Jim Foy were recognized for their efforts to make the day's events on December 10th so successful.

CONSENT AGENDA

Paul Kelly requested Item G – Municipal Court Report for the month of November be pulled for discussion.

Mayor Helmberger requested Item H – Public Works and Customer Service Report for the month of November be pulled for discussion.

Jim Foy also requested Item H – Public Works and Customer Service Report for the month of November be pulled for discussion.

Billy Long motioned to approve Items A, B, C, D, E, F, I, and J from the Consent Agenda. Russell Chandler seconded the motion. A poll of the Council was taken as follows: Pansy Hundley yes, Paul Kelly yes, Billy Long yes, Russell Chandler yes and Jim Foy yes. Motion passed with full Council approval.

Paul Kelly had questions regarding Item G. Mr. Kelly asked for the understanding of "Compliance Dismissal." Police Chief Mike Sullivan answered stating that for some defendants that have received a ticket of violation, some condition was met which then means the ticket was dismissed due to compliance. Examples of such tickets could be insurance, outdated tags or showing your license. Paul Kelly motioned to approve Item G with Billy Long seconded the motion. A poll of the Council was taken as follows: Pansy Hundley yes, Paul Kelly yes, Billy Long yes, Russell Chandler yes and Jim Foy yes. Motion passed with full Council approval.

Jim Foy questioned Item H regarding Stage 3 water conservation and drought contingency. The City does not have an actual policy via an ordinance of each step to take for water conservation or a drought contingency. Public Works Director Ben White stated that a meeting with North Texas Municipal Water District is scheduled which will allow Mr. White to work on a policy for Farmersville. Mayor Helmberger questioned the reduction of insurance costs per residence by lowering the Insurance Service Organization Certificate (ISO) from level 5 to level 3. Public Works Director Ben White indicated that a significant cost savings could be had by each residence with a savings of 10-15% lower rates. The cost to follow a three phase process to lower the level of the ISO rating will be \$15,800 which would be money well spent for the community. Mr. White made the recommendation to go forward with this expenditure and three phase process. Mr. White also indicated that he is working closely with the Finance Department to generate accounts that will track materials and labor. This will be very helpful for

grant projects and other projects through the City. This will allow accurate reporting and know where money is being spent which will give the capability to plan for future projects. Jim Foy asked if parking lot stripping is planned for the downtown square with Mr. White replying yes. This would be a contracted job which would include fire zones and other parking markings. Pansy Hundley motioned to approve Item H with Jim Foy seconding the motion. A poll of the Council was taken as follows: Pansy Hundley yes, Paul Kelly yes, Billy Long yes, Russell Chandler yes and Jim Foy yes. Motion passed with full Council approval.

INFORMATIONAL ITEMS

All Informational Items were presented to the Council. Council did not request further information or clarification regarding Informational Items.

PUBLIC HEARING – PUBLIC HEARING TO CONSIDER, DISCUSS AND ACT ON A REQUEST FOR AN EXTENSION OF THE SPECIFIC USE PERMIT FOR JOKERS WILD GAME ROOM LOCATED AT 812 MCKINNEY STREET, FARMERSVILLE, TEXAS, AND FIRST AND ONLY READING OF ACCOMPANYING ORDINANCE # O-2011-1219-001

Mayor Helmberger opened the Public Hearing at 6:16pm asking for anyone who wished to speak FOR the request to extend the Specific Use Permit for Jokers Wild. Helen Sears, residing at 1578 Highway 547, expressed to the Council that she is the owner of Joker's Wild Game Room and requested the Council approve the Special Use Permit request. Ms. Sears stated that her game room is strictly for entertainment which is mostly accessed by elderly people. Mayor Helmberger asked for anyone who wished to express OPPOSITION to extending the Specific Use Permit for Jokers Wild. No one spoke OPPOSING the permit. The Public Hearing was closed at 6:17pm.

City Attorney Alan Lathrom stated the Planning and Zoning Commission recommended approval of the permit for an additional year. Russell Chandler asked if any police issues have occurred at this game room, with Police Chief Sullivan stating no issues have occurred. Russell Chandler motioned to approve the extension of the Specific Use Permit for Jokers Wild for one year with Paul Kelly seconding the motion. A poll of the Council was taken as follows: Pansy Hundley yes, Paul Kelly yes, Billy Long yes, Russell Chandler yes and Jim Foy yes. Motion passed with full Council approval.

PUBLIC HEARING – PUBLIC HEARING TO CONSIDER, DISCUSS AND ACT UPON THE CREATION OF A TAX INCREMENT FINANCING REINVESTMENT ZONE AND ITS BENEFITS TO THE CITY OF FARMERSVILLE AND TO PROPERTY WITHIN THE PROPOSED REINVESTMENT ZONE LOCATED GENERALLY WITHIN THE CITY OF FARMERSVILLE, TEXAS, AND ITS EXTRA-TERRITORIAL JURISDICTION ALONG AND ABOUT THE NORTHERN AND SOUTHERN SIDES OF U.S. HIGHWAY 380 AND FIRST READING OF ACCOMPANYING ORDINANCE # O-2011-1219-002 DESIGNATING A CONTIGUOUS GEORGRAPHIC AREA WITHIN THE CITY OF FARMERSVILLE, TEXAS, AND ITS EXTRA-TERRITORIAL JURISDICTION AS TAX INCREMENT FINANCING REINVESTMENT ZONE NUMBER ONE, CITY OF FARMERSVILLE, TEXAS; ESTABLISHING A BOARD OF DIRECTORS FOR SUCH REINVESTMENT ZONE, ESTABLISHING A TAX INCREMENT FUND; CONTAINING FINDINGS AND PROVISIONS RELATED TO THE CREATION OF THE TAX INCREMENT FINANCING REINVESTMENT ZONE; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING FOR AN EFFECTIVE DATE

Mayor Helmberger opened the Public Hearing at 6:20pm. Mayor Helmberger asked for anyone to speak FOR the creation of a Tax Increment Reinvestment Zone. Larry Cline with Schrader & Cline, LLC., residing at 4800 Broadway, Addison, TX, came before the Council

speaking FOR the creation of the TIRZ. The TIRZ will encompass the vacant property along Highway 380 and will be assumed as retail development as the majority for the use. The projections presented in the past meetings are for a 30 year term. The TIRZ tax will be invisible to the property owner. The funds from the TIRZ will help fund public infrastructure within the zone and stimulate private development. Once the projects are completed and paid for, the TIRZ can be collapsed.

Eddy Daniel, residing at 3671 N Highway 78 and also the President of the 4A Economic Development Corporation Board came before the Council in support of the TIRZ. Mr. Daniel also informed the Council that 4A Economic Development is funding the creation of the TIRZ. Mr. Daniel stated that it is very important for the TIRZ to occur this year due to incoming development. Collin County is planning to be a participant in the TIRZ and is in negotiations with the EDC. An agreement will be presented to the County for final approval for their participation.

City Manager John Moran, residing at 408 Maple, stated this project was one of the first things looked at when he came to the City. Upon his arrival, Mr. Moran stated he was looking for incentives and found that the City was severely lacking in infrastructure with minimal impact to the developer. Mr. Moran stated he supports the TIRZ 100%.

Mayor Helmberger asked for anyone who was OPPOSED to the creation of a TIRZ to come forward. No one spoke OPPOSING the creation of a TIRZ. The Public Hearing was closed by Mayor Helmberger at 6:30pm.

Billy Long motioned to approve the creation of a Tax Increment Reinvestment Zone by approving the first reading of Ordinance # O-2011-1219-002. Jim Foy seconded the motion. A poll of the Council was taken as follows: Pansy Hundley yes, Paul Kelly yes, Billy Long yes, Russell Chandler yes and Jim Foy yes. Motion passed with full Council approval.

SECOND READING OF ORDINANCE – CONSIDER, DISCUSS AND ACT UPON ORDINANCE # O-2011-1122-001 ALTERING THE PRIMA FACIA SPEED LIMITS ESTABLISHED FOR VEHICLES UNDER THE PROVISIONS OF TRANSPORTATION CODE, SECTION 545.356 UPON STATE HIGHWAY NO. 380 OR PARTS THEREOF, WITHIN THE INCORPORATED LIMITS OF THE CITY OF FARMERSVILLE

From the last meeting when the altering of the speed limit along Highway 380 was discussed, Texas Department of Transportation (TxDOT) responded and resolved the issue of a gap of the speed limit having begun at 60 mph on the bridges west of the City and raised to 65 mph then drop again to 60 mph. TxDOT has agreed that the correct speed limit should be 60 mph from Sister Grove Creek, at the bridges west of the City, to just past the intersection of County Road 607 where the speed limit drops to 50 mph through the City. Russell Chandler motioned to approve Ordinance # O-2011-1122-001 with a change to reference mile post 8400 as the beginning of the 60 mph posting. Jim Foy seconded the motion. A poll of the Council was taken as follows: Pansy Hundley yes, Paul Kelly yes, Billy Long yes, Russell Chandler yes and Jim Foy yes. Motion passed with full Council approval.

FIRST READING – CONSIDER, DISCUSS AND ACT UPON ORDINANCE # O-2011-0628-003 AMENDING THE COMPREHENSIVE ZONING ORDINANCE THROUGH THE AMENDMENT OF SECTION 18, "CREATION OF BUILDING SITE," BY ADDING A NEW SECTION 18-E ENTITLED "SITE PLAN APPROVAL REQUIRED FOR COMMERCIAL AND MULTI-FAMILY DEVELOPMENT." (A PUBLIC HEARING WAS INITIALLY HELD REGARDING THIS ORDINANCE AMENDMENT ON OR ABOUT JUNE 28, 2011 AFTER WHICH CITY COUNCIL TOOK THE PROPOSED AMENDMENT UNDER ADVISEMENT.)

The Ordinance presented is identical to what the Planning and Zoning Commission recommended for approval. Paul Kelly motioned to approve Ordinance # O-2011-0628-003 as presented with Billy Long seconding the motion. A poll of the Council was taken as follows: Pansy Hundley yes, Paul Kelly yes, Billy Long yes, Russell Chandler yes and Jim Foy yes. Motion passed with full Council approval.

FIRST READING – CONSIDER, DISCUSS AND ACT UPON ORDINANCE # O-2011-1219-003 AMENDING THE MASTER FEE SCHEDULE REGARDING CIVIC CENTER DEPOSIT FEES AND RENTAL FEES

Council was given the recommendation from the Library/Civic Center Board regarding raising the deposit rates for the Civic Center rental. Jim Dawkins, residing at 4910 CR 660 and Chairman of the Library/Civic Center Board, came before the Council and stated the Board has made said recommendations as a base line to pay for stocking consumables at the Civic Center. Public Works Director Ben White stated a new maintenance person has been appointed to the position to oversee the cleaning and will be keeping the Civic Center fully stocked. An account will be set up in the budget to allow for tracking of costs. Mayor Helmberger expressed concern that the costs of increasing the deposits need to cover the costs of stocking and cleaning. Cleaning costs are \$300 per month with a weekly basic cleaning. Any major cleaning above the basic will be rated at \$10 per hour. Mayor Helmberger tabled this item to allow time to gather more data to ensure costs are covered.

FIRST READING – CONSIDER, DISCUSS AND ACT UPON ORDINANCE # O-2011-1219-004 REGARDING A BUDGET AMENDMENT FROM THE GENERAL FUND TO THE PUBLIC WORKS DEPARTMENT

Council received a recommendation to amend the budget so that funds accumulated from sales of surplus Public Works Department equipment could be implemented into the Public Works Department Budget. Recently, \$60,000 was sold at an auction which could be used for improvements to the Maintenance Barn area. Other opportunities for these funds include repairing the driveway from the fence to the street at the Maintenance Barn; building a concrete pad behind the Maintenance Barn for trucks to park; install a gate opener; reconfiguring of open space; improvements to the restroom facility to add a shower stall; locker space; kitchenette and lunchroom; possibly include an office space. Presently shelving is a major need and Public Works Director Ben White has requested the comments and suggestions from the Maintenance Crew for what would work best for their work area. Not all the improvements suggested can be accomplished, but by having these suggestions, Mr. White stated planning can be accomplished for budgetary items in the future. Paul Kelly motioned to approve Ordinance # O-2011-1219-004 with Pansy Hundley seconding the motion. A poll of the Council was taken as follows: Pansy Hundley yes, Paul Kelly yes, Billy Long yes, Russell Chandler yes and Jim Foy yes. Motion passed with full Council approval.

CONSIDER, DISCUSS AND ACT UPON AN UPDATE OF THE RIDING ARENA AGREEMENT

The Riding Arena Agreement presented is identical to last year's agreement. Paul Kelly motioned to approve the Riding Arena Agreement with Pansy Hundley seconding the motion. A poll of the Council was taken as follows: Pansy Hundley yes, Paul Kelly yes, Billy Long yes, Russell Chandler yes and Jim Foy yes. Motion passed with full Council approval.

CONSIDERATION AND POSSIBLE ACTION REGARDING THE NEGOTIATION AND EXECUTION OF A CONTRACT FOR RECYCLING SERVICES WITH COMMUNITY WASTE DISPOSAL (CWD)

Mayor Helmberger dismissed this item as it is no longer necessary for a discussion item.

CONSIDER, DISCUSS AND ACT UPON APPOINTMENT TO THE PLANNING AND ZONING COMMISSION

Pansy Hundley nominated and motioned for Lee Warren to fill the open position on the Planning and Zoning Commission. Jim Foy seconded the motion. A poll of the Council was taken as follows: Pansy Hundley yes, Paul Kelly yes, Billy Long yes, Russell Chandler yes and Jim Foy yes. Motion passed with full Council approval.

CONSIDER, DISCUSS AND ACT UPON APPOINTMENT OF A BOND COMMITTEE

Mayor Helmberger tasked each Council person to nominate and confirm two individuals to serve on the Bond Committee. Pansy Hundley nominated Wayne May and Joe McKee. Joe McKee is not eligible to serve as he is not a resident of the City of Farmersville. Ms. Hundley stated she would confirm another individual and return with that appointment. Paul Kelly nominated Will Thornton and Levell Cheatham. Mr. Cheatham's appointment would depend on the meeting times. Billy Long nominated Will Strawn and Larry Ratliff. Mayor Helmberger nominated Kevin Adamson and Jeff Hurst. Russell Chandler nominated Michael Carr and Jason McTee. Jim Foy nominated Charlie Whitaker and John Cooper. No further action was taken by the Council.

CONSIDER, DISCUSS AND ACT UPON APPOINTMENT OF A DIRECTOR TO SERVE ON THE NORTH TEXAS TRAIL ASSOCIATION TO REPRESENT FARMERSVILLE

Mayor Helmberger stated he would prefer the Council to appoint Mark Vincent to act on behalf of the City of Farmersville as a Director on the North Texas Trail Association. Mr. Vincent has been an essential part of the trail planning with North Texas Trail Association. Jim Foy motioned to approve the appointment of Mark Vincent to serve as a Director on the North Texas Trail Association with Russell Chandler seconding the motion. A poll of the Council was taken as follows: Pansy Hundley yes, Paul Kelly yes, Billy Long yes, Russell Chandler yes and Jim Foy yes. Motion passed with full Council approval.

CONSIDER, DISCUSS AND ACT UPON AN INTERLOCAL AGREEMENT WITH COLLIN COUNTY FOR LIBRARY SERVICES

Trisha Dowell, Librarian for the Rike Library, informed the Council that Collin County has budgeted funds in the amount of \$17,800 to our Library for Fiscal Year 2011-2012. These funds will not be guaranteed in next year's budget. Paul Kelly motioned to approve the Interlocal Agreement for Library Services with Collin County with Billy Long seconding the motion. A poll of the Council was taken as follows: Pansy Hundley yes, Paul Kelly yes, Billy Long yes, Russell Chandler yes and Jim Foy yes. Motion passed with full Council approval.

DISCUSS, APPROVE OR DISAPPROVE THE SITE PLAN FOR THE O'REILLY'S AUTO PARTS STORE TO BE LOCATED AT 1705 WEST AUDIE MURPHY PARKWAY, FARMERSVILLE

Mayor Helmberger stated that the Planning and Zoning Commission has approved the Site Plan for the O'Reilly's Auto Parts Store pending confirmation of the Architect's stamp on the Site Plan documents. Public Works Director Ben White investigated the potential issue of the Architect's stamp not having an expiration date. The stamp is a perpetual stamp as long as the Architect signs and dates the document. The Site Plan has also been approved by the City Engineer and Bureau Veritas. Jim Foy motioned to approve the Site Plan for O'Reilly's Auto Parts Store with Billy Long seconding the motion. A poll of the Council was taken as follows:

Pansy Hundley yes, Paul Kelly yes, Billy Long yes, Russell Chandler yes and Jim Foy yes. Motion passed with full Council approval.

STATUS OF IMPROVEMENTS PLANNED FOR THE PUBLIC WORKS MAINTENANCE BUILDING FROM THE PROCEEDS OF THE EQUIPMENT AUCTION

Mayor Helmberger stated this information was previously covered during the Public Works monthly report. No action was taken on this item.

UPDATE REGARDING DRIVE-THRU RETAIL SALES FROM THE PLANNING AND ZONING COMMISSION

Paul Kelly, Council Liaison for the Planning and Zoning Commission, stated that the Planning and Zoning Commission has been working on the issue of the drive-thru retail sales zoning. This item is still being examined. Other cities are being reviewed as to how their ordinance works with this type of business which includes accessory uses which include banks, pharmacies and dry cleaners.

UPDATE REGARDING THE COMPREHENSIVE PLAN

Mayor Helmberger stated this information was previously covered during the Public Works monthly report. No action was taken on this item.

UPDATE REGARDING WATER METER REPLACEMENT PROJECT

Public Works Director Ben White informed the Council that he has been researching other cities regarding water meter replacement projects. The City of Bonham attained a grant using the ITRON electronic system with 700 meters in the ground. Mr. White stated he wanted to get the most efficient water meter that will give the best long term results for the money spent. The electronic meters improve the accuracy of readings. Mr. White is to have a meeting to attain budgetary numbers and will present this to the Council to see if the impact can be justified. Mayor Helmberger stated he has had previous experience with this type of meter reading. The meters are read constantly which can also track the water usage and indicate if a water leak is present. This is a valuable asset to eliminate water waste. Mr. White stated there are many options to choose from and will allow fewer errors. This item will be brought to the Council on the January agenda.

UPDATE REGARDING STATUS OF THE CHAPARRAL TRAIL GRANT

Public Works Director Ben White informed the Council that Oak Grove Landscaping has given an estimate of \$136,000 to install decomposed granite along the trail. The granite will be dispense 8' wide and 4" deep along the trail from the end of the concrete to the end of the trail ending on FM 2194 in Merit, Texas. Daniel and Brown, Inc. engineering firm is being assigned as the Project Manager for this grant project. A bidding process will begin in April with Construction to begin from May through August.

EXECUTIVE SESSION – DISCUSSION OF MATTERS PERMITTED BY THE FOLLOWING SECTIONS OF TEXAS GOVERNMENT CODE CHAPTER 551:

- A. SECTION 551.071, CONSULTATION WITH CITY ATTORNEY – CONSULTATION WITH CITY ATTORNEY TO SEEK AND/OR RECEIVE LEGAL ADVICE REGARDING MATTERS IN WHICH THE DUTY OF THE ATTORNEY TO THE GOVERNMENTAL BODY UNDER THE TEXAS DICIPLINARY RULES OF PROFESSIONAL CONDUCT REQUIRES PRESERVATION OF THE ATTORNEY-CLIENT PRIVILEGE:
 1. CONTRACT NEGOTIATION WITH COMMUNITY WASTE DISPOSAL (CWD) FOR RECYCLING SERVICES

2. CITY MANAGER AGREEMENT AND CONSIDERATION OF ACTION OR INACTION
- B. SECTION 551.074, DELIBERATION REGARDING PERSONNEL MATTERS
 1. DISCUSSION REGARDING THE CITY MANAGER'S LEAVE OF ABSENCE INCLUDING ALLOCATION OF HOURS FOR PART-TIME WORK AND PAID LEAVE BENEFITS, PHYSICAL CONDITION AND ABILITY TO PERFORM ESSENTIAL JOB FUNCTIONS, AND RETURN TO WORK

Council exited from Regular Session at 6:54pm into Executive Session.

RECONVENE FROM EXECUTIVE SESSION

Council reconvened from Executive Session into Regular Session at 8:35pm.

CONSIDER, DISCUSS AND ACT ON MATTERS DISCUSSED IN EXECUTIVE SESSION

1. CONTRACT NEGOTIATION WITH COMMUNITY WASTE DISPOSAL (CWD) FOR RECYCLING SERVICES

Jim Foy asked for anyone from CWD that had signing power for the contract between Community Waste Disposal and the City of Farmersville. Robert Medigovich, representative for Community Waste Disposal (CWD) came forth to state he was not a signer for the contract but would answer any questions the Council may have. Jim Foy motioned that since an impasse has occurred between the City of Farmersville and CWD that the City go to the next highest bidder for contract negotiations. Billy Long seconded the motion. A poll of the Council was taken as follows: Pansy Hundley yes, Paul Kelly yes, Billy Long yes, Russell Chandler yes and Jim Foy yes. Motion passed with full Council approval.

2. CITY MANAGER AGREEMENT AND CONSIDERATION OF ACTION OR INACTION

Council took no action on this item.

3. CITY MANAGER'S LEAVE OF ABSENCE

Council took no action on this item.

REQUEST FOR CONSIDERATION OF PLACING ITEMS ON FUTURE AGENDAS

No items were requested by Council for future agendas.

ADJOURNMENT

Council adjourned at 9:05pm.

APPROVED

Joseph E. Helmberger, P.E., Mayor

ATTEST

Edie Sims, City Secretary

FARMERSVILLE CITY COUNCIL
MEETING MINUTES
December 19, 2011

The Farmersville City Council met in a special called session on December 19, 2011 at 6:00pm in the Council Chambers at City Hall with the following members present: Mayor Joe Helmberger, Pansy Hundley, Paul Kelly, Billy Long, Russell Chandler and Jim Foy. Staff members present were Police Chief Mike Sullivan, Public Works Director Ben White, City Attorney Alan Lathrom, Fire Chief Kim Morris and City Secretary Edie Sims.

CALL MEETING TO ORDER, ROLL CALL

Mayor Helmberger called the meeting to order. Edie Sims called the roll and announced a quorum was present. Mayor Helmberger welcomed all guests and visitors.

Mayor Helmberger announced that the City of Farmersville has received the Gold Leadership Circle Award by scoring 16 of twenty points for the Texas Comptroller's Office efforts for governmental financial transparency.

Mayor Helmberger announced that James Guvvala, First Methodist Church's Youth Minister will be departing to Scottsdale, Arizona. Mayor Helmberger read a Proclamation that will be presented to Mr. Gavvala on January 8, 2012.

RECONSIDER DETERMINATION REGARDING THE EXISTENCE OF AN IMPASSE IN CONTRACT DISCUSSIONS WITH COMMUNITY WASTE DISPOSAL (CWD)

At the previous City Council meeting, a management representative was not present from Community Waste Disposal to sign a contract. Negotiations were impassed. There are presently no other stipulations regarding a contract between the City of Farmersville and Community Waste Disposal. Paul Kelly motioned to reconsider the determination with Community Waste Disposal with Pansy Hundley seconding the motion. A poll of the Council was taken as follows: Pansy Hundley yes, Paul Kelly yes, Billy Long yes, Russell Chandler yes and Jim Foy yes. Motion passed with full Council approval.

CONSIDERATION AND POSSIBLE ACTION REGARDING THE NEGOTIATION AND EXECUTION OF A CONTRACT FOR RECYCLING SERVICES WITH COMMUNITY WASTE DISPOSAL (CWD)

With all terms agreed upon, Jim Foy motioned to approve the contract with Community Waste Disposal for recycle services with Billy Long seconding the motion. A poll of the Council was taken as follows: Pansy Hundley yes, Paul Kelly yes, Billy Long yes, Russell Chandler yes and Jim Foy yes. Motion passed with full Council approval.

CONSIDER, DISCUSS AND ACT UPON ORDINANCE # O-2011-1219-002 DESIGNATING A CONTIGUOUS GEOGRAPHIC AREA WITHIN THE CITY OF FARMERSVILLE, TEXAS, AND ITS EXTRA-TERRITORIAL JURISDICTION AS TAX INCREMENT FINANCING REINVESTMENT ZONE NUMBER ONE, CITY OF FARMERSVILLE, TEXAS; ESTABLISHING A BOARD OF DIRECTORS FOR SUCH REINVESTMENT ZONE, ESTABLISHING A TAX INCREMENT FUND; CONTAINING FINDINGS AND PROVISIONS RELATED TO THE CREATION OF THE TAX INCREMENT FINANCING REINVESTMENT ZONE; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING FOR AN EFFECTIVE DATE AND ESTABLISHING A BOARD OF DIRECTORS FOR SUCH REINVESTMENT ZONE

With City Council's approval of first reading at the last meeting, Paul Kelly motioned to approve Ordinance # O-2011-1219-002 with Russell Chandler seconding the motion. A poll of the Council was taken as follows: Pansy Hundley yes, Paul Kelly yes, Billy Long yes, Russell Chandler yes and Jim Foy yes. Motion passed with full Council approval.

CONSIDER, DISCUSS AND ACT UPON ORDINANCE # O-2011-0628-003 AMENDING THE COMPREHENSIVE ZONING ORDINANCE THROUGH THE AMENDMENT OF SECTION 18, "CREATION OF BUILDING SITE," BY ADDING A NEW SECTION 18-E ENTITLED "SITE PLAN APPROVAL REQUIRED FOR COMMERCIAL AND MULTI-FAMILY DEVELOPMENT." (A PUBLIC HEARING WAS INITIALLY HELD REGARDING THIS ORDINANCE AMENDMENT ON OR ABOUT JUNE 28, 2011 AFTER WHICH CITY COUNCIL TOOK THE PROPOSED AMENDMENT UNDER ADVISEMENT)

Ordinance # O-2011-0628-003 was presented to the City Council which is identical to what Planning and Zoning Commission has previously approved. The City Council approved the Ordinance on first reading at the previous meeting. Russell Chandler motioned to approve the second reading of Ordinance # O-2011-0628-003 with Pansy Hundley seconding the motion. A poll of the Council was taken as follows: Pansy Hundley yes, Paul Kelly yes, Billy Long yes, Russell Chandler yes and Jim Foy yes. Motion passed with full Council approval.

CONSIDER, DISCUSS AND ACT UPON ORDINANCE # O-2011-1219-004 REGARDING A BUDGET AMENDMENT FROM THE GENERAL FUND TO THE PUBLIC WORKS DEPARTMENT

Ordinance # O-2011-1219-004 was approved on first reading at the last meeting. Public Works Director Ben White stated that all funds will be spent for improvements to the City's Public Works Facility. Russell Chandler motioned to approve Ordinance # O-2011-1219-004 regarding a budget amendment from the General Fund to the Public Works Department. Paul Kelly seconded the motion. A poll of the Council was taken as follows: Pansy Hundley yes, Paul Kelly yes, Billy Long yes, Russell Chandler yes and Jim Foy yes. Motion passed with full Council approval.

EXECUTIVE SESSION – DISCUSSION OF MATTERS PERMITTED BY THE FOLLOWING SECTIONS OF TEXAS GOVERNMENT CODE CHAPTER 551.071: CONSULTATION WITH CITY ATTORNEY:

1. CONSULTATION WITH CITY ATTORNEY TO SEEK AND/OR RECEIVE LEGAL ADVICE REGARDING MATTERS IN WHICH THE DUTY OF THE ATTORNEY TO THE GOVERNMENTAL BODY UNDER THE TEXAS DISCIPLINARY RULES OF PROFESSIONAL CONDUCT REQUIRES PRESERVATION OF THE ATTORNEY-CLIENT PRIVILEGE: REGARDING MUTUAL RECISSION OR INITIATION OF UNILATERAL SEVERANCE UNDER CITY MANAGER AGREEMENT AND RELATED OBLIGATIONS OR AGREEMENTS
2. SECTION 551.074, DELIBERATION REGARDING PERSONNEL MATTERS – APPOINTMENT OF AN INTERIM CITY MANAGER AND RELATED COMPENSATION PACKAGE ISSUES

Council exited to Executive Session at 6:13pm in accordance with Texas Government Code Section 551.071, Consultation with Attorney and Section 551.074 Deliberation regarding Personnel Matters. Council reconvened into Regular Session at 7:15pm.

ACTION REGARDING ITEM DISCUSSED IN EXECUTIVE SESSION

- A. Russell Chandler motioned that the City Council pursue a unilateral severance of the City Manager Agreement pursuant to Paragraph 6.3 of said agreement effective on the 21st day of January, 2012 and that the City Council make arrangements to pay the severance amount, severance benefits and current obligations as required by the City Manager Agreement and that the City Manager be provided at least 30 days written notice in advance of the effective date of such unilateral severance. Billy

Long seconded the motion. Jim Foy requested to have an amendment to the motion to amend the severance as called for in the contract plus increase the amount additionally \$1875 with continued paid health insurance coverage for 12 months. A poll of the Council was taken as follows: Pansy Hundley no, Paul Kelly yes, Billy Long yes, Russell Chandler yes and Jim Foy yes.

- B. Jim Foy motioned to appoint Ben White as Interim City Manager with an increase to his salary of \$12,500 annually. Billy Long seconded the motion. A poll of the Council was taken as follows: Pansy Hundley yes, Paul Kelly yes, Billy Long yes, Russell Chandler yes, and Jim Foy yes. Motion passed with full Council approval.

ADJOURNMENT

Council adjourned at 7:18pm.

APPROVED

Joseph E. Helmberger, P.E., Mayor

ATTEST

Edie Sims, City Secretary

FARMERSVILLE CITY COUNCIL
MEETING MINUTES
January 10, 2012

The Farmersville City Council met in a regularly called session on January 10, 2012 at 6:00pm in the Council Chambers at City Hall with the following members present: Mayor Joe Helmberger, Pansy Hundley, Paul Kelly, Billy Long, and Jim Foy. Staff members present were Interim City Manager Ben White, Police Chief Mike Sullivan, City Attorney Alan Lathrom, Fire Chief Kim Morris, Finance Director Daphne Hamlin, Librarian Trisha Dowell and City Secretary Edie Sims.

CALL MEETING TO ORDER, ROLL CALL

Mayor Helmberger called the meeting to order. Edie Sims called the roll and announced a quorum was present. Mayor Helmberger welcomed all guests and visitors.

Mayor Helmberger announced that Kenny Davis has received the Fireman of the Year Award and wished to give congratulations.

Mayor Helmberger also announced that the Annual Chamber Banquet is slated for March 24th.

The Rike Library will be closed January 17th and 18th to move books and furniture to storage buildings in preparation of the construction and new shelving that is to be installed. The Library will re-open for business on February 1st.

CONSENT AGENDA

Mayor Helmberger pointed out that minutes from the November meeting were included in the Council packet; however, the Agenda did not reflect that November minutes were to be acted upon by Council. Therefore, Mayor Helmberger stated that the month should be removed from the reports so that previous month's information can be acted upon. No action was taken on the minutes.

Mayor Helmberger also requested to the Main Street Report to the Informational Section of the Agenda.

Paul Kelly requested Item K – City Manager's Report be pulled for discussion.

Jim Foy requested Item D – Code Enforcement/Animal Control Report for the month of December and Item H – Public Works and Customer Service Report for the month of December be pulled for discussion.

Jim Foy motioned to approve Items B, C, E, F, G, I, and J. Paul Kelly seconded the motion. A poll of the Council was taken as follows: Pansy Hundley yes, Paul Kelly yes, Billy Long yes and Jim Foy yes. Motion passed with full Council approval.

Item D – Jim Foy stated he wanted to take the opportunity to thank the Code Enforcement/Animal Control Officer for the work performed. This is very beneficial to the community and wanted to express what a job well done. Billy Long motioned to approve Item D with Jim Foy seconding the motion. A poll of the Council was taken as follows: Pansy Hundley yes, Paul Kelly yes, Billy Long yes and Jim Foy yes. Motion passed with full Council approval.

Jim Foy questioned Item H regarding the section entitled "Street System." The Sycamore Street panel replacement is also included in the bond project. Mr. Foy asked if the Public Works Maintenance funds are to be used to facilitate this project or will this remain on the bond project list. Ben White, Interim City Manager, informed the Council that his intention was to repair the worst pot holes and do what can be done with the funds available. If this specific project is completed by the Public Works Department, this would lessen the amount of the bond.

Jim Foy also questioned the section entitled "Water System." Mr. Foy asked if daily use for last year can be provided. Mr. Foy stated he would like to see if the conservation efforts are working. Ben White, Interim City Manager, stated he would like to give an annual chart to reflect water consumption. Under the section entitled "Special Projects/Grants," Mr. White expressed that the final design will be presented to the Council regarding the Safe Routes to School Grant. The design will enlighten the complexities of the project and show how to avoid the trees. Farmersville Parkway Phase 3 is not listed in the section entitled "Street Projects." Mayor Helmberger stated that the County has not sold the bonds and will not sell them until the City has the matching funds. Jim Foy stated this issue should be addressed with the Bond Committee as well. Jim Foy motioned to approve Item H with Paul Kelly seconding the motion. A poll of the Council was taken as follows: Pansy Hundley yes, Paul Kelly yes, Billy Long yes and Jim Foy yes. Motion passed with full Council approval.

Paul Kelly asked to discuss Item K – City Manager's Report. Mr. Kelly thanked the Interim City Manager for this detailed report. Mr. Kelly also thanked Mr. White for working with Sharyland Utilities so that customer service is first. Interim City Manager Ben White stated he met with Sharyland Utilities and they gladly accepted the changes to allow customer service to continue by allowing Sharyland payments to be brought to City Hall; however, City Hall will not be handling any cash for Sharyland payments. Sharyland customers can place their stub and funds in an envelope, seal it and present it sealed to City Hall. Sharyland will then come by City Hall and pick up the sealed envelopes and process them. Paul Kelly asked if Sharyland will update their website to include the fees charged by stores who are taking payments. Interim City Manager Ben White also discussed hiring an additional person to work at the front counter as Paula has been an essential part with Public Works Operations. Having an additional person to take care of customer service more like a teller position and will allow Paula to be better utilized in her capacity. This will be a full time position. Jim Foy asked if the budget will support this position with Mr. White stating one of his Public Works employees will be retiring at the end of February. His job will be covered until the next budget year, but Mr. White also expressed that he wanted to study the budget further to support this position. Paul Kelly motioned to approve Item K with Pansy Hundley seconding the motion. A poll of the Council was taken as follows: Pansy Hundley yes, Paul Kelly yes, Billy Long yes and Jim Foy yes. Motion passed with full Council approval.

INFORMATIONAL ITEMS

All Informational Items were presented to the Council. Council did not request further information or clarification regarding Informational Items.

READING OF ORDINANCES – FIRST READING: CONSIDER, DISCUSS AND ACT UPON ORDINANCE # O-2012-0124-001 FOR A BUDGET AMENDMENT REGARDING THE FIRE DEPARTMENT FOR BUNKER GEAR WHICH IS TO BE REIMBURSED BY THE TEXAS FORESTRY GRANT

Fire Chief Kim Morris came before the Council and informed them that on \$5,000 had been budgeted for uniforms and bunker gear. One set of bunker gear alone costs \$3,000. The lifespan of a set of bunker gear is 10 years and the department must renew the gear. The Forestry Service has offered a 90/10 grant which will allow \$8,400 to the City of Farmersville to purchase 4 sets of bunker gear along with 8 helmets and 30 hoods. The current bunker gear is dated 2005 and will need to be replaced. Chief Morris stated he is constantly searching for grant opportunities to keep his Department up to date. Currently the Department has 35 volunteers. Billy Long motioned to approve Ordinance # O-2012-0124-001 on the first reading

with Jim Foy seconding the motion. A poll of the Council was taken as follows: Pansy Hundley yes, Paul Kelly yes, Billy Long yes and Jim Foy yes. Motion passed with full Council approval.

CONSIDER OPENING AN ACCOUNT AT FIRST NATIONAL BANK OF TRENTON FOR A POLICE DEPARTMENT SEIZURE ACCOUNT

Police Chief Mike Sullivan came before the Council and addressed the need for a Police Department Seizure Account. Chief Sullivan will be the sole signator on this account; however the funds will be audited by the City's annual audit and an audit through the Attorney General's Office. These funds can be used for equipment, programs through the Police Department and infrastructure such as computers and systems. In most cases, vehicles that are seized will be turned over to an auction and then those funds will be placed back into the account. The District Attorney's Office takes a portion of the seizure funds for their portion of working cases, but the remainder is placed in this special fund. Billy Long motioned to approve opening an account at First National Bank of Trenton for a Police Department Seizure Account with Paul Kelly seconding the motion. A poll of the Council was taken as follows: Pansy Hundley yes, Paul Kelly yes, Billy Long yes and Jim Foy yes. Motion passed with full Council approval.

CONSIDER, DISCUSS AND ACT UPON AMENDMENTS TO THE CITY MANAGER ORDINANCE

Interim City Manager Ben White presented some possible amendments to the City Manager Ordinance # 2009-34. The first issue brought to the attention of the Council was in regard to the residency requirement. Mayor Helmberger stated he prefers the amendment to have the City Manager reside within the City Limits of Farmersville as this would be a "buy-in" to the City and the Community. To live within the City would be critical to becoming an active participant in the community. Paul Kelly stated he would like to see the City Manager live in the Farmersville ISD. After further discussion, the Council opted to leave Section 8.122.2 regarding residency as previously written to continue allowing the City Manager to reside outside the boundaries of the Farmersville ISD with approval of the Council.

The Council also discussed the possible amendment of removal of the City Manager instead of super majority. Jim Foy compared this position to hiring the President and it takes special care and considerations for removal of this particular officer. Therefore, the Council all agreed to leave the original wording as previously written.

The next proposed amendment was referencing Section 8.122.4 regarding Compensation. The proposed amendment included "based on an annual review by the Mayor and City Council." City Attorney Alan Lathrom stated he felt this amendment could be a problem. The City Manager is hired through a contract and the salary should be fixed through using said contract. Mayor Helmberger stated the contract establishes employment and the initial salary. Pansy Hundley stated she liked having an annual review by the Mayor and City Council. Under Section 8.122.5 (B), Jim Foy stated there are three positions that work for the Council rather than the City Manager: the City Attorney, the City Secretary - who is hiring by the City Manager but is approved by the City Council and the Municipal Judge who is appointed by the City Council on the same schedule as the Mayor's election. Mayor Helmberger requested the term appointees be removed, otherwise leave as is. Section 8.122.5 (J) needs to remain that the City Manager shall be the Chief Building Official for the City of Farmersville. By this title, if the City Manager chooses to hire an individual or firm to perform the tasks regarding inspections, that is accomplished at his/her discretion. Section 8.122.5 (L) was suggested to strike "a majority" but Council opted to leave as is. Mayor Helmberger requested all changes be brought back to the Council for consideration at the next meeting.

CONSIDER, DISCUSS AND ACT UPON AMENDMENTS TO THE PERSONNEL POLICY

Interim Ben White presented amendments to the Personnel Policy which only affected Section 7-08 through 7-11 regarding Appeals, Grievance and Exemptions. Pansy Hundley stated she was for having the appeals process return previously before this policy was changed allowing the employees to appeal the City Council after following the proper procedure. Currently the Policy has the City Manager as the final authority to approve, disapprove, modify or rescind any disciplinary actions taken and that the City Manager's is the only person to appeal a decision regarding disciplinary actions. The City Manager's decision is final and no further appeals process is allowed through the City Council. After a short discussion, the Council agreed that having the Council as the final appeal of an employee discrepancy is best for the employees. Mayor Helmberger requested City Attorney Alan Lathrom to clean up the amendments and ensure the Grievance Policy is correct. Regarding Section 7-11 Exemptions – Pansy Hundley stated that the City Manager should not be exempt from disciplinary, dismissal, suspension or demotions; however the Council concurred that the City Manager falls under his/her contract and has a different standard to meet through the City Council based on that particular position. This item will be brought back to the Council at the next meeting.

CONSIDER, DISCUSS AND ACT UPON SHARYLAND UTILITY PAYMENTS PROCESS

As previously discussed during the City Manager's Report, the Sharyland Utility payments are being received at City Hall; however the customer is responsible to place the paystub and their funding in an envelope and seal the envelope. The sealed envelopes are picked up by Sharyland employees. Paul Kelly requested the fees being charged by other pay stations be placed on the City's website and on Sharyland's website and if payment information can be added to the monthly statement. No further discussion was held regarding this issue.

CONSIDER, DISCUSS AND ACT UPON THE DEMOLITION OF THE OLD CLUBHOUSE AT SOUTHLAKE PARK

Council asked Interim City Manager Ben White if the demolition project would be an in-house project with the reply being no. An asbestos survey will be performed to ensure that no asbestos is in the structure. A contracted service will demolish and remove the debris. The building was given to the Fire Department several years ago; however, the Fire Department does not have any problem with the structure being demolished. The cost of this removal is budgeted contingent on the assumption of no asbestos being identified. No further discussion was held regarding this issue.

CONSIDER, DISCUSS AND ACT UPON LIBRARY POLICY CHANGES

Trisha Dowell, Librarian for the Rike Library, requested the Council to approve the changes of the Library Policy as approved by the Library Board to read as follows: "...patrons using computers are required to refrain from viewing or accessing materials on the computers that display sexually explicit or obscene material." This statement will prohibit patrons from using pin drives, thumb drives or other devices which can be used to display sexually explicit or obscene material. Billy Long motioned to approve the changes as recommended by the Library Board with Paul Kelly seconding the motion. A poll of the Council was taken as follows: Pansy Hundley yes, Paul Kelly yes, Billy Long yes and Jim Foy yes. Motion passed with full Council approval.

UPDATE FROM POLICE CHIEF SULLIVAN REGARDING THE UTILITY AND COURT COLLECTIONS THROUGH MCCREARY, VESELKA, BRAGG AND ALLEN, P.C., COLLECTION ATTORNEYS

Police Chief Mike Sullivan came before the Council with an update of warrant and utility collections through McCreary, Veselka, Bragg and Allen, P.C. With ½ million dollars in outstanding warrants, the collection firm has collected \$10,000. The attorneys have stated that collections will improve during income tax return season. Chief Sullivan stated the income could be boosted with a warrant round-up; however it is expected that a larger amount of violators would want to sit out their fines in jail rather than paying the fine. The cost of housing inmates at Collin County Jail exceed the amount of fines and is very cost prohibitive. Collin County Jail charges \$69 per day. A warrant round-up may still be considered if arrangements can be made with Judge Douglas for his availability to magistrate the offenders. Mayor Helmberger stated we recently had a warrant officer and the warrants collected did pay his salary. A huge portion of a warrant officer's job is finding people and making arrangements. Paul Kelly suggested including overtime in next year's budget so that police officers can also work warrants. Chief Sullivan stated there are legalities to that method as it has been abused by other departments. Chief Sullivan stated he is not opposed to a warrant officer and this job would need to be job specific. No action was taken by Council regarding this issue.

UPDATE ON A SALARY SURVEY FOR CITY EMPLOYEES

Interim City Manager Ben White informed the Council that data to compare Farmersville with other cities has been attained and now the process is to narrow the search close to how Farmersville's City operates. This information will be meshed together and systematically prepared for presenting to the Council. Mr. White stated we are well beyond the initial steps and are making progress. No action was taken by Council regarding this issue.

UPDATE ON THE BOND COMMITTEE

City Secretary Edie Sims informed the Council that a Bond Committee has been formed and the first meeting is scheduled for January 12th. The first meeting will include a presentation of Bonds 101 by FirstSouthwest. The next meeting held on January 19th will include a presentation regarding projects by Interim City Manager Ben White. The Bond Committee will be meeting each Thursday for a total of 5 weeks due to the time issue for election requirements. The meetings will be publicly posted and are open to anyone. No action was taken by Council regarding this issue.

UPDATE REGARDING THE COMPREHENSIVE PLAN

Interim City Manager Ben White stated the scope document for the project is to be prepared for the 4A Economic Development Corporation meeting on January 18th. Since 4A is funding this project, the scope of project will be delivered to them for approval. The scope of project document will then come before the Council for final approval. Impact fees have been included. It may take 7-9 months to work out all the particulars for impact fees and approximately 3 month to adopt the impact fees, the timing will include public hearing requirements. This plan is not the "Cadillac" plan but is very good and will fit our needs. No action was taken on this item.

UPDATE ON THE TAX INCREMENT REINVESTMENT ZONE (TIRZ) PROGRESS

Interim City Manager Ben White informed the Council that a Resolution is to be presented to Collin County Commissioner's Court to approve participation with the City of Farmersville on January 23rd. There are several key milestones which must be met including by

laws, Interlocal agreements, an annual report by the end of the year and have a final project review in April. Paul Kelly requested the dates of milestones and other events regarding the TIRZ be placed on the City's website. No action was taken on this item.

UPDATE ON THE WATER MANAGEMENT PLAN/DROUGHT CONTINGENCY PLAN

Interim City Manager Ben White informed the Council he has received an example from the City of Frisco to assist with preparing our own water management and drought contingency plan. It is true that the City copied North Texas Municipal Water District's plan, but it does not identify the specific needs of Farmersville. April 1st is still slated to begin Stage 4 unless the level of the Lake changes. Landscaping businesses, car washes, restaurants and other businesses will be affected when Stage 4 is implemented. After the next meeting with North Texas Municipal Water District (NTMWD), Mr. White stated he will work with the Farmersville Times to inform the public as well as have information available on the City's website. NTMWD sets the targets and goals but the individual cities are to meet the goals and manage the system effectively. Paul Kelly's question of rate increasing due to Stage 4 conservation was answered no since the City of Farmersville has a "take or pay" type of rate system with NTMWD. Since 2006, the City of Farmersville has not met our take or pay rate. No action was taken on this item.

UPDATE ON CIVIC CENTER RENTAL FEES

Interim City Manager Ben White informed the Council that he has implemented a tracking system to track all expenditures for the Civic Center which includes the Caretaker's fee, cost of paper products, cleaning supplies, etc. Mr. White stated he would like this system monitored for three months to be able to set the rate according to data presented. The Civic Center should not be a revenue maker, but should pay its own expenses. Council concurred to have this item brought back to the Council in April.

UPDATE ON AUTOMATED METER READING EQUIPMENT

Interim City Manager Ben White presented a power point presentation with automated meter reading information from ITRON. The automated meter reading system will be especially cost effective for revenue recovery and leak detection. The goal in having an automated meter reading system is to deliver utilities at an affordable price and have measures done accurately. Today water meters are getting older, water lines have to be repaired or replaced and our revenues are declining. Several companies offer an automated meter reading service which helps to manage leak detection. Mr. White stated he would like to present a business case analysis at the next Council meeting. Pansy Hundley questioned if grant funds are available for this type of equipment. Mr. White stated that the City of Bonham was able to attain a sizeable grant.

Mr. White also indicated that ITRON integrates electrical automated meter reading systems as well as water meter reading. This is definitely something for the City to keep our hand in the game so that futuristically we may want to use our own uniqueness to help ourselves. Grants may be more available to us since we are very unique. Mayor Helmberger expressed it is time to proceed. This item will return to the next Council meeting.

EXECUTIVE SESSION – DISCUSSION OF MATTERS PERMITTED BY THE FOLLOWING SECTIONS OF TEXAS GOVERNMENT CODE CHAPTER 551:

- A. SECTION 551.071, CONSULTATION WITH CITY ATTORNEY TO SEEK AND/OR RECEIVE LEGAL ADVICE REGARDING MATTERS IN WHICH THE DUTY OF THE

ATTORNEY TO THE GOVERNMENTAL BODY UNDER THE TEXAS DISCIPLINARY RULES OF PROFESSIONAL CONDUCT REQUIRES PRESERVATION OF THE ATTORNEY-CLIENT PRIVILEGE:

1. LEGAL ISSUES REGARDING A SETTLEMENT AGREEMENT AND MUTUAL RELEASE OF CLAIMS WITH JOHN MORAN RELATED TO UNILATERAL SEVERANCE OF EMPLOYMENT PURSUANT TO THE CITY MANAGER AGREEMENT AND RELATED OBLIGATIONS

Council exited from Regular Session at 8:22pm into Executive Session.

RECONVENE FROM EXECUTIVE SESSION

Council reconvened from Executive Session into Regular Session at 9:00pm.

CONSIDER, DISCUSS AND ACT ON MATTERS DISCUSSED IN EXECUTIVE SESSION

1. LEGAL ISSUES REGARDING A SETTLEMENT AGREEMENT AND MUTUAL RELEASE OF CLAIMS WITH JOHN MORAN RELATED TO UNILATERAL SEVERANCE OF EMPLOYMENT PURSUANT TO THE CITY MANAGER AGREEMENT AND RELATED OBLIGATIONS

Jim Foy motioned to approve the settlement agreement with John Moran subject to a health insurance issue. Billy Long seconded the motion. A poll of the Council was taken as follows: Pansy Hundley yes, Paul Kelly yes, Billy Long yes and Jim Foy yes. Motion passed with full Council approval.

REQUEST FOR CONSIDERATION OF PLACING ITEMS ON FUTURE AGENDAS

No items were requested by Council for future agendas.

ADJOURNMENT

Council adjourned at 9:03pm.

APPROVED

Joseph E. Helmberger, P.E., Mayor

ATTEST

Edie Sims, City Secretary

FARMERSVILLE CITY COUNCIL
MEETING MINUTES
January 24, 2012

The Farmersville City Council met in a regularly called session on January 24, 2012 at 6:00pm in the Council Chambers at City Hall with the following members present: Mayor Joe Helmberger, Pansy Hundley, Paul Kelly, Billy Long, Russell Chandler and Jim Foy. Staff members present were Interim City Manager Ben White, Police Chief Mike Sullivan, City Attorney Alan Lathrom, Fire Chief Kim Morris, Finance Director Daphne Hamlin, Librarian Trisha Dowell and City Secretary Edie Sims.

CALL MEETING TO ORDER, ROLL CALL

Mayor Helmberger called the meeting to order. Edie Sims called the roll and announced a quorum was present. Mayor Helmberger welcomed all guests and visitors.

Mayor Helmberger announced that the aroma noticed around town is the sludge from clean water lagoons that are been processed and removed. The sediment is removed every two years.

Mayor Helmberger also announced that the North East Texas Trails Committee will be meeting January 27, 2012. Mayor Helmberger and Mark Vincent will be attending this meeting.

Mayor Helmberger has asked TxDOT to help make the intersection at Highway 380 and CR 607 more visible to upcoming travelers in light of the multiple accidents at this location.

The Rike Library will be closed to the public and moving books and furniture from the storage buildings back into the Library in the new shelving that has been installed. The Library will re-open for business on February 1st. Mayor Helmberger asked for volunteers to assist on Saturday, January 28th.

READING OF ORDINANCES – SECOND READING: CONSIDER, DISCUSS AND ACT UPON ORDINANCE # O-2012-0124-001 FOR A BUDGET AMENDMENT REGARDING THE FIRE DEPARTMENT FOR BUNKER GEAR WHICH IS TO BE REIMBURSED BY THE TEXAS FORESTRY GRANT

Mayor Helmberger announced that Council has passed Ordinance # O-2012-0124-001 regarding a budget amendment for bunker gear on the first reading at the last meeting. Billy Long motioned approve the Ordinance as presented with Jim Foy seconding the motion. A poll of the Council was taken as follows: Pansy Hundley yes, Paul Kelly yes, Billy Long yes, Russell Chandler yes and Jim Foy yes. Motion passed with full Council approval.

CONSIDER, DISCUSS AND ACT UPON A NEW STREET SIGN STANDARD AS PRESENTED BY INTERIM CITY MANAGER BEN WHITE

Interim City Manager Ben White demonstrated a street sign that will become the standard in Farmersville with Council approval. The Federal Government has mandated that all street signs meet a certain criteria and begin installation by 2015. The color will be a standard brown which flows with the Marketing Committee's branding efforts. The signs will also have the diamond grad for hazard signs, but will be a step lower grade for the standard street signs. The signs will be highly reflective. The first step is to have a plan in place, then the street signs can begin to be made and installed. Paul Kelly questioned why the sign replacement, with Mayor Helmberger announcing an unfunded federal government mandate. Grants are being researched. Mayor Helmberger stated the Subdivision Ordinance will need to be amended to require this standard of street signage. Jim Foy stated he thought the mandate was extended to

2018. Council all showed positive response to the proposed sign standards. A written standard will be presented to the Council at a future meeting to implement the sign standard.

CONSIDER, DISCUSS AND ACT UPON AMENDMENTS TO THE CITY MANAGER ORDINANCE

Council was presented with amendments to the City Manager Ordinance via Ordinance # O-2012-0214-001 reflecting proposed changes referring to Section 2 (a), the time frame the City Manager shall reside within the Farmersville Independent School District. Council discussed the three month time limit and concurred that it was sufficient with the caveat that residing outside the Fisd would require Council approval. Billy Long motioned to approve the first reading of Ordinance # O-2012-0214-001 with Russell Chandler seconding the motion. A poll of the Council was taken as follows: Pansy Hundley yes, Paul Kelly yes, Billy Long yes, Russell Chandler yes and Jim Foy yes. Motion passed with full Council approval.

CONSIDER, DISCUSS AND ACT UPON AMENDMENTS TO THE PERSONNEL POLICY

Council reviewed a Resolution presented which will amend the Personnel Policy regarding the Appeals of Disciplinary Action and the Grievance and Appeal Procedures allowing the City Council to be the last deciding body regarding a grievance with an employee of the City. This change will revert the process to its form from two years ago. Russell Chandler motioned to approve the Resolution as presented with Jim Foy seconding the motion. A poll of the Council was taken as follows: Pansy Hundley yes, Paul Kelly yes, Billy Long yes, Russell Chandler yes and Jim Foy yes. Motion passed with full Council approval.

CONSIDER, DISCUSS AND ACT UPON A REQUEST TO AMEND OR CHANGE THE COMPREHENSIVE ZONING ORDINANCE REGARDING RESIDENTIAL USES BEING LIMITED TO THE SECOND FLOOR AND ABOVE A BUILDING IN THE CA DISTRICT

The Planning and Zoning Commission was presented with the issue of a variance request from 1001 Bargains, a retail store located at 110 McKinney Street, to allow the use of an existing apartment within the building. The building had an owner/occupant that had an apartment in the back of the building. Since that particular owner/occupant left and the building was sold, the apartment became a non-conforming use per City Attorney Alan Lathrom. The Planning & Zoning Commission are not allowed to make the decision regarding the variance; however the Commission requested the Council to consider allowing the Planning & Zoning Commission to explore the possibilities of changing/amending the Comprehensive Zoning Ordinance to make an allowance for residential uses in building in the Central Area on the first floor. Jim Foy stated that when the original Comprehensive Zoning Ordinance was prepared, the main objective was to ensure the retail stores to remain as such and not become residential in the downtown area on the first story. Mr. Foy continued that he would not have a problem with a residential area being in the back portion of a building and use a percentage as such then the store front stays as non-residential. Jack Alexander, owner of 1001 Bargains, came before the Council expressing that he did not intend to live in this apartment area, but would like to have that option available to him if the need arose. Bureau Veritas did an inspection and did not find any changes to be made to the area other than installing smoke detectors, which have been purchased and will be installed. The exits and all other areas would pass an inspection for use as an apartment. Mayor Helmberger stated it would behoove the Council to have this topic reviewed and have the Planning and Zoning Commission make recommendations to the Council. Council concurred. This item will be brought before the next Planning and Zoning Commission meeting.

PRESENTATION FROM JIM DAWKINS REGARDING THE CONVERSION OF UNION SHED #2 INTO A MUSEUM

This item was not ready for a presentation. No action was taken on this item.

UPDATE ON THE BOND COMMITTEE

Wayne May, Chairman of the Bond Committee, came before the Council to report that the Committee has reviewed bond options and the projects in need of repair or replacement. Mr. May stated that it is his understanding that streets are of the utmost concern and the biggest job for the Committee is to see what the tolerance level is that the citizens can bare with a tax increase to pay for the bonds. The Bond Committee will be crunching numbers over the next three meetings. Mr. May stated this is a very difficult decision especially during these economic times. The Bond Committee is expected to have a recommendation for the Council at their last meeting on February 9.

UPDATE ON THE FORMATION OF THE TAX INCREMENT REINVESTMENT ZONE (TIRZ)

Interim City Manager Ben White stated that Larry Cline has been working diligently with Collin County to prepare a presentation before Commissioner's Court tentatively scheduled for February 13. The Farmersville Economic Development Corporation has offered to pay for the completion of the TIRZ creation. After approval of the Commissioner's Court, a board will be created and all information including calendar dates and a TIRZ map will be included on the City's website. The board will be composed of 2 members from Collin County and 3 from Farmersville. Interim City Manager stated this process is moving along smartly.

UPDATE ON THE DEMOLITION OF THE SOUTHLAKE CLUBHOUSE

Interim City Manager Ben White reported that the Clubhouse does have asbestos in the linoleum sheeting, tile siding and roof flashing. Quotes are being attained for the abatement of the asbestos products. An approved landfill will be required to be used for those specific items.

DISCUSS REVIEW AND APPROVE THE COMPREHENSIVE PLAN SCOPE DOCUMENT. AUTHORIZE INTERIM CITY MANAGER TO EXECUTE AN AGREEMENT WITH THE CITY ENGINEER FOR DEVELOPING AND DOCUMENTING THE COMPREHENSIVE PLAN IN ACCORDANCE WITH THE SCOPE DOCUMENT

Mayor Helmberger announced that the Economic Development Corporation has worked diligently on the Comprehensive Plan which is needed in the worst way. The Board asked that the Council review the draft presented. A cost of \$80,000 will be paid by the FEDC. Jim Foy requested other groups such as the Greenville Economic Development and adjoining communities, such as Floyd, be included regarding potential Municipal Utility Districts and residential developments. These external agencies need to be evaluated and considered in our plans as there could be huge aftereffect. Any changes or recommendations need to be forwarded to Eddy Daniel. The Impact Fee Study will cost \$28,900 and the Comprehensive Plan costing \$51,100. Jim Foy motioned to approve the Comprehensive Scope Document and authorize Interim City Manager to execute an agreement with the City Engineer for developing and documenting the Comprehensive Plan in accordance with the scope document. Paul Kelly seconded the motion. A poll of the Council was taken as follows: Pansy Hundley yes, Paul Kelly yes, Billy Long yes, Russell Chandler yes and Jim Foy yes. Motion passed with full Council approval.

WATER MANAGEMENT PLAN UPDATE

Interim City Manager Ben White stated he would like to keep this item on the Council Agenda until completed. Mr. White has been working on the Plan and has made a lot of



TO: Mayor and Councilmembers
FROM: Ben White, Interim City Manager
DATE: February 14, 2012
SUBJECT: CONSENT AGENDA - City Financial Reports

(II - B)

**City of Farmersville
Investment Report**

December 2011

Prepared by: Daphne Hamlin

SUMMARY OF ACTIVITY
IN TEXPOOL INVESTMENT ACCOUNTS
CITY OF FARMERSVILLE

	MONTH ENDING DECEMBER 2011			
	C/O TAX DEPOSITS	C/O REV RESERVE	CUST DEPOSITS	WATER TOWER RES.
	<i>Restricted</i>	<i>Restricted</i>	<i>Restricted</i>	
Beginning Market Value for reporting period	107,494.48	6,610.49	107,286.56	4,480.32
FNB INTEREST				
Changes in Market Value:				
Deposits	7.36	0.47	7.34	0.31
Withdrawals				
Interest Earned	107,501.84	6,610.96	107,293.90	4,480.63
Ending Market Value for Period				
	TEXSTAR 2005 C/O	TEXSTAR 2006 C/O	GENERAL FND. RES.	REFUSE FUND RES.
Beginning Market Value for reporting period	4,111.34	539,811.01	799,602.74	75,246.84
Changes in Market Value:				
Deposits				
Withdrawals		(296,757.94)		
Interest Earned	0.28	25.60	(Cash Dividend)	(Cash Dividend)
Ending Market Value for period	4,111.62	243,078.67	799,602.74	75,246.84
	Parks Improvement	Library/Civic Center	Electric Fund Res.	Water Fund Res.
Beginning Market Value for reporting period	2,141.98		179,506.24	801,004.29
Changes to Market Value:				
Deposits				
Withdrawals				
Interest Earned	0.26		CASH DIVIDEND	55.09
Ending Market Value for period	2,142.24	-	179,506.24	801,059.38

Weighted average maturity = 45 days

The Public Funds Investment Act (Sec.2256.008) requires the City's Investment Officer to obtain 10 hrs. of continuing education each period from a source approved by the governing body. Listed below are courses Daphne Hamlin will complete to satisfy that requirement:

I hereby certify that the City of Farmersville's Investment Portfolio is in compliance with the City's investment strategy as expressed in the City's Investment Policy (Resolution 99-17, and with relevant p of the law.


Daphne Hamlin, City Investment Officer

Collateralization of Bank Deposits @ December 31st, 2011

Pledged Securities	Deposit Amount	FDIC	Collateral Pledged	Needed Market Value
(1) FNB Interst & Sinking	\$ 197,205 \$	250,000		
(2) FNB Operating Account	\$ 273,223 \$	250,000 \$		23,223
(3) FNB Money Market	\$ 172,132 \$	250,000		
(3) Certificate of Deposit	\$ - \$	- \$		-
(3) Certificate of Deposit	\$ - \$	- \$		-
Total:	\$ 642,560 \$	750,000 \$	23,223	Needed Pledged per Bank

Summary of Pledge Securities:

(1) First National Bank Interest & Sinking Account has 100% coverage thru FDIC at \$250,000

(2) First National Bank City of Farmersville Operating Account has 100% coverage thru FDIC (unlimited) for municipalities

MEMO

To: Ben White, Interim City Manager

From: Daphne Hamlin, City Accountant

Date: February 10th, 2012

Subject: December 2011 Budget Report

Monthly budget report will focus on the analysis of budgetary variances of the revenues and expenditures of each of the major operating funds and project the impact on available fund balance. As a benchmark for comparison, we'll bear in mind that as of the end of December, 3/12 months or 25% of the fiscal year.

Prior year comparisons can assist in budgetary analysis and are also included.

Presented in this format are: 1) an executive summary describing variance analysis and any other current budget issues, 2) budgetary comparison schedules of each major operating fund of the city, and 3) a fiscal year to date activity summary for cash and investments.

Executive Summary

The major operating funds that are part of the annual operating budget of the city are the general, interest & sinking, water & wastewater, refuse, and electric funds.

General Fund

In total, revenues in the general fund are 27.84% collected.

Sales Tax revenues are currently at 28.77%. For the same month last year, sales taxes were 26.53%.

Property taxes collected are currently at 30.47%. For the same month last year, property taxes were 31.33% collected. Bear in mind taxes are not due until January 31, 2012.

Franchise Fees revenues are currently at 57.29%. For the same month last year, franchise fees were 51.47% collected. Main reason for increase is due to annual payment of gas franchise

Licenses/Permits revenues are currently at 38.14% this year as compared to 28.03% for the same month last year.

Municipal Court fines are currently at 31.56% this year as compared to 31.75% for the same month last year.

Fire run payments are currently @ 31.34%. Fire run payments are received quarterly from Collin County. Also, included is the Revenue Rescue Program.

Overall the general fund expenditures are at 27.84%. Staying close to the benchmark of 25%

City Council expenses are currently at 59.21% due to TML Insurance due October 2011.

Same holds true for Administration and Public Works TML Insurance due October 2011

Debt service (capital lease payments) is at 83.08%, annual lease payment (\$56,822) for quint fire truck paid in November 2011

Interest & Sinking Fund

The Interest & Sinking fund (I&S) is supported by the I&S portion of the property tax levy. I&S account is currently showing 29.03 % collected this year versus 31.54 % collected for the same period last year. Bear in mind taxes are not due until January 31, 2012

Total expenditures in I&S account are for bond payments due on a biannual basis. Bond payments are allocated between I&S fund and the water and wastewater fund. First bond payment for this fiscal budget year was made February 2012, in the amount of \$180,020. Second bond payment will be due August 2012

Refuse Fund

Sanitation services are provided under contract by IESI. Total revenues are 25.23% and total expenses are 28.27%.

Water & Wastewater Fund

Total revenues are 37.94% with water at 43.92% and wastewater at 25.99%.

Water expenses are at 22.8% and wastewater is at 16.41%. Overall Water & Waste Water Expenses are at 20.83 %.

Electric Fund

Total revenues are 0%; City of Farmersville receives quarterly management payment. Projected revenue amount \$810,000 annual

The expenses are at 24.33% and include budgeted transfers to general fund (\$674,000 annual, or \$56,166 per month transfer).

Cash Summary

Cash is managed in accordance with the City's adopted Investment Policy. To minimize risk and earn interest, available cash is invested in local government investment pools and CD's. When needed for disbursement funds are transferred to the City's bank account from our investment pools.

MONTHLY BUDGET REPORT
DECEMBER 2011 (3/12 MONTHS OR 25% OF FISCAL YEAR)
GENERAL FUND

	PRIOR FISCAL YEAR					CURRENT FISCAL YEAR					% OF BUDGET	
	FINAL BUDGET	CURRENT MONTH	Y-T-D	ACTUAL	ENCUMBRANCE	BUDGET BALANCE	% OF BUDGET	Y-T-D	ACTUAL	ENCUMBRANCE		BUDGET BALANCE
REVENUE												
PROPERTY TAX	697,426	154,176	218,503	218,503	-	478,923	31.33%	168,188	220,988	-	504,226	30.47%
SALES TAX	254,734	20,419	67,591	67,591	-	187,143	26.53%	21,063	75,965	-	188,035	28.77%
FRANCHISE FEES	58,773	905	30,249	30,249	-	28,524	51.47%	900	37,983	-	28,317	57.29%
LICENSES/ PERMITS	14,597	1,714	4,092	4,092	-	10,505	28.03%	1,175	9,230	-	14,970	38.14%
MUNICIPAL CT FINES	69,780	4,631	22,152	22,152	-	47,628	31.75%	6,026	26,824	-	58,176	31.56%
48 SUPPORT/ REIMB	54,500	9,233	19,322	19,322	-	35,178	35.45%	5,815	11,445	-	33,555	25.43%
FIRE RUN PAYMENTS	107,435	704	31,478	31,478	-	75,957	29.30%	5,218	33,692	-	73,808	31.34%
LEASES/ RENTALS	43,049	525	11,148	11,148	-	31,901	25.90%	1,114	4,967	-	40,001	11.05%
MISCELLANEOUS INCOME	57,493	9,445	11,446	11,446	-	46,047	19.91%	(10,360)	2,611	-	49,589	5.00%
INTEREST	1,800	160	542	542	-	1,258	30.11%	60	194	-	1,606	10.78%
TRANSFERS IN	767,869	63,988	191,966	191,966	-	575,903	25.00%	87,182	261,550	-	784,652	25.00%
TOTAL REVENUE	2,127,456	265,900	608,489	608,489	-	1,518,967	28.60%	286,381	685,449	-	1,776,935	27.84%
EXPENDITURES (BY DEPARTMENT)												
CITY COUNCIL	9,174	100	5,760	5,760	-	3,414	62.79%	740	5,471	-	3,769	59.21%
ADMINISTRATION	604,888	74,047	152,392	152,392	80	452,416	25.19%	25,866	155,024	86	373,744	29.31%
MUNICIPAL COURT	95,864	10,076	25,836	25,836	-	70,028	26.95%	9,296	28,564	-	67,430	29.76%
LIBRARY/ CIVIC CENTER	122,223	11,152	28,464	28,464	542	93,217	23.29%	11,135	28,468	1,156	95,196	22.81%
POLICE	765,133	70,102	184,459	184,459	8,746	571,928	24.11%	71,165	194,616	172	648,880	23.07%
FIRE	132,617	7,782	19,283	19,283	1,607	111,727	14.54%	11,573	36,163	810	169,779	17.49%
PUBLIC WORKS	470,561	35,986	100,442	100,442	1,367	368,752	21.35%	50,475	154,691	860	339,673	31.24%
DEBT SERVICE (LEASES)	71,347	-	59,774	59,774	-	11,573	83.78%	-	56,822	-	11,571	83.08%
TRANSFERS OUT	-	-	-	-	-	-	0.00%	-	-	-	-	0.00%
TOTAL EXPENDITURES	2,271,807	209,245	576,410	576,410	12,342	1,683,055	25.37%	180,250	659,819	3,084	1,710,042	27.81%
NET REVENUES OVER (UNDER) EXPENDITURES												
	(144,351)	56,655	32,079	32,079	(12,342)	(164,088)		106,131	25,630		66,893	

MONTHLY BUDGET REPORT
DECEMBER 2011 (3/12 MONTHS OR 25% OF FISCAL YEAR)
INTEREST & SINKING FUND

		PRIOR FISCAL YEAR				CURRENT FISCAL YEAR				
		CURRENT MONTH	Y-T-D ACTUAL	BUDGET BALANCE	% OF BUDGET	CURRENT BUDGET	CURRENT MONTH	Y-T-D ACTUAL	BUDGET BALANCE	% OF BUDGET
REVENUE										
PROPERTY TAX	239,952	53,417	75,701	164,251	31.55%	238,597	52,646	69,312	169,285	29.05%
INTEREST	600	57	161	439	26.83%	500	36	96	404	19.20%
TRANSFERS IN					0.00%				-	0.00%
TOTAL REVENUE	240,552	53,474	75,862	164,690	31.54%	239,097	52,682	69,408	169,689	29.03%
EXPENDITURES (BY DEPARTMENT)										
DEBT SERVICE PRINCIPAL	123,340			123,340	0.00%	123,340			123,340	0.00%
DEBT SERVICE INTEREST	110,413			110,413	0.00%	104,515			104,515	0.00%
PAYING AGENT FEES	1,000			1,000	0.00%	1,000			1,000	0.00%
TOTAL EXPENDITURES	234,753	-	-	234,753		228,855	-	-	228,855	0.00%
NET REVENUES OVER (UNDER) EXPENDITURES		5,799	53,474	75,862		10,242	52,682	69,408		

MONTHLY BUDGET REPORT
DECEMBER 2011 (9/12 MONTHS OR 25% OF FISCAL YEAR)
REFUSE UTILITY FUND

	PRIOR FISCAL YEAR				CURRENT FISCAL YEAR				% OF BUDGET
	FINAL BUDGET	CURRENT MONTH	Y-T-D	ACTUAL	BUDGET BALANCE	CURRENT BUDGET	CURRENT MONTH	Y-T-D ACTUAL	
REVENUE									
RESIDENTIAL COLLECTION	221,043	18,329		55,284	165,759	219,016	18,659	56,299	25.71%
COMMERCIAL COLLECTION	162,619	13,488		40,394	122,225	165,855	14,030	41,502	25.02%
BRUSH COLLECTION	3,920	170		1,320	2,600	4,000	-	450	11.25%
PENALTIES	6,281	466		1,548	4,733	7,000	575	1,758	25.11%
RECYCLING	4,466	16		833	3,633	5,220	400	1,212	23.22%
INTEREST	126	11		36	90	125	5	17	13.60%
TOTAL REVENUE	398,455	32,480		99,415	299,040	401,216	33,669	101,238	25.23%
EXPENSES									
PERSONNEL	33,352	-		-	33,352	-	141	12,450	0.00%
PROFESSIONAL SERVICES	4,055	337		1,013	3,042	4,055	338	1,013	24.98%
MAINTENANCE	-	-		-	-	-	-	-	0.00%
OPERATING EXPENSES	285,564	34,671		60,233	225,331	310,766	27,850	77,945	25.08%
SUPPLIES	-	-		-	-	-	-	-	0.00%
MISCELLANEOUS	4,931	-		-	4,931	-	-	-	0.00%
CAPITAL OUTLAY	-	-		-	-	-	-	-	0.00%
TRANSFERS OUT	86,395	6,999		20,998	65,397	86,395	7,234	22,011	25.48%
TOTAL EXPENDITURES	414,297	42,007		82,244	332,053	401,216	35,563	113,419	28.27%
NET REVENUES OVER (UNDER) EXPENSES	(15,842)	(9,527)		17,171		-	(1,894)	(12,181)	

MONTHLY BUDGET REPORT
DECEMBER 2011 (3/12 MONTHS OR 25% OF FISCAL YEAR)
WATER & WASTEWATER UTILITY FUND

	PRIOR FISCAL YEAR					CURRENT FISCAL YEAR						
	FINAL BUDGET	CURRENT MONTH	Y-T-D ACTUAL	Y-T-D ENCUMBRANCE	BUDGET BALANCE	% OF BUDGET	CURRENT BUDGET	CURRENT MONTH	Y-T-D ACTUAL	Y-T-D ENCUMBRANCE	BUDGET BALANCE	% OF BUDGET
REVENUE												
WATER REVENUE												
CC CONVI FEE	2,256	143	270		1,500	11.97%	1,400	141	524			37.43%
IMPACT FEES	3,600	0	2100		603,719	58.33%						36.68%
WATER SALES	760,882	42,862	157,163			20.66%	880,293	52,656	372,653			38.35%
CONNECTION FEE	3,000	125	927		2,073	30.90%	2,999	275	1,150			97.98%
PENALTIES & RECONNECT FEES	12,545	750	2,812		9,663	22.97%	8,397	4,855	8,227			0.00%
TAP FEES	1,800		1,200		600	66.67%						0.00%
TRANSFERS IN												0.00%
OTHER INCOME	173	-	145		28	83.82%	P/W Equip	\$ 59,490.00	59,490			49.52%
TOTAL WATER REVENUE	784,256	43,880	164,687	-	616,083	21.00%	893,089	117,417	392,246	-		
WASTEWATER REVENUE												
SEWER	351,000	26,180	79,793		271,207	22.73%	435,304	40,959	112,565			25.86%
TAP FEES	1,200	-	600		600	0.00%						0.00%
PENALTIES	7,799	523	1,647		6,112	21.63%	7,861	843	2,613			33.24%
IMPACT FEES	-					0.00%						0.00%
TOTAL WASTEWATER REVENUE	359,999	26,703	82,080	-	277,919	22.80%	443,165	41,802	115,178	-		25.99%
OTHER INCOME												0.00%
INTEREST	2,017	173	566		1,451	28.06%	2,000	93	323			16.15%
TRANSFERS IN	-	-	-		-	0.00%	-	-	-			0.00%
TOTAL ALL REVENUES	1,146,272	70,756	247,333	-	895,453	21.58%	1,338,254	159,312	507,746	-		37.94%
EXPENSES												
ADMINISTRATION EXPENSES												
PERSONNEL	51,574	6,957	14,222		37,452	27.38%	147,919	15,956	32,583			22.03%
PROFESSIONAL SERVICES	18,811	-	2,530		16,281	13.45%	16,000		1,152			7.20%
MAINTENANCE	5,386	1,374	1,574		3,862	28.30%	5,500	60	110			2.00%
OPERATING EXPENSES	8,612	1,066	3,129		5,483	36.33%						0.00%
SUPPLIES	219				219	0.00%	1,250					0.00%
MISCELLANEOUS	948	424	747		201	78.80%	5,000					0.00%
WATER EXPENSES												
PERSONNEL	139,071	10,354	27,900		111,171	20.06%	141,977	18,209	42,305			29.80%
PROFESSIONAL SERVICES	69,418	6,859	20,543		48,875	29.59%	79,155	38,465	50,224			63.45%
MAINTENANCE	26,683	4,043	10,842		15,841	40.63%	5,500	3,121	3,976			72.29%
OPERATING EXPENSES	32,000	2,079	4,230		27,770	13.22%	26,700	1,809	7,191			26.33%
SUPPLIES	397,964	35,276	77,382		320,632	19.43%	420,714		69,649			16.55%
MISCELLANEOUS	93,292	358	4,800		88,692	4.93%	106,142	1,895	15,297			14.11%
UTILITIES												0.00%
CAPITAL OUTLAY	-				-	0.00%	2,000					0.00%
EQUIPMENT TRANSFER	38,200				38,200		39,200					25.00%
TRANSFERS OUT	139,064	11,548	34,766		104,288	25.00%	220,446	18,370	55,111			22.89%
TOTAL WATER EXPENSES	1,021,242	80,378	202,265	222	818,977	19.81%	1,217,503	97,885	277,588	-		
WASTEWATER EXPENSES												
PERSONNEL	101,705	7,203	18,906		82,799	0.00%	82,659	10,700	26,560			32.13%
PROFESSIONAL SERVICES	22,000				22,000	0.00%	31,500		1,023			3.25%
MAINTENANCE	213,492	17,594	65,618		147,874	30.74%	227,000	15,040	45,301			19.96%
OPERATING EXPENSES	9,131	639	1,231		7,900	13.48%	-	1,848	3,775			0.00%
SUPPLIES	4,424				4,424	0.00%						0.00%
UTILITIES	-				-		7,200	1,035	1,676			0.00%
DEBT SERVICE	116,859				116,859	0.00%	116,859					0.00%
CAPITAL OUTLAY	-				-	0.00%	2,000					0.00%
EQUIPMENT TRANSFER	31,950				31,950		32,950					25.00%
TRANSFERS OUT	15,000	1,250	3,750		11,250	25.00%	43,451	3,620	10,862			16.41%
TOTAL WASTEWATER EXPENSES	514,561	26,686	89,505	1,200	425,056	17.39%	543,619	32,233	89,197	-		
TOTAL ALL EXPENSES	1,535,803	107,064	291,770	1,422	1,244,033	19.00%	1,761,122	130,118	366,785	-		20.83%
NET REVENUES OVER (UNDER) EXPENSES	(389,531)	(36,308)	(44,437)	-	(422,868)			29,194	140,950	-		

MONTHLY BUDGET REPORT
DECEMBER 2011 (3/12 MONTHS OR 25% OF FISCAL YEAR)
ELECTRIC UTILITY FUND

	PRIOR FISCAL YEAR					CURRENT FISCAL YEAR								
	FINAL BUDGET	CURRENT MONTH	Y-T-D	ACTUAL	ENCUMBRANCE	BUDGET BALANCE	% OF BUDGET	CURRENT BUDGET	CURRENT MONTH	Y-T-D	ACTUAL	ENCUMBRANCE	BUDGET BALANCE	% OF BUDGET
REVENUE														
MANAGEMENT AGREEMENT	641,652	132,888	135,960			505,692	21.19%	810,000					810,000	0.00%
INTEREST	500	26	85			415	17.00%	500	23	52			448	10.40%
TRANSFER IN	-						0.00%							
TOTAL REVENUE	642,152	132,914	136,045	-		506,107	21.19%	810,500	23	52		-	810,448	0.01%
EXPENSES														
PERSONNEL SERVICES	34,314	2,231	4,491			29,823		38,288	3,979	8,160			30,128	21.31%
PROFESSIONAL SERVICES	40,000	240	4,774			35,226	0.00%	75,000	-	17,422			57,578	23.23%
MAINTENANCE	16,938	538	3,968			12,970	23.43%	25,000	1,544	1,729			23,271	6.92%
OPERATING EXPENSES	-					-	0.00%						-	0.00%
UTILITIES	-					-	0.00%			726			(726)	0.00%
MISCELLANEOUS	-					-	0.00%			1,900			(1,900)	0.00%
EQUIPMENT TRANSFER	-					-	0.00%	1,200					1,200	0.00%
CAPITAL OUTLAY	45,000					45,000	0.00%	2,000					2,000	0.00%
TRANSFERS OUT	505,900	42,125	126,375			379,525	24.98%	674,000	58,166	168,499			505,501	25.00%
TOTAL EXPENSES	642,152	45,134	139,608	-		502,544	21.74%	815,488	61,689	198,436		-	617,052	24.33%
NET REVENUES OVER (UNDER) EXPENSES														
	-	87,780	(3,563)	-		-		(4,988)	(61,666)	(198,384)		-		



TO: Mayor and Councilmembers
FROM: Ben White, Interim City Manager
DATE: February 14, 2012
SUBJECT: CONSENT AGENDA - Police Department Report

(II - C)



Farmersville Police Department
134 North Washington Street
Farmersville, TX 75442
972-782-6141

Farmersville Police Department Monthly Report January-12

Total Calls For Service: **318**

Tier 1 Crimes

Robbery: **0**
Assault: **3**
Theft: **6**
Burglary: **3**
Motor Vehicle Theft: **0**

Tier 2 Crimes

Forgery: **1**
Fraud: **0**
Criminal Mischief: **0**
Weapons: **0**
DWI: **0**
Public Intoxication: **0**
Disorderly Conduct: **0**
Drugs: **0**

Miscellaneous

Traffic Stops: **108**
Citations: **38 (46 violations)**
Alarms: **9**
Major Accidents: **7**
Minor Accidents: **2**
Agency Assist: **9**

Cases filed with the District Attorney's Office:

Felony: **13**
Misdemeanor: **11**



TO: Mayor and Councilmembers
FROM: Ben White, Interim City Manager
DATE: February 14, 2012
SUBJECT: CONSENT AGENDA – Code Enforcement/Animal Control Report

(II - D)

FARMERSVILLE POLICE DEPARTMENT
PUBLIC SERVICE OFFICER: ANIMAL CONTROL MONTHLY REPORT
MONTH: JANUARY 2012

DATE	TYPE OF CALL	ADDRESS	VIOLATION	WARNING	NOTICE/VIOL	CITATION	IMPOUND	CC SHELTER	CFS#
1/5/2012	Stray Dogs	Houston/Central	Unable to Locate						
1/5/2012	Tethering, Food, Water	121 S. Rike	Dog Taken				X		
1/5/2012	Improper Tethering	213 Hill	NOV		X				
1/5/2012	Stray Dog	212 CR 2194	Pound				X		
1/5/2012	Dead Dog	78/Gaddy	Disposed of						
1/5/2012	Owner Release	121 S. Rike							
1/5/2012	Pick Up Dog	Pound	Dr Lane's Office						10 Day Quarant
1/5/2012	Stray Dog	426 N. Hamilton	Pound				X		
1/5/2012	Dead Cat	Washington St	Disposed of						
1/6/2012	Stray Dogs	207 Hill	Picked Up						
1/6/2012	Stray Dogs	213 Hill	Returned to Owner						
1/6/2012	Pick Up 5 Dogs	Pound	CCAS					X	
1/6/2012	Clean Cages	Pound	P/U Puppy						
1/6/2012	Release Dog	134 N. Washington	Owner						
1/6/2012	Improper Tethering	551 Audie Murphy	NOV	X		X			
1/6/2012	Check Tethering	608 N. Main	Good						
1/6/2011	Complaint	211 Neathery	Dog Loose						
1/6/2012	Loose Dog	207 Neathery	NOV		X				
1/6/2012	Stray Cat	Murchison	Pound				X		
1/6/2012	2 Abandoned Dogs	203 Abby	Pound				X	X	
1/9/2012	Stray Dog	Maple	Pound				X		
1/9/2012	No Shelter for Dogs	213 Hill	Complaint						Dogs ha
1/9/2012	Return Trap	202 Murchison							

FARMERSVILLE POLICE DEPARTMENT

CODE ENFORCEMENT

JANUARY 2012

DATE	ADDRESS	VIOLATION	INSPECTION	WARNING	NOTICE VIOL	CITATION	CLOSED DATE	NOTES/CFS
1/5/2012	500 s. Main	Tree Down	X	X	X		1/19/2012	Tree belongs to 416 S. Main
1/5/2012	Stop & Go- Complaint	Brush/Trash	X	X			1/20/2012	
1/9/2012	117 S. Rike	Coverting Garage	X				1/12/2012	No Permit Needed Putting on Garage Doors
1/11/2012	Johnson-Lee- Recheck	Brush	X		X		1/11/2012	
1/11/2012	118 Bois D'Arc- Recheck	Numerous	X	X	X		1/11/2012	
1/11/2012	300 Gotcher- Recheck	Tree Down, Brush	X		X			Final Notice Sent 2/8/2012
1/11/2012	108 Wilcoxson	Take Pictures					1/11/2012	
1/11/2012	424 N. Main- Recheck	Appliances	X		X		1/11/2012	
1/11/2012	114 Prosper	Big Pile Debris	X		X		1/31/2012	Ltr Sent 1/12/2012
1/11/2012	507 Pendleton	Couch, Debris	X					Extended 2/8/2012
1/11/2012	Waterford-Dodge PU	Inspection Out	X	X			1/12/21012	
1/11/2012	Waterford-Blu PU	Registration Out	X	X			1/12/2012	
1/11/2012	Clairmont- Plymouth	Inspection Out	X	X			1/12/2012	
1/11/2012	Pendleton-Buick	Reg/Inspec Out	X	X			1/18/2012	
1/11/2012	Jouette-Honda	Registration Out	X	X			1/12/2012	
1/11/2012	503 Windom	Reg/Inspec Out	X	X			1/18/2012	Spoke w/Owner
1/12/2012	202 Hale	Appliances	X	X	X		1/26/2012	Final Notice 1/12/2012



TO: Mayor and Councilmembers
FROM: Ben White, Interim City Manager
DATE: February 14, 2012
SUBJECT: CONSENT AGENDA – School Resource Officer Report

(II - E)

Month of:

January

Officer: Huggins

	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	TOTAL
FTA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Curfew Viol	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Trespassing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Drug Para	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MIP Tobacco	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MIP Alcohol	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Assault M/C	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
D/C Language	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
D/C Fighting	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Class Disrupt	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	2
Disrup Trans	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
LETS Hours	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Presentation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Events Worked	0	0	0	0	0	0	0	0	0	0	0	0	6	0	0	0	0	0	0	5	0	0	0	0	6	0	0	5	0	0	0	22
Off/Inc Reports	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Arrest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Extra Patrols	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Student Contact	0	0	0	0	0	1	0	0	0	0	1	0	0	0	0	0	0	0	2	0	0	0	0	0	0	0	2	0	0	0	0	6
PTA Meetings	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Counsel Forms	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Safety Drills	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Parent Contacts	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Res Chks	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0
Traffic Stops	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL	0	0	0	0	0	1	0	0	0	0	1	1	7	0	0	0	0	0	2	5	0	0	0	0	6	0	3	5	0	0	0	31



TO: Mayor and Councilmembers
FROM: Ben White, Interim City Manager
DATE: February 14, 2012
SUBJECT: CONSENT AGENDA – Fire Department Report

(II - F)

FARMERSVILLE FIRE DEPARTMENT
CITY COUNCIL REPORT
JANUARY 2012

Total Responses Made: 80

City: 44

Structure Fire	01
Major Accident	03
First Responder	27
Public Assist	08
Unauthorized Burn	02
Smoke/Odor Investigation	03
Grass Fire	01

County: 33

Major Accident	08
First Responder	11
Public Assist	01
Unauthorized Burn	04
Smoke/Odor Investigation	03
Grass Fires	02
False Alarms	04

OTHER ITEMS OF INTEREST:

1. We have received one resignation from Jason McTee who states due to other commitments he is unable to continue at this time.
2. We do have one member who has enrolled in the fire academy and will be a commissioned firefighter.
3. The various committees are still meeting to review and update standard operating procedures as well as by-laws from the department.
4. The department is considering putting on a fireworks display and fun day at South Lake park on July 4ht.

KIM R. MORRIS
Farmersville Fire Chief



TO: Mayor and Councilmembers
FROM: Ben White, Interim City Manager
DATE: February 14, 2012
SUBJECT: CONSENT AGENDA – Municipal Court Report

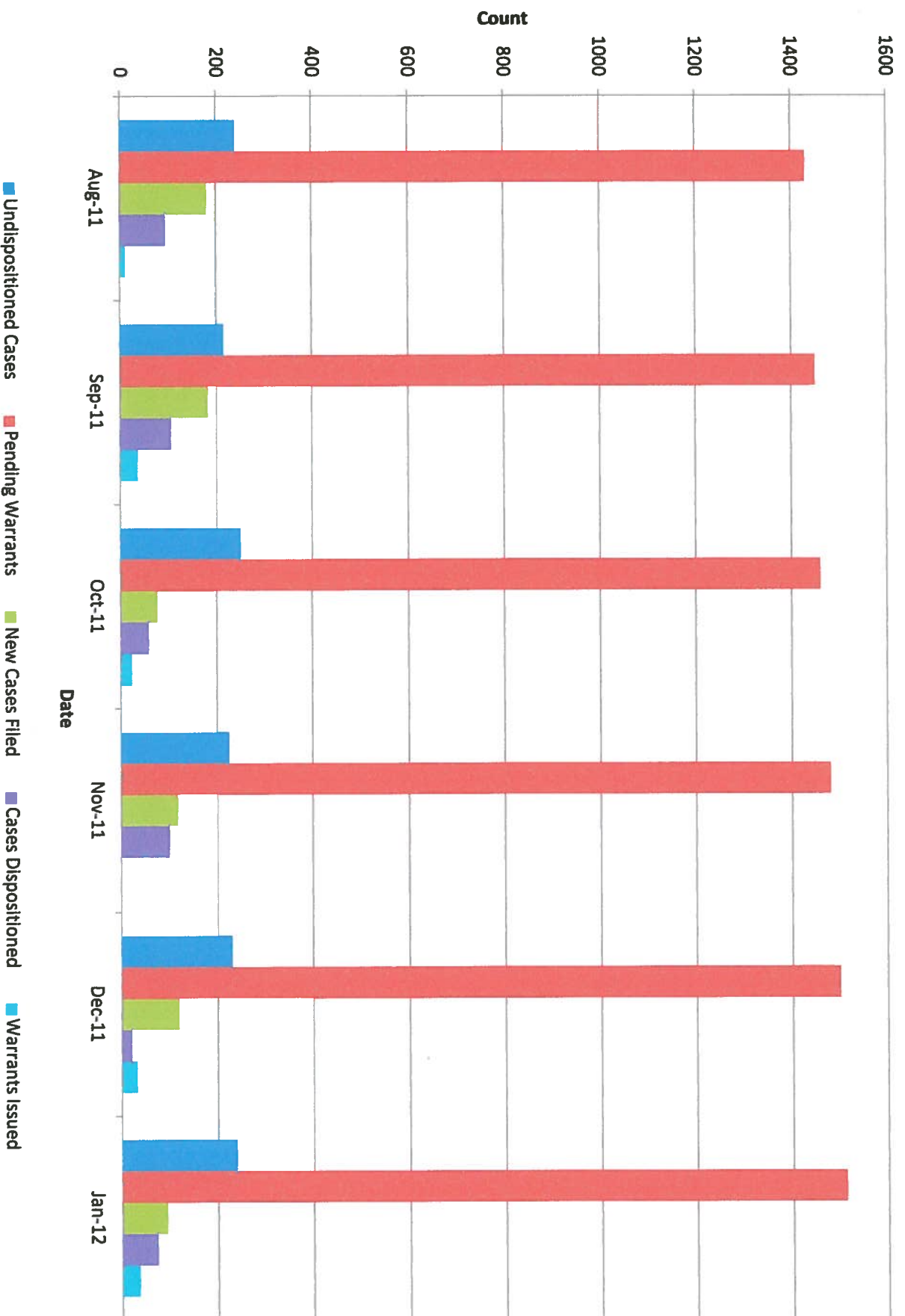
(II - G)

FARMERSVILLE MUNICIPAL COURT

MONTHLY REPORT JANUARY 2011

Cases Filed	97
Class C Complaints Received	0
Dispositions Prior to Trial	124
Pre-Trial Hearings Held	13
Non-Jury Trials Held	4
Jury Trials Held	2
Cases Dismissed	
After Driving Safety Course	17
After Deferred Disposition	36
After Proof of Financial Responsibility	10
Compliance Dismissal	8
Dismissed at Trial	4
FTA's Issued	0
Warrants Issued	36
Total Outstanding Warrants	1512
Total Due from Outstanding Warrants	\$494,853.82
Warrants Cleared by Court	6
Warrants Sent to Collection Agency	0
Warrants Cleared by Collection Agency	0
Warrants Sent to Omnibase	15
Warrants Cleared by Omnibase	2
Number of Disposed Cases	124
Total Revenue	\$14,446.00
Total Kept by City	\$8,281.35
Total Remitted to State	\$6,164.65

Municipal Court Case and Warrant Rate





TO: Mayor and Councilmembers
FROM: Ben White, Interim City Manager
DATE: February 14, 2012
SUBJECT: CONSENT AGENDA – Public Works and Customer Service Report

(II - H)



Public Works Monthly Report

Service Order Status



Service Order Group	Apr-2011	May-2011	Jun-2011	Jul-2011	Aug-2011	Sep-2011	Oct-2011	Nov-2011	Dec-2011	Jan-2012
Utility Billing	20	30	41	17	35	45	44	29	28	32
Street System	7	3	8	2	5	5	0	2	1	3
Water System	8	11	5	17	17	30	23	14	6	3
Waste Water System	11	5	6	2	2	4	1	1	1	8
Storm Water System	0	4	0	1	2	3	1	0	2	1
Property and Buildings	18	16	13	7	6	4	3	3	1	2
Electrical System	0	0	0	0	0	0	0	0	0	0
Refuse System	30	26	26	17	7	9	4	20	10	15
Projects	0	0	0	0	0	0	0	0	0	0
Vehicles	0	0	2	0	0	0	0	0	0	0
Public Works	0	3	3	0	1	5	0	0	0	1
Miscellaneous	1	6	13	15	30	18	11	9	3	5
Total	95	104	117	78	105	123	87	78	52	70

Note:

1. Number of outstanding service orders, 30 days or older (backlog): 3.
2. Number of elevated service orders: 5

Public Works General

1. Two staff meetings conducted.
2. No increase in lost time accidents for the year.
 - a. Total Number for 2011-2012: 1

- b. Total lost days for 2011-2012: 6
- c. Accidents in Month: None
- 3. Attended the following community meetings:
 - a. Farmersville Economic Development Corporation (4A).
 - b. Farmersville Community Development Corporation (4B), qty 2.
 - c. City Council Meeting qty 2.
 - d. Parks and Recreation Board.
 - e. Planning and Zoning.
 - f. Bond Committee, qty 3.

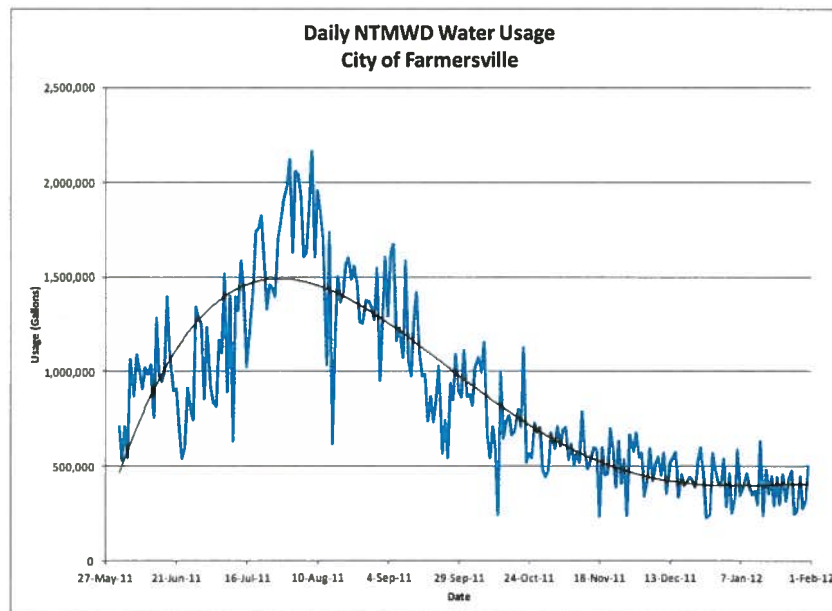
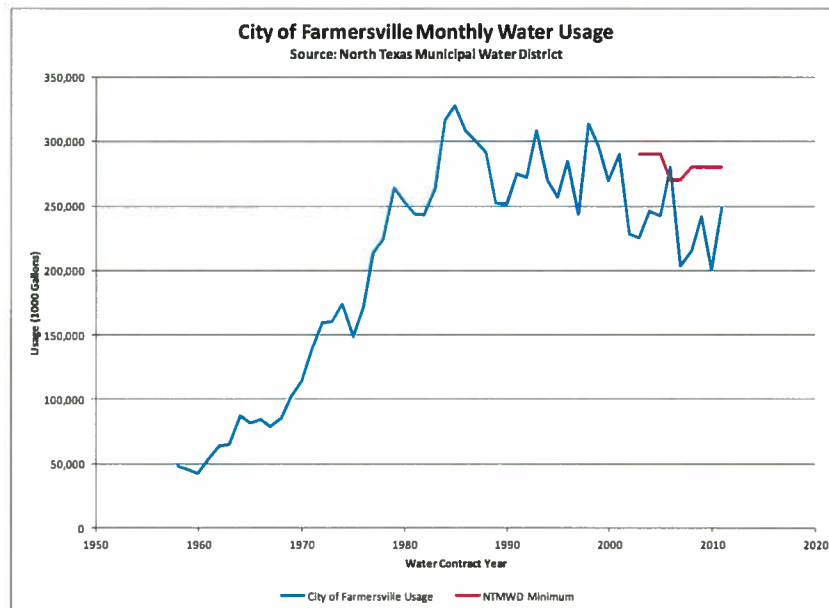
Street System

- 1. Project Backlog
 - a. Install missing street signs on McKinney Street.
 - b. Maintenance resurfacing.
 - i. Summit at Rike Street.
 - ii. West Santa Fe.
 - iii. Houston Street at Main.
 - iv. Rike at East Santa Fe.
 - c. Safe Routes to School.
 - d. Main Street sidewalks.
 - e. Sycamore Street panel replacement
 - f. Install remainder of school zone signs.
 - g. Parking lot stripes downtown.
 - h. Have TxDOT install new speed zone signs on Hwy 78 and US 380.
 - i. Have TxDOT install signal sign on US 380 eastbound to help alert traffic that a signal is ahead.
- 2. Completed working with Bond Committee to set goals for the bond. Bond guidelines are: General Obligation Bond, \$5.88M.

Water System

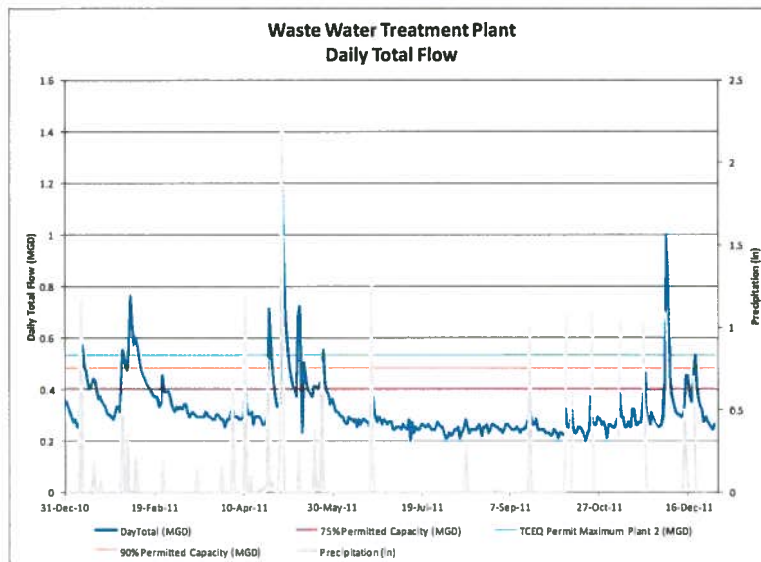
- 1. Project backlog
 - a. Rewrite water management plan. (Complete)
 - b. Create new water interconnect contracts (Complete)
 - c. US 380 utility relocation. (90% complete)
 - d. Fire hydrant painting. (Underway downtown)
 - e. Waterline extension for Caddo Park.
 - f. ISO level 3 certification.
 - g. Transfer NTMWD customers to CoF along Hwy 380.
- 2. Meter Report (1360):
 - a. Residential Meters (1134)
 - b. Commercial Meters (173)
 - c. Industrial Meters (31)
 - d. Public Meters (16)
 - e. Wholesale (6)
- 3. Consumption Report

- a. Inflow (NTMWD), Calendar Year to Date: awaiting number from NTMWD
 - b. Usage, Calendar Year to Date: 12,979,700 gallons
 - c. Usage, Month: 12,979,700 gallons
 - d. Usage, Average Daily Water Usage: awaiting number from NTMWD
 - e. Calendar Year Water Loss Percentage (to date): awaiting number from NTMWD
4. US 380 Phase III water and sewer line relocation work under construction. (90% complete, February 2012 endpoint).
 5. Stage 3 water restrictions in place. Stage 4 water restrictions are possible by June 2012.



Waste Water System

1. Project backlog:
 - a. SSOI sewer line project
 - i. Hwy 78 at CR 611. (line complete, clean up and concrete work left)
 - ii. Hamilton Street at McKinney.
2. Reconfigured the “Daily Total Flow” chart so I can track TCEQ limits in accordance with the 75/90 rule. We are currently seeing numbers go beyond the capacity of the plant due to inflow and not infiltration. Public Works will be walking the lines to find what we think will be an open manhole in a low lying area.



Storm Water System

1. No new news.

Property and Buildings

1. Project backlog:
 - a. JW Spain
 - i. Install signs that prohibit vehicles on the fields
 - ii. Secure entrances in such a way to exclude motorcycle traffic.
 - b. Chaparral Trail.
 - c. Civic Center/Library repair/upgrades.
 - i. Foundation. Complete
 - ii. Roof. Complete
 - iii. Electrical. Complete
 - iv. Floor. Complete
 - d. Old Country Club Building demolition.
 - i. Asbestos survey complete. \$13K to abate asbestos. \$TBDK to demo the rest of the facility.

- e. Public Works maintenance barn updates.
 - i. Survey (complete).
 - ii. Reconfigure and update indoor space
 - 1. Bathroom
 - 2. Locker space
 - 3. Shower
 - 4. Kitchenette/lunchroom
 - 5. Office space
 - iii. Shelving
 - iv. Lean-to covered area for parts
- f. Southlake Park gazebo electrical. (Complete)
- g. Splash Pad.
 - i. Water reclamation project.
 - ii. Sidewalk connector to the gazebo.
 - iii. Restroom facilities.
- h. Police shooting range.
- i. Library shelving. (Complete)
- 2. Installed D-size drawing flat file at City Hall.

Electrical System

- 1. Project Backlog:
 - a. Understand the 5 year maintenance plan.
 - b. Investigate rate increases to make maintenance and capital (college) improvements.
 - c. Investigate the costs involved for the City to take over the electrical system maintenance.

Refuse System

- 1. Supplied recycle containers for intermediate school recycle program.

Inspections, Permits, Plats

- 1. O'Reilly's bids are under their review. Close to contract award.
- 2. Taco Bell administrative replat in review cycle. Expecting signed document next week.

Vehicles

- 1. No new news.



TO: Mayor and Councilmembers
FROM: Ben White, Interim City Manager
DATE: February 14, 2012
SUBJECT: CONSENT AGENDA – Library Report

(II - I)



Charles J. Rike Memorial Library

203 Orange Street - Farmersville, Texas

www.rikelibrary.com

972-782-6681

Monthly Report

January – 2012

Circulation	778
Computer Users	- <i>(not calculated at this time)</i>
Visitors	1466
Inter-library Loans Loaned	0
Inter-library Loans Borrowed	0
Patrons Saved \$ *	\$14,053.70
New Patrons	9
Volunteer Hours Donated	- <i>(not calculated at this time)</i>

Other Items of Interest:

The library started the renovation process on January 16 and lasted through February 6. We reopened on February 7, six days later than planned, but it was well worth the wait.

I want to acknowledge that library assistant Bonnie Hegler was a great asset during this project. She created the schedule for the renovation process. She also organized the pickup, moving out, moving in and reshelving stages. She is a hard worker and gets the job done. Without her work, the renovation would not have gone as smoothly as it did.

Attached are some pictures of the renovation process from beginning to end. Thank you all for your words of encouragement and support.

* Patron Saved \$ Amount: This amount is how much our patrons save by borrowing books and videos from the Library versus buying them from a bookstore. It is a number that our automation system tracks when there is a price attached to a material.



* Patron Saved \$ Amount: This amount is how much our patrons save by borrowing books and videos from the Library versus buying them from a bookstore. It is a number that our automation system tracks when there is a price attached to a material.



* Patron Saved \$ Amount: This amount is how much our patrons save by borrowing books and videos from the Library versus buying them from a bookstore. It is a number that our automation system tracks when there is a price attached to a material.



TO: Mayor and Councilmembers
FROM: Ben White, Interim City Manager
DATE: February 14, 2012
SUBJECT: CONSENT AGENDA – City Manager's Report

(II - J)



City Manager Monthly Report

City Manager General

1. No new news.

Ordinances and Ordinance Changes

1. Backlog
 - a. New
 - i. Painting of fire hydrants
 - ii. Electrical customer infrastructure/impact fees
 - iii. Sidewalk standards
 - iv. Street sign standards
 - b. Change
 - i. Credit card processing fees for credit card payments.
 - ii. Standard design details for: water, wastewater, etc.
 - iii. Fee schedule update for permit and plat retainers.
 - iv. Fee schedule for Civic Center rental
2. City Manager ordinance complete.

Contracts

1. Backlog
 - a. Inter-local agreements
 - i. Historical Society, utilities (In-work)
 - ii. Scout Hall, utilities (In-work)
2. Memorandum of agreement in works concerning Lakehaven MUD.
3. Water wholesale contracts complete.

Planning

1. Continued to support the creation of a new Comprehensive Plan.
2. Water Management Plan complete.

Policy Changes

1. Backlog
 - a. Financial policies.
 - b. Personnel policy updates.

Personnel Related Matters

1. Patience McGee starting 13 Feb 2012!!!

Customer Service Window

1. New employee starting 13 Feb 2012. Patience McGee!!

Budget/Finance

1. Possible changes:
 - a. ISO consulting services for ISO evaluation and possible shift to ISO level three. Approx. \$17K additional.
 - b. New truck for public works.
2. Ordered project and labor reporting software from INCODE.
3. Received financial audit report from Robert Lake.
4. Instituting CapitalOne credit card system for everyday purchasing.

Information Technology

1. Library connected to Time Warner for telephone service.
2. Chamber of Commerce building scheduled for connection to Time Warner week of 13 Feb 2012.

Special Events

1. No new news.



TO: Mayor and Councilmembers
FROM: Ben White, Interim City Manager
DATE: February 14, 2012
SUBJECT: INFORMATION ITEM - Update regarding status of grants applied for and/or received by the City including bonds

(III - A)

Special Projects/Grants

Description	Total Project Estimate	City's Share	Estimated Construction Begin Date	Estimated Construction Completion Date	Comments and Status
Library Shelving and Furniture Grant	\$49,987	\$0	Jan-12	Feb-12	Project complete.
Safe Routes to School Grant Funded by TxDOT	\$674,000	\$5,000 CoF Funded	Jan-13	Aug-13	Survey complete. Design work underway. Coordination work with TxDOT complete. In-process Detailed Design Review next step. TxDOT project funds will become available in Oct 2012.
Main Street Grant Texas Capital Fund	\$150,000	\$15,000 Cash CoF Funded	Mar-12	Aug-12	Bid opening complete. PWR Concrete from McKinney low bid. Projected start date March 2012.
Chaparral Trail Grant Texas Parks & Wildlife		\$50,000 4B Funded (In-Kind, City Labor/Equipment possible)	May-12	Jul-14	Working on design documents and project estimates. Advertizing for decomposed granite. Working on installation bid package.
US 380 Utility Relocation Phase III – Certificate of Obligation	\$500,000		Jul-11	Feb-12	Under construction. More than 90% complete.
Farmersville Parkway Phase III Collin County Bond	\$3,800,000	\$1,900,000	On-Hold	On-Hold	Design complete, some ROW acquired, On hold waiting matching funds, 50%.
Floyd Street Extension Collin County Bond	\$200,000	\$100,000	On-Hold	On-Hold	We have received and spent funding for design and some Right-of-Way only. On hold awaiting matching funding, 50%



TO: Mayor and Councilmembers
FROM: Ben White, Interim City Manager
DATE: February 14, 2012
SUBJECT: INFORMATIONAL ITEM – FEDC (4A) Financial Report

(III - B)

**Farmersville Economic Development Corp 4A
Financial Report
January 2012**

Prepared by: Daphne Hamlin

Farmersville Economic Development Corp 4A
January 2012

Statement Balance 1-1-2012	\$13,217.72
Deposits:	
Sales Tax:	
Cking Int .10%	\$0.37
CD Interest	\$127.40
Transfer to Texpool	
Transfer from Texpool	
Checks 1036 n 1037	<u>\$(12,094.55)</u>
Statement balance 12-31-2011	\$1,250.94
 Outstanding Transactions	
Sales Tax	\$13,829.65
Transfer to Texpool	
CD Interest	
 Balance 02-09-2012	<u><u>\$15,080.59</u></u>

Farmersville Economic Development Corporation
Cumulative Income Statement
For the 12 Months Ended, September 30, 2012

	FY 2012 Budget	October	November	December	January	February	March	April	May
Beginning Bank Balance		\$39,958.99	\$53,157.44	\$17,516.02	\$13,217.72				
Deposits									
Sales Tax Collections	\$125,000.00	\$13,092.88	\$14,209.49	\$10,531.49	\$13,829.65				
Interest Income cking	\$2,200.00	\$2.91	\$2.19	\$1.96	\$0.37				
Misc (accts rec)(JD Russell loan)									
Transfer from Texpool to First Bank				\$20,000.00					
Transfer funds to CD									
Transfer to Texpool			\$(50,000.00)						
CD Interest Earned		\$184.93	\$228.09	\$123.39	\$127.40				
Total Revenue	\$127,200.00	\$53,237.61	\$17,597.21	\$48,172.86	\$27,175.14	\$-	\$-	\$-	\$-
Expenses:									
Administration	\$5,000.00								
Profession Fee(PR Specialist)	\$2,000.00								
Meeting Expenses	\$1,000.00	\$80.17	\$81.19	\$140.12	\$75.00				
Dues/School/Travel	\$500.00								
Office Supplies	\$200.00								
Marketing/promotion Expenses									
Marketing/Promotion Expenses/Advertising	\$15,000.00								
NCCLP	\$500.00								
Collin College Sponsorship	\$7,500.00								
Legal Service	\$2,500.00								
Farmersville Rotary									
Total Expenditures	\$34,200.00	\$80.17	\$81.19	\$140.12	\$75.00	\$-	\$-	\$-	\$-
Directive Business Incentives									
Highway 380/STATE Highway 78	\$50,000.00								
Collin College Project(sewer/street/electric)	\$100,000.00								
NTMWD Regional WW Treatment	\$150,000.00								
Planning	\$100,000.00			\$27,000.00					
TIRZ Planning Analysis	\$25,000.00			\$7,815.02	\$12,019.55				
Facade Grant Program	\$50,000.00								
Total Development Cost	\$475,000.00						\$-		
Total Expenditures	\$509,200.00	\$80.17	\$81.19	\$34,955.14	\$12,094.55				
Revenue vs Expenditures	(\$382,000)								
From Reserves	\$382,000.00								
Balance Budget	\$-								
Total Expenditures		\$80.17	\$81.19	\$34,955.14	\$12,094.55	\$-	\$-	\$-	\$-
Ending Bank Balance		\$53,157.44	\$17,516.02	\$13,217.72	\$15,080.59				
CD Investment		\$250,000.00	\$250,000.00	\$250,000.00	\$250,000.00				
Texpool Balance		\$365,755.31	\$415,787.82	\$395,813.58	\$395,842.99				
Interest Earned		\$26.08	\$32.51	\$25.78	\$29.41				
Total Available Funds		\$668,912.75	\$683,303.84	\$658,031.30	\$660,923.58				

Farmersville Economic Development Corporation
Cumulative Income Statement
For the 12 Months Ended, September 30, 2012

June	July	August	September	YTD
				\$51,863.51
				\$7.43
				\$-
				\$20,000.00
				\$-
				\$(50,000.00)
				\$863.81
\$0.00	\$-	\$-	\$-	\$22,334.75
				\$-
				\$-
				\$296.31
				\$-
				\$-
				\$-
				\$-
				\$-
				\$-
\$-	\$-	\$-	\$-	\$296.31
				\$-
				\$-
				\$-
				\$-
				\$27,000.00
				\$19,834.57
\$-	\$-	\$-	\$-	\$-
				\$46,834.57
\$-	\$-	\$-	\$-	\$-
				\$113.76
			\$-	\$-

SUMMARY OF ACTIVITY IN TEXPOOL INVESTMENT ACCOUNTS ECONOMIC DEVELOPMENT

2/9/2012

4A INVESTMENT ACCT	4A Certificate of Deposit
--------------------	---------------------------

Beginning Market Value for reporting period

\$395,813.58

Changes in Market Value:

Deposits

Withdrawals

Interest Earned

\$29.41

Ending Market Value for Period

\$395,842.99

\$250,000.00

Weighted average maturity = 48 days

I hereby certify that the City of Farmersville's Investment Portfolio is in compliance with the City's investment strategy as expressed in the City's Investment Policy (Resolution 99-17, and with relevant provisions of the law.

The Public Funds Investment Act (Sec.2256.008) requires the City's Investment Officer to obtain 10 hrs. of continuing education each period from a source approved by the governing body. Listed below are courses Daphne Hamlin will complete to satisfy that requirements.

06-2010 NCTCOG - Public Funds Investment Act Part 1 6 hrs.

06-2010 NCTCOG - Public Funds Investment Act Part 11 6 hrs.


Daphne Hamlin, City Investment Officer



TO: Mayor and Councilmembers
FROM: Ben White, Interim City Manager
DATE: February 14, 2012
SUBJECT: INFORMATIONAL ITEM – FCDC (4B) Financial Report

(III - C)

**Farmersville Community Corporation 4B
Financial Report
January 2012**

Prepared by: Daphne Hamlin

Farmersville Community Development Corporation
Financial Statement
For the Fiscal Year Ended September 30, 2012

	October	November	December	January	February	March	April	May	June	July	August	September
Beginning Bank Balance	29,097.38	\$32,935.42	\$41,910.11	\$44,542.31								
Deposits:												
Sales tax deposits	13,082.88	14,208.49	\$10,531.49	13,828.65								
Interest income-bank	2.59	1.83	\$1.70	2.03								
Transfer to TexPool												
Check Stock												
Reimbursement for Marketing												
Reimbursement for Main Street Mgr.												
Adjusting Entry	(13.39)											
Total Revenues	42,179.46	47,146.54	\$52,443.30	58,373.99	-	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	-	\$-
Disbursements:												
Main Street	2,815.18	2,815.16	4800.19	3,132.06								
Miscellaneous	1,511.15	1,003.77										
Maintain Downtown Irrigation System	50.00											
Branding Marketing Commitment	1,333.35	\$ 1,417.50	\$ 1,889.00	\$ 1,554.22								
Reimburse city for accounting												
Electric Project South Lake Park	304.38			\$ 1,109.37								
Chaparral Trail Improvements												
FCDC 4B Training												
Collin College Scholarship sponsorship												
Support Parks & Recreation Plan				\$ 1,800.00								
Chamber of Commerce												
May Taxes												
Bain Honaker House Restoration												
Downtown Museum seed money	1,000.00											
Visitor's Center awning replacement	750.00											
Wildflower Planting	1,480.00											
Christmas Activities			\$ 1,211.80									
Splashpad water reclamation Project												
Splashpad Restrooms												
Historical Marker for Post Office Bldg												
Property Purchase												
Total Expenses	9,244.04	\$ 5,236.43	\$ 7,900.99	\$ 105.00	\$-	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	-	\$-
Ending Bank Balance	32,935.42	\$ 41,910.11	\$ 44,542.31	\$ 50,873.34								
TEXPOOL Balance	134,527.68	\$134,539.63	\$134,548.86	\$134,558.86								
Interest income-TEXPOL	9.58	11.85	9.23	10.00								
Total Available Funds	167,463.10	\$176,449.74	\$179,091.17	\$185,432.20								

Signed:



TO: Mayor and Councilmembers
FROM: Ben White, Interim City Manager
DATE: February 14, 2012
SUBJECT: INFORMATIONAL ITEM – Planning & Zoning Minutes

Electronic minutes are found at the following link:

http://www.farmersvilletx.com/government/agendas_and_minutes/planning_and_zoning/index.jsp

(III - D)

FARMERSVILLE PLANNING & ZONING COMMISSION
SPECIAL SESSION MINUTES
January 17, 2012

The Farmersville Planning and Zoning Commission met in special session on January 17, 2012 at 6:30 p.m. at the City of Farmersville Council Chambers with the following members present: Bill Nerwich, John Politz, Craig Overstreet, Betty Sergeant, Lee Warren, Tom Waitschies and Doug Dann. Staff members present was Public Works Director Ben White, City Attorney Alan Lathrom, City Secretary Edie Sims and Council Liaison Paul Kelly.

CALL TO ORDER AND RECOGNITION OF CITIZENS/VISITORS

City Secretary Edie Sims called the meeting to order at 6:30pm. Edie Sims called roll and announced that a quorum was present.

REORGANIZE PLANNING AND ZONING COMMISSION

City Secretary Edie Sims opened this item asking for nominations for a Chairman. Craig Overstreet nominated and motioned to appoint Tom Waitschies as Chairman with Bill Nerwich seconding the motion. Motion carried unanimously. Mr. Waitschies conducted the remainder of the meeting.

Chairman Waitschies opened the floor for nominations for Vice Chairman. Bill Nerwich nominated and motioned to appoint Craig Overstreet as Vice Chair with Doug Dann seconding the motion. Motion carried unanimously.

Chairman Waitschies opened the floor for nomination for Secretary with Craig Overstreet nominating Doug Dann. Mr. Dann stated he would not be a good candidate as he will miss several meetings due to his schedule. Bill Nerwich nominated to appoint Lee Warren as Secretary with Craig Overstreet seconding the motion. Motion carried unanimously.

DISCUSS, APPROVE OR DISAPPROVE MINUTES FROM OCTOBER 17, 2011 AND DECEMBER 12, 2011 PLANNING & ZONING MEETING

Doug Dann motioned to approve the minutes as presented with Craig Overstreet seconding the motion. Motion carried unanimously.

DISCUSS, APPROVE OR DISAPPROVE A VARIANCE REQUEST FROM 1001 BARGAINS LOCATED AT 110 MCKINNEY STREET

Jack Alexander, owner of the business at 110 McKinney Street, made a request to the Planning and Zoning Commission for a variance to utilize the existing apartment in his building. Mr. Alexander stated that he opened his business 15 months ago and has an opportunity to purchase the building. A previous owner had built a fully enclosed apartment at the back of the building which included bathroom, kitchen and living quarters for one-two people. The store front will remain retail. Lee Warren stated that when the original ordinance was implemented, the intent was to keep the retail areas as retail and not allow people to make residence throughout the entire building structure. The arrangement of the apartment in this building does not meet that category.

City Attorney Alan Lathrom indicated that the Planning and Zoning Commission does not have the authority to grant a variance. However, the Commission may wish to consider if this situation is a viable request that the Council may consider to have the Commission review and make recommendations. Presently our City Ordinance residential use is limited to the second floor and above in the downtown area. This apartment may be considered an accessory use therefore deeming a modification or amendment to the ordinance to create a limit of exception. At the time the property changed ownership, the non conforming use was deemed abandoned and the structure was empty and not being utilized. Mr. Alexander stated

the square footage of the building including the second stairs loft is 3,300. The apartment by itself is 600 square feet. The reason this issue was brought before the Commission was a sense of urgency due to the lease being up in 4 days. Mr. Alexander expressed his satisfaction with Farmersville and being with such an energetic community.

Bill Nerwich stated the ordinance could be amended for a percentage of floor space. Visitor Diane Piwko came before the Commission expressing concern that the building is not accessible stating the back door exits into another building and not to the outside and that there are no windows.

Bill Nerwich motioned to request authorization from the City Council to possibly amend the Comprehensive Zoning Ordinance for residential use on the first floor in the Central Area District. John Politz seconded the motion. Motion carried unanimously.

Final note, the building must comply with ICC Fire Code to determine compliance issues.

DISCUSSION AND STUDY TO MAKE RECOMMENDATIONS TO THE CITY COUNCIL REGARDING POSSIBLE AMENDMENTS TO THE COMPREHENSIVE ZONING ORDINANCE RELATED TO "DRIVE-IN WINDOWS," "DRIVE-IN RESTAURANTS" AND "DRIVE-IN SERVICE" TO POSSIBLY UPDATE AND MODIFY SUCH PROVISIONS AND EXPAND THE TYPES OF ESTABLISHMENTS THAT CAN UTILIZE A DRIVE-IN, DRIVE-THROUGH AND/OR DRIVE-UP WINDOW TO PERMIT RETAIL SALES FROM A DRIVE-THROUGH OR DRIVE-IN WINDOW IN ALL NON-RESIDENTIAL ZONING CLASSIFICATIONS WHERE RETAIL SALES ARE ALLOWED

Previously the Commission requested City Attorney to bring information regarding accessory uses to a work session at the next Planning and Zoning Commission meeting. Unfortunately the draft was not completed and made ready for presentation. With Lee Warren beginning his term on the Commission, he asked why an exception was not allowed for retail drive-thru's. The Commission will continue this conversation at the next meeting. Lee Warren motioned to hold public input at a worksession whether they are open to having a drive-in, drive-up or drive-thru type of facility. Bill Nerwich seconded the motion. Motion carried unanimously.

The public hearing could be the final word from the public regarding the ordinance and would be in favor of the public's opinion per Lee Warren.

ADJOURNMENT

P&Z Commission adjourned at 7:23 p.m.

ATTEST:

Tom Waitschies, Chairman

Edie Sims, City Secretary



TO: Mayor and Councilmembers
FROM: Ben White, Interim City Manager
DATE: February 14, 2012
SUBJECT: INFORMATIONAL ITEM – FCDC (4B) Meeting Minutes

Electronic minutes are found at the following link:

http://www.farmersvilletx.com/government/agendas_and_minutes/community_development/index.jsp

(III - E)

**FARMERSVILLE COMMUNITY DEVELOPMENT CORPORATION
MINUTES December 12, 2011**

The Farmersville Community Development Corporation met on December 12, 2011 at the Best Community Conference Center with the following board members present: Loydell Seward, Jim Dawkins, Bill Daniel, Diane Piwko, Del Sergent, David Reynolds and Charlie Whitaker.

RECOGNITION OF CITIZENS/VISITORS

Chairman Dawkins welcomed Main Street Manager Adah Leah Wolf, Public Works Director Ben White, Mayor Joe Helmberger, and City Councilman Billy Long.

CALL TO ORDER

Chairman Dawkins convened the meeting at 5:45 p.m. and announced that a quorum was present after roll call by Adah Leah Wolf.

CONSIDER FOR APPROVAL NOVEMBER 14, 2011 MEETING MINUTES

On a motion by Bill Daniel, and a second by Del Sergent, the Board approved the meeting minutes of November 14, 2011 as written.

CONSIDER FOR APPROVAL NOVEMBER 2011 FINANCIAL STATEMENTS AND EXPENSES

On a motion by Del Sergent, and a second by Diane Piwko, the Board approved the financials from November, 2011 as written.

UPDATE FROM BEN WHITE PUBLIC WORKS DIRECTOR

Public Works Director Ben White provided a monthly written summary for the month's activities, and highlighted the following: Mark Vincent to oversee Spain Athletic Complex property. Pro bono architect has completed restroom drawings. Public works provided support for Christmas activities. White is working with contractor to install electric at Southlake Park gazebo. White received budgetary quote for decomposed granite for Chaparral Trail. City engineer will provide technical drawings and project management for Chaparral Trail project. Audrey Rubadue hired to oversee Civic Center. Civic center re-roofing will begin soon.

DISCUSSION OF LAND FOR SALE

The board discussed available land for sale which is near the Spain Complex. This will be investigated in more detail for discussion at next month's meeting.

MAIN STREET MANAGER UPDATE

Main Street Manager Adah Leah Wolf provided a written monthly report for November 2011, and highlighted the following: Members of the Museum Planning Committee attended the Farmersville Historical Society and reported on the progress. The Marketing Committee mailed postcards to the 75442 zip code area with information about the Dec. 10 events. Constant Contact was used to send email newsletters; it allows photos and email tracking. Bill Daniel and Jim Dawkins installed the new trailhead sign which was purchased by 4B. Historic photos were provided to the Meguires for decorating their newly renovated office building at 301 McKinney. Clay Potter held his second auction downtown at this building at 138 S. Main, with good turnout and has another scheduled for Jan. 21. Hurst Floral has moved to 101 McKinney Street, and has tripled its space. At the Main Street Board meeting, Loydell Seward discussed the idea of a city historical marker program, and Diane Piwko discussed the idea of a downtown security camera system. Both of these topics to be revisited again with further information.

WRAP-UP AND DISCUSSION OF PLACING ITEMS ON FUTURE AGENDAS

The next board meeting is planned for Monday, January 9, 2012 at 5:45 PM in the Best Center. A discussion of land available for purchase will be placed on the agenda.

ADJOURN

On a motion to adjourn by Bill Daniel, seconded by Del Sergent, the Board adjourned the meeting at 6:30 PM.

Jim Dawkins, Chairman

Loydell Seward, Secretary

FARMERSVILLE COMMUNITY DEVELOPMENT CORPORATION
MINUTES January 9, 2012

The Farmersville Community Development Corporation met on January 9, 2012 at the Best Community Conference Center with the following board members present: Loydell Seward, Jim Dawkins, Bill Daniel, Diane Piwko, Del Sergent, David Reynolds and Charlie Whitaker.

RECOGNITION OF CITIZENS/VISITORS

Chairman Dawkins welcomed Main Street Manager Adah Leah Wolf, Public Works Director Ben White, Mayor Joe Helmberger, City Councilman Billy Long, and Chamber President Kim Smith-Cole.

CALL TO ORDER

Chairman Dawkins convened the meeting at 5:45 p.m. and announced that a quorum was present after roll call by Adah Leah Wolf.

CONSIDER FOR APPROVAL DECEMBER 12, 2011 MEETING MINUTES

On a motion by Charlie Whitaker, and a second by Del Sergent, the Board approved the meeting minutes of December 12, 2011 as written.

CONSIDER FOR APPROVAL DECEMBER 2011 FINANCIAL STATEMENTS AND EXPENSES

On a motion by Diane Piwko, and a second by Bill Daniel, the Board approved the financials from December, 2011 as written.

UPDATE FROM BEN WHITE, INTERIM CITY MANAGER

Ben White provided a monthly written summary for the month's activities, and highlighted the following: Mark Vincent will provide property oversight at Spain Athletic Complex. White solicited board member comments regarding proposed restroom plans for splash pad area. Diane Piwko suggested the use of city logo colors on the exterior finish out. Christmas decorations have been taken down, and new light post banners have been hung. Foltz Electric is working on Southlake Park electrical upgrades as soon as weather permits. Jim Dawkins to assist with project management during Chaparral Trail improvements, with Daniel and Brown having project oversight. Civic Center/Library re-roofing is complete. Interior library upgrade project to begin Jan 13 through January 31. Volunteer help will be needed January 16 and 17th to move books.

MAIN STREET MANAGER UPDATE

Main Street Manager Adah Leah Wolf provided a written monthly report for December 2011, and highlighted the following: The next museum planning committee meeting will be on January 16. Computer software updated in office. Historical asset survey project is in full swing again, and Main Street will assist. Wolf to send link to the online information on the survey. New Farmers & Fleas Market fliers are available for distribution. Kindergarten, 1st and 2nd graders from Tatum Elementary came downtown on Dec. 9 to decorate the Christmas tree in the gazebo. Many volunteers assisted. Farmersville Grain & Hardware received Main Street architects advice on façade improvements; the façade is currently being painted green. Tammy Fording has leased 106 McKinney for a tea room, "Ellee's Eatery and Antiques." Adam and Heather Reed have sold their business, Critter Cabin, and will be moving out of town. Jan Mitchell has leased 120 McKinney Street for a western boutique. Clay Potter plans his next auction for January 21. Main Street Manager training will be in Harlingen Feb 8-10. The Audie Murphy Day Committee has begun planning this year's event which will be held on June 23.

ENTER INTO EXECUTIVE SESSION

On a motion by Charlie Whitaker and a second by Bill Daniel, the Board entered into executive session at 6:15 PM.

RECONVENE AND TAKE ANY ACTION FROM EXECUTIVE SESSION

On a motion by Charlie Whitaker and a second by David Reynolds, the Board reconvened at 6:31 PM. Charlie Whitaker motioned that the Board pursue the acquisition of land to enhance the Spain Athletic Complex and the Chaparral Trail. Motion seconded by Loydell Seward, and passed unanimously. Jim Dawkins to contact local realtor to begin process.

WRAP-UP AND DISCUSSION OF PLACING ITEMS ON FUTURE AGENDAS

The next board meeting is planned for Monday, February 13, 2012 at 5:45 PM in the Best Center.

ADJOURN

On a motion to adjourn by Bill Daniel, seconded by Del Sergeant, the Board adjourned the meeting at 6:38 PM.

Jim Dawkins, Chairman

Loydell Seward, Secretary



TO: Mayor and Councilmembers
FROM: Ben White, Interim City Manager
DATE: February 14, 2012
SUBJECT: INFORMATIONAL ITEM – FEDC (4A) Meeting Minutes

Electronic minutes are found at the following link:

http://www.farmersvilletx.com/government/agendas_and_minutes/economic_development/index.jsp

(III - F)

FARMERSVILLE ECONOMIC DEVELOPMENT CORPORATION

MEETING MINUTES

December 21st, 2011

The Farmersville EDC met in regular session on December 21st, 2011, at 12:10 p.m. at the City Hall Council Chamber with the following members present: Eddy Daniel, Bob Collins, Stefanie Hurst, and Robbie Tedford. Staff members present were Public Works Director Ben White, and Finance Director Daphne Hamlin. Guests recognized were Mayor Joe Helmberger.

CALL TO ORDER

Eddy Daniel convened the meeting at 12:10 p.m. and announced that a quorum was present.

RECOGNITION OF CITIZENS/VISITORS

Eddy recognized Mayor Joe Helmberger as a guest.

RECEIVE REPORT ON STATUS OF STATE HIGHWAY 380 RECONSTRUCTION PROJECT FROM LAKE LAVON TO THE COLLIN/HUNT COUNTY LINE.

Brandon Sparkman and Barry Heard with TXDOT could not be present.

Ben White stated that there was some difficulty with obtaining an easement on Hill Street for Phase 3. He indicated that construction is scheduled to begin in January 2012 with an estimated completion date of 2014.

UPDATE REGARDING FEASIBILITY STUDY ON TAX INCREMENT FINANCING (TIRZ) PRESENTED BY CRAIG FARMER FROM FREESE & NICHOLS.

Craig Farmer with Freese & Nichols could not be present. Eddy Daniel updated 4A Board regarding the approval of the TIRZ by the City Council on Tuesday December 13th, 2011. Eddy stated that an interlocal agreement between Collin County and the City of Farmersville is the next step. Commissioner, Joe Jayne has been very positive about the County's participation in the TIRZ. Eddy indicated that TIRZ board members would have to be appointed by the City Council.

CONSIDERATION AND POSSIBLE ACTION REGARDING PRESENTATION BY ALLARD RESEARCH.

The Allard's requested to reschedule to the next 4A meeting. No action was taken.

CONSIDERATION AND POSSIBLE ACTION REGARDING BRANDING/MARKETING PROGRAM

Joe Helmberger discussed the creation of the marketing committee supported by the Chamber of Commerce, 4A EDC, and 4B CDC. Joe explained that the marketing program is not for one area of town, but for all of Farmersville. Eddy stated the main concern with 4A is that the expenses for the program were allowable by law. He further asked that the

reimbursement requests pertain to 4A. A monthly report was suggested by Bob Collins on expenses from the marketing committee. Nor formal action was taken.

CONSIDERATION AND POSSIBLE ACTION REGARDING COLLIN COLLEGE FOUNDATION DONATION

A letter was received from the Collin College Foundation explaining that the fundraising efforts are being shifted from the large annual gala know as the Collin Cabaret. The 4A has included a scholarship and advertising contribution in the amount of \$7,500.00 for the current budget year. The Collin College Foundation will provide recognition of the contributions. Eddy asked Daphne to prepare a check for signatures at the next scheduled 4A meeting.

CONSIDERATION AND POSSIBLE ACTION REGARDING FAÇADE GRANT APPLICATIONS AND GRANT TIMELINES

A façade grant was received from Tedford Chevrolet. After review of the façade grant application and drawings a motion made by Bob Collins and a second by Stefanie Hurst, to accept application. Board approved unanimously, Robbie Tedford abstained.

The 4A board members discussed the timeline for a grantee to complete their respective projects. Eddy suggested that when a façade grant project has begun, it must be completed within one (1) year. Also, the grantee must start the project within six (6) months after grant has been awarded, unless grantee applies and receives an extension from 4A. Eddy will add the guidelines to the application as mentioned above. On a motion by Robbie and a second by Bob, the Board approved the addition of the guidelines to the façade applicaiton as stated above, motion carried unanimously.

CONSIDERATION AND POSSIBLE ACTION REGARDING COMPREHENSIVE PLAN

Eddy handed out the draft scope of the comprehensive plan for the City for review. Eddy explained that a comprehensive plan looks at the City's complete picture including: City Parks, Land Use, Transportation Plan, Impact Fees, Water and Sewer Utilities, etc. Eddy explained that the City proposes to use the City Engineer to prepare the Comprehensive Plan. Bob said one area of concern is land use and that boundaries need to be incorporated. Eddy agreed stating that the land use plan is definitely one to the areas that needs to be clear in the plan. Stefanie asked what the total estimated cost of the plan was. Eddy answered that \$80,000 had been budgeted by 4A for the plan. Eddy is going to have a revised scope available prior to the January 18th 4A meeting for consideration of approval and funding so it can go to Council for approval. Eddy asked for 4A board input.

CONSIDERATION AND POSSIBLE ACTION REGARDING 4A EDC SUPPORT FOR ARACELI'S FIND FOODS

The owner for Aracelli's Find Foods could not be present. Eddy had spoken with Aracelli's owner who expressed an interest in moving to Farmersville and possibly build a facility with Grant funds. Eddy will contact Aracellis' owner regarding the Board's support and an invitation to attend a future 4A meeting.

DISCUSS AND APPOINT ECONOMIC DEVELOPMENT MEMBERS FOR BOARD MEETINGS OF COLLIN COLLEGE, NTMWD, COLLIN COUNTY AREA REALTORS AND THE COMMISSIONER'S COURT

The Board's schedule of the meetings for members to volunteer as follows:

NTMWD – Stefanie Hurst

Collin College – Bob Collins presented an update regarding the status of the Collin College meeting.

Commission's Court – Eddy Daniel

Collin Co Area Realtor Meeting – Robbie Tedford

The Board will continue to review the schedule on a monthly basis.

ITEMS FOR PAYMENT APPROVED

On a motion by Robbie Tedford and second by Stefanie Hurst, the Board voted to approve the invoices as listed for payment. Motion carried unanimously.

FINANCIAL STATEMENTS FOR NOVEMBER 2011

On a motion by Stefanie Hurst and a second by Bob Collins, the Board approved the financials for November 2011. Motion carried unanimously.

MEETING MINUTES OF NOVEMBER 9TH, 2011

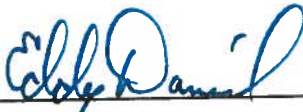
On a motion by Bob Collins and a second by Robbie Tedford, the Board approved the meeting minutes of the November 9th, 2011 meeting. Motion carried unanimously.

DISCUSSION IN CONTEMPLATION OF PLACING ITEMS ON FUTURE AGENDA

Update on Comprehensive Plan
Update on TIRZ
Update on Allard
Update on Façade Grant Guidelines
Update on Arcelli's

ADJOURNMENT

The Board adjourned at 1:25 p.m.



Eddy Daniel, President

ATTEST:



Stefanie Hurst, Secretary



TO: Mayor and Councilmembers
FROM: Ben White, Interim City Manager
DATE: February 14, 2012
SUBJECT: INFORMATIONAL ITEM – Parks Board Minutes

Electronic minutes are found at the following link:

http://www.farmersvilletx.com/government/agendas_and_minutes/parks_and_recreation_board_meetings.jsp

(III - G)

**CITY OF FARMERSVILLE
PARKS AND RECREATION BOARD
MINUTES
JANUARY 17, 2012**

The Farmersville Parks and Recreation Board met in regular session on January 17, 2012 at 6:00 p.m. at City Hall with the following members present: Susan Dann, Alicia Wisdom, Marianne Politz, Tom Waitschies, Del Sargent and Chairman Mark Vincent. Staff members present were Interim City Manager Ben White and Christi Dowdy.

CALL TO ORDER

Mark Vincent called the meeting to order at 6:00 pm, and roll was called by Christi Dowdy who announced that a quorum was present.

APPROVAL OF MINUTES

A motion was made by Marianne Politz to approve the minutes from the July 19, 2011 and September 20, 2011 meetings. The motion was seconded by Susan Dann.

SPLASH PAD AWNING

Chairman Mark Vincent provided information to the Board regarding an awning for the splash pad. The awning consists of metal poles that are stationary and topped with canvas which can be removed during the winter months. The Board discussed getting the exact measurements of the splash pad to determine the proper size needed. Ben White suggested getting installation prices from the company. Chairman Mark Vincent will have additional information regarding prices and installation at the next meeting.

OUTDOOR WATER FOUNTAIN AT TRAIL HEAD

The Board had previously discussed placing a water fountain at the Chaparral Rails to Trails Trail Head and Chairman Mark Vincent provided information regarding various styles of fountains. The Board discussed several variables of the fountain, including being outdoor rated, freeze-proof, vandal-proof, ADA compliant, etc. Ben White added that the Public Works department would run water lines to the installation point and pour a concrete base for the fountain if necessary. Marianne Politz stated that she would call to obtain additional information to present at the next meeting.

VOLUNTEER WORK AT THE CHAPARRAL RAILS TO TRAILS

Board Chairman Mark Vincent requested that members set a date possibly once per month to pick up trash and pull weeds along the Chaparral Rails to Trails from the trail head to the J.W. Spain Athletic Complex. He stated that one Saturday per month from March to October should be sufficient. More discussion will follow at the next meeting.

DISCUSSION OF PLACING ITEMS ON FUTURE AGENDAS

More information regarding the items on this agenda will be discussed at the next meeting.

ADJOURNMENT

On a motion by Alicia Wisdom and a second by Marianne Politz, the Board adjourned at 6:45 p.m. Motion carried unanimously.

Mark Vincent, Chairperson



TO: Mayor and Councilmembers
FROM: Ben White, Interim City Manager
DATE: February 14, 2012
SUBJECT: INFORMATIONAL ITEM – Main Street Board Minutes

Minutes were not available for the of Council Packet

Electronic minutes are found at the following link:

http://www.farmersvilletx.com/government/agendas_and_minutes/main_street_board/index.jsp

(III - H)



TO: Mayor and Councilmembers
FROM: Ben White, Interim City Manager
DATE: February 14, 2012
SUBJECT: INFORMATIONAL ITEM – Main Street Report

Main Street Report was not available for the Council Packet

(III - I)



TO: Mayor and Councilmembers
FROM: Ben White, Interim City Manager
DATE: February 14, 2012
SUBJECT: INFORMATIONAL ITEM – Building & Property Standards Minutes

Electronic minutes are found at the following link:

http://www.farmersvilletx.com/government/agendas_and_minutes/building_and_property_standards_meetings.jsp

(III - J)

FARMERSVILLE BUILDING AND PROPERTY STANDARDS COMMISSION
MEETING MINUTES
JANUARY 30, 2012

The Farmersville Building and Property Standards Commission met in a regular called session on January 30, 2012 at 6:00 p.m. in the Council Chambers at City Hall with the following members present: Chairman Leaca Caspari, Michael Zilk, Del Sergeant, Patti Ford and Bill Nerwich. Staff members present were Code Enforcement Officer Karen Dixon and City Secretary Edie Sims. Council Liaison present was Paul Kelly.

CALL TO ORDER, ROLL CALL

City Secretary Edie Sims called the meeting to order, called the roll and announced a quorum was present. Paul Kelly presented the prayer and pledge.

DISCUSS, APPROVE OR DISAPPROVE MINUTES FROM DECEMBER 8, 2011 MEETING

Chairman Caspari requested this item be tabled as the Board did not get to review the minutes. This item will be acted upon at their next meeting in February.

CONSIDER, DISCUSS AND ACT UPON A VIOLATIONS OF CHAPTER 4, SECTION 4.110 OF THE CITY'S CODE OF ORDINANCES REGARDING THE PROPERTY AND STRUCTURE(S) SITUATED AT 613 MAPLE STREET, BLOCK 1, LOT 4B, GRAHAM (CFR) [FARMERSVILLE ORIGINAL], PROPERTY ID 123392 – COLLIN DEED RECORDS 20100303000204900

Chairman Caspari opened this item for discussion. Detailed plans regarding the rehabilitation of the property located at 613 Maple Street have not been presented to the City. Chairman Caspari stated that 6 months have concluded and no plans or Board requests have been completed and brought before the Building and Property Standards Commission. Code Enforcement Officer Karen Dixon stated she had concerns of the new property owner having to be committed to the requirements of the Commission and not having the same amount of time as the previous owner Janie Torres. Ms. Dixon asked the Commission if the 6 month time period to make rectification to the property was allowed to the property or to the owner. Chairman Caspari stated she asked that question of City Attorney Alan Lathrom at a previous meeting; the answer was the property.

The Commission concurred that the house needs to come down; but the new owner may have come into this project without full knowledge of the problems encumbered with this property.

Paul Kelly, Council Liaison, questioned the Commission that if the building were to be demolished, a non-conforming use will be apparent since the set back lines take in the majority of the lot for a new home to be rebuilt on the property. Bill Nerwich was concerned that the City could ultimately take possession of the property and would not be able to use the land.

The Commission exited into an Executive Session to consult with the City Attorney at 6:27pm.

The Commission returned from Executive Session at 6:29pm.

Del Sergent motioned to extend to the new owner a period of 30 days to receive information regarding plans that are expected from him for the rehabilitation of the property at 613 Maple. Mr. Sergent also included in his motion that the information sent to the new owner be provided in English as well as Spanish. Bill Nerwich seconded the motion. Motion carried unanimously.

DISCUSSION OF PLACING ITEMS ON FUTURE AGENDAS

- No items were requested to be placed on future agendas.

ADJOURNMENT

The Building and Property Standards Commission adjourned at 6:29pm.

APPROVED

Leaca Caspari, Chairman

ATTEST

Patti Ford, Secretary



TO: Mayor and Councilmembers
FROM: Ben White, Interim City Manager
DATE: February 14, 2012
SUBJECT: SECOND READING – Consider, discuss and act upon Ordinance # O-2012-0214-001 regarding amendments to the City Manager Ordinance

Ordinance # 2012-0214-001 is attached

ACTION: Approve or disapprove Ordinance # O-2012-0214-001

(IV – A)

**CITY OF FARMERSVILLE
ORDINANCE # O-2012-0214-001**

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FARMERSVILLE, TEXAS, AMENDING THE CODE OF ORDINANCES OF THE CITY OF FARMERSVILLE, TEXAS THROUGH THE AMENDMENT OF ARTICLE IV, ENTITLED "OFFICERS AND EMPLOYEES," THROUGH THE AMENDMENT OF DIVISION 2, ENTITLED "CITY MANAGER," BY AMENDING SUBPARAGRAPH (A) OF SECTION 2-302, ENTITLED "APPOINTMENT AND REMOVAL," BY AMENDING SECTION 2-304, ENTITLED "COMPENSATION," AND BY AMENDING SUBPARAGRAPHS (B) AND (J) OF SECTION 2-305, ENTITLED "POWERS AND DUTIES"; PROVIDING FOR SEVERABILITY; PROVIDING A REPEALER CLAUSE; PROVIDING FOR PUBLICATION; PROVIDING ENGROSSMENT AND ENROLLMENT; PROVIDING A SAVINGS CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Farmersville, Texas is a Type A General – Law Municipality located in Collin County, created in accordance with the provisions of Chapter 6 of the Local Government Code, and operating pursuant to the enabling legislation of the State of Texas;

WHEREAS, the City has previously adopted the City Manager form of government; and

WHEREAS, the City Council of the City of Farmersville, Texas, finds and determines that amending its ordinances regarding the City Manager is in the best interest and public health, safety, and welfare of the citizens of the City of Farmersville, Texas.

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

SECTION 1. INCORPORATION OF FINDINGS

The findings set forth above are found to be true and correct and are hereby incorporated into the body of this Ordinance and made a part hereof for all purposes as if fully set forth herein.

SECTION 2. AMENDMENT OF ARTICLE IV, ENTITLED "OFFICERS AND EMPLOYEES," THROUGH THE AMENDMENT OF DIVISION 2, ENTITLED "CITY MANAGER," BY AMENDING SUBPARAGRAPH (A) OF SECTION 2-302, ENTITLED "APPOINTMENT AND REMOVAL."

From and after the effective date of this Ordinance, Subparagraph (a) of Section 2-304, entitled "Compensation," is deleted in its entirety and replaced with a new Subparagraph (a) to read as follows:

- "(a) The Farmersville City Council shall appoint a City Manager for an indefinite term and fix his compensation. The City Manager shall be appointed solely on the basis of his executive and administrative qualifications. He need not be a resident of the city or state at the time of his or her appointment. The City Manager shall reside within the Farmersville Independent School District boundaries within three (3) months after his appointment, and may reside outside the Farmersville Independent School District boundaries while in office only with the approval of the City Council."

SECTION 3. AMENDMENT OF ARTICLE IV, ENTITLED "OFFICERS AND EMPLOYEES," THROUGH THE AMENDMENT OF DIVISION 2, ENTITLED "CITY MANAGER," BY AMENDING SECTION 2-304, ENTITLED "COMPENSATION."

From and after the effective date of this Ordinance, Section 2-304, entitled "Compensation," is deleted in its entirety and replaced with a new Section 2-304 that is also entitled "Compensation" to read as follows:

"Section 2-304. Compensation.

The initial salary of the City Manager shall be fixed by contract with the approval of the City Council. Subsequent changes or increases in the City Manager's compensation shall be contingent upon an annual review of the City Manager's performance by the Mayor and City Council and approval thereof by the City Council."

SECTION 4. AMENDMENT OF ARTICLE IV, ENTITLED "OFFICERS AND EMPLOYEES," THROUGH THE AMENDMENT OF DIVISION 2, ENTITLED "CITY MANAGER," BY AMENDING SUBPARAGRAPHS (B) AND (J) OF SECTION 2-305, ENTITLED "POWERS AND DUTIES."

From and after the effective date of this Ordinance, Subparagraphs (b) and (j) of Section 2-305, entitled "Compensation," are hereby deleted in their entirety and replaced with new Subparagraphs (b) and (j) to read as follows:

- "(b) In personnel transactions involving all employees of the City of Farmersville, the City Manager shall have the power to appoint and remove all city employees, save and except the City Secretary who shall be appointed or removed only after consultation with, and approval of, the Mayor and City Council. The City Attorney, Municipal Judge and other appointees of the City shall serve at the will and pleasure of the City Council and shall be appointed and/or removed from their positions by the City Council and/or as otherwise provided by ordinance or law."
- "(j) The City Manager shall be the Chief Building Official for the City of Farmersville. The City Manager may delegate his responsibilities and duties as Building Official to another duly qualified person or party to act for and on his behalf and the City of Farmersville."

SECTION 5. SEVERABILITY

It is hereby declared to be the intention of the City Council that the several provisions of this Ordinance are severable, and if any court of competent jurisdiction shall judge any provisions of this Ordinance to be illegal, invalid, or unenforceable, such judgment shall not affect any other provisions of this Ordinance which are not specifically designated as being illegal, invalid or unenforceable.

SECTION 6. REPEALER

This Ordinance shall be cumulative of all other Ordinances, resolutions, and/or policies of the City, whether written or otherwise, and shall not repeal any of the provisions of those ordinances except in those instances where the provisions of those ordinances are in direct conflict with the provisions of this Ordinance. Any and all ordinances,

resolutions, and/or policies of the City, whether written or otherwise, which are in any manner in conflict with or inconsistent with this Ordinance shall be and are hereby repealed to the extent of such conflict and/or inconsistency.

SECTION 7. PUBLICATION

The City Secretary of the City of Farmersville is hereby directed to publish in the Official Newspaper of the City of Farmersville the Caption, Penalty and Effective Date Clause of this Ordinance as required by Section 52.011 of the Local Government Code.

SECTION 8. ENGROSSMENT AND ENROLLMENT

The City Secretary of the City of Farmersville is hereby directed to engross and enroll this Ordinance by copying the exact Caption and the Effective Date clause in the minutes of the City Council of the City of Farmersville and by filing this Ordinance in the Ordinance records of the City.

SECTION 9. SAVINGS

All rights and remedies of the City of Farmersville are expressly saved as to any and all violations of the provisions of any Ordinances which have accrued at the time of the effective date of this Ordinance; and, as to such accrued violations and all pending litigation, both civil and criminal, whether pending in court or not, under such Ordinances, same shall not be affected by this Ordinance but may be prosecuted until final disposition by the courts.

SECTION 10. EFFECTIVE DATE

This Ordinance shall take effect immediately upon its adoption and publication in accordance with and as provided by Texas law.

PASSED on first reading on the 24th day of January, 2012, and second reading on the 14th day of February, 2012 at properly scheduled meetings of the City Council of the City of Farmersville, Texas, there being a quorum present, and approved by the Mayor on the date set out below.

APPROVED THIS 14th DAY OF FEBRUARY, 2012.

APPROVED:

BY: _____
Joseph E. Helmberger, P.E., Mayor

ATTEST:

Edie Sims, City Secretary

APPROVED AS TO FORM AND LEGALITY:

Alan D. Lathrom, City Attorney



TO: Mayor and Councilmembers
FROM: Ben White, Interim City Manager
DATE: February 14, 2012
SUBJECT: FIRST READING – Ordinance # O-2012-0228-001 regarding amending the Fiscal Year Budget for 2011-2012 for Project Accounting and Time Entry Software

Ordinance # 2012-0228-001 is attached

ACTION: Approve or disapprove Ordinance # O-2012-0228-001

(IV – B)

**CITY OF FARMERSVILLE
ORDINANCE O-2012-0228-001**

AN ORDINANCE AMENDING THE BUDGET FOR THE FISCAL YEAR 2011 – 2012 IN ACCORDANCE WITH EXISTING STATUTORY REQUIREMENTS, APPROPRIATING THE VARIOUS AMOUNTS HEREIN; REPEALING ALL PRIOR ORDINANCES AND ACTIONS IN CONFLICT HERewith; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City of Farmersville, Texas is a Type A General-Law Municipality located in Collin County, created in accordance with the provisions of Chapter 6 of the Texas Local Government Code, and operating pursuant to the enabling legislation of the State of Texas;

WHEREAS, the City Manager of the City of Farmersville has reviewed the budget and which budget was adopted by the City Council for the Fiscal Year 2011 – 2012; and

WHEREAS, the City Manager of the City of Farmersville believes that the budget requires certain amendments and has submitted to the Mayor and the City Council proposed amendment(s) to the budget of the revenues and expenditures of conducting the affairs of said City, and providing a complete financial plan for the Fiscal Year 2011 – 2012; and,

WHEREAS, the City Council has determined that it is in the best interest of the City to amend the Fiscal Year 2011 – 2012 budget to adopt the proposed amendment(s) to the budget of the revenues and expenditures of conducting the affairs of said City as submitted by the City Manager.

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

SECTION 1. BUDGET AMENDMENT ADOPTION

1.1 From and after the effective date of this Ordinance, the amendments to the budget of the revenues and expenditures for the Fiscal Year 2011 – 2012 that are attached hereto as Exhibit "A" and incorporated herein by reference are hereby adopted and the budget for Fiscal Year 2011 – 2012 is hereby accordingly so amended and the amended budget for Fiscal Year 2011 – 2012 adopted.

SECTION 2. SEVERABILITY

It is hereby declared to be the intention of the City Council that the several provisions of this Ordinance are severable, and if any court of competent jurisdiction shall judge any provisions of this Ordinance to be illegal, invalid, or unenforceable, such judgment shall not affect any other provisions of this Ordinance which are not specifically designated as being illegal, invalid or unenforceable.

SECTION 3. REPEALER

This Ordinance shall be cumulative of all other Ordinances, resolutions, and/or policies of the City, whether written or otherwise, and shall not repeal any of the provisions of

those ordinances except in those instances where the provisions of those ordinances are in direct conflict with the provisions of this Ordinance. Any and all ordinances, resolutions, and/or policies of the City, whether written or otherwise, which are in any manner in conflict with or inconsistent with this Ordinance shall be and are hereby repealed to the extent of such conflict and/or inconsistency.

SECTION 4. ENGROSSMENT AND ENROLLMENT

The City Secretary of the City of Farmersville is hereby directed to engross and enroll this Ordinance by copying the exact Caption and the Effective Date clause in the minutes of the City Council of the City of Farmersville and by filing this Ordinance in the Ordinance records of the City.

SECTION 5. SAVINGS

All rights and remedies of the City of Farmersville are expressly saved as to any and all violations of the provisions of any Ordinances which have accrued at the time of the effective date of this Ordinance; and, as to such accrued violations and all pending litigation, both civil and criminal, whether pending in court or not, under such Ordinances, same shall not be affected by this Ordinance but may be prosecuted until final disposition by the courts.

SECTION 6. EFFECTIVE DATE

This Ordinance shall take effect immediately upon its adoption and publication in accordance with and as provided by Texas law.

PASSED on first reading on the 14th day of February, 2012, and second reading on the 28th day of February, 2012 at properly scheduled meetings of the City Council of the City of Farmersville, Texas, there being a quorum present, and approved by the Mayor on the date set out below.

APPROVED THIS 28th DAY OF FEBRUARY, 2012.

Joseph E. Helmberger, P.E., Mayor
City of Farmersville, Texas

ATTEST:

Edie Sims, City Secretary

APPROVED AS TO FORM & LEGALITY:

Alan D. Lathrom, City Attorney

CITY OF FARMERSVILLE

EXHIBIT A

FY 2011-2012 REVISED

GOVERNMENTAL FUNDS	PROJECTED	REVENUES	EXPENDITURES	INTERFUND	PROPOSED					
	BEGINNING FUND BALANCE			TRANSFERS IN (OUT)	ENDING FUND BALANCE					
General Fund										
Revenues										
Property Tax	\$	725,214								
Sales Tax	\$	264,000								
Franchise Fees	\$	66,300								
License Permits	\$	24,200								
Municipal Court Fines	\$	85,000								
4B Support/Reimbursement	\$	45,000								
Fire Run Payments	\$	107,500								
Lease Rentals	\$	44,968								
Miscellaneous Income	\$	60,903								
Interest	\$	1,800								
Fund Reserves for Grant	\$	8,400								
Sell of Fixed Assets	\$	57,825								
Transfers from Enterprise Funds				\$	1,046,202					
Expenses										
City Council			\$	9,240						
Administration			\$	522,857						
Municipal Court			\$	95,997						
Library/Civic Center			\$	124,820						
Police Department			\$	763,768						
Fire Department			\$	205,452						
Street Department			\$	532,599						
Debt Service			\$	68,393						
Transfer to Equipment Replacement Fund				\$	(109,750)					
General Fund Total	\$	483,068	\$	1,491,110	\$	2,323,126	\$	936,452	\$	587,504

Increased Revenue misc income \$8,703.00

Increased Expenses Admin Capital Equip \$8703.00



Proposal - Project Accounting and Time Entry

Local Government Division

Presented to:

Daphne Hamlin
Finance Director
City of Farmersville
205 S Main St
Farmersville, TX 75442-2209
(972) 782-6151
d.hamlin@ci.farmersville.tx.us

Proposal date:

December 20, 2011

Submitted by:

Robin Reeves
(800) 646-2633
robin.reeves@tylertech.com

Tyler Technologies
Local Government Division
5519 53rd Street
Lubbock, Texas 79414

Investment Summary

Daphne Hamlin
City of Farmersville
December 20, 2011



Cost Breakdown

Proposal Valid for 120 days

Software	Cost	Annual Fees
License Fees (Existing Customer)	6,325	1,581
	6,325	1,581
Professional Services	Cost	
Implementation Services (Existing Customers)	1,000	
	1,000	
Project Total	7,325	1,581

Estimated Travel Expenses

1,036

Note: Travel Expenses are billed as incurred based on Federal IRS per diem standards.

Software Licenses

Daphne Hamlin
City of Farmersville
December 20, 2011



Application Software	QTY	License Fee	Annual Maintenance
Incode Financial Management Suite		4,125	1,031
Project Accounting	1	4,125	
Incode Personnel Management Suite	1	2,200	550
Distributed Time Sheet Entry	1	2,200	
Incode Application Subtotal		6,325	1,581
Application and System Software Total		6,325	1,581

Professional Services

Daphne Hamlin
City of Farmersville
December 20, 2011



Application Professional Services Summary	Estimated Hours	Estimated Services
Implementation Services		
Financial Suite	6	1,000
Personnel Management Suite	16	
Professional Services Total	24	1,000

Implementation Services Breakdown	Estimated Hours	Estimated Services
Incode Financial Suite		
Incode Financial Applications		
Project Accounting	8	1,000
Financial Suite Subtotal	8	1,000
Incode Personnel Management Suite		
Incode Personnel Management Systems		
Distributed Time Sheet Entry	16	2,000
Personnel Management Suite Subtotal	16	2,000

FINANCIAL MANAGEMENT

PRODUCT | INCODE TIME ENTRY

Tyler's INCODE Time Entry has the flexibility to track and report time by user-defined activities. It can group employees by departments or pay types. Its flexibility allows employees to enter their own time or assigns authorized individuals to report for others. Once time has been submitted and approved, it flows automatically to the INCODE Payroll module, eliminating the need for manual re-entry. Time and leave history summaries are available at the detail level for an individual employee or a group of individuals. Time entry also interfaces with the INCODE Project Accounting module for optional tracking at the project level.

INFORMATION & REPORTS

- Generates multiple standard reports including Activity Report, Narrative Report, Overtime Report, Time Sheet, Time Entry Report, Delegate Leave Report, and System Audit Report.
- Exports reports to Microsoft® Word, Excel, and Access.
- Records time against user-defined activity codes based on worked, non-worked, and benefit pay hours.
- Displays a monthly breakdown of time by activity and hours for an individual employee, an employee group, or a department.

USER FRIENDLY

- Provides system-wide and user-specific security features.
- Allows employees to view their time a week-at-a-glance and to handle all time-keeping responsibilities.
- Facilitates efficient time entry using templates which can be set up quickly and easily.
- Assigns alternate approvers to perform time approval duties when the need arises.
- Optional leave-checking features compare leave hours reported to accrued balances available.
- Utilizes high-performance ODBC-compatible database system.

TRANSACTION EFFICIENCY

- Controls permissions for entry of projects, departments, and descriptions for each activity created.
- Builds pay periods based on defined pay frequency and pay period beginning dates.
- Automatically allocates overtime by week.
- Group approval screen gives approvers time-saving tools to identify the status of time for each employee, review in summary the time submitted, and approve the group as a whole.
- Drill-down features give approvers quick access to additional details of time records submitted.

"We selected Tyler's INCODE because of the cost and positive references. The software will simplify our jobs and make it much easier to pull together reports and information we need on short notice. Everyone was very friendly and quick to answer our questions and concerns..."

*Gail Gilmore,
Administrative Assistant,
Finance Services,
Liver Oak, CA*

tyler
TECHNOLOGIES

FINANCIAL MANAGEMENT

PRODUCT | INCODE PROJECT ACCOUNTING

Tyler's INCODE Project Accounting can interface with all other INCODE accounting applications. It allows users to establish project budgets and track activity for up to eight fiscal years. This robust module maintains key project details such as start date, end date, percent completed, project description, and notes. It includes special notes for projects funded by grants to help track funding and reimbursement. Project Accounting offers cross-system functionality when integrated with INCODE General Ledger, Purchase Orders, Accounts Payable, Payroll, Distributed Time Entry, Miscellaneous Accounts Receivable, and Centralized Cash Collections.

INFORMATION & REPORTS

- Establishes user-defined line items and categories for each project and associates multiple projects with a master project, thus providing many levels for tracking and reporting.
- Provides quick access to detailed historical information and offers dynamic screen configurations with printing and exporting capabilities.
- Produces project reports with general information about each project such as fiscal year, start/stop dates, project status, and budgets for each project line item.
- Generates budget comparison reports that summarize budget and actual expenditures by line item for each fiscal year.
- Prints detail reports of each transaction posted within a selected range of dates, including both actual and encumbered amounts.

TRANSACTION EFFICIENCY

- Automatically posts to project line items from integrated INCODE financial applications.
- Tracks project progress by percent of project completion.
- Allows easy entry of notes on reimbursements received.
- Provides access to detailed information about funding for projects.

USER FRIENDLY

- Quick project lookup with filters on master project and project status.
- Flexible design allows users to define project structure according to specific project tracking and reporting requirements.
- Users can access the support website easily to log support requests, query the knowledge base, participate in user group discussions, and download updates via secure connections.

"Our existing software system was antiquated and the city was in need of an integrated solution from one vendor. The final decision to sign with Tyler was completed by the city manager and finance director, as both are past users of INCODE software and know that its capabilities would fulfill the needs of the City of Palestine."

*R. Dale Brown,
City Manager
Palestine, TX*

tyler
TECHNOLOGIES



TO: Mayor and Councilmembers
FROM: Ben White, Interim City Manager
DATE: February 14, 2012
SUBJECT: Consider and act upon Resolution # R-2012-0214-001 to call the Election for Mayor and two Council Places

Resolution # R-2012-0214-001 is attached

ACTION: Approve or disapprove Resolution # R-2012-0214-001

(V – A)

**CITY OF FARMERSVILLE
RESOLUTION #R-2012-0214-001**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FARMERSVILLE, TEXAS, CALLING A GENERAL ELECTION FOR MAY 12, 2012 TO ELECT A MAYOR, COUNCILMEMBER PLACE 2, AND COUNCILMEMBER PLACE 4, PROVIDING FOR NOTICE OF SAID ELECTION; PROVIDING FOR THE USE OF DIRECT RECORDING ELECTRONIC VOTING MACHINES; PROVIDING FOR EARLY VOTING; ESTABLISHING EXTENDED BUSINESS HOURS OF THE CITY SECRETARY'S OFFICE FOR EARLY VOTING BY PERSONAL APPEARANCE; APPOINTING AN EARLY VOTING CLERK, AN EARLY VOTING DEPUTY CLERK, AN ELECTION JUDGE AND AN ALTERNATE ELECTION JUDGE; ESTABLISHING PAY RATES FOR ELECTION WORKERS; APPROVING THE ORDER OF GENERAL ELECTION FOR SAID ELECTION; PROVIDING FOR OTHER MATTERS INCIDENT AND RELATED TO SUCH ELECTION; PROVIDING FOR A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED BY THE CITY COUNCIL OF THE CITY OF FARMERSVILLE, TEXAS:

Section 1: That a General Election is hereby ordered and shall be held on Saturday, May 12, 2012, to elect the following officials for the City of Farmersville ("City"): Mayor; Councilmember Place 2; and, Councilmember Place 4. The Order of General Election attached hereto as Exhibit A is hereby approved and adopted by the City Council of the City of Farmersville as the Order for the General Election to be held on May 12, 2012.

Section 2: All independent candidates for the General Election to be held on May 12, 2012, for the above mentioned offices shall file their applications with the City Secretary at City Hall, 205 South Main Street, between 8:00 a.m. and 5:00 p.m. Monday through Friday, beginning February 4, 2012 and ending March 5, 2012. All applications shall be on a form as prescribed by Section 141.031 of the Texas Election Code. All applications shall become public information immediately upon filing.

Section 3: The order in which the names of the candidates are to be printed on the ballot shall be determined by a drawing by the City Secretary as provided in Section 52.094 of the Texas Election Code.

Section 4: Should all candidates for a particular office in the General Election fail to receive a plurality vote, in that event it shall be the duty of the City Council to order a runoff election for every office in the regular municipal election to which no one was elected.

Section 5: **Peggy James** is hereby appointed the presiding Election Judge; **Betty Sergent** is hereby appointed the Alternate Presiding Election Judge. Said judges shall designate not less than two (2) nor more than six (6) clerks to assist as shall be necessary and advisable, to be paid an hourly rate of eight dollars (\$8) per hour on election day, with the judge who delivers the election returns to be paid twenty-five dollars (\$25) for that service.

Section 6: The polling place for **Election Day, May 12, 2012**, shall be as follows:

**Farmersville City Hall
205 S. Main Street
Farmersville, TX 75442**

Section 7: The poll at the above designated polling place shall be open from 7:00 a.m. to 7:00 p.m. on Election Day.

Section 8: The polling place for **Early Voting, April 30, 2012 through May 8, 2012**, shall be in the Council Chambers in Farmersville City Hall, 205 S. Main St. Farmersville, TX, and will be conducted by the Office of the City Secretary. The **City Secretary** is hereby appointed Clerk for Early Voting and **Peggy James** is hereby appointed Deputy Early Voting Clerk. Said clerks shall designate not less than two (2) nor more than six (6) clerks to assist as shall be necessary and advisable, to be paid an hourly rate of ten dollars (\$10) per hour during the designated early voting period.

Section 9: Early Voting by personal appearance for the election shall commence on April 30, 2012, at 8:00 a.m. and end at 7:00 p.m. on May 8, 2012. Early voting by personal appearance shall be conducted during regular business hours from 8:00 a.m. until 5:00 p.m., except for the final two days of the early voting period. On the final two days of early voting by personal appearance, the hours are hereby designated as 7:00 a.m. until 7:00 p.m.

Section 10: The above described place for early voting is also the Early Voting Clerk's mailing address to which ballot applications and ballots voting by mail may be sent. Early voting, by mail, shall be by paper ballots and shall be canvassed by an Early Voting Ballot Board.

Section 11: Direct recording electronic voting machines shall be used for voting at the foregoing election polling places and electronic counting devices and equipment shall be used for counting the ballots at said election.

Section 12: The City Secretary is expressly authorized to obtain election supplies and equipment required by law and necessary to conduct said election.

Section 13: The office of the City Secretary shall give notice of the election and prepare the official ballots as required by law. Election materials as outlined in Section 272.005 of the Texas Election Code shall be printed in both English and Spanish for use at the polling places and for early voting for said election.

Section 14: Said election shall be held in accordance with the Texas Election Code and only resident qualified voters of the City shall be eligible to vote at said election for Mayor, Councilmember Place 2 and Councilmember Place 4.

Section 15: The City Council shall give notice of this election in accordance with the terms and provisions of Chapter 4 of the Texas Election Code, and the City Council shall issue all necessary orders and writs for said election.

Section 16: The Collin County Elections Administrator shall be responsible for establishing and operating the Central Counting Station to receive and tabulate the

electronic voted ballots in accordance with Section 127.001 of the Texas Election Code. Counting Station Manager and Central Count Judge shall be Sharon Rowe.

Section 17: Notice of Election shall be published in both English and Spanish in accordance with the Texas Election Code. Returns of said election shall be made to the Council immediately after closing of the polls.

Section 18: Should any part, section, subsection, paragraph, sentence, clause or phrase contained in this resolution be held to be unconstitutional or of no force and effect, such holding shall not affect the validity of the remaining portion of this resolution, but in all respect said remaining portion shall be and remain in full force and effect.

Section 19: This resolution shall be effective immediately upon adoption.

APPROVED AND ADOPTED by the City Council of the City of Farmersville this 14th day of February, 2012.

City of Farmersville:

Joseph E. Helmberger, P.E., Mayor

ATTEST:

Edie Sims, City Secretary

ORDER OF GENERAL ELECTION

(ORDEN DE ELECCION GENERAL)

An election is hereby ordered to be held on May 12, 2012, in Farmersville, Collin County, Texas for the purpose of electing the following city officers as required by Article XVI, Section 65 of the Texas Constitution.

(Por la presente se ordena que se lleve a cabo una elección el día 12 de Mayo, 2012, en el Condado de Farmersville, Collin County, Texas, con el propósito de elegir los siguientes oficiales del condado y del precinto como requerido por el Artículo XVI, Sección 65, de la Constitución de Texas.)

Mayor; Councilmember Place 2; and Councilmember Place 4

Early voting by personal appearance will be conducted each weekday at:

(La votación adelantada en persona se llevará a cabo de lunes a viernes en:)

Location (sitio): City Hall, 205 S. Main Street, Farmersville, Texas

Between the hours of 8:00am and 5:00pm beginning on April 30, 2012 and ending on May 8, 2012. May 7 and May 8, 2012, between the hours of 7:00am and 7:00pm.

(entre las 8:00 de la mañana y las 5:00 de la tarde empezando el Abril 30, 2012 y terminando el 8 Mayo, 2012. 7 Mayo un 8 Mayo, 2012 entre las 7:00 de la mañana y las 7:00pm de la tarde empezando).

Applications for ballot by mail shall be mailed to:

(Las solicitudes para boletas que se votarán adelantada por correo deberán enviarse a:)

Edie Sims

(Name of Early Voting Clerk) (Nombre del Secretario de la Votación Adelantada)

205 S. Main Street

(Address) (Dirección)

Farmersville, Texas 75442

(City) (Ciudad) (Zip Code) (Zona Postal)

Applications for ballots by mail must be received no later than the close of business on: May 4, 2012.

(Las solicitudes para boletas que se votarán adelantada por correo deberán recibirse para el fin de las horas de negocio el: 4 Mayo, 2012.)

Issued this the 14th day of February, 2012.

(Emitada este día 14th de febrero, 2012.)

Joseph E. Helmberger, P.E., Mayor



TO: Mayor and Councilmembers
FROM: Ben White, Interim City Manager
DATE: February 14, 2012
SUBJECT: Receive recommendation from the Bond Committee to consider issuing bonds. Consider all matters incident and related to ordering and holding a bond election, including the adoption of Resolution # R-2012-0214-002 to call the Special Election for a Bond Election

Wayne May will come before the Council to make a recommendation from the Bond Committee.

Resolution # R-2012-0214-002 is attached

ACTION: 1) Approve or disapprove recommendation from the Bond Committee
2) Approve or disapprove Resolution # R-2012-0214-002 if the Council votes for holding a bond election.

(V – B)

STREETS:

Project Order	Project Name	Project Cost
1	Sycamore Street Panel Replacement (Hwy 78 to Jackson)	\$123,000
2	Hamilton Street Overlay (Yucca to Gaddy)	\$88,000
3	South Washington from Farmersville Parkway to Sid Nelson	\$88,000
4	Hamilton Street from Hwy 380 to Farmersville Parkway	\$1,384,000
5	Sid Nelson from South Washington to Hamilton	\$88,000
6	Santa Fe Reconstruction (Jefferson to Main)	\$504,000
7	Beech Street Overlay (Main to Beene)	\$137,000
8	Windom Overlay (Maple to McKinney)	\$46,000
9	Westgate Overlay (Hwy 78 to Wilcoxson)	\$94,000
10	Central Overlay (College to Prospect)	\$101,000
11	Street Signs and Installation	\$95,000
12	Hamilton (McKinney to Yucca)	\$728,000
	Street System Total	\$3,476,000

WATER SYSTEM IMPROVEMENTS:

Project Order	Project Name	Project Cost
1	North ET/North Main Street	\$189,000
2	Rike/Houston/Austin Street	\$163,500
3	Automated Meter Reading System	\$520,000
4	CR 608/CR 609	\$63,500
5	Sycamore St/Hwy 78	\$329,000
6	Bob Tedford Drive	\$83,000
	Water System Total	\$1,348,000

SEWER SYSTEM IMPROVEMENTS:

Project Order	Project Name	Project Cost
1	S Main & Abbey – Gravity Main	\$52,000
2	Hwy 78 & Maple St – Gravity Main	\$57,000
3	Hwy 78 & CR 611 – Gravity Main	\$172,500
4	Floyd St – Lift Station	\$50,000
5	Sycamore – Gravity Main	\$23,000
6	Hwy 380 & Welch Dr – Gravity Main	\$164,500
7	Hwy 380 (AFI to Floyd St) – Lift Station & Force Main	\$445,000
8	Locust – Gravity Main	\$88,500
	Wastewater System Total	\$1,052,500

Total Bond: **\$5,876,500**
Suggested Bond Value: **\$5,880,000**

**CITY OF FARMERSVILLE
RESOLUTION #R-2012-0214-002**

A RESOLUTION ordering a bond election to be held in the City of Farmersville, Texas, making provisions for the conduct of the election and resolving other matters incident and related to such election.

WHEREAS, the City Council of the City of Farmersville, Texas hereby finds that an election should be held to determine whether said governing body shall be authorized to issue bonds of said City in the amounts and for the purposes hereinafter identified; now, therefore,

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

SECTION 1: An election shall be held on the 12th day of May, 2012, in the City of Farmersville, Texas, which date is not less than seventy-one (71) nor more than ninety (90) days from the date of the adoption hereof and is a uniform election date pursuant to V.T.C.A, Election Code, Section 41.001, for the purpose of submitting the following measures:

PROPOSITION NUMBER 1

“SHALL the City Council of the City of Farmersville, Texas, be authorized to issue general obligation bonds of the City in the principal amount of \$_____ for street improvements, including drainage, curbs, gutters, bridges, utility line relocations, traffic signalization, signage and the acquisition of equipment, machinery, land and rights-of-way therefor; such bonds to mature serially or otherwise over a period not to exceed FORTY (40) years from their date, to be issued and sold in one or more series at any price or prices and to bear interest at any rate or rates (fixed, floating, variable or otherwise) as shall be determined within the discretion of the City Council at the time of issuance or sale of the bonds; and whether ad valorem taxes shall be levied upon all taxable property in the City sufficient to pay the annual interest and provide a sinking fund to pay the bonds at maturity?”

PROPOSITION NUMBER 2

“SHALL the City Council of the City of Farmersville, Texas, be authorized to issue general obligation bonds of the City in the principal amount of \$_____ for constructing, acquiring, purchasing, renovating, enlarging, equipping, and improving water and sewer and storm water system properties and facilities, including land and rights-of-way therefor; such bonds to mature serially or otherwise over a period not to exceed FORTY (40) years from their date, to be issued and sold in one or more series at any price or prices and to bear interest at any rate or rates (fixed, floating, variable or otherwise) as shall be determined within the discretion of the City Council at the time of issuance or

sale of the bonds; and whether ad valorem taxes shall be levied upon all taxable property in the City sufficient to pay the annual interest and provide a sinking fund to pay the bonds at maturity?"

SECTION 2: The entire City shall constitute one election precinct for this election and the City Hall, 205 S. Main Street, Farmersville, Texas is hereby designated the polling place. The persons hereby appointed to serve as the election officials at said polling place are as follows:

PEGGY JAMES

PRESIDING JUDGE

BETTY SERGENT

ALTERNATE PRESIDING JUDGE

The Presiding Judge shall appoint not less than two (2) nor more than two (2) qualified clerks to serve and assist in holding said election; provided that if the Presiding Judge herein appointed actually serves, the Alternate Presiding Judge shall be one of the clerks.

On Election Day, the polls shall be open from 7:00 A.M. to 7:00 P.M.

SECTION 3: Early voting shall be conducted by the City Secretary at the City Hall, 205 S. Main Street, Farmersville, Texas 75442, in accordance with the provisions of V.T.C.A., Election Code. Early voting for this election shall begin Monday, April 30, 2012 and end Tuesday, May 8, 2012 and the hours designated for early voting by personal appearance at such main early voting place shall be from 8:00 a.m. to 5 p.m. on each day, except Saturdays, Sundays and official State holidays. Pursuant to the provisions of subsection (d) of Section 85.005 of the Texas Election Code, early voting by personal appearance at the main early voting place shall be conducted between the hours of 7:00 a.m. and 7:00 p.m. on Monday, May 7, 2012 and Tuesday, May 8, 2012.

For purposes of processing ballots cast in early voting, the election officers of the aforesaid polling place shall also serve as the early ballot board for this election.

SECTION 4: A voting system or systems meeting the standards and requirements of the Texas Election Code, as amended, is hereby adopted and approved for early voting by personal appearance and by mail and for election day voting.

Ballots shall be prepared in accordance with V.T.C.A., Election Code, and permit electors to vote "FOR" or "AGAINST" the aforesaid measures which shall appear on the ballot substantially as follows:

PROPOSITION NUMBER 1

"THE ISSUANCE OF \$_____ GENERAL OBLIGATION BONDS
FOR STREET IMPROVEMENTS"

PROPOSITION NUMBER 2

“THE ISSUANCE OF \$_____ GENERAL OBLIGATION BONDS
FOR WATER AND SEWER SYSTEM PROPERTIES AND FACILITIES”

SECTION 5: All resident qualified electors of the City shall be permitted to vote at said election. This election shall be held and conducted in accordance with the provisions of V.T.C.A., Election Code and V.T.C.A., Government Code, Chapter 1251, and as may be required by law, all election materials and proceedings shall be printed in both English and Spanish.

SECTION 6: A substantial copy of this resolution, including a Spanish translation thereof, shall be posted at three (3) public places within the City and at the City Hall not less than twenty-one (21) full days prior to the date on which said election is to be held. Notice of the election as required by the Texas Election Code and Chapter 1251 of the Texas Government Code shall also be published on the same day in each of two successive weeks in a newspaper of general circulation in said City, the first of said publications to appear in said newspaper not more than thirty (30) days and not less than fourteen (14) full days prior to the day of the election.

PASSED AND APPROVED, this the 14th day of February, 2012.

CITY OF FARMERSVILLE, TEXAS

Mayor

ATTEST:

City Secretary

ORDER OF SPECIAL ELECTION
(ORDEN DE ELECCION ESPECIAL)

An election is hereby ordered to be held on May 12, 2012, in Farmersville, Collin County, Texas for the purpose of a bond election for construction of various capital improvements to include water, sewer and street repair or replacement.

(Una elección quedará se ordenó que se celebrará el 12 de mayo de 2012, en Farmersville, Collin County, Texas con el fin de una elección de bonos para la construcción de varias mejoras de capitales que incluyen agua, alcantarillado y calle reparación o sustitución.)

Early voting by personal appearance will be conducted each weekday at:

(La votación adelantada en persona se llevará a cabo de lunes a viernes en:)

Location (sitio): City Hall, 205 S. Main Street, Farmersville, Texas

Between the hours of 8:00am and 5:00pm beginning on April 30, 2012 and ending on May 8, 2012. May 7 and May 8, 2012, between the hours of 7:00am and 7:00pm.

(entre las 8:00 de la mañana y las 5:00 de la tarde empezando el Abril 30, 2012 y terminando el 8 Mayo, 2012. 7 Mayo un 8 Mayo, 2012 entre las 7:00 de la mañana y las 7:00pm de la tarde empezando).

Applications for ballot by mail shall be mailed to:

(Las solicitudes para boletas que se votarán adelantada por correo deberán enviarse a:)

Edie Sims

(Name of Early Voting Clerk) *(Nombre del Secretario de la Votación Adelantada)*

205 S. Main Street

(Address) *(Dirección)*

Farmersville, Texas 75442

(City) *(Ciudad)* (Zip Code) *(Zona Postal)*

Applications for ballots by mail must be received no later than the close of business on: May 4, 2012.

(Las solicitudes para boletas que se votarán adelantada por correo deberán recibirse para el fin de las horas de negocio el: 4 Mayo, 2012.)

Issued this the 14th day of February, 2012.

(Emitada este día 14th de febrero, 2012.)

Joseph E. Helmberger, P.E., Mayor



TO: Mayor and Councilmembers
FROM: Ben White, Interim City Manager
DATE: February 14, 2012
SUBJECT: Consider all matters incident and related to the approving and authorizing publication of notice of intention to issue certificates of obligation, including the adoption of Resolution # R-2012-0214-004 pertaining thereto

Resolution # R-2012-0214-004 is attached

ACTION: If the Council approves to issue Certificates of Obligation, then the Council will approve or disapprove Resolution # R-2012-0214-004

(V – C)

**CITY OF FARMERSVILLE
RESOLUTION # R-2012-0214-004**

A RESOLUTION approving and authorizing publication of notice of intention to issue certificates of obligation.

WHEREAS, the City Council of the City of Farmersville, Texas, has determined that certificates of obligation should be issued under and pursuant to the provisions of V.T.C.A., Local Government Code, Subchapter C of Chapter 271 (the "Act"), for the purpose of paying contractual obligations to be incurred for (1) the construction of public works, to wit: (a) street improvements, including drainage, curbs, gutters, bridges, utility line relocations, traffic signalization, signage and the acquisition of equipment, machinery, land and rights-of-way therefor, and (b) constructing, acquiring, purchasing, renovating, enlarging, equipping, and improving water and sewer system properties and facilities, including land and rights-of-way therefor; and (2) professional services rendered in connection with such projects and the financing thereof; and

WHEREAS, prior to the issuance of such certificates, the City Council is required to publish notice of its intention to issue the same in accordance with the provisions of the Act; now, therefore,

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

SECTION 1: The City Secretary is hereby authorized and directed to cause notice to be published of the Council's intention to issue certificates of obligation in a principal amount not to exceed \$_____ for the purpose of paying contractual obligations to be incurred for (1) the construction of public works, to wit: (a) street improvements, including drainage, curbs, gutters, bridges, utility line relocations, traffic signalization, signage and the acquisition of equipment, machinery, land and rights-of-way therefor, and (b) constructing, acquiring, purchasing, renovating, enlarging, equipping, and improving water and sewer system properties and facilities, including land and rights-of-way therefor; and (2) professional services rendered in connection with such projects and the financing thereof; and shall be payable from ad valorem taxes and a limited pledge of the net revenues of the City's combined Waterworks and Sewer System. The notice hereby approved and authorized to be published shall read substantially in the form and content of Exhibit A hereto attached and incorporated herein by reference as a part of this resolution for all purposes.

SECTION 2: The City Secretary shall cause the aforesaid notice to be published in a newspaper of general circulation in the City, once a week for two consecutive weeks, the date of the first publication to be at least thirty-one (31) days prior to the date stated therein for the passage of the ordinance authorizing the issuance of the certificates of obligation.

SECTION 3: It is officially found, determined, and declared that the meeting at which this Resolution is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Resolution, was given, all as required by V.T.C.A., Government Code, Chapter 551, as amended.

SECTION 4: This Resolution shall be in force and effect from and after its passage on the date shown below.

PASSED AND ADOPTED, this February 14, 2012.

CITY OF FARMERSVILLE, TEXAS

Mayor

ATTEST:

City Secretary

EXHIBIT A

NOTICE OF INTENTION TO ISSUE CITY OF FARMERSVILLE, TEXAS, CERTIFICATES OF OBLIGATION

TAKE NOTICE that the City Council of the City of Farmersville, Texas, shall convene at 6 o'clock P.M. on the 14th day of February, 2012, at the City Hall, 205 S. Main Street, Farmersville, Texas, and, during such meeting, the City Council will consider the passage of one or more ordinances authorizing the issuance of one or more series of certificates of obligation in an amount not to exceed \$_____ for the purpose of paying contractual obligations to be incurred for (1) the construction of public works, to wit: (a) street improvements, including drainage, curbs, gutters, bridges, utility line relocations, traffic signalization, signage and the acquisition of equipment, machinery, land and rights-of-way therefor, and (b) constructing, acquiring, purchasing, renovating, enlarging, equipping, and improving water and sewer system properties and facilities, including land and rights-of-way therefor; and (2) professional services rendered in connection with such projects and the financing thereof; such certificates to be payable from ad valorem taxes and a limited pledge of the net revenues of the City's combined Waterworks and Sewer System. The certificates are to be issued, and this notice is given, under and pursuant to the provisions of V.T.C.A., Local Government Code, Subchapter C of Chapter 271.

Edie Sims
City Secretary
City of Farmersville, Texas



TO: Mayor and Councilmembers
FROM: Ben White, Interim City Manager
DATE: February 14, 2012
SUBJECT: Receive, approve or disapprove audit report from Rutherford, Taylor and Company for Fiscal Year 2010-2011

Council received audit information via email. The Final Audit will be posted on the City's Website after Council approval

ACTION: Approve or disapprove audit report as presented.

(V – D)



TO: Mayor and Councilmembers
FROM: Ben White, Interim City Manager
DATE: February 14, 2012
SUBJECT: Consider and act upon Resolution # R-2012-0214-003 regarding suspending the March 6, 2012 which Atmos Cities Steering Committee requested for a rate change to permit the City and Atmos Cities Steering Committee time to study the request and establish reasonable rates

Resolution # R-2012-0214-003 is attached along with other detailed information from Atmos Cities Steering Committee

Jeanette Moser with Atmos Energy will be available for questions regarding this topic.

ACTION: Approve or disapprove Resolution # R-2012-0214-003

(V – E)

RESOLUTION # R-2012-0214-003

RESOLUTION OF THE CITY OF FARMERSVILLE SUSPENDING THE MARCH 6, 2012, EFFECTIVE DATE OF ATMOS ENERGY CORP., MID-TEX DIVISION ("ATMOS MID-TEX") REQUESTED RATE CHANGE TO PERMIT THE CITY TIME TO STUDY THE REQUEST AND TO ESTABLISH REASONABLE RATES; APPROVING COOPERATION WITH ATMOS CITIES STEERING COMMITTEE ("ACSC") AND OTHER CITIES IN THE ATMOS MID-TEX SERVICE AREA TO HIRE LEGAL AND CONSULTING SERVICES AND TO NEGOTIATE WITH THE COMPANY AND DIRECT ANY NECESSARY LITIGATION AND APPEALS; REQUIRING REIMBURSEMENT OF CITIES' RATE CASE EXPENSES; FINDING THAT THE MEETING AT WHICH THIS RESOLUTION IS PASSED IS OPEN TO THE PUBLIC AS REQUIRED BY LAW; REQUIRING NOTICE OF THIS RESOLUTION TO THE COMPANY AND ACSC'S LEGAL COUNSEL

WHEREAS, on or about January 31, 2012, Atmos Energy Corp., Mid-Tex Division ("Atmos Mid-Tex" or "Company"), pursuant to Gas Utility Regulatory Act § 104.102 filed with the City of Farmersville ("City") a Statement of Intent to change gas rates in all municipalities exercising original jurisdiction within its Mid-Tex Division service area, effective March 6, 2012; and

WHEREAS, the City is a regulatory authority under the Gas Utility Regulatory Act ("GURA") and under Chapter 104, §104.001 et seq. of GURA has exclusive original jurisdiction over Atmos Mid-Tex's rates, operations, and services within the City; and

WHEREAS, in order to maximize the efficient use of resources and expertise, it is reasonable for the City to maintain its involvement in the Atmos Cities Steering Committee ("ACSC") and to cooperate with the more than 150 similarly situated city members of ACSC and other city participants in conducting a review of the Company's application and to hire and direct legal counsel and consultants and to prepare a common response and to negotiate with the Company and direct any necessary litigation; and

WHEREAS, Atmos Mid-Tex proposed March 6, 2012, as the effective date for its requested increase in rates; and

WHEREAS, it is not possible for the City to complete its review of Atmos Mid-Tex's filing by March 6, 2012; and

WHEREAS, the City will need an adequate amount of time to review and evaluate Atmos Mid-Tex's rate application to enable the City to adopt a final decision as a local regulatory authority with regard to Atmos Mid-Tex's requested rate increase; and

WHEREAS, the Gas Utility Regulatory Act § 104.107 grants local regulatory authorities the right to suspend the effective date of proposed rate changes for ninety (90) days; and

WHEREAS, the Gas Utility Regulatory Act § 103.022 provides that costs incurred by Cities in ratemaking activities are to be reimbursed by the regulated utility.

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

1. That the March 6, 2012, effective date of the rate request submitted by Atmos Mid-Tex on January 31, 2012, be suspended for the maximum period allowed by law to permit adequate time to review the proposed changes and to establish reasonable rates.
2. That the City is authorized to cooperate with ACSC and its member cities in the Mid-Tex service area and under the direction of the ACSC Executive Committee to hire and direct legal counsel and consultants, negotiate with the Company, make recommendations to the City regarding reasonable rates, and to direct any necessary administrative proceedings or court litigation associated with an appeal of a rate ordinance and the rate case filed with the City or Railroad Commission.
3. That the City's reasonable rate case expenses shall be reimbursed by Atmos.
4. That it is hereby officially found and determined that the meeting at which this Resolution is passed is open to the public as required by law and the public notice of the time, place, and purpose of said meeting was given as required.
5. A copy of this Resolution shall be sent to Atmos, care of David Park, Vice President Rates & Regulatory Affairs, at Atmos Energy Corporation, Mid-Tex Division, 5420 LBJ Freeway, Suite 1862, Dallas, Texas 75240, and to Geoffrey Gay, General Counsel to ACSC, at Lloyd Gosselink Rochelle & Townsend, P.C., P.O. Box 1725, Austin, Texas 78767-1725.

PASSED AND APPROVED this 14th day of February, 2012.

Mayor

ATTEST:

City Secretary

APPROVED AS TO FORM:

City Attorney

**MODEL STAFF REPORT SUPPORTING RESOLUTION SUSPENDING ATMOS
MID-TEX'S PROPOSED MARCH 6, 2012 EFFECTIVE DATE
FOR A RATE INCREASE**

The City, along with approximately 153 other cities served by Atmos Energy Corp., Mid-Tex Division ("Atmos Mid-Tex" or "Company"), is a member of the Atmos Cities Steering Committee ("ACSC" or "Steering Committee"). On or about January 31, 2012, Atmos Mid-Tex filed with the City a Statement of Intent to increase rates within the City.

Background

In 2003, TXU Gas filed a statewide rate case which became known at the Railroad Commission of Texas ("RRC") as Gas Utilities Docket ("GUD") No. 9400. That same year the Texas Legislature passed legislation referred to as the Gas Reliability Infrastructure Program ("GRIP") which authorized annual piecemeal rate reviews that Texas courts have concluded significantly restrict city jurisdiction, participation, and input. Shortly after GUD No. 9400 was decided in 2004, Atmos Energy purchased TXU Gas and created what is known as Atmos Energy Corp., Mid-Tex Division. The City is within the Atmos Mid-Tex Division.

Atmos Mid-Tex filed four GRIP cases before filing a traditional rate case in September, 2007. As part of Cities' Settlement Agreement with Atmos of the 2007 rate case, ACSC and Atmos created a substitute process for annual piecemeal GRIP cases. That substitute process was called a Rate Review Mechanism ("RRM") and was intended as an expedited but comprehensive rate review that included a number of fixed values and constraints. The RRM was intended as a three-year experiment. Last year, it was extended for a fourth year with some slight modifications to the original formulas. ACSC negotiated with Atmos in the final quarter of last year to further extend the RRM process, but no agreement was reached. Atmos has expressed a desire to reach a settlement of the January 31, 2012 filing that includes a revised RRM process.

Enclosed are frequently asked questions ("FAQ") on ACSC and the RRM ratemaking process.

Discussion and Purpose

Atmos Mid-Tex filed a Statement of Intent on January 31, 2012, seeking to increase system-wide base rates (which exclude the cost of gas) by approximately \$49 million or 11.94%. However, the Company is requesting an increase of 13.6%, excluding gas costs, for its residential customers. Additionally, the application would change the way that rates are collected, by increasing the residential fixed-monthly (or customer) charge from \$7.50 to \$18.00 and decreasing the consumption charge from \$0.25 per 100 cubic feet ("ccf") to \$0.07 per ccf.

The law provides that a rate request made by a gas utility cannot become effective until at least 35 days following the filing of the application to change rates. Atmos has proposed an effective date of March 6, 2012. The law permits the City to suspend the rate change for 90 days after the date the rate change would otherwise be effective. If the City fails to take some action

regarding the filing before the effective date, Atmos' rate request is deemed administratively approved.

The purpose of the resolution is to extend the effective date of Atmos Mid-Tex's proposed rate increase to give the City time to review the rate-filing package. The resolution suspends the March 6, 2012 effective date of the Company's rate increase for the maximum period permitted by law to allow the City, working in conjunction with the other ACSC cities, to evaluate the filing, determine whether the filing complies with law, and if lawful, to determine what further strategy to pursue, including settlement and ultimately to approve reasonable rates.

Explanation of "Be It Resolved Paragraphs"

Section 1. The City is authorized to suspend the rate change for 90 days after the date that the rate change would otherwise be effective so long as the City has a legitimate purpose. Time to study and investigate the application is always a legitimate purpose. Please note that the resolution refers to the suspension period as the "maximum period allowed by law" rather than ending by a specific date. This is because the Company controls the effective date and can extend its effective date and, therefore, extend the deadline for final city action to increase the time that the City retains jurisdiction (for example, if necessary to reach settlement on the case). If the suspension period is not otherwise extended by the Company, the City must take final action on Atmos Mid-Tex's request to raise rates by June 4, 2012.

Section 2. This provision recognizes the City's membership in ACSC and authorizes the City to participate with other similarly situated cities served by Atmos Mid-Tex in order to more efficiently represent the interests of the City and its citizens.

Section 3. By law, the Company must reimburse the cities for their reasonable rate case expenses. Legal counsel and consultants approved by ACSC will present their invoices to the City of Arlington which will then seek reimbursement from Atmos Mid-Tex. The City will not incur liability for payment of rate case expenses by adopting a suspension resolution.

Section 4. This section merely recites that the resolution was passed at a meeting that was open to the public and that the consideration of the resolution was properly noticed.

Section 5. This section provides that both Atmos Mid-Tex's designated representative and counsel for ACSC will be notified of the City's action by sending a copy of the approved and signed resolution to certain designated individuals.

Recommendation

The City Staff recommends adoption of the resolution suspending the effective date of Atmos Mid-Tex's proposed rate increase.

FREQUENTLY ASKED QUESTIONS REGARDING ACSC AND THE RRM RATEMAKING PROCESS

What is the Role of Cities in Ratemaking?

Cities have historically exercised original jurisdiction over the level of gas rates charged within their boundaries. Generally, gas distribution utilities have filed rate cases at the city level and only gone to the Railroad Commission of Texas (“RRC”) with an appeal of city action or if they cannot reach a settlement with cities. If a utility and cities reach an agreement, the utility may then file a case at the RRC to implement the same rates approved by cities in areas outside municipal boundaries.

Once a case is at the RRC, the Commission Staff generally expects cities to intervene and do most of the discovery, sponsor opposing witnesses, and do most of the cross-examination and briefing. There is no consumer advocate at the RRC. If cities do not participate in hearings at the RRC, the request of a regulated utility is likely to be rubber-stamped.

What is the background to the creation of the Atmos Cities’ Steering Committee?

The Atmos pipeline and distribution systems were built, owned and operated by Lone Star Gas (“LSG”) which maintained over 200 rate jurisdictions until it sold its assets to Texas Utilities (“TXU”) in the late 1990’s. That meant that many cities had their own unique distribution rates and that individual cities had to process rate cases at the local level. LSG-Pipeline served all 200-plus distribution systems and pipeline rates were set by the RRC.

From the early 1980’s through the late 1990’s, LSG filed no pipeline or system-wide rate case at the RRC. When LSG was finally brought before the RRC to show cause why its rates should not be reduced, approximately 80 cities intervened and created an *ad hoc* group known as the Steering Committee of Cities Served by Lone Star.

TXU purchased the LSG assets in the late 1990’s and immediately commenced consolidating 200-plus ratemaking jurisdictions into regions. As regional cases were filed, cities within each region created an *ad hoc* committee to form a common strategy and negotiating position. Once TXU had aggregated the cities into five or six jurisdictions, each with a different rate, Texas Utilities Gas Company filed a system-wide case to bring all of the old LSG territory under one common rate. The different city regional committees then united and formed the Allied Coalition of Cities (“ACC”). While the gas utility assets were owned and controlled by TXU, the Steering Committee transformed itself from an *ad hoc* group that came together only in response to rate filings by the utility into a permanent standing committee.

In Gas Utilities Docket (“GUD”) No. 9400 in 2004, TXU’s request for a \$61.6 million system-wide increase was aggressively opposed by ACC. The Company received only a \$2.01 million increase. Unhappy with that result, TXU decided that owning a gas system was neither as fun nor as profitable as the deregulated electric system, and they sold the system to Atmos Energy Corporation (“Atmos” or “Company”). ACC was then transformed into the Steering

Committee of Cities Served by Atmos and then renamed Atmos Cities Steering Committee to obtain an easy to remember acronym, “ACSC”.

What is the Atmos Cities Steering Committee?

ACSC is a coalition of 154 cities that unite in common purpose to address gas utility rate and franchise issues related to Atmos Energy Corporation. Its objectives are to: (1) ensure that gas utility rates charged to cities and their residents are fair and reasonable; (2) maintain reasonable franchise fee revenues for cities; (3) protect cities’ original jurisdiction over rates and services; (4) be a voice for consumers where no state agency assumes such a role; and (5) promote sound ratemaking policy in the public interest.

Cities join the permanent standing committee by passing a resolution and agreeing to support the work of ACSC through modest occasional *per capita* assessments which support ongoing administrative and legislative advocacy and all expenses where cities are not entitled to reimbursement. Each member city designates a representative to ACSC. Member representatives may volunteer to serve on the ACSC Executive Committee or Settlement Committee. The Executive Committee sets policy, hires legal counsel and consultants, directs litigation, establishes a legislative agenda, sets assessments on members as needed and meets quarterly with Atmos executives. The Settlement Committee is directly involved in negotiating resolution of contested matters with Atmos executives.

The list of current members is attached.

What is the benefit of membership in ACSC?

One hundred fifty-four cities speaking as one voice is much more effective in advocacy before the Railroad Commission and legislature than any one city or multiple small groups of cities.

The legislature has given gas utilities a right to an annual increase in rates. Resources (both financial and human) of individual cities are conserved by membership in ACSC. Additionally, membership enhances institutional memory of ratemaking issues, public policy debates, and right-of-way and franchise fee battles.

What has ACSC accomplished recently?

Going into the legislative session, ACSC in December 2010 released a 48-page report, “Natural Gas Consumers and the Texas Railroad Commission.” More than 200 television, newspaper and radio news sites posted information on and a link to the report which may be found on ACSC’s website, TexasGasConsumers.org.

Earlier in 2010, ACSC representatives visited on several occasions with the Sunset Commission Staff, and several ACSC recommendations for reform were included in the Sunset Commission Report on the Railroad Commission, delivered to the legislature’s Sunset Committee prior to public hearings on the agency. Several ACSC member representatives testified before the legislature regarding reforms needed at the Railroad Commission.

During the most recent legislative session, lobbying efforts by ACSC were critical in killing two gas utility bills that would have undermined traditional regulation, deprived cities of certain rights, and led to even greater rate increases.

ACSC has resolved a major issue involving franchise fees. Atmos unilaterally, without notice, ceased inclusion of franchise fees in the calculations of gross receipts regardless of whether specific franchises included such payments. Several cities were willing to pursue the matter through litigation. However, counsel for ACSC was able to negotiate a resolution that allowed each member city to determine whether it desired an increase in franchise fee payments based on inclusion of franchise fees in the calculation of gross receipts. If a city opted for inclusion of fee-on-fee revenues, it had the further option of retroactive payments back to the point in time that Atmos decided to curtail fee-on-fee payments. Each member had these options regardless of the wording of the then valid franchise agreement. This resolution spared significant litigation costs and anxiety and was only possible because of the clout of the ACSC membership.

One of the most significant accomplishments of ACSC occurred in 2007 via a settlement of the then pending system-wide rate case. Approximately 50 ACSC city representatives showed up in Arlington for a meeting with Atmos executives who were shocked at the vocal opposition to Atmos practices, the unfairness of annual Gas Reliability Infrastructure Program (“GRIP”) rate filings that precluded city and citizen review, and the Company’s lack of coordination with cities. That meeting led to the creation of the Rate Review Mechanism (“RRM”) process and greater ongoing communication between the Company and ACSC.

In 2010, ongoing communications between ACSC and the Company led to a workable solution to the need to replace steel service lines in a manner that accommodated city needs to control their rights-of-way, while moderating the rate impact and focusing first on the riskiest service lines based on leak repair histories. This compromise precluded a more onerous (from a city and consumer perspective) program threatened by the RRC.

What is a RRM case?

The concept of a RRM proceeding emerged as a three-year experimental substitute for GRIP cases as part of the settlement of Atmos Mid-Tex’s 2007 system-wide rate case. In 2003, the Texas Legislature added Section 104.301, Interim Adjustment for Changes in Investment, to the Gas Utility Regulatory Act. While not identified as such in the law, § 104.301 was referred to as the Gas Reliability Infrastructure Program or GRIP. The GRIP adjustments allowed gas companies to recover changes to invested capital without a review of whether increased revenues or declining expenses offset the invested capital costs. Both Atmos Pipeline and Atmos Mid-Tex filed GRIP cases as soon as the RRC adopted rules to implement the interim adjustments. As explained below, it quickly became apparent that the GRIP adjustments were terrible public policy.

As an alternative to GRIP, ACSC entered into a negotiated agreement with Atmos in 2007 to establish the RRM process. Unlike GRIP, the RRM provided for an annual review of all portions of Mid-Tex’s cost of service. It fixed an authorized rate of return on equity for the three-year period at 9.6% (which was less than what the RRC would have authorized) and set

caps on the extent to which expenses or investments could increase from one year to the next. More importantly, it allowed cities to make a comprehensive evaluation of all aspects of the utility business—investment, operation and maintenance expenses and revenues—unlike GRIP which only allows consideration of changes to invested capital.

Why is RRM superior to GRIP?

The GRIP cases are one-sided guarantees of a rubber-stamp of the utility's rate request. ACSC attempted to participate in the first two GRIP proceedings filed by both Atmos Pipeline and Atmos Mid-Tex at the RRC. Not only were cities' motions to intervene denied, but also, ACSC's comments were ignored. At the city level, ACSC consultants determined that Atmos was not only including items such as artwork, chairs, computers and meals in interim rate adjustments that were allegedly intended to promote pipeline safety, but also the Company was over-earning its previously authorized rate of return. ACSC attacked the Commission's rule in court because it denied city participation, denied a hearing on a contested matter, and denied cities' recovery of any expenses associated with resisting GRIP rate increases. The courts have not been helpful to cities and the Texas Supreme Court has affirmed the denial of cities' right to participate in GRIP cases at the RRC.

Cities have contended that GRIP is terrible public policy since it authorizes what would from a history of public interest regulation be regarded as unlawful—piecemeal ratemaking. GRIP allows rates to increase if the utility's invested capital net of depreciation increases year-over-year. An increase in rates is mandated under GRIP if investment increases, even if increasing revenues and declining expenses more than offset the costs associated with increased investment.

The RRM process negotiated by ACSC solves the piecemeal ratemaking problem by providing for a comprehensive review of Atmos' expenses and revenues. Furthermore, RRM benefits ACSC by: (1) allowing cities participation that would be denied under GRIP; (2) allowing cities to recover, at utility shareholder expense, all their ratemaking costs; and (3) avoiding both litigation and RRC jurisdiction.

The legislature has functionally authorized annual increases in gas utility rates through the GRIP process. Since consumers are otherwise stuck with annual rate increases, it is better to have cities participating in the comprehensive RRM process than unable to participate in a piecemeal process.

What has been the history of the RRM efforts?

In 2010, ACSC, in settling the third RRM proceeding, agreed to a slight modification and extension of the process. A settlement of the fourth annual RRM is now pending before ACSC members. The results of the four RRM proceedings are as follows:

RRM Filing	Year	Atmos Request	ACSC Settlement
#1	2008	\$33.5 million	\$20 million
#2	2009	\$20.2 million	\$2.6 million
#3	2010	\$70.2 million	\$27 million
#4	2011	\$15.7 million	\$6.6 million

These results are better for cities and consumers than would have been authorized by the RRC under the GRIP process.

What is the future of the RRM process?

The settlement of the fourth RRM filing anticipated ACSC and Atmos working between August and December to refine the RRM process. A settlement perpetuating the RRM process was not reached by the end of 2011 which has led to the filing of the January 31, 2012 traditional rate case. Discussions regarding the future of the RRM process will continue as we attempt to resolve the rate case by settlement.

If you have other questions please contact me at (512) 322-5875 and/or ggay@lglawfirm.com.

Geoffrey Gay
ACSC, General Counsel



TO: Mayor and Councilmembers
FROM: Ben White, Interim City Manager
DATE: February 14, 2012
SUBJECT: Consider, discuss and act upon awarding the contract to PWR Concrete for the Texas Capital Fund Sidewalk Project

A recommendation letter is attached from our City Engineer

ACTION: Approve or disapprove awarding the concrete bid to PWR Concrete

(V – F)



DANIEL & BROWN INC.
ENGINEERS/CONSULTANTS/PLANNERS

February 8, 2012

Mr. Benjamin White, P.E., Interim City Manager
City of Farmersville
205 South Main Street
Farmersville, Texas 75442

RE: Sidewalk Project
Texas Capital Fund TDA Contract #710232
Bid Tabulation & Recommendation

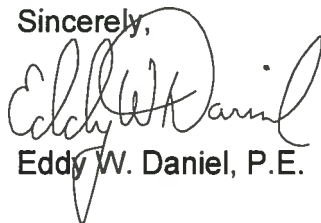
Dear Ben:

I have attached a bid tabulation form for the Texas Capital Fund Sidewalk Project to serve the City of Farmersville which was bid on Monday, January 30, 2012 at 2:00 p.m. There were three bidders on the project. PWR Concrete Inc., McKinney, TX was the low bidder with a bid amount of \$49,307.00 for the project. The project bid amount was within the available funds. Our firm believes PWR Concrete Inc. has the equipment, experience and financial stability to successfully complete the project.

It is the recommendation of Daniel & Brown Inc. that the City of Farmersville award the bid for the Texas Capital Fund Sidewalk Project to PWR Concrete Inc.

If you should have any questions or need additional information, please feel free to contact me.

Sincerely,



Eddy W. Daniel, P.E.

City of Farmersville

Bid Tabulation Form for Sidewalk Improvement Project Texas Capital Fund TDA Contract #710232

Bid Date: Monday, January 30, 2012 @ 2:00 pm

ITEM #	ITEM DESCRIPTION	PWR Concrete Inc. McKinney, TX			Overland Services, Inc. Addison, TX			Ed Bell Construction Co. Dallas, TX		
		Qty	Unit	Total	Qty	Unit	Total	Qty	Unit	Total
1	Furnish and install new sidewalks with all associated appurtenances	1		\$48,932.00	1		\$58,000.00	1		\$89,000.00
2	Furnish and install Construction Site Sign as specified	1		\$375.00	1		\$900.00	1		\$400.00
3	Furnish and install Trench Safety Program	1		\$0.00	1		\$0.00	1		\$0.00
	TOTAL OF ALL BID ITEMS (1 thru 3)			\$49,307.00			\$58,900.00			\$89,400.00
	CALENDAR DAYS			45 / 60			45 / 60			25 / 30



TO: Mayor and Councilmembers
FROM: Ben White, Interim City Manager
DATE: February 14, 2012
SUBJECT: Consider, discuss and act upon implementation of corporate credit cards for City related purchases and related Resolution

Information regarding corporate credit cards is attached along with Resolution
R-2012-0214-005

**ACTION: Approve or disapprove implementing corporate credit cards and Resolution
R-2012-0214-005**

(V – G)

**CITY OF FARMERSVILLE, TEXAS
RESOLUTION # R-2012-0124-005**

BE IT RESOLVED, that any of the following individuals: Ben White, Paula Jackson, Edie Sims, Daphne Hamlin, Christi Dowdy, Mike Sullivan, Debbie Thomas, Eddie Brock, Mike Rosa, Juan Hernandez, Willie Stoker, Edgar Martinez, and Trisha Dowell

be and he or she is hereby authorized on behalf of this Corporation, to negotiate credit accommodations and/or make a loan or loans to incur any amount of indebtedness, in addition to any outstanding indebtedness, from Capital One, National Association (the "Lender"), said indebtedness to be represented by a note or notes or other evidences of indebtedness made and executed by this Corporation from time to time, for the amount or amounts to be extended by Lender to this Corporation on forms drafted by the Lender for such amounts, and with such maturities, and with such interest, and on such other terms, conditions, and provisions as the above designated officer(s) of this Corporation may deem necessary, advisable, and/or proper in his or her sole and uncontrolled discretion, and to sign, execute and endorse such other documents as may be necessary or required by the Lender to evidence or secure such indebtedness, including but not limited to any and all agreements, obligations, pledges, and/or other instruments necessary or required by the said Lender for its protection in its dealings with this Corporation.

BE IT FURTHER RESOLVED, that in order to secure all indebtedness of every kind, nature and character, whether now existing or hereafter arising, of this Corporation to the Lender, the above designated individual(s) be and he or she is hereby authorized, empowered and directed to act on behalf of this Corporation to mortgage, pledge, hypothecate or otherwise encumber any property now or hereafter belonging to the Corporation, as security for the payment of any loans, obligations or any indebtedness that this Corporation owes to the Lender. The above designated individual(s) have the right to mortgage, pledge, hypothecate or encumber all property, including, but not limited to all immovable (real) property and all personal (movable) property. The right to mortgage, pledge, hypothecate or encumber property of the Corporation may be exercised when any loan is initially obtained, or at any other time or times, and may be in addition to or in substitution of any other property previously mortgaged, pledge, hypothecated or encumbered to the Lender.

BE IT FURTHER RESOLVED, that the above designated individual(s) be and he or she is hereby authorized to execute and deliver one or more mortgages, collateral mortgages, security agreements or pledge agreements in favor of the Lender. Any mortgages, collateral mortgages, security agreements or pledge agreements may contain such terms, conditions and provisions as he or she may deem necessary, advisable, and/or proper in his or her uncontrolled discretion, including provisions for foreclosure under Louisiana executor process procedures, confessions of judgment, waivers of appraisal, waiver of the right to a jury trial, and waiver of any other rights and notices, all of which waivers are specifically consented to by this Board of Directors.

BE IT FURTHER RESOLVED, that these resolutions are hereby ratified and approved, and will remain in full force and effect, and Lender is entitled to rely upon such resolutions, until Lender receives actual written notice of their revocation.

This Resolution shall take effect upon approval by the City Council as the law in such cases provides, and it is accordingly so resolved.

PASSED THIS 14th DAY OF FEBRUARY, 2012 at a scheduled meeting of the City Council of the City of Farmersville, Texas, there being a quorum present, and approved by the Mayor on the date set out below.

APPROVED THIS 14TH DAY OF FEBRUARY, 2012.

Joseph E. Helmberger, P.E., Mayor

ATTEST:

Edie Sims, City Secretary



Capital One, N.A.
437 Coit Road
Plano, TX 75075
972-634-6224

February 1, 2012

Mr. Ben White, P.E.
Interim City Manager
205 South Main Street
Farmersville, TX 75442
VIA E-Mail: b.white@farmersville.tx.us

RE: Credit Approval for the City of Farmersville for Capital One Bank Corporate Card

Dear Ben:

This is to notify you that the City of Farmersville has received credit approval for the Capital One Bank Corporate Card, with a monthly credit limit of \$250,000. This approval was based, in part, on the following factors:

1. Audited Annual Financial Statements reflect the quality and the importance the City pays to its financial condition.
2. The monthly budget reports provided by City Finance Director, Daphne Hamlin, are detailed and current. Ms. Hamlin's professional responsiveness to our requests for financial information, and her ability to answer financial questions from our underwriters, indicate that Ms. Hamlin is knowledgeable in the City's financial matters. We were also impressed with her ability to immediately access the requested reports, showing us a well organized City Finance Office.
3. The City showed a loss of approximately \$400,000 in 2010; however 2011 was much improved, based on the internal numbers. We recognize that the City has made changes to further improve the City's expenditures, including the request to implement the Corporate Card.
4. Capital One Bank underwriters also took into account the experience and leadership of the City. We noted that the City has added additional management strength by appointing you as the Interim City Manager. Your previous position as the City's Public Works Director, your past experience in business, your involvement in the local community, as well as being a trained productivity enhancement specialist with credentials as a Six Sigma Black Belt, were factors that provided strength to this request. Our Market Credit Executive, Steve Poole, noted your Six Sigma designation. Mr. Poole is aware that people with the Six Sigma credential are trained and focused on improving business processes. He believes with the

implementation of the Capital One Bank Corporate Card, you are putting Six Sigma to work, by improving the efficiencies of the city's purchasing and payment processes, while putting spending and fraud controls in place.

5. We also gave credit to the fact that the City of Farmersville has prospered through a number of economic cycles, since its incorporation in 1873. We are impressed with the continued progress of the city and with the revitalization of the downtown square, through the City's participation in the Texas Main Street program.

As you know, the credit review process is very thorough and we are pleased to inform you that the City of Farmersville is approved and we are ready to move forward with the implementation process.

We appreciate the opportunity to work with you and the City of Farmersville.

Sincerely,



Tommi Homuth
Senior Business Banker
Capital One Bank, NA



TO: Mayor and Councilmembers
FROM: Ben White, Interim City Manager
DATE: February 14, 2012
SUBJECT: Consider, discuss and act upon the Water Management Plan

Water Management Plan is will be posted to the City's website upon adoption of the Plan

ACTION: Action as deemed by the Council

(V – H)



TO: Mayor and Councilmembers
FROM: Ben White, Interim City Manager
DATE: February 14, 2012
SUBJECT: Consider, discuss and act upon Interconnect Contracts for water service with Caddo Basin SUD, Copeville Water SUD and North Farmersville WSC

Interconnect Contracts are attached for review.

ACTION: Approve or disapprove Interconnect Contracts for water service.

(V – I)

WATER PURCHASE AND SALE CONTRACT

Caddo Basin Special Utility District

THIS WATER PURCHASE AND SALE CONTRACT (the "Contract") is dated and entered into as of the ____th day of ____, 2012, by and between **CADDO BASIN SPECIAL UTILITY DISTRICT** (the "Purchaser"), a special utility district organized and established under the laws of the State of Texas, and the **CITY OF FARMERSVILLE, TEXAS**, (the "City").

RECITALS

WHEREAS, Purchaser is a special utility district organized and established under the laws of the State of Texas for the purpose, in part, of constructing and operating a water supply distribution system serving residents within its boundaries, and to accomplish this purpose, in part, the Purchaser now desires to purchase an additional supplemental supply of treated water; and

WHEREAS, City owns and operates a water supply distribution system to serve the customers within its certificated area; and

WHEREAS, City is a member of the North Texas Municipal Water District, and has entered into a contract with the North Texas Municipal Water District for the acquisition and provision of potable water with a capacity currently capable of serving the present customers of the City's system, with enough additional supply to provide water to Purchaser as specified herein; and

WHEREAS, the City Council of the City of Farmersville has duly authorized the sale of potable water to the Purchaser as well as the execution of the Contract by the City Manager, attested by the City Secretary; and

WHEREAS, the Purchaser's Board of Directors duly authorized the purchase of water from the City and the execution of the contract by the President, attested by the Secretary;

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the sufficiency of which are hereby acknowledged, and upon and subject to the terms and conditions hereinafter set forth, the parties hereto mutually undertake, promise, and agree as follows:

ARTICLE I **DELIVERY OF WATER**

Section 1.01. Connection. Subject to the terms and conditions of this Contract, City will allow Purchaser to connect Purchaser's water system to the City's potable

water system at the locations described in this Contract (collectively referred to as the "Point of Delivery" or "Points of Delivery").

Section 1.02. Delivery. Subject to the terms and conditions of this Contract: City will deliver potable water from the North Texas Municipal Water District to Purchaser at (or through) the City's Point of Delivery; provided, however, such delivery is conditioned upon Purchaser: (i) allowing City to upgrade and install a new water meter and appropriate backflow prevention device, if not already so equipped, on Purchaser's side of each Point of Delivery; (ii) allowing the City to maintain and provide for the inspection of the backflow prevention device on Purchaser's side of each Point of Delivery; (iii) reimbursing the City for its costs of maintenance, inspection and repairs including future replacement of the backflow prevention device on Purchaser's side of each Point of Delivery within thirty (30) days after receipt of notice and invoice from the City; and, (iv) compliance with all applicable orders, rules, regulations, statutes and ordinances regarding the delivery and protection of the public drinking water supply.

Section 1.03. Volume. Purchaser agrees to purchase a minimum of **two million, five hundred thousand (2,500,000)** gallons of water per month and **thirty million (30,000,000)** gallons of water per year from City during the term of this Contract **whether such amount is actually taken nor not. The minimum gallon purchase amount shall be reviewed annually.**

Section 1.04. Point of Delivery. The Points of Delivery, which are four (4) in number, will be located as follows:

- A. From an existing water main at a point located on United States (US) Highway 380 in the approximate area of the intersection of US Highway 380 and County Road (CR) 653 on the northwest corner;
- B. From an existing water main at a point on the City's water system located on FM 2194 approximately one (1) mile east of Main Street in Farmersville, Texas;
- C. From an existing water main at a point on the east side of Josephine Road at the intersection with the entry road into Southlake Park; and
- D. From an existing water main located at a point on the southwestern entry of the Rolling Hills Subdivision.

The water to be delivered shall be out of the existing main into the line of the Purchaser at the pressure which is maintained in the water supply system of the City. It is hereby specifically agreed that the Purchaser may utilize the pressure which is maintained in the City's system for the movement of the water herein contracted to be purchased through the distribution system of the Purchaser. If the pressure on the Purchaser's distribution system exceeds the pressure on the City's distribution system at the Point of Delivery, the Purchaser shall install and maintain, at its expense, such

additional devices as may be necessary to prevent backflow of the water, subject to inspection and certification by City. Purchaser agrees to furnish, install, construct, maintain and operate, at its own cost and expense at the above Points of Delivery, all equipment and facilities necessary to receive and take water from the City's line. The equipment and facilities will be operated by Purchaser in accordance with the terms of this Agreement.

Section 1.05. Metering Station. The parties to this Contract acknowledge and agree that the metering stations located at the Points of Delivery will be located so City and Purchaser will both have unrestricted access to the metering station. Purchaser shall be responsible for the enclosure and security of the metering stations and the general maintenance and mowing of the grounds in and about the metering stations.

Section 1.06. Metering Equipment. In accordance with this Section:

- A. At each Point of Delivery, Purchaser at its own expense shall design, construct and install all facilities and equipment required for the Point of Delivery, including any required, tapping of the main, piping, meters, control devices and systems and appurtenances. The materials and equipment required will be determined by the City's Engineers. City shall at its own expense review and approve the design, equipment and materials submitted by Purchaser's Engineer. All such materials and equipment that are not on the Purchaser's side of the meter will become the property of the City.
- B. At each Point of Delivery, the City shall at its own cost design, construct and install the initial backflow prevention device required for the Point of Delivery. City further agrees to furnish, install and operate at each Point of Delivery the necessary metering equipment, including a meter house or pit, and required devices of standard type for properly measuring the quantity of water delivered to the Purchaser and to calibrate such metering equipment once every twelve (12) months. A meter shall meet current AWWA specifications for tolerance and testing. The previous readings of any meter disclosed by test to be inaccurate shall be corrected for the six (6) months period previous to such test in accordance with the percentage of inaccuracy found by such test. If any meter fails to register for any period, the amount of water furnished during such period shall be deemed to be the amount of water delivered in the corresponding period immediately prior to the failure unless City and Purchaser shall agree upon a different amount. The metering equipment shall be read on or about the last business day of the month. An appropriate official of the Purchaser, at all reasonable times, shall have access to the meter for the purpose of verifying its readings. City shall maintain, repair and provide for inspection of the backflow prevention device and the meter(s), including calibration of such meter(s), at each Point of Delivery. Purchaser shall reimburse City for the cost of inspection, maintenance, calibration, and repairs including the future replacement of the backflow prevention device and the meter(s) at each Point of Delivery as may be

necessary within thirty (30) days after Purchaser's receipt of notice and invoice of said costs and expenses from City.

Section 1.07. Water Conservation and Drought Contingency. Purchaser shall develop and implement a water conservation plan meeting the requirements of Title 30, Part 1, Chapter 288, Subchapter A, Rule 288.2 of the Texas Administrative Code. Purchaser shall implement, follow, and flow-down to its customers the City's drought contingency emergency response stages in accordance with the City's Water Management Plan.

Section 1.08. Water Quality. The water that the City delivers to Purchaser shall be potable water acquired from NTMWD that is suitable for public water supply and shall meet the quality criteria prescribed by the TCEQ Drinking Water Standards Governing Drinking Water Quality and Reporting Requirements for Public Water Systems, 30 Tex. Admin. Code Chapter 290, subchapter F.

Section 1.09. Title. The title to the water shall transfer from the City to Purchaser on the discharge side of the meter located at the City's Point of Delivery. Each of the parties hereto hereby agrees to save and hold each other party hereto harmless from all claims, demands and causes of action which may be asserted by anyone on account of the transportation and delivery of said water while title remains in such party.

Section 1.10. Approvals. Unless otherwise required by law, each consent, approval, or other official action required of either party to this Contract, by any provision of this Contract shall be deemed in compliance with this Contract when written evidence of such action, signed by the respective Authorized Representative is delivered to the party who is to receive evidence of such action. The parties to this Contract will cooperate with each other in the design and construction of the Points of Delivery and will not take any action or fail to take any action (including, without limitation, any exercise or denial of its consent or approval of any action proposed to be taken by the party or any of its agents hereunder), if taking or failing to take such action, respectively, would unreasonably delay or obstruct the completion of the Point of Delivery.

Section 1.11. Backflow Prevention / Air Gap. The water delivered by the City to Purchaser will be delivered through a back flow prevention device / air gap into Purchaser's water system at a location upstream of any Purchaser's customer as required by TCEQ rules.

Section 1.12. Interruption in Service. City shall endeavor to provide Purchaser at least seventy-two (72) hours advance notice of the commencement of routine maintenance and inspections that may impact the City's delivery of water to Purchaser. City will notify Purchaser as soon as is practicable after the occurrence of a broken line, pump failure or other emergency that may impact the City's delivery of water to

Purchaser. City will similarly notify Purchaser of any loss of pressure or requirement for the issuance of a "boil order." Purchaser shall be responsible for providing such notice to its customers as may be required by TCEQ. City shall not be responsible to Purchaser and Purchaser's customers or be liable for any claims or causes of action arising out of an event of failure on the part of the City to provide a constant flow of water to Purchaser regardless of the cause of such interruption of service.

Section 1.13. Purchaser System Issues. In the event of a pressure loss in Purchaser's system or request for a "boil-order," the Purchaser shall promptly notify the City of such failure or problem and shall also provide such notice as may be required by TCEQ. In the event that Purchaser is issued any citations or is made a party to an enforcement action of any kind, Purchaser shall immediately notify City and shall further indemnify and hold City harmless from and against any claims or actions so brought together with the payment of any costs, attorney's fees and fines as may be assessed. Finally, Purchaser shall promptly notify City, no later than forty-eight (48) hours, after the initiation of any enforcement action against Purchaser by TCEQ, or any other governmental agency or entity having jurisdiction over Purchaser and Purchaser's operations.

ARTICLE II **PAYMENTS**

Section 2.01. Connection Fee. The existing interconnection(s) shown below will be used to deliver water to the Purchaser's system. Any additional interconnection capability cost shall be negotiated separately on an "as needed" basis.

Meter	Type	Meter Size	Point of Distribution/Location	Enclosure
1	Turbine	6"	Audie Murphy Parkway East, US Highway 380 at County Road 653	In-Ground Vault
2	Dual Body Compound	4" High, 1" Low	Summit Street	In-Ground Vault
3	Dual Body Compound	6" High, 1.5" Low	Old Josephine, Southlake Park	In-Ground Vault
4	Turbine	4"	FM 2194	In-Ground Vault

Section 2.02. Rate.

- (a) Initial Rate. The initial rate paid by the Purchaser to City for potable water delivered by City to Purchaser shall be **one dollar and 89/100ths Dollars (\$1.89) per thousand gallons.**
- (b) Excessive Pumping Rate. An excessive pumping charge of an **additional 15%** shall be assessed for the potable water delivered by City to Purchaser **in excess of 5,000,000 gallons.**
- (c) Adjustment of Rates. City may adjust this initial rate and excessive pumping rate from time to time. City will use its best efforts to adjust rates once per year prior to the beginning of its fiscal year, but the City reserves the right to adjust rates from time to time and at any time the City deems necessary to offset increases in the cost of water asserted against City by NTMWD. City further reserves the right to require automatic adjustment of rates based upon adjustments in the power costs, chemical costs, production fees, water lease payments and other charges and assessments incurred by City in the provision of potable water. City will provide Purchaser with as much notice of a rate change as may be practical under the circumstances.
- (d) Separate Customer Class. Purchaser acknowledges that Purchaser is in a separate customer class from the other customers of the City.
- (e) Minimum Monthly Payments (Take or Pay). Purchaser agrees that in order to compensate the City for the services, the City is committed to provide Purchaser under this Contract, Purchaser shall pay the City a minimum monthly charge whether or not Purchaser actually takes or receives potable water from the City. The initial minimum monthly charge will be the take or pay amount for **two million five hundred thousand (2,500,000) gallons of water.** The minimum monthly charge may be increased, but not decreased, from fiscal year to fiscal year whenever the monthly average amount of water actually taken or delivered by the City to Purchaser exceeds the initial monthly volume set forth in this subsection. The monthly average will be determined by dividing the total amount of water delivered by the City to Purchaser during the preceding fiscal year divided by twelve.
- (f) All rates set by City under this Contract shall be consistent with AWWA rate-making methodologies, except to the extent those methodologies may be inconsistent with the express provisions of this section of the Contract. City reserves the right to charge rates to Purchaser for services provided under this Agreement based upon the utility basis, rather than the cash basis, but the City must elect the methodology to be used when adopting the first adjustment to the initial rate.

Section 2.03. Due Date. The monthly charges shall be paid in full on or before the twentieth (20th) day of the month.

Section 2.04. Other Charges. In the event any sales or use taxes, or taxes, assessments, production fees or charges of any similar nature are imposed on production, storing, delivering, gathering, impounding, taking, selling, using, or consuming the water received by Purchaser, the amount of tax, assessment, or charge shall be born by Purchaser, in addition to all other charges, and whenever City shall be required to pay, collect, or remit any tax, assessment, or charge on water received by Purchaser, then Purchaser shall promptly pay or reimburse City for the tax, assessment, or charge in the manner directed by City. Purchaser shall also reimburse the City for its costs of maintenance, inspection and repairs including future replacement of the backflow prevention device on Purchaser's side of each Point of Delivery within thirty (30) days after receipt of notice and invoice from the City.

Section 2.05. Default in Payments. All amounts due and owing to the City by the Purchaser shall, if not paid when due, bear interest at the Texas post-judgment interest rate under Texas law from the date when due until paid, provided that such rate shall never be usurious or exceed the maximum rate as permitted by law as set forth in Chapter 1204, as amended, Texas Government Code. If any amount due and owing by Purchaser to the City is placed with an attorney for collection, the Purchaser shall pay to City, in addition to all other payments provided by this Contract, including interest, the City's collection expenses, including court costs and attorneys' fees as may be ordered by the court or tribunal. The City may also, to the extent permitted by law, suspend delivery of water to Purchaser if Purchaser remains delinquent in any payments due hereunder for a period of sixty (60) days, and is not required to resume delivery of water while Purchaser is so delinquent. City may pursue all legal remedies against Purchaser to enforce and protect the rights of the City under this Contract.

Section 2.06. Pledge of Gross Revenue. Purchaser represents and covenants to City that all payments to be made by it under this Contract shall constitute reasonable and necessary "operating expenses" of its utility system, and that all such payments will be made from the gross revenues of its utility system. Purchaser represents and has determined that the water supply to be obtained from City is absolutely necessary and essential to the present and future operation of its utility system, and, accordingly all payments required by this Contract to be made by Purchaser shall constitute reasonable and necessary operating expenses of the Purchaser's utility system as described above with the effect that the obligation to make such payments from gross revenues of such utility system or systems shall have priority over any obligation to make any payments from such revenues, whether of principal, interest, or otherwise, with respect to all bonds heretofore or hereafter issued by the Purchaser. Purchaser agrees throughout the term of this Contract to continuously operate and maintain its utility system and to fix and collect such rates and charges for water services to be supplied by its utility system as will produce gross revenues in an amount equal to at least all of its payments under this Contract.

Section 2.07. Payment under Protest. If Purchaser at any time disputes the amount to be paid by it to City, Purchaser shall nevertheless promptly make the disputed payment or payments, but if it is subsequently determined by agreement or court decision that the disputed amount paid by the Purchaser should have been less, or more, the City and/or Purchaser shall promptly revise the monthly payment in a manner that the other party, will recover the amount due within a specific time period.

Section 2.08. Rate Case. If a court, the TCEQ, or any federal or state regulatory authority finds that City's rates or policies for delivering water to Purchaser under this Contract are unreasonable or otherwise unenforceable, City has the option to terminate this Contract without liability to Purchaser. By signing this Contract, each party stipulates and agrees that the other party will be prejudiced if a party avoids the obligation to pay the rates for water specified in this Contract while accepting the benefits of obtaining water from the other party. Nothing in this Contract shall be construed as constituting an undertaking by a party to furnish water to the other party except pursuant to the terms of this Contract. Each party stipulates and agrees that the initial rates and surcharge and the manner of calculating same do not violate the public interest, and that the rates and policies are just and reasonable.

ARTICLE III

TERM OF CONTRACT, GOVERNMENTAL FUNCTION, AND INDEMNITY

Section 3.01. Term. This Contract shall be effective on the date it is signed by City's authorized representative, as shown on the signature page of this Contract, and shall continue in effect until September 30, 2012, unless this Contract is terminated earlier pursuant to its terms.

Section 3.02. Renewal. This Contract will automatically renew for successive terms of two (2) years unless the City or Purchaser gives written notice that the party issuing the notice objects to the renewal of this Contract. The notice of the objection to renewal must be given at least one (1) year prior to the termination date of this Contract.

Section 3.03. Termination. Upon termination, neither party will have any obligation to the other except each party will:

- (a) Remove its facilities from property owned or controlled by the other party; and
- (b) Pay or reimburse the other party all amounts that may be due upon the date of termination.

Section 3.04. Governmental Function. Purchaser and City specifically agree that the City's action in supplying and selling potable water to Purchaser by and through

this Contract is a governmental function of the City and that such action does not constitute a proprietary function.

Section 3.05. Indemnity. Purchaser does hereby agree to waive all claims, release, indemnify, defend and hold harmless City and all of its officials, officers, agents and employees, in both their public and private capacities, from any and all liability, claims, suits, demands or causes of action which may arise by reason of injury to property or persons occasioned by willful misconduct, error, omission, or negligent act of Purchaser, its officers, agents, employees, invitees or other persons, arising out of or in connection with this agreement or any and all activity or use pursuant to this agreement, and Purchaser will, at its own cost and expense, defend and protect City from any and all such claims and demands. Also, Purchaser agrees to and shall indemnify, defend and hold harmless City and all of its officials, officers, agents and employees, in both their public and private capacities, from and against any and all claims, losses, damages, causes of action, suits and liability of every kind, including all expenses of litigation, court costs and attorney fees for injury to or death of any person or for damage to any property arising out of or in connection with this agreement or any and all activity or use pursuant to this agreement. Such indemnity shall apply whether the claims, losses, damages, causes of action, suits or liability arise from the negligence of the City, its officers, officials, agents or employees and whether said negligence is contractual, comparative negligence, concurrent negligence, gross negligence or any other form of negligence.

ARTICLE IV **METERING AND MEASUREMENT**

Section 4.01. Unit of Measurement. The unit of measurement for water delivered hereunder shall be 1,000 gallons of water, U. S. Standard Liquid Measure unless otherwise stated.

Section 4.02. Measuring Equipment. In accordance with Sections 1.06 and 1.07 of this Contract, the City shall, furnish, and install at least one water meter of standard type for measuring properly the quantity of water delivered under this Contract (the "delivery meter or meters") at each Point of Distribution. Such meter and other equipment so installed shall remain the property of the City. The Purchaser shall have access to such metering equipment at all reasonable times, but the reading, calibration, and adjustment thereof shall be done only by the employees or agents of the City. For the purpose of this Contract the original record or reading of the meter or meters shall be entered in the journal or other record book of the City in its office in which the records of the employees or agents of the party who take readings are or may be transcribed. Upon written request of the Purchaser, the City will give the Purchaser a copy of such journal or record book, or permit the Purchaser to have access to the same in the City's offices during reasonable business hours for inspection.

The City shall annually test its meter(s) for accuracy at each Point of Delivery, if requested in writing by Purchaser to do so, in the presence of a representative of Purchaser, and the parties shall jointly observe any adjustments which are made to the meters in case any adjustments shall be necessary, and if the check meters hereinafter provided for have been installed by Purchaser, the same shall also be calibrated by Purchaser in the presence of a representative of the City and the parties shall jointly observe any adjustment in case any adjustment is necessary. City will provide to Purchaser and Purchaser will provide to City a copy of the meter calibration test(s) for their respective inspection reports. If the Purchaser shall in writing request the City to calibrate its meters and the City shall give the Purchaser notice of the time when any such calibration is to be made and a representative of the Purchaser is not present at the time set, the City may proceed with calibration and adjustment in the absence of any representative of the Purchaser.

If either party at any time observes a variation between the delivery meter or meters and the check meter or meters, if any such check meter or meters shall be installed, such party will promptly notify the other party, and the parties hereto shall then cooperate to procure an immediate calibration test and joint observation of any adjustment and the said meter or meters shall then be adjusted to accuracy. Each party shall give the other party at least seventy-two (72) hours' notice of the time of all tests of meters so that the other parties may conveniently have a representative present.

If upon any test, the percentage of inaccuracy of City's metering equipment is found to be in excess of two percent (2%), registration thereof shall be corrected for a period extending back to the time when such inaccuracy began, if such time is ascertainable, and if such time is not ascertainable, then for a period extending back one-half ($\frac{1}{2}$) of the time elapsed since the last date of calibration. If for any reason any meters are out of service or out of repair so that the amount of water delivered cannot be ascertained or computed from the reading thereof, the water delivered during the period such meters are out of service or out of repair shall be estimated and agreed upon by the parties hereto upon the basis of the best data available. For such purpose, the best data available shall be deemed to be the registration of any check meter or meters if the same have been installed and are accurately registering. Otherwise the amount of water delivered during such period may be estimated by (i) correcting the error if the percentage of the error is ascertainable by calibration tests or mathematical calculation, or (ii) estimating the quantity of delivery by calculating deliveries during the preceding periods under similar conditions when the meter or meters were registering accurately.

Purchaser may, at Purchaser's option and expense, install and operate a check meter to check each meter installed by the City, but the measurement of water for the purpose of this Contract shall be based solely on the readings of the City's meters, except in the cases hereinabove specifically provided to the contrary. All such check meters shall be of standard make and shall be subject at all reasonable times to inspection and examination by any employee or agent of the City, but the reading,

calibration and adjustment thereof shall be made only by the Purchaser. During any period when a check meter may be used under the provisions hereof for measuring the amount of water delivered, in which case the reading, calibration and adjustment thereof shall be made by the Purchaser with representation from the City.

If the Purchaser requests the City to test the City's meter, either more frequently than once every year required by this section or because the City's meter and the Purchaser's check meter show different readings, the Purchaser will pay the cost of the test if the test shows that the meter is accurate (within two percent registration), but if the test shows that the meter is not accurate (in excess of two percent (2%) registration), then the City will pay the costs for conducting the test.

ARTICLE V

DEFINITIONS; INTERPRETATIONS; AND CITY CONTRACT

Section 5.01. Definitions. In addition to the terms defined above, the capitalized words and phrases shall have the meanings assigned to them in the City Contracts, unless the context clearly requires otherwise.

Section 5.02. Interpretation. The table of contents and caption headings of this Contract are for reference purposes only and shall not affect its interpretation in any respect. Unless the context otherwise requires, words of the masculine gender shall be construed to include correlative words of the feminine and neuter genders and vice versa. This Contract and all the terms and provisions shall be liberally construed to effectuate the purpose set forth herein and to sustain the validity of this Contract.

Section 5.03. NTMWD/City Contract. Purchaser acknowledges receipt of the NTMWD/City Contracts and the NTMWD/City Contracts are incorporated by reference into this Contract as if set forth verbatim herein. Purchaser acknowledges the following: (i) that Purchaser has read the NTMWD/City Contracts provided to it and is familiar with all of its terms, (ii) that this Contract is subject and subordinate in all respects to the NTMWD/City Contracts. Purchaser agrees that nothing contained in this Contract will be deemed to grant to Purchaser any rights that would conflict with any of the covenants, terms and conditions of the NTMWD/City Contract, except as set forth in Section 5.04 of this Contract, relating to the subordination of the City's rights to receive water. In the event of any inconsistencies between the terms of the NTMWD/City Contract and this Contract, the terms of the NTMWD /City Contract will control. To the extent applicable and except as expressly provided by this Contract or inconsistent with this Contract, the Purchaser shall have the same duties to the NTMWD save and except the obligation to make any payments NTMWD pursuant to the NTMWD/City Contract. Purchaser expressly acknowledges that it will take no action to adversely affect the tax exempt status of NTMWD's or City's bonds.

ARTICLE VI
GENERAL PROVISIONS

Section 6.01. Participation by the Parties. The parties to this Contract each represent to the other that it is empowered by law to execute this Contract and other agreements and documents as are or may hereafter be required to accomplish the same; and that its execution of this Contract have been duly authorized by action of its governing body.

Section 6.02. Force Majeure. If by reason of Force Majeure any party hereto shall be rendered unable wholly or in part to carry out its obligations under this Contract, other than the obligation of the Purchaser to make the payments required under this Contract, then if such party shall give notice and full particulars of such Force Majeure in writing to the other party within a reasonable time after the occurrence of the event or cause relied on, the obligation of the party giving such notice, so far as it is affected by such Force Majeure, shall be suspended during the continuance of the inability then claimed, but for no longer period, and any such party shall endeavor to remove or overcome such inability with all reasonable dispatch. The term "Force Majeure" as employed herein shall mean acts of God, strikes, lockouts or other industrial disturbances, acts of public enemy, orders of any kind of the Government of the United States or the State of Texas, or any civil or military authority, insurrection, riots, epidemics, landslides, lightning, earthquake, fires, hurricanes, "blue northers," storms, floods, washouts, droughts, arrests, restraint of government and people, civil disturbances, explosions, breakage or accidents to machinery, pipelines or canals, partial or entire failure of water supply, inability on the part of NTMWD or City to deliver water for any reason, or on account of any other causes not reasonably within the control of the party claiming such inability.

Section 6.03. Modification. No change, amendment, or modification of this Contract shall be made or be effective that will affect adversely the prompt payment when due of all money required to be paid by the Purchaser under the terms of this Contract.

Section 6.04. Addresses and Notice. Unless otherwise provided herein, any notice, communication, request, reply, or advice (herein severally and collectively, for convenience, called "Notice") herein provided or permitted to be given, made, or accepted by any party to the other party must be in writing and may be given or be served by depositing the same in the United States mail postage pre-paid and registered or certified and addressed to the party to be notified, with return receipt requested, or by delivering the same to an officer of such party, or by pre-paid telegram when appropriate, addressed to the party to be notified. Notice deposited in the mail in the manner hereinabove described shall be conclusively deemed to be effective, unless otherwise stated herein, from and after the expiration of three days after it is so deposited. Notice given in any other manner shall be effective only if and when actually

received by the party to be notified. For the purposes of notice, the addresses of the parties shall, until changed as hereinafter provided, be as follows:

If to the City:

Benjamin L. White
City Manager
205 S. Main Street
Farmersville, TX 75442

If to the Purchaser:

Caddo Basin Special Utility District
Attn: General Manager
156 County Road 1118
Greenville, TX 75401-7514

The City and the Purchaser shall have the right from time to time and at any time to change their respective addresses and each shall have the right to specify as its address any other address by at least fifteen (15) days' written notice to the other party.

Section 6.05. State or Federal Laws, Rules, Orders, or Regulations. This Contract is subject to all applicable federal and State laws and any applicable permits, ordinances, rules, orders, and regulations of any local, state, or federal governmental authority having or asserting jurisdiction but nothing contained herein shall be construed as a waiver of any right to question or contest any such law, ordinance, order, rule, or regulation in any forum having jurisdiction. Each party represents that, to the best of their knowledge, no provisions of any applicable federal or State law, nor any permit, ordinance, rule, order, or regulation of either party will limit or restrict the ability of either party to carry out their respective obligations under or contemplated by this Contract.

Section 6.06. Severability. The parties hereto specifically agree that in case any one or more of the sections, subsections, provisions, clauses, or words of this Contract or the application of such sections, subsections, provisions, clauses, or words to any situation or circumstance should be, or should be held to be, for any reason, invalid or unconstitutional, under the laws or constitutions of the State or the United States of America, or in contravention of any such laws or constitutions, such invalidity, unconstitutionality, or contravention shall not affect any other sections, subsections, provisions, clauses, or words of this Contract or the application of such actions, subsections, provisions, clauses, or words to any other situation or circumstance, and it is intended that this Contract shall be severable and shall be construed and applied as if any such invalid or unconstitutional section, subsection, provision, clause, or word had not been included herein, and the rights and obligations of the parties hereto shall be construed and remain in force accordingly.

Section 6.07. Waiver. Notwithstanding anything to the contrary contained in this Contract, any right or remedy or any default hereunder, except the right of the City to receive the payments from the Purchaser, which shall never be determined to be waived, shall be deemed to be conclusively waived unless asserted by a proper proceeding at law or in equity within two (2) years plus one (1) day after the occurrence of such default. No waiver or waivers of any breach or default (or any breaches or defaults) by any party hereto or of the performance by any other party of any duty or obligation hereunder shall be deemed a waiver thereof in the future, nor shall any such waiver or waivers be deemed or construed to be a waiver of subsequent breaches or defaults of any kind, character or description, under any circumstances.

Section 6.08. Venue. All amounts due under this Contract, including, but not limited to, payments due under this Contract or damages for the breach of this Contract, shall be paid and be due in Collin County, Texas, which is the County in which the principal administrative offices of the City are located. It is specifically agreed among the parties to this Contract that Collin County, Texas, is the place of performance of this Contract; and in the event that any legal proceeding is brought to enforce this Contract or any provision hereof, the same shall be brought in Collin County, Texas.

Section 6.09. Succession and Assignment. This Contract is binding on and inures to the benefit of the parties hereto and their respective successors, representatives, and assigns. This Contract may not be assigned by either party hereto without prior written notice to and approval by the other party, which consent may be withheld without cause.

Section 6.10. Entire Contract. This Contract constitutes the entire agreement between the parties with respect to the matters described herein.

Section 6.11. Applicable Law. This Contract shall be governed by and construed in accordance with the laws of the State of Texas, and the obligations, rights, and remedies of the parties hereunder shall be determined in accordance with such laws without reference to the laws of any other state or jurisdiction, except for applicable federal laws, rules, and regulations.

Section 6.12. Counterparts. This Contract may be executed in counterparts, each of which shall be an original and all of which together shall constitute but one and the same instrument.

Section 6.13. Officers and Agents. No officer or agent of City or Purchaser is authorized to waive or modify any provision of the Contract. No modifications to or rescission of this Contract may be made except by a written documents signed by City's and Purchaser's authorized representatives.

Section 6.14. Recitals. City and Purchaser agree that the recitals in this Contract are true and correct and are incorporated into the terms of this Contract.

Section 6.15. Approval by Parties. Attached as Exhibit “___” are the official actions of City and Purchaser evidencing approval of and consent to this Contract.

IN WITNESS WHEREOF, the parties hereto acting under authority of their respective governing bodies have caused this Contract to be duly executed as of the day and year first above written.

CITY OF FARMERSVILLE

By: _____
Benjamin L. White
City Manager

Date Signed: _____

CITY OF FARMERSVILLE ATTEST:

Edie Sims, City Secretary

CADDO BASIN SPECIAL UTILITY DISTRICT

By: _____
Name: _____
Title: _____

Date Signed: _____

CADDO BASIN SPECIAL UTILITY DISTRICT ATTEST:

By: _____
Name: _____
Title: _____

THE STATE OF TEXAS,
COUNTY OF COLLIN

BEFORE ME, the undersigned authority, in and for said County, Texas, on this day personally appeared **Benjamin L. White**, City Manager of the **CITY OF FARMERSVILLE**, a Texas Municipal Corporation, known to me to be the person who's name is subscribed to the foregoing instrument, and acknowledged to me that he has executed the same on the City's behalf.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, THIS THE _____
DAY OF _____, 20_____.

Notary Public Collin County, Texas
My commission expires _____

THE STATE OF TEXAS,
COUNTY OF HUNT

This instrument was acknowledged before me on the _____ day of _____, 20_____, by _____ in his capacity as _____ of **CADDO BASIN SPECIAL UTILITY DISTRICT**, a Texas Corporation, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged that he executed the same on behalf of and as the act of **CADDO BASIN SPECIAL UTILITY DISTRICT**.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, THIS THE _____
DAY OF _____, 20_____.

Notary Public Hunt County, Texas
My commission expires _____

WATER PURCHASE AND SALE CONTRACT

Copeville Special Utility District

THIS WATER PURCHASE AND SALE CONTRACT (the "Contract") is dated and entered into as of the ____th day of ____, 2012, by and between **COPEVILLE SPECIAL UTILITY DISTRICT** (the "Purchaser"), a special utility district organized and established under the laws of the State of Texas, and the **CITY OF FARMERSVILLE, TEXAS**, (the "City").

RECITALS

WHEREAS, Purchaser is a special utility district organized and established under the laws of the State of Texas for the purpose, in part, of constructing and operating a water supply distribution system serving residents within its boundaries, and to accomplish this purpose, in part, the Purchaser now desires to purchase an additional supplemental supply of treated water; and

WHEREAS, City owns and operates a water supply distribution system to serve the customers within its certificated area; and

WHEREAS, City is a member of the North Texas Municipal Water District, and has entered into a contract with the North Texas Municipal Water District for the acquisition and provision of potable water with a capacity currently capable of serving the present customers of the City's system, with enough additional supply to provide water to Purchaser as specified herein; and

WHEREAS, the City Council of the City of Farmersville has duly authorized the sale of potable water to the Purchaser as well as the execution of the Contract by the City Manager, attested by the City Secretary; and

WHEREAS, the Purchaser's Board of Directors duly authorized the purchase of water from the City and the execution of the contract by the President, attested by the Secretary;

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the sufficiency of which are hereby acknowledged, and upon and subject to the terms and conditions hereinafter set forth, the parties hereto mutually undertake, promise, and agree as follows:

ARTICLE I **DELIVERY OF WATER**

Section 1.01. Connection. Subject to the terms and conditions of this Contract, City will allow Purchaser to connect Purchaser's water system to the City's potable

water system at the locations described in this Contract (collectively referred to as the "Point of Delivery" or "Points of Delivery").

Section 1.02. Delivery. Subject to the terms and conditions of this Contract: City will deliver potable water from the North Texas Municipal Water District to Purchaser at (or through) the City's Point of Delivery; provided, however, such delivery is conditioned upon Purchaser: (i) allowing City to upgrade and install a new water meter and appropriate backflow prevention device, if not already so equipped, on Purchaser's side of each Point of Delivery; (ii) allowing the City to maintain and provide for the inspection of the backflow prevention device on Purchaser's side of each Point of Delivery; (iii) reimbursing the City for its costs of maintenance, inspection and repairs including future replacement of the backflow prevention device on Purchaser's side of each Point of Delivery within thirty (30) days after receipt of notice and invoice from the City; and, (iv) compliance with all applicable orders, rules, regulations, statutes and ordinances regarding the delivery and protection of the public drinking water supply.

Section 1.03. Volume. Purchaser agrees to purchase a minimum of **one million, three hundred and thirty three thousand, three hundred and thirty-three (1,333,333)** gallons of water per month and **fifteen million, nine hundred and ninety-nine thousand, nine hundred and ninety-six (15,999,996)** gallons of water per year from City during the term of this Contract **whether such amount is actually taken nor not. The minimum gallon purchase amount shall be reviewed annually.**

Section 1.04. Point of Delivery. The Points of Delivery, which are four (4) in number, will be located as follows:

- A. From an existing water main at a point located on State Highway 78 (east side) 400 feet south of the intersection of State Highway 78 and Pecan Creek Drive;

The water to be delivered shall be out of the existing main into the line of the Purchaser at the pressure which is maintained in the water supply system of the City. It is hereby specifically agreed that the Purchaser may utilize the pressure which is maintained in the City's system for the movement of the water herein contracted to be purchased through the distribution system of the Purchaser. If the pressure on the Purchaser's distribution system exceeds the pressure on the City's distribution system at the Point of Delivery, the Purchaser shall install and maintain, at its expense, such additional devices as may be necessary to prevent backflow of the water, subject to inspection and certification by City. Purchaser agrees to furnish, install, construct, maintain and operate, at its own cost and expense at the above Points of Delivery, all equipment and facilities necessary to receive and take water from the City's line. The equipment and facilities will be operated by Purchaser in accordance with the terms of this Agreement.

Section 1.05. Metering Station. The parties to this Contract acknowledge and agree that the metering stations located at the Points of Delivery will be located so City

and Purchaser will both have unrestricted access to the metering station. Purchaser shall be responsible for the enclosure and security of the metering stations and the general maintenance and mowing of the grounds in and about the metering stations.

Section 1.06. Metering Equipment. In accordance with this Section:

- A. At each Point of Delivery, Purchaser at its own expense shall design, construct and install all facilities and equipment required for the Point of Delivery, including any required, tapping of the main, piping, meters, control devices and systems and appurtenances. The materials and equipment required will be determined by the City's Engineers. City shall at its own expense review and approve the design, equipment and materials submitted by Purchaser's Engineer. All such materials and equipment that are not on the Purchaser's side of the meter will become the property of the City.
- B. At each Point of Delivery, the City shall at its own cost design, construct and install the initial backflow prevention device required for the Point of Delivery. City further agrees to furnish, install and operate at each Point of Delivery the necessary metering equipment, including a meter house or pit, and required devices of standard type for properly measuring the quantity of water delivered to the Purchaser and to calibrate such metering equipment once every twelve (12) months. A meter shall meet current AWWA specifications for tolerance and testing. The previous readings of any meter disclosed by test to be inaccurate shall be corrected for the six (6) months period previous to such test in accordance with the percentage of inaccuracy found by such test. If any meter fails to register for any period, the amount of water furnished during such period shall be deemed to be the amount of water delivered in the corresponding period immediately prior to the failure unless City and Purchaser shall agree upon a different amount. The metering equipment shall be read on or about the last business day of the month. An appropriate official of the Purchaser, at all reasonable times, shall have access to the meter for the purpose of verifying its readings. City shall maintain, repair and provide for inspection of the backflow prevention device and the meter(s), including calibration of such meter(s), at each Point of Delivery. Purchaser shall reimburse City for the cost of inspection, maintenance, calibration, and repairs including the future replacement of the backflow prevention device and the meter(s) at each Point of Delivery as may be necessary within thirty (30) days after Purchaser's receipt of notice and invoice of said costs and expenses from City.

Section 1.07. Water Conservation and Drought Contingency. Purchaser shall develop and implement a water conservation plan meeting the requirements of Title 30, Part 1, Chapter 288, Subchapter A, Rule 288.2 of the Texas Administrative Code. Purchaser shall implement, follow, and flow-down to its customers the City's drought contingency emergency response stages in accordance with the City's Water Management Plan.

Section 1.08. Water Quality. The water that the City delivers to Purchaser shall be potable water acquired from NTMWD that is suitable for public water supply and shall meet the quality criteria prescribed by the TCEQ Drinking Water Standards Governing Drinking Water Quality and Reporting Requirements for Public Water Systems, 30 Tex. Admin. Code Chapter 290, subchapter F.

Section 1.09. Title. The title to the water shall transfer from the City to Purchaser on the discharge side of the meter located at the City's Point of Delivery. Each of the parties hereto hereby agrees to save and hold each other party hereto harmless from all claims, demands and causes of action which may be asserted by anyone on account of the transportation and delivery of said water while title remains in such party.

Section 1.10. Approvals. Unless otherwise required by law, each consent, approval, or other official action required of either party to this Contract, by any provision of this Contract, shall be deemed in compliance with this Contract when written evidence of such action, signed by the respective Authorized Representative is delivered to the party who is to receive evidence of such action. The parties to this Contract will cooperate with each other in the design and construction of the Points of Delivery and will not take any action or fail to take any action (including, without limitation, any exercise or denial of its consent or approval of any action proposed to be taken by the party or any of its agents hereunder), if taking or failing to take such action, respectively, would unreasonably delay or obstruct the completion of the Point of Delivery.

Section 1.11. Backflow Prevention / Air Gap. The water delivered by the City to Purchaser will be delivered through a back flow prevention device / air gap into Purchaser's water system at a location upstream of any Purchaser's customer as required by TCEQ rules.

Section 1.12. Interruption in Service. City shall endeavor to provide Purchaser at least seventy-two (72) hours advance notice of the commencement of routine maintenance and inspections that may impact the City's delivery of water to Purchaser. City will notify Purchaser as soon as is practicable after the occurrence of a broken line, pump failure or other emergency that may impact the City's delivery of water to Purchaser. City will similarly notify Purchaser of any loss of pressure or requirement for the issuance of a "boil order." Purchaser shall be responsible for providing such notice to its customers as may be required by TCEQ. City shall not be responsible to Purchaser and Purchaser's customers or be liable for any claims or causes of action arising out of an event of failure on the part of the City to provide a constant flow of water to Purchaser regardless of the cause of such interruption of service.

Section 1.13. Purchaser System Issues. In the event of a pressure loss in Purchaser's system or request for a "boil-order," the Purchaser shall promptly notify the City of such failure or problem and shall also provide such notice as may be required by

TCEQ. In the event that Purchaser is issued any citations or is made a party to an enforcement action of any kind, Purchaser shall immediately notify City and shall further indemnify and hold City harmless from and against any claims or actions so brought together with the payment of any costs, attorney's fees and fines as may be assessed. Finally, Purchaser shall promptly notify City, no later than forty-eight (48) hours, after the initiation of any enforcement action against Purchaser by TCEQ, or any other governmental agency or entity having jurisdiction over Purchaser and Purchaser's operations.

ARTICLE II **PAYMENTS**

Section 2.01. Connection Fee. The existing interconnection(s) shown below will be used to deliver water to the Purchaser's system. Any additional interconnection capability cost shall be negotiated separately on an "as needed" basis.

Meter	Type	Meter Size	Point of Distribution/Location	Enclosure
1	Turbine	6"	SH 78 (east side), 400 feet south of the intersection of SH 78 and Pecan Creek Drive	In-Ground Vault

Section 2.02. Rate.

- (a) **Initial Rate.** The initial rate paid by the Purchaser to City for potable water delivered by City to Purchaser shall be **one dollar and 89/100ths Dollars (\$1.89) per thousand gallons.**
- (b) **Excessive Pumping Rate.** An excessive pumping charge of an **additional 15%** shall be assessed for the potable water delivered by City to Purchaser **in excess of 4,000,000 gallons.**
- (c) **Adjustment of Rates.** City may adjust this initial rate and excessive pumping rate from time to time. City will use its best efforts to adjust rates once per year prior to the beginning of its fiscal year, but the City reserves the right to adjust rates from time to time and at any time the City deems necessary to offset increases in the cost of water asserted against City by NTMWD. City further reserves the right to require automatic adjustment of rates based upon adjustments in the power costs, chemical costs, production fees, water lease payments and other charges and assessments incurred by City in the provision of potable water. City will provide Purchaser with as much notice of a rate change as may be practical under the circumstances.
- (d) **Separate Customer Class.** Purchaser acknowledges that Purchaser is in a separate customer class from the other customers of the City.

- (e) Minimum Monthly Payments (Take or Pay). Purchaser agrees that in order to compensate the City for the services, the City is committed to provide Purchaser under this Contract, Purchaser shall pay the City a minimum monthly charge whether or not Purchaser actually takes or receives potable water from the City. The initial minimum monthly charge will be the take or pay amount for **one million, three hundred and thirty-three thousand, three hundred and thirty-three (1,333,333) gallons of water**. The minimum monthly charge may be increased, but not decreased, from fiscal year to fiscal year whenever the monthly average amount of water actually taken or delivered by the City to Purchaser exceeds the initial monthly volume set forth in this subsection. The monthly average will be determined by dividing the total amount of water delivered by the City to Purchaser during the preceding fiscal year divided by twelve.
- (f) All rates set by City under this Contract shall be consistent with AWWA rate-making methodologies, except to the extent those methodologies may be inconsistent with the express provisions of this section of the Contract. City reserves the right to charge rates to Purchaser for services provided under this Agreement based upon the utility basis, rather than the cash basis, but the City must elect the methodology to be used when adopting the first adjustment to the initial rate.

Section 2.03. Due Date. The monthly charges shall be paid in full on or before the twentieth (20th) day of the month.

Section 2.04. Other Charges. In the event any sales or use taxes, or taxes, assessments, production fees or charges of any similar nature are imposed on production, storing, delivering, gathering, impounding, taking, selling, using, or consuming the water received by Purchaser, the amount of tax, assessment, or charge shall be born by Purchaser, in addition to all other charges, and whenever City shall be required to pay, collect, or remit any tax, assessment, or charge on water received by Purchaser, then Purchaser shall promptly pay or reimburse City for the tax, assessment, or charge in the manner directed by City. Purchaser shall also reimburse the City for its costs of maintenance, inspection and repairs including future replacement of the backflow prevention device on Purchaser's side of each Point of Delivery within thirty (30) days after receipt of notice and invoice from the City.

Section 2.05. Default in Payments. All amounts due and owing to the City by the Purchaser shall, if not paid when due, bear interest at the Texas post-judgment interest rate under Texas law from the date when due until paid, provided that such rate shall never be usurious or exceed the maximum rate as permitted by law as set forth in Chapter 1204, as amended, Texas Government Code. If any amount due and owing by Purchaser to the City is placed with an attorney for collection, the Purchaser shall pay to City, in addition to all other payments provided by this Contract, including interest, the City's collection expenses, including court costs and attorneys' fees as may be ordered

by the court or tribunal. The City may also, to the extent permitted by law, suspend delivery of water to Purchaser if Purchaser remains delinquent in any payments due hereunder for a period of sixty (60) days, and is not required to resume delivery of water while Purchaser is so delinquent. City may pursue all legal remedies against Purchaser to enforce and protect the rights of the City under this Contract.

Section 2.06. Pledge of Gross Revenue. Purchaser represents and covenants to City that all payments to be made by it under this Contract shall constitute reasonable and necessary "operating expenses" of its utility system, and that all such payments will be made from the gross revenues of its utility system. Purchaser represents and has determined that the water supply to be obtained from City is absolutely necessary and essential to the present and future operation of its utility system, and, accordingly all payments required by this Contract to be made by Purchaser shall constitute reasonable and necessary operating expenses of the Purchaser's utility system as described above with the effect that the obligation to make such payments from gross revenues of such utility system or systems shall have priority over any obligation to make any payments from such revenues, whether of principal, interest, or otherwise, with respect to all bonds heretofore or hereafter issued by the Purchaser. Purchaser agrees throughout the term of this Contract to continuously operate and maintain its utility system and to fix and collect such rates and charges for water services to be supplied by its utility system as will produce gross revenues in an amount equal to at least all of its payments under this Contract.

Section 2.07. Payment under Protest. If Purchaser at any time disputes the amount to be paid by it to City, Purchaser shall nevertheless promptly make the disputed payment or payments, but if it is subsequently determined by agreement or court decision that the disputed amount paid by the Purchaser should have been less, or more, the City and/or Purchaser shall promptly revise the monthly payment in a manner that the other party, will recover the amount due within a specific time period.

Section 2.08. Rate Case. If a court, the TCEQ, or any federal or state regulatory authority finds that City's rates or policies for delivering water to Purchaser under this Contract are unreasonable or otherwise unenforceable, City has the option to terminate this Contract without liability to Purchaser. By signing this Contract, each party stipulates and agrees that the other party will be prejudiced if a party avoids the obligation to pay the rates for water specified in this Contract while accepting the benefits of obtaining water from the other party. Nothing in this Contract shall be construed as constituting an undertaking by a party to furnish water to the other party except pursuant to the terms of this Contract. Each party stipulates and agrees that the initial rates and surcharge and the manner of calculating same do not violate the public interest, and that the rates and policies are just and reasonable.

ARTICLE III

TERM OF CONTRACT, GOVERNMENTAL FUNCTION, AND INDEMNITY

Section 3.01. Term. This Contract shall be effective on the date it is signed by City's authorized representative, as shown on the signature page of this Contract, and shall continue in effect until September 30, 2012, unless this Contract is terminated earlier pursuant to its terms.

Section 3.02. Renewal. This Contract will automatically renew for successive terms of two (2) years unless the City or Purchaser gives written notice that the party issuing the notice objects to the renewal of this Contract. The notice of the objection to renewal must be given at least one (1) year prior to the termination date of this Contract.

Section 3.03. Termination. Upon termination, neither party will have any obligation to the other except each party will:

- (a) Remove its facilities from property owned or controlled by the other party; and
- (b) Pay or reimburse the other party all amounts that may be due upon the date of termination.

Section 3.04. Governmental Function. Purchaser and City specifically agree that the City's action in supplying and selling potable water to Purchaser by and through this Contract is a governmental function of the City and that such action does not constitute a proprietary function.

Section 3.05. Indemnity. **Purchaser does hereby agree to waive all claims, release, indemnify, defend and hold harmless City and all of its officials, officers, agents and employees, in both their public and private capacities, from any and all liability, claims, suits, demands or causes of action which may arise by reason of injury to property or persons occasioned by willful misconduct, error, omission, or negligent act of Purchaser, its officers, agents, employees, invitees or other persons, arising out of or in connection with this agreement or any and all activity or use pursuant to this agreement, and Purchaser will, at its own cost and expense, defend and protect City from any and all such claims and demands. Also, Purchaser agrees to and shall indemnify, defend and hold harmless City and all of its officials, officers, agents and employees, in both their public and private capacities, from and against any and all claims, losses, damages, causes of action, suits and liability of every kind, including all expenses of litigation, court costs and attorney fees for injury to or death of any person or for damage to any property arising out of or in connection with this agreement or any and all activity or use pursuant to this agreement. Such indemnity shall apply whether the claims, losses, damages, causes of action, suits or liability arise from the negligence of the City, its officers, officials, agents or employees and whether said negligence is contractual, comparative negligence, concurrent negligence, gross negligence or any other form of negligence.**

ARTICLE IV METERING AND MEASUREMENT

Section 4.01. Unit of Measurement. The unit of measurement for water delivered hereunder shall be 1,000 gallons of water, U. S. Standard Liquid Measure unless otherwise stated.

Section 4.02. Measuring Equipment. In accordance with Sections 1.06 and 1.07 of this Contract, the City shall, furnish, and install at least one water meter of standard type for measuring properly the quantity of water delivered under this Contract (the "delivery meter or meters") at each Point of Distribution. Such meter and other equipment so installed shall remain the property of the City. The Purchaser shall have access to such metering equipment at all reasonable times, but the reading, calibration, and adjustment thereof shall be done only by the employees or agents of the City. For the purpose of this Contract the original record or reading of the meter or meters shall be entered in the journal or other record book of the City in its office in which the records of the employees or agents of the party who take readings are or may be transcribed. Upon written request of the Purchaser, the City will give the Purchaser a copy of such journal or record book, or permit the Purchaser to have access to the same in the City's offices during reasonable business hours for inspection.

The City shall annually test its meter(s) for accuracy at each Point of Delivery, if requested in writing by Purchaser to do so, in the presence of a representative of Purchaser, and the parties shall jointly observe any adjustments which are made to the meters in case any adjustments shall be necessary, and if the check meters hereinafter provided for have been installed by Purchaser, the same shall also be calibrated by Purchaser in the presence of a representative of the City and the parties shall jointly observe any adjustment in case any adjustment is necessary. City will provide to Purchaser and Purchaser will provide to City a copy of the meter calibration test(s) for their respective inspection reports. If the Purchaser shall in writing request the City to calibrate its meters and the City shall give the Purchaser notice of the time when any such calibration is to be made and a representative of the Purchaser is not present at the time set, the City may proceed with calibration and adjustment in the absence of any representative of the Purchaser.

If either party at any time observes a variation between the delivery meter or meters and the check meter or meters, if any such check meter or meters shall be installed, such party will promptly notify the other party, and the parties hereto shall then cooperate to procure an immediate calibration test and joint observation of any adjustment and the said meter or meters shall then be adjusted to accuracy. Each party shall give the other party at least seventy-two (72) hours' notice of the time of all tests of meters so that the other parties may conveniently have a representative present.

If upon any test, the percentage of inaccuracy of City's metering equipment is found to be in excess of two percent (2%), registration thereof shall be corrected for a

period extending back to the time when such inaccuracy began, if such time is ascertainable, and if such time is not ascertainable, then for a period extending back one-half (½) of the time elapsed since the last date of calibration. If for any reason any meters are out of service or out of repair so that the amount of water delivered cannot be ascertained or computed from the reading thereof, the water delivered during the period such meters are out of service or out of repair shall be estimated and agreed upon by the parties hereto upon the basis of the best data available. For such purpose, the best data available shall be deemed to be the registration of any check meter or meters if the same have been installed and are accurately registering. Otherwise the amount of water delivered during such period may be estimated by (i) correcting the error if the percentage of the error is ascertainable by calibration tests or mathematical calculation, or (ii) estimating the quantity of delivery by calculating deliveries during the preceding periods under similar conditions when the meter or meters were registering accurately.

Purchaser may, at Purchaser's option and expense, install and operate a check meter to check each meter installed by the City, but the measurement of water for the purpose of this Contract shall be based solely on the readings of the City's meters, except in the cases hereinabove specifically provided to the contrary. All such check meters shall be of standard make and shall be subject at all reasonable times to inspection and examination by any employee or agent of the City, but the reading, calibration and adjustment thereof shall be made only by the Purchaser. During any period when a check meter may be used under the provisions hereof for measuring the amount of water delivered, in which case the reading, calibration and adjustment thereof shall be made by the Purchaser with representation from the City.

If the Purchaser requests the City to test the City's meter, either more frequently than once every year required by this section or because the City's meter and the Purchaser's check meter show different readings, the Purchaser will pay the cost of the test if the test shows that the meter is accurate (within two percent registration), but if the test shows that the meter is not accurate (in excess of two percent (2%) registration), then the City will pay the costs for conducting the test.

ARTICLE V

DEFINITIONS; INTERPRETATIONS; AND CITY CONTRACT

Section 5.01. Definitions. In addition to the terms defined above, the capitalized words and phrases shall have the meanings assigned to them in the City Contracts, unless the context clearly requires otherwise.

Section 5.02. Interpretation. The table of contents and caption headings of this Contract are for reference purposes only and shall not affect its interpretation in any respect. Unless the context otherwise requires, words of the masculine gender shall be construed to include correlative words of the feminine and neuter genders and vice

versa. This Contract and all the terms and provisions shall be liberally construed to effectuate the purpose set forth herein and to sustain the validity of this Contract.

Section 5.03. NTMWD/City Contract. Purchaser acknowledges receipt of the NTMWD/City Contracts and the NTMWD/City Contracts are incorporated by reference into this Contract as if set forth verbatim herein. Purchaser acknowledges the following: (i) that Purchaser has read the NTMWD/City Contracts provided to it and is familiar with all of its terms, (ii) that this Contract is subject and subordinate in all respects to the NTMWD/City Contracts. Purchaser agrees that nothing contained in this Contract will be deemed to grant to Purchaser any rights that would conflict with any of the covenants, terms and conditions of the NTMWD/City Contract, except as set forth in Section 5.04 of this Contract, relating to the subordination of the City's rights to receive water. In the event of any inconsistencies between the terms of the NTMWD/City Contract and this Contract, the terms of the NTMWD /City Contract will control. To the extent applicable and except as expressly provided by this Contract or inconsistent with this Contract, the Purchaser shall have the same duties to the NTMWD save and except the obligation to make any payments NTMWD pursuant to the NTMWD/City Contract. Purchaser expressly acknowledges that it will take no action to adversely affect the tax exempt status of NTMWD's or City's bonds.

ARTICLE VI

GENERAL PROVISIONS

Section 6.01. Participation by the Parties. The parties to this Contract each represent to the other that it is empowered by law to execute this Contract and other agreements and documents as are or may hereafter be required to accomplish the same; and that its execution of this Contract have been duly authorized by action of its governing body.

Section 6.02. Force Majeure. If by reason of Force Majeure any party hereto shall be rendered unable wholly or in part to carry out its obligations under this Contract, other than the obligation of the Purchaser to make the payments required under this Contract, then if such party shall give notice and full particulars of such Force Majeure in writing to the other party within a reasonable time after the occurrence of the event or cause relied on, the obligation of the party giving such notice, so far as it is affected by such Force Majeure, shall be suspended during the continuance of the inability then claimed, but for no longer period, and any such party shall endeavor to remove or overcome such inability with all reasonable dispatch. The term "Force Majeure" as employed herein shall mean acts of God, strikes, lockouts or other industrial disturbances, acts of public enemy, orders of any kind of the Government of the United States or the State of Texas, or any civil or military authority, insurrection, riots, epidemics, landslides, lightning, earthquake, fires, hurricanes, "blue northers," storms, floods, washouts, droughts, arrests, restraint of government and people, civil disturbances, explosions, breakage or accidents to machinery, pipelines or canals, partial or entire failure of water supply, inability on the part of NTMWD or City to deliver

water for any reason, or on account of any other causes not reasonably within the control of the party claiming such inability.

Section 6.03. Modification. No change, amendment, or modification of this Contract shall be made or be effective that will affect adversely the prompt payment when due of all money required to be paid by the Purchaser under the terms of this Contract.

Section 6.04. Addresses and Notice. Unless otherwise provided herein, any notice, communication, request, reply, or advice (herein severally and collectively, for convenience, called "Notice") herein provided or permitted to be given, made, or accepted by any party to the other party must be in writing and may be given or be served by depositing the same in the United States mail postage pre-paid and registered or certified and addressed to the party to be notified, with return receipt requested, or by delivering the same to an officer of such party, or by pre-paid telegram when appropriate, addressed to the party to be notified. Notice deposited in the mail in the manner hereinabove described shall be conclusively deemed to be effective, unless otherwise stated herein, from and after the expiration of three days after it is so deposited. Notice given in any other manner shall be effective only if and when actually received by the party to be notified. For the purposes of notice, the addresses of the parties shall, until changed as hereinafter provided, be as follows:

If to the City:

Benjamin L. White
City Manager
205 S. Main Street
Farmersville, TX 75442

If to the Purchaser:

Copeville Special Utility District
Attn: General Manager
P.O. Box 135
Copeville, TX 75121

The City and the Purchaser shall have the right from time to time and at any time to change their respective addresses and each shall have the right to specify as its address any other address by at least fifteen (15) days' written notice to the other party.

Section 6.05. State or Federal Laws, Rules, Orders, or Regulations. This Contract is subject to all applicable federal and State laws and any applicable permits, ordinances, rules, orders, and regulations of any local, state, or federal governmental authority having or asserting jurisdiction but nothing contained herein shall be construed as a waiver of any right to question or contest any such law, ordinance, order, rule, or regulation in any forum having jurisdiction. Each party represents that, to the best of

their knowledge, no provisions of any applicable federal or State law, nor any permit, ordinance, rule, order, or regulation of either party will limit or restrict the ability of either party to carry out their respective obligations under or contemplated by this Contract.

Section 6.06. Severability. The parties hereto specifically agree that in case any one or more of the sections, subsections, provisions, clauses, or words of this Contract or the application of such sections, subsections, provisions, clauses, or words to any situation or circumstance should be, or should be held to be, for any reason, invalid or unconstitutional, under the laws or constitutions of the State or the United States of America, or in contravention of any such laws or constitutions, such invalidity, unconstitutionality, or contravention shall not affect any other sections, subsections, provisions, clauses, or words of this Contract or the application of such actions, subsections, provisions, clauses, or words to any other situation or circumstance, and it is intended that this Contract shall be severable and shall be construed and applied as if any such invalid or unconstitutional section, subsection, provision, clause, or word had not been included herein, and the rights and obligations of the parties hereto shall be construed and remain in force accordingly.

Section 6.07. Waiver. Notwithstanding anything to the contrary contained in this Contract, any right or remedy or any default hereunder, except the right of the City to receive the payments from the Purchaser, which shall never be determined to be waived, shall be deemed to be conclusively waived unless asserted by a proper proceeding at law or in equity within two (2) years plus one (1) day after the occurrence of such default. No waiver or waivers of any breach or default (or any breaches or defaults) by any party hereto or of the performance by any other party of any duty or obligation hereunder shall be deemed a waiver thereof in the future, nor shall any such waiver or waivers be deemed or construed to be a waiver of subsequent breaches or defaults of any kind, character or description, under any circumstances.

Section 6.08. Venue. All amounts due under this Contract, including, but not limited to, payments due under this Contract or damages for the breach of this Contract, shall be paid and be due in Collin County, Texas, which is the County in which the principal administrative offices of the City are located. It is specifically agreed among the parties to this Contract that Collin County, Texas, is the place of performance of this Contract; and in the event that any legal proceeding is brought to enforce this Contract or any provision hereof, the same shall be brought in Collin County, Texas.

Section 6.09. Succession and Assignment. This Contract is binding on and inures to the benefit of the parties hereto and their respective successors, representatives, and assigns. This Contract may not be assigned by either party hereto without prior written notice to and approval by the other party, which consent may be withheld without cause.

Section 6.10. Entire Contract. This Contract constitutes the entire agreement between the parties with respect to the matters described herein.

Section 6.11. Applicable Law. This Contract shall be governed by and construed in accordance with the laws of the State of Texas, and the obligations, rights, and remedies of the parties hereunder shall be determined in accordance with such laws without reference to the laws of any other state or jurisdiction, except for applicable federal laws, rules, and regulations.

Section 6.12. Counterparts. This Contract may be executed in counterparts, each of which shall be an original and all of which together shall constitute but one and the same instrument.

Section 6.13. Officers and Agents. No officer or agent of City or Purchaser is authorized to waive or modify any provision of the Contract. No modifications to or rescission of this Contract may be made except by a written documents signed by City's and Purchaser's authorized representatives.

Section 6.14. Recitals. City and Purchaser agree that the recitals in this Contract are true and correct and are incorporated into the terms of this Contract.

Section 6.15. Approval by Parties. Attached as Exhibit "___" are the official actions of City and Purchaser evidencing approval of and consent to this Contract.

IN WITNESS WHEREOF, the parties hereto acting under authority of their respective governing bodies have caused this Contract to be duly executed as of the day and year first above written.

CITY OF FARMERSVILLE

By: _____
Benjamin L. White
City Manager

Date Signed: _____

CITY OF FARMERSVILLE ATTEST:

Edie Sims, City Secretary

COPEVILLE SPECIAL UTILITY DISTRICT

By: _____

Name: _____

Title: _____

Date Signed: _____

COPEVILLE SPECIAL UTILITY DISTRICT ATTEST:

By: _____

Name: _____

Title: _____

THE STATE OF TEXAS,
COUNTY OF COLLIN

BEFORE ME, the undersigned authority, in and for said County, Texas, on this day personally appeared **Benjamin L. White**, City Manager of the **CITY OF FARMERSVILLE**, a Texas Municipal Corporation, known to me to be the person who's name is subscribed to the foregoing instrument, and acknowledged to me that he has executed the same on the City's behalf.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, THIS THE _____
DAY OF _____, 20____.

Notary Public Collin County, Texas

My commission expires _____

THE STATE OF TEXAS,
COUNTY OF COLLIN

This instrument was acknowledged before me on the _____ day of _____, 20____, by _____ in his capacity as _____ of **COPEVILLE SPECIAL UTILITY DISTRICT**, a Texas Corporation, known to me to be the person whose name is subscribed to the foregoing

instrument, and acknowledged that he executed the same on behalf of and as the act of
COPEVILLE SPECIAL UTILITY DISTRICT.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, THIS THE _____
DAY OF _____, 20____.

Notary Public Collin County, Texas
My commission expires _____

WATER PURCHASE AND SALE CONTRACT
North Farmersville Water Supply Corporation

THIS WATER PURCHASE AND SALE CONTRACT (the "Contract") is dated and entered into as of the ____th day of ____, 2012, by and between ***NORTH FARMERSVILLE WATER SUPPLY CORPORATION*** (the "Purchaser"), a water supply corporation organized and established under the laws of the State of Texas, and the ***CITY OF FARMERSVILLE, TEXAS***, (the "City").

RECITALS

WHEREAS, Purchaser is a special utility district organized and established under the laws of the State of Texas for the purpose, in part, of constructing and operating a water supply distribution system serving residents within its boundaries, and to accomplish this purpose, in part, the Purchaser now desires to purchase an additional supplemental supply of treated water; and

WHEREAS, City owns and operates a water supply distribution system to serve the customers within its certificated area; and

WHEREAS, City is a member of the North Texas Municipal Water District, and has entered into a contract with the North Texas Municipal Water District for the acquisition and provision of potable water with a capacity currently capable of serving the present customers of the City's system, with enough additional supply to provide water to Purchaser as specified herein; and

WHEREAS, the City Council of the City of Farmersville has duly authorized the sale of potable water to the Purchaser as well as the execution of the Contract by the City Manager, attested by the City Secretary; and

WHEREAS, the Purchaser's Board of Directors duly authorized the purchase of water from the City and the execution of the contract by the President, attested by the Secretary;

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the sufficiency of which are hereby acknowledged, and upon and subject to the terms and conditions hereinafter set forth, the parties hereto mutually undertake, promise, and agree as follows:

ARTICLE I
DELIVERY OF WATER

Section 1.01. Connection. Subject to the terms and conditions of this Contract, City will allow Purchaser to connect Purchaser's water system to the City's potable

water system at the locations described in this Contract (collectively referred to as the "Point of Delivery" or "Points of Delivery").

Section 1.02. Delivery. Subject to the terms and conditions of this Contract: City will deliver potable water from the North Texas Municipal Water District to Purchaser at (or through) the City's Point of Delivery; provided, however, such delivery is conditioned upon Purchaser: (i) allowing City to upgrade and install a new water meter and appropriate backflow prevention device, if not already so equipped, on Purchaser's side of each Point of Delivery; (ii) allowing the City to maintain and provide for the inspection of the backflow prevention device on Purchaser's side of each Point of Delivery; (iii) reimbursing the City for its costs of maintenance, inspection and repairs including future replacement of the backflow prevention device on Purchaser's side of each Point of Delivery within thirty (30) days after receipt of notice and invoice from the City; and, (iv) compliance with all applicable orders, rules, regulations, statutes and ordinances regarding the delivery and protection of the public drinking water supply.

Section 1.03. Volume. Purchaser agrees to purchase a minimum of **two million, two hundred and seven thousand, sixty (2,207,060)** gallons of water per month and **twenty-six million, four hundred eighty-four thousand, seven hundred and twenty (26,484,720)** gallons of water per year from City during the term of this Contract **whether such amount is actually taken nor not. The minimum gallon purchase amount shall be reviewed annually.**

Section 1.04. Point of Delivery. The Points of Delivery, which are four (4) in number, will be located as follows:

- A. From an existing water main at a point located on State Highway 78 (east side) 300 feet north of the intersection of State Highway 78 and Sycamore.

The water to be delivered shall be out of the existing main into the line of the Purchaser at the pressure which is maintained in the water supply system of the City. It is hereby specifically agreed that the Purchaser may utilize the pressure which is maintained in the City's system for the movement of the water herein contracted to be purchased through the distribution system of the Purchaser. If the pressure on the Purchaser's distribution system exceeds the pressure on the City's distribution system at the Point of Delivery, the Purchaser shall install and maintain, at its expense, such additional devices as may be necessary to prevent backflow of the water, subject to inspection and certification by City. Purchaser agrees to furnish, install, construct, maintain and operate, at its own cost and expense at the above Points of Delivery, all equipment and facilities necessary to receive and take water from the City's line. The equipment and facilities will be operated by Purchaser in accordance with the terms of this Agreement.

Section 1.05. Metering Station. The parties to this Contract acknowledge and agree that the metering stations located at the Points of Delivery will be located so City

and Purchaser will both have unrestricted access to the metering station. Purchaser shall be responsible for the enclosure and security of the metering stations and the general maintenance and mowing of the grounds in and about the metering stations.

Section 1.06. Metering Equipment. In accordance with this Section:

- A. At each Point of Delivery, Purchaser at its own expense shall design, construct and install all facilities and equipment required for the Point of Delivery, including any required, tapping of the main, piping, meters, control devices and systems and appurtenances. The materials and equipment required will be determined by the City's Engineers. City shall at its own expense review and approve the design, equipment and materials submitted by Purchaser's Engineer. All such materials and equipment that are not on the Purchaser's side of the meter will become the property of the City.
- B. At each Point of Delivery, the City shall at its own cost design, construct and install the initial backflow prevention device required for the Point of Delivery. City further agrees to furnish, install and operate at each Point of Delivery the necessary metering equipment, including a meter house or pit, and required devices of standard type for properly measuring the quantity of water delivered to the Purchaser and to calibrate such metering equipment once every twelve (12) months. A meter shall meet current AWWA specifications for tolerance and testing. The previous readings of any meter disclosed by test to be inaccurate shall be corrected for the six (6) months period previous to such test in accordance with the percentage of inaccuracy found by such test. If any meter fails to register for any period, the amount of water furnished during such period shall be deemed to be the amount of water delivered in the corresponding period immediately prior to the failure unless City and Purchaser shall agree upon a different amount. The metering equipment shall be read on or about the last business day of the month. An appropriate official of the Purchaser, at all reasonable times, shall have access to the meter for the purpose of verifying its readings. City shall maintain, repair and provide for inspection of the backflow prevention device and the meter(s), including calibration of such meter(s), at each Point of Delivery. Purchaser shall reimburse City for the cost of inspection, maintenance, calibration, and repairs including the future replacement of the backflow prevention device and the meter(s) at each Point of Delivery as may be necessary within thirty (30) days after Purchaser's receipt of notice and invoice of said costs and expenses from City.

Section 1.07. Water Conservation and Drought Contingency. Purchaser shall develop and implement a water conservation plan meeting the requirements of Title 30, Part 1, Chapter 288, Subchapter A, Rule 288.2 of the Texas Administrative Code. Purchaser shall implement, follow, and flow-down to its customers the City's drought contingency emergency response stages in accordance with the City's Water Management Plan.

Section 1.08. Water Quality. The water that the City delivers to Purchaser shall be potable water acquired from NTMWD that is suitable for public water supply and shall meet the quality criteria prescribed by the TCEQ Drinking Water Standards Governing Drinking Water Quality and Reporting Requirements for Public Water Systems, 30 Tex. Admin. Code Chapter 290, subchapter F.

Section 1.09. Title. The title to the water shall transfer from the City to Purchaser on the discharge side of the meter located at the City's Point of Delivery. Each of the parties hereto hereby agrees to save and hold each other party hereto harmless from all claims, demands and causes of action which may be asserted by anyone on account of the transportation and delivery of said water while title remains in such party.

Section 1.10. Approvals. Unless otherwise required by law, each consent, approval, or other official action required of either party to this Contract, by any provision of this Contract, shall be deemed in compliance with this Contract when written evidence of such action, signed by the respective Authorized Representative is delivered to the party who is to receive evidence of such action. The parties to this Contract will cooperate with each other in the design and construction of the Points of Delivery and will not take any action or fail to take any action (including, without limitation, any exercise or denial of its consent or approval of any action proposed to be taken by the party or any of its agents hereunder), if taking or failing to take such action, respectively, would unreasonably delay or obstruct the completion of the Point of Delivery.

Section 1.11. Backflow Prevention / Air Gap. The water delivered by the City to Purchaser will be delivered through a back flow prevention device / air gap into Purchaser's water system at a location upstream of any Purchaser's customer as required by TCEQ rules.

Section 1.12. Interruption in Service. City shall endeavor to provide Purchaser at least seventy-two (72) hours advance notice of the commencement of routine maintenance and inspections that may impact the City's delivery of water to Purchaser. City will notify Purchaser as soon as is practicable after the occurrence of a broken line, pump failure or other emergency that may impact the City's delivery of water to Purchaser. City will similarly notify Purchaser of any loss of pressure or requirement for the issuance of a "boil order." Purchaser shall be responsible for providing such notice to its customers as may be required by TCEQ. City shall not be responsible to Purchaser and Purchaser's customers or be liable for any claims or causes of action arising out of an event of failure on the part of the City to provide a constant flow of water to Purchaser regardless of the cause of such interruption of service.

Section 1.13. Purchaser System Issues. In the event of a pressure loss in Purchaser's system or request for a "boil-order," the Purchaser shall promptly notify the City of such failure or problem and shall also provide such notice as may be required by

TCEQ. In the event that Purchaser is issued any citations or is made a party to an enforcement action of any kind, Purchaser shall immediately notify City and shall further indemnify and hold City harmless from and against any claims or actions so brought together with the payment of any costs, attorney's fees and fines as may be assessed. Finally, Purchaser shall promptly notify City, no later than forty-eight (48) hours, after the initiation of any enforcement action against Purchaser by TCEQ, or any other governmental agency or entity having jurisdiction over Purchaser and Purchaser's operations.

ARTICLE II **PAYMENTS**

Section 2.01. Connection Fee. The existing interconnection(s) shown below will be used to deliver water to the Purchaser's system. Any additional interconnection capability cost shall be negotiated separately on an "as needed" basis.

Meter	Type	Meter Size	Point of Distribution/Location	Enclosure
1	Dual Body Compound	6" High, 1.5" Low	SH 78 (east side), 300 feet north of the intersection of SH 78 and Sycamore	In-Ground Vault

Section 2.02. Rate.

- (a) **Initial Rate.** The initial rate paid by the Purchaser to City for potable water delivered by City to Purchaser shall be **one dollar and 89/100ths Dollars (\$1.89) per thousand gallons.**
- (b) **Excessive Pumping Rate.** An excessive pumping charge of an **additional 15%** shall be assessed for the potable water delivered by City to Purchaser **in excess of 7,000,000 gallons.**
- (c) **Adjustment of Rates.** City may adjust this initial rate and excessive pumping rate from time to time. City will use its best efforts to adjust rates once per year prior to the beginning of its fiscal year, but the City reserves the right to adjust rates from time to time and at any time the City deems necessary to offset increases in the cost of water asserted against City by NTMWD. City further reserves the right to require automatic adjustment of rates based upon adjustments in the power costs, chemical costs, production fees, water lease payments and other charges and assessments incurred by City in the provision of potable water. City will provide Purchaser with as much notice of a rate change as may be practical under the circumstances.
- (d) **Separate Customer Class.** Purchaser acknowledges that Purchaser is in a separate customer class from the other customers of the City.

- (e) Minimum Monthly Payments (Take or Pay). Purchaser agrees that in order to compensate the City for the services, the City is committed to provide Purchaser under this Contract, Purchaser shall pay the City a minimum monthly charge whether or not Purchaser actually takes or receives potable water from the City. The initial minimum monthly charge will be the take or pay amount for **two million, two hundred and seven thousand, sixty (2,207,060) gallons of water**. The minimum monthly charge may be increased, but not decreased, from fiscal year to fiscal year whenever the monthly average amount of water actually taken or delivered by the City to Purchaser exceeds the initial monthly volume set forth in this subsection. The monthly average will be determined by dividing the total amount of water delivered by the City to Purchaser during the preceding fiscal year divided by twelve.
- (f) All rates set by City under this Contract shall be consistent with AWWA rate-making methodologies, except to the extent those methodologies may be inconsistent with the express provisions of this section of the Contract. City reserves the right to charge rates to Purchaser for services provided under this Agreement based upon the utility basis, rather than the cash basis, but the City must elect the methodology to be used when adopting the first adjustment to the initial rate.

Section 2.03. Due Date. The monthly charges shall be paid in full on or before the twentieth (20th) day of the month.

Section 2.04. Other Charges. In the event any sales or use taxes, or taxes, assessments, production fees or charges of any similar nature are imposed on production, storing, delivering, gathering, impounding, taking, selling, using, or consuming the water received by Purchaser, the amount of tax, assessment, or charge shall be born by Purchaser, in addition to all other charges, and whenever City shall be required to pay, collect, or remit any tax, assessment, or charge on water received by Purchaser, then Purchaser shall promptly pay or reimburse City for the tax, assessment, or charge in the manner directed by City. Purchaser shall also reimburse the City for its costs of maintenance, inspection and repairs including future replacement of the backflow prevention device on Purchaser's side of each Point of Delivery within thirty (30) days after receipt of notice and invoice from the City.

Section 2.05. Default in Payments. All amounts due and owing to the City by the Purchaser shall, if not paid when due, bear interest at the Texas post-judgment interest rate under Texas law from the date when due until paid, provided that such rate shall never be usurious or exceed the maximum rate as permitted by law as set forth in Chapter 1204, as amended, Texas Government Code. If any amount due and owing by Purchaser to the City is placed with an attorney for collection, the Purchaser shall pay to City, in addition to all other payments provided by this Contract, including interest, the City's collection expenses, including court costs and attorneys' fees as may be ordered by the court or tribunal. The City may also, to the extent permitted by law, suspend

delivery of water to Purchaser if Purchaser remains delinquent in any payments due hereunder for a period of sixty (60) days, and is not required to resume delivery of water while Purchaser is so delinquent. City may pursue all legal remedies against Purchaser to enforce and protect the rights of the City under this Contract.

Section 2.06. Pledge of Gross Revenue. Purchaser represents and covenants to City that all payments to be made by it under this Contract shall constitute reasonable and necessary "operating expenses" of its utility system, and that all such payments will be made from the gross revenues of its utility system. Purchaser represents and has determined that the water supply to be obtained from City is absolutely necessary and essential to the present and future operation of its utility system, and, accordingly all payments required by this Contract to be made by Purchaser shall constitute reasonable and necessary operating expenses of the Purchaser's utility system as described above with the effect that the obligation to make such payments from gross revenues of such utility system or systems shall have priority over any obligation to make any payments from such revenues, whether of principal, interest, or otherwise, with respect to all bonds heretofore or hereafter issued by the Purchaser. Purchaser agrees throughout the term of this Contract to continuously operate and maintain its utility system and to fix and collect such rates and charges for water services to be supplied by its utility system as will produce gross revenues in an amount equal to at least all of its payments under this Contract.

Section 2.07. Payment under Protest. If Purchaser at any time disputes the amount to be paid by it to City, Purchaser shall nevertheless promptly make the disputed payment or payments, but if it is subsequently determined by agreement or court decision that the disputed amount paid by the Purchaser should have been less, or more, the City and/or Purchaser shall promptly revise the monthly payment in a manner that the other party, will recover the amount due within a specific time period.

Section 2.08. Rate Case. If a court, the TCEQ, or any federal or state regulatory authority finds that City's rates or policies for delivering water to Purchaser under this Contract are unreasonable or otherwise unenforceable, City has the option to terminate this Contract without liability to Purchaser. By signing this Contract, each party stipulates and agrees that the other party will be prejudiced if a party avoids the obligation to pay the rates for water specified in this Contract while accepting the benefits of obtaining water from the other party. Nothing in this Contract shall be construed as constituting an undertaking by a party to furnish water to the other party except pursuant to the terms of this Contract. Each party stipulates and agrees that the initial rates and surcharge and the manner of calculating same do not violate the public interest, and that the rates and policies are just and reasonable.

ARTICLE III

TERM OF CONTRACT, GOVERNMENTAL FUNCTION, AND INDEMNITY

Section 3.01. Term. This Contract shall be effective on the date it is signed by City's authorized representative, as shown on the signature page of this Contract, and shall continue in effect until September 30, 2012, unless this Contract is terminated earlier pursuant to its terms.

Section 3.02. Renewal. This Contract will automatically renew for successive terms of two (2) years unless the City or Purchaser gives written notice that the party issuing the notice objects to the renewal of this Contract. The notice of the objection to renewal must be given at least one (1) year prior to the termination date of this Contract.

Section 3.03. Termination. Upon termination, neither party will have any obligation to the other except each party will:

- (a) Remove its facilities from property owned or controlled by the other party; and
- (b) Pay or reimburse the other party all amounts that may be due upon the date of termination.

Section 3.04. Governmental Function. Purchaser and City specifically agree that the City's action in supplying and selling potable water to Purchaser by and through this Contract is a governmental function of the City and that such action does not constitute a proprietary function.

Section 3.05. Indemnity. **Purchaser does hereby agree to waive all claims, release, indemnify, defend and hold harmless City and all of its officials, officers, agents and employees, in both their public and private capacities, from any and all liability, claims, suits, demands or causes of action which may arise by reason of injury to property or persons occasioned by willful misconduct, error, omission, or negligent act of Purchaser, its officers, agents, employees, invitees or other persons, arising out of or in connection with this agreement or any and all activity or use pursuant to this agreement, and Purchaser will, at its own cost and expense, defend and protect City from any and all such claims and demands. Also, Purchaser agrees to and shall indemnify, defend and hold harmless City and all of its officials, officers, agents and employees, in both their public and private capacities, from and against any and all claims, losses, damages, causes of action, suits and liability of every kind, including all expenses of litigation, court costs and attorney fees for injury to or death of any person or for damage to any property arising out of or in connection with this agreement or any and all activity or use pursuant to this agreement. Such indemnity shall apply whether the claims, losses, damages, causes of action, suits or liability arise from the negligence of the City, its officers, officials, agents or employees and whether said negligence is contractual, comparative negligence, concurrent negligence, gross negligence or any other form of negligence.**

ARTICLE IV

METERING AND MEASUREMENT

Section 4.01. Unit of Measurement. The unit of measurement for water delivered hereunder shall be 1,000 gallons of water, U. S. Standard Liquid Measure unless otherwise stated.

Section 4.02. Measuring Equipment. In accordance with Sections 1.06 and 1.07 of this Contract, the City shall, furnish, and install at least one water meter of standard type for measuring properly the quantity of water delivered under this Contract (the "delivery meter or meters") at each Point of Distribution. Such meter and other equipment so installed shall remain the property of the City. The Purchaser shall have access to such metering equipment at all reasonable times, but the reading, calibration, and adjustment thereof shall be done only by the employees or agents of the City. For the purpose of this Contract the original record or reading of the meter or meters shall be entered in the journal or other record book of the City in its office in which the records of the employees or agents of the party who take readings are or may be transcribed. Upon written request of the Purchaser, the City will give the Purchaser a copy of such journal or record book, or permit the Purchaser to have access to the same in the City's offices during reasonable business hours for inspection.

The City shall annually test its meter(s) for accuracy at each Point of Delivery, if requested in writing by Purchaser to do so, in the presence of a representative of Purchaser, and the parties shall jointly observe any adjustments which are made to the meters in case any adjustments shall be necessary, and if the check meters hereinafter provided for have been installed by Purchaser, the same shall also be calibrated by Purchaser in the presence of a representative of the City and the parties shall jointly observe any adjustment in case any adjustment is necessary. City will provide to Purchaser and Purchaser will provide to City a copy of the meter calibration test(s) for their respective inspection reports. If the Purchaser shall in writing request the City to calibrate its meters and the City shall give the Purchaser notice of the time when any such calibration is to be made and a representative of the Purchaser is not present at the time set, the City may proceed with calibration and adjustment in the absence of any representative of the Purchaser.

If either party at any time observes a variation between the delivery meter or meters and the check meter or meters, if any such check meter or meters shall be installed, such party will promptly notify the other party, and the parties hereto shall then cooperate to procure an immediate calibration test and joint observation of any adjustment and the said meter or meters shall then be adjusted to accuracy. Each party shall give the other party at least seventy-two (72) hours' notice of the time of all tests of meters so that the other parties may conveniently have a representative present.

If upon any test, the percentage of inaccuracy of City's metering equipment is found to be in excess of two percent (2%), registration thereof shall be corrected for a

period extending back to the time when such inaccuracy began, if such time is ascertainable, and if such time is not ascertainable, then for a period extending back one-half (½) of the time elapsed since the last date of calibration. If for any reason any meters are out of service or out of repair so that the amount of water delivered cannot be ascertained or computed from the reading thereof, the water delivered during the period such meters are out of service or out of repair shall be estimated and agreed upon by the parties hereto upon the basis of the best data available. For such purpose, the best data available shall be deemed to be the registration of any check meter or meters if the same have been installed and are accurately registering. Otherwise the amount of water delivered during such period may be estimated by (i) correcting the error if the percentage of the error is ascertainable by calibration tests or mathematical calculation, or (ii) estimating the quantity of delivery by calculating deliveries during the preceding periods under similar conditions when the meter or meters were registering accurately.

Purchaser may, at Purchaser's option and expense, install and operate a check meter to check each meter installed by the City, but the measurement of water for the purpose of this Contract shall be based solely on the readings of the City's meters, except in the cases hereinabove specifically provided to the contrary. All such check meters shall be of standard make and shall be subject at all reasonable times to inspection and examination by any employee or agent of the City, but the reading, calibration and adjustment thereof shall be made only by the Purchaser. During any period when a check meter may be used under the provisions hereof for measuring the amount of water delivered, in which case the reading, calibration and adjustment thereof shall be made by the Purchaser with representation from the City.

If the Purchaser requests the City to test the City's meter, either more frequently than once every year required by this section or because the City's meter and the Purchaser's check meter show different readings, the Purchaser will pay the cost of the test if the test shows that the meter is accurate (within two percent registration), but if the test shows that the meter is not accurate (in excess of two percent (2%) registration), then the City will pay the costs for conducting the test.

ARTICLE V

DEFINITIONS; INTERPRETATIONS; AND CITY CONTRACT

Section 5.01. Definitions. In addition to the terms defined above, the capitalized words and phrases shall have the meanings assigned to them in the City Contracts, unless the context clearly requires otherwise.

Section 5.02. Interpretation. The table of contents and caption headings of this Contract are for reference purposes only and shall not affect its interpretation in any respect. Unless the context otherwise requires, words of the masculine gender shall be construed to include correlative words of the feminine and neuter genders and vice

versa. This Contract and all the terms and provisions shall be liberally construed to effectuate the purpose set forth herein and to sustain the validity of this Contract.

Section 5.03. NTMWD/City Contract. Purchaser acknowledges receipt of the NTMWD/City Contracts and the NTMWD/City Contracts are incorporated by reference into this Contract as if set forth verbatim herein. Purchaser acknowledges the following: (i) that Purchaser has read the NTMWD/City Contracts provided to it and is familiar with all of its terms, (ii) that this Contract is subject and subordinate in all respects to the NTMWD/City Contracts. Purchaser agrees that nothing contained in this Contract will be deemed to grant to Purchaser any rights that would conflict with any of the covenants, terms and conditions of the NTMWD/City Contract, except as set forth in Section 5.04 of this Contract, relating to the subordination of the City's rights to receive water. In the event of any inconsistencies between the terms of the NTMWD/City Contract and this Contract, the terms of the NTMWD /City Contract will control. To the extent applicable and except as expressly provided by this Contract or inconsistent with this Contract, the Purchaser shall have the same duties to the NTMWD save and except the obligation to make any payments NTMWD pursuant to the NTMWD/City Contract. Purchaser expressly acknowledges that it will take no action to adversely affect the tax exempt status of NTMWD's or City's bonds.

ARTICLE VI GENERAL PROVISIONS

Section 6.01. Participation by the Parties. The parties to this Contract each represent to the other that it is empowered by law to execute this Contract and other agreements and documents as are or may hereafter be required to accomplish the same; and that its execution of this Contract have been duly authorized by action of its governing body.

Section 6.02. Force Majeure. If by reason of Force Majeure any party hereto shall be rendered unable wholly or in part to carry out its obligations under this Contract, other than the obligation of the Purchaser to make the payments required under this Contract, then if such party shall give notice and full particulars of such Force Majeure in writing to the other party within a reasonable time after the occurrence of the event or cause relied on, the obligation of the party giving such notice, so far as it is affected by such Force Majeure, shall be suspended during the continuance of the inability then claimed, but for no longer period, and any such party shall endeavor to remove or overcome such inability with all reasonable dispatch. The term "Force Majeure" as employed herein shall mean acts of God, strikes, lockouts or other industrial disturbances, acts of public enemy, orders of any kind of the Government of the United States or the State of Texas, or any civil or military authority, insurrection, riots, epidemics, landslides, lightning, earthquake, fires, hurricanes, "blue northers," storms, floods, washouts, droughts, arrests, restraint of government and people, civil disturbances, explosions, breakage or accidents to machinery, pipelines or canals, partial or entire failure of water supply, inability on the part of NTMWD or City to deliver

water for any reason, or on account of any other causes not reasonably within the control of the party claiming such inability.

Section 6.03. Modification. No change, amendment, or modification of this Contract shall be made or be effective that will affect adversely the prompt payment when due of all money required to be paid by the Purchaser under the terms of this Contract.

Section 6.04. Addresses and Notice. Unless otherwise provided herein, any notice, communication, request, reply, or advice (herein severally and collectively, for convenience, called "Notice") herein provided or permitted to be given, made, or accepted by any party to the other party must be in writing and may be given or be served by depositing the same in the United States mail postage pre-paid and registered or certified and addressed to the party to be notified, with return receipt requested, or by delivering the same to an officer of such party, or by pre-paid telegram when appropriate, addressed to the party to be notified. Notice deposited in the mail in the manner hereinabove described shall be conclusively deemed to be effective, unless otherwise stated herein, from and after the expiration of three days after it is so deposited. Notice given in any other manner shall be effective only if and when actually received by the party to be notified. For the purposes of notice, the addresses of the parties shall, until changed as hereinafter provided, be as follows:

If to the City:

Benjamin L. White
City Manager
205 S. Main Street
Farmersville, TX 75442

If to the Purchaser:

North Farmersville Water Supply Corporation
Attn: General Manager
P.O. Box 212
Farmersville, TX 75442

The City and the Purchaser shall have the right from time to time and at any time to change their respective addresses and each shall have the right to specify as its address any other address by at least fifteen (15) days' written notice to the other party.

Section 6.05. State or Federal Laws, Rules, Orders, or Regulations. This Contract is subject to all applicable federal and State laws and any applicable permits, ordinances, rules, orders, and regulations of any local, state, or federal governmental authority having or asserting jurisdiction but nothing contained herein shall be construed as a waiver of any right to question or contest any such law, ordinance, order, rule, or regulation in any forum having jurisdiction. Each party represents that, to the best of

their knowledge, no provisions of any applicable federal or State law, nor any permit, ordinance, rule, order, or regulation of either party will limit or restrict the ability of either party to carry out their respective obligations under or contemplated by this Contract.

Section 6.06. Severability. The parties hereto specifically agree that in case any one or more of the sections, subsections, provisions, clauses, or words of this Contract or the application of such sections, subsections, provisions, clauses, or words to any situation or circumstance should be, or should be held to be, for any reason, invalid or unconstitutional, under the laws or constitutions of the State or the United States of America, or in contravention of any such laws or constitutions, such invalidity, unconstitutionality, or contravention shall not affect any other sections, subsections, provisions, clauses, or words of this Contract or the application of such actions, subsections, provisions, clauses, or words to any other situation or circumstance, and it is intended that this Contract shall be severable and shall be construed and applied as if any such invalid or unconstitutional section, subsection, provision, clause, or word had not been included herein, and the rights and obligations of the parties hereto shall be construed and remain in force accordingly.

Section 6.07. Waiver. Notwithstanding anything to the contrary contained in this Contract, any right or remedy or any default hereunder, except the right of the City to receive the payments from the Purchaser, which shall never be determined to be waived, shall be deemed to be conclusively waived unless asserted by a proper proceeding at law or in equity within two (2) years plus one (1) day after the occurrence of such default. No waiver or waivers of any breach or default (or any breaches or defaults) by any party hereto or of the performance by any other party of any duty or obligation hereunder shall be deemed a waiver thereof in the future, nor shall any such waiver or waivers be deemed or construed to be a waiver of subsequent breaches or defaults of any kind, character or description, under any circumstances.

Section 6.08. Venue. All amounts due under this Contract, including, but not limited to, payments due under this Contract or damages for the breach of this Contract, shall be paid and be due in Collin County, Texas, which is the County in which the principal administrative offices of the City are located. It is specifically agreed among the parties to this Contract that Collin County, Texas, is the place of performance of this Contract; and in the event that any legal proceeding is brought to enforce this Contract or any provision hereof, the same shall be brought in Collin County, Texas.

Section 6.09. Succession and Assignment. This Contract is binding on and inures to the benefit of the parties hereto and their respective successors, representatives, and assigns. This Contract may not be assigned by either party hereto without prior written notice to and approval by the other party, which consent may be withheld without cause.

Section 6.10. Entire Contract. This Contract constitutes the entire agreement between the parties with respect to the matters described herein.

Section 6.11. Applicable Law. This Contract shall be governed by and construed in accordance with the laws of the State of Texas, and the obligations, rights, and remedies of the parties hereunder shall be determined in accordance with such laws without reference to the laws of any other state or jurisdiction, except for applicable federal laws, rules, and regulations.

Section 6.12. Counterparts. This Contract may be executed in counterparts, each of which shall be an original and all of which together shall constitute but one and the same instrument.

Section 6.13. Officers and Agents. No officer or agent of City or Purchaser is authorized to waive or modify any provision of the Contract. No modifications to or rescission of this Contract may be made except by a written documents signed by City's and Purchaser's authorized representatives.

Section 6.14. Recitals. City and Purchaser agree that the recitals in this Contract are true and correct and are incorporated into the terms of this Contract.

Section 6.15. Approval by Parties. Attached as Exhibit "___" are the official actions of City and Purchaser evidencing approval of and consent to this Contract.

IN WITNESS WHEREOF, the parties hereto acting under authority of their respective governing bodies have caused this Contract to be duly executed as of the day and year first above written.

CITY OF FARMERSVILLE

By: _____
Benjamin L. White
City Manager

Date Signed: _____

CITY OF FARMERSVILLE ATTEST:

Edie Sims, City Secretary

NORTH FARMERSVILLE WATER SUPPLY CORPORATION

By: _____

Name: _____

Title: _____

Date Signed: _____

COPEVILLE SPECIAL UTILITY DISTRICT ATTEST:

By: _____

Name: _____

Title: _____

THE STATE OF TEXAS,
COUNTY OF COLLIN

BEFORE ME, the undersigned authority, in and for said County, Texas, on this day personally appeared **Benjamin L. White**, City Manager of the **CITY OF FARMERSVILLE**, a Texas Municipal Corporation, known to me to be the person who's name is subscribed to the foregoing instrument, and acknowledged to me that he has executed the same on the City's behalf.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, THIS THE _____
DAY OF _____, 20____.

Notary Public Collin County, Texas
My commission expires _____

THE STATE OF TEXAS,
COUNTY OF COLLIN

This instrument was acknowledged before me on the _____ day of _____, 20____, by _____ in his capacity as _____ of **NORTH FARMERSVILLE WATER SUPPLY**

CORPORATION, a Texas Corporation, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged that he executed the same on behalf of and as the act of **NORTH FARMERSVILLE WATER SUPPLY CORPORATION**.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, THIS THE _____
DAY OF _____, 20____.

Notary Public Collin County, Texas
My commission expires _____



TO: Mayor and Councilmembers
FROM: Ben White, Interim City Manager
DATE: February 14, 2012
SUBJECT: Update on the Regional Wastewater Treatment Plan / Lakehaven MUD / MUD Formation / Memorandum of Understanding

Interim City Manager Ben White will make a presentation to the Council. No documentation is available for this item.

ACTION: Action as deemed by the Council.

(V – J)



TO: Mayor and Councilmembers
FROM: Ben White, Interim City Manager
DATE: February 14, 2012
SUBJECT: Update on the Tax Increment Reinvestment Zone (TIRZ) and receive recommendations for three TIRZ Board Members from the City of Farmersville

Interim City Manager Ben White will make a presentation to the Council. No documentation is available for this item.

ACTION: Action as deemed by the Council.

(V – K)

TIRZ Remaining Tasks

City of Farmersville

1. Determine 2011 certified taxable value within TIRZ boundary.
 - a. Complete
2. Prepare presentation for Commissioners Court requesting County participation.
 - a. Complete
3. Meet with County Administrator, Bill Bilyeu, to determine if presentation meets County requirements.
 - a. Complete
4. Assign 3 potential members for TIRZ Board representing the City.
 - a. Complete
 - b. Robbie Tedford, Stephanie Hurst, Joe Helmberger
5. Send TIRZ presentation to Bill Bilyeu/Monika Arris
 - a. Complete
6. Make TIRZ presentation at Commissioners Court public hearing to request County participation.
 - a. Presented by: Larry Cline
 - b. Other attendees: Joe Helmberger, Eddy Daniel, Ben White
 - c. Presentation date: 20 Feb 2012 at 1:30
 - d. County potentially will have their 2 Board members selected.
7. Based on County decision, either terminate TIRZ or move forward with preparation of Preliminary Project Plan, Finance Plan, Feasibility Analysis documents, and draft resolutions.
 - a. Responsible Party: Larry Cline
8. If moving forward, City and County appoint Board members.
 - a. City provides 3 members
 - b. County provides 2 members
 - c. Have appointee list ready by end of Feb 2012
9. Prepare TIRZ Board Bylaws and Interlocal Agreement between City and County.
 - a. Larry Cline provides TIRZ Board Bylaw example.
 - b. County provides Interlocal Agreement example
10. Inform Collin County Tax Assessor Collector of TIRZ setup.
11. Update City Website to include TIRZ page
 - a. Responsible Party: Edie Sims
12. Hold first TIRZ Board meeting for review of Preliminary Project Plan, Finance Plan and Feasibility Analysis, election of officers, and approval of Board Bylaws.
 - a. March 2012
13. City Council review and approve Final Project Plan, Finance Plan and Feasibility Analysis and TIRZ Board Bylaws.
 - a. April 2012
14. Annual report due at the end of each calendar year.
 - a. Larry Cline provides an example