



*** PUBLIC NOTICE ***

**NOTICE OF A CITY COUNCIL REGULAR SESSION IMMEDIATELY FOLLOWING
A WORKSHOP SESSION
OF THE CITY OF CORINTH**

**Thursday, September 21, 2017, 5:30 P.M.
CITY HALL - 3300 CORINTH PARKWAY**

CALL TO ORDER:

WORKSHOP BUSINESS AGENDA

1. Discuss Regular Meeting Items on Regular Session Agenda, including the consideration of closed session items as set forth in the Closed Session agenda items below.

ADJOURN WORKSHOP SESSION

***NOTICE IS HEREBY GIVEN** of a Regular Session of the Corinth City Council to be held at Corinth City Hall located at 3300 Corinth Parkway, Corinth, Texas. The agenda is as follows:

CALL TO ORDER, INVOCATION, PLEDGE OF ALLEGIANCE & TEXAS PLEDGE

"Honor teh Texas Flag: I pledge allegiance to thee, Texas, one state under God, one and indivisible".

CONSENT AGENDA

All matters listed under the Consent Agenda are considered to be routine and will be enacted in one motion. Should the Mayor, a Councilmember, or any citizen desire discussion of any Item that Item will be removed from the Consent Agenda and will be considered separately.

1. Consider and act on minutes from the July 20, 2017 Workshop Session.
2. Consider and act on minutes from the July 20, 2017 Regular Session.
3. Consider and act on minutes from the August 3, 2017 Workshop Session.
4. Consider and act on minutes from the August 10, 2017 Workshop Session.
5. Consider and act on minutes from the August 10, 2017 Special Session.
6. Consider and act on minutes from the August 17, 2017 Workshop Session.

7. Consider and act on Amendment No. 6 to the Lake Sharon Roadway design contract to add Construction Phase Services in the amount of \$27,550.00.
8. Consider and act on an ordinance amending the Subdivision Regulations being a part of the Unified Development Code (UDC) Ordinance No. 13-05-02-08, as amended, Section 3.04.05 E Security for Completion of Improvements.

CITIZENS COMMENTS

In accordance with the Open Meetings Act, Council is prohibited from acting on or discussing (other than factual responses to specific questions) any items brought before them at this time. Citizen's comments will be limited to 3 minutes. Comments about any of the Council agenda items are appreciated by the Council and may be taken into consideration at this time or during that agenda item. Please complete a Public Input form if you desire to address the City Council. All remarks and questions addressed to the Council shall be addressed to the Council as a whole and not to any individual member thereof. Section 30.041B Code of Ordinance of the City of Corinth.

PUBLIC HEARING

9. **PUBLIC HEARING:** To hear public opinion regarding amending the Comprehensive Zoning Ordinance being a part of the Unified Development Code (UDC) Ordinance No. 13-05-02-08, as amended, Section 2.10.08 Site Plans.

BUSINESS: Consider and act on an ordinance amending the Comprehensive Zoning Ordinance being a part of the Unified Development Code (UDC) Ordinance No. 13-05-02-08, as amended, Section 2.10.08 Site Plans.

BUSINESS AGENDA

10. Consider and act on an Ordinance adopting the 2017-2018 Annual Budget and appropriating resources for the budget year beginning October 1, 2017.
11. Consider and act on an Ordinance levying and adopting the tax rate for the 2017-2018 Fiscal Year.
12. Consider and act on an Ordinance approving the 2017 Tax Rolls and accepting the anticipated collection rate of 100 percent for the fiscal year beginning October 1, 2017 and ending September 30, 2018.
13. Consider vote to ratify the property tax increase reflected in the city's annual budget for FY 2017-2018.
14. Consider and act on a master agreement with Enterprise Fleet Management to finance and manage the replacement of the city's fleet.
15. Consider and act on an ordinance approving the Water and Wastewater Rates in the master fee schedule for the Fiscal Year 2017-18 as presented by Nelisa Heddin Consulting, LLC.

COUNCIL COMMENTS & FUTURE AGENDA ITEMS

The purpose of this section is to allow each councilmember the opportunity to provide general updates and/or comments to fellow councilmembers, the public, and/or staff on any issues or future events. Also, in accordance with Section 30.085 of the Code of Ordinances, at this time, any Councilmember may direct that an item be added as a business item to any future agenda.

CLOSED SESSION

The City Council will convene in such executive or closed session to consider and matters regarding any of the above listed agenda items as well as the following matters pursuant to Chapter 551 of the Texas Government Code.

Section 551.071. (1) Private consultation with its attorney to seek advice about pending or contemplated litigation; and/or settlement offer; and/or (2) a matter in which the duty of the attorney to the government body under the Texas Disciplinary Rules of Professional Conduct of the State of Texas clearly conflicts with chapter 551.

Section 551.072. To deliberate the purchase, exchange, lease or value of real property if deliberation in an open meeting would have a detrimental effect on the position of the governmental body in negotiations with a third person.

Section 551.074. To deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee; or to hear a complaint or charge against an officer or employee.

Section 551.087. To deliberate or discuss regarding commercial or financial information that the governmental body has received from a business prospect that the governmental body seeks to have locate, stay, or expand in or near the territory of the governmental body and with which the governmental body is conducting economic development negotiations; or to deliberate the offer of a financial or other incentive to a business prospect.

After discussion of any matters in closed session, any final action or vote taken will be in public by the City Council. City Council shall have the right at any time to seek legal advice in Closed Session from its Attorney on any agenda item, whether posted for Closed Session or not.

RECONVENE IN OPEN SESSION TO TAKE ACTION, IF NECESSARY, ON CLOSED SESSION ITEMS.

ADJOURN:

Posted this 15 day of September 2017 at 11:30 on the bulletin board at Corinth City Hall.

Kimberly Pence
Kimberly Pence, City Secretary
City of Corinth, Texas

CONSENT ITEM 1.

City Council Regular and Workshop Session

Meeting Date: 09/21/2017

Title: July 20, 2017 Workshop Session

Submitted For: Kim Pence, City Secretary

Submitted By: Kim Pence, City Secretary

City Manager Review: Approval: Bob Hart, City Manager

AGENDA ITEM

Consider and act on minutes from the July 20, 2017 Workshop Session.

AGENDA ITEM SUMMARY/BACKGROUND

Attached are minutes from the July 20, 2017 Workshop Session. The minutes are in draft form and not considered official until formally approved by the City Council.

RECOMMENDATION

Staff recommends approval of the July 20, 2017 Workshop Session minutes.

Attachments

Minutes

**STATE OF TEXAS
COUNTY OF DENTON
CITY OF CORINTH**

On this the 20th day of July 2017, the City Council of the City of Corinth, Texas met in a Workshop Session at the Corinth City Hall at 5:30 P.M., located at 3300 Corinth Parkway, Corinth, Texas. The meeting date, time, place and purpose as required by Title 5, Subtitle A, Chapter 551, Subchapter C, Section 551.041, Government Code, with the following members to wit:

Members Present:

Bill Heidemann, Mayor
Joe Harrison, Council Member
Sam Burke, Council Member
Don Glockel, Council Member
Scott Garber, Council Member
Lowell Johnson, Council Member

Staff Members Present:

Bob Hart, City Manager
Jason Alexander, Director, Economic Development Corporation
Brenton Copeland, Assistant Manager, Technology Services
Barb Cabbage, Manager, Planning
Fred Gibbs, Director, Planning
Lori Levy, Senior Planner, Planning
Regina Edwards Messer, City Attorney
Kim Pence, City Secretary

Other Guests Present:

Robbie Baugh, Vice President of Administration Affairs, NCTC
Roy Culberson, Dean of Denton County Campuses, NCTC
Dr. Larry D. Gilbert, Dean of Arts and Sciences, NCTC
Chris McLaughlin, Director of Emergency, NCTC
Dr. G. Brent Wallace, President, NCTC

Others Present:

CALL TO ORDER:

Mayor Heidemann called the meeting to order at 5:30 P.M.

WORKSHOP BUSINESS AGENDA ITEMS:

2. Discuss Regular Meeting Items on Regular Session Agenda, including the consideration of closed session items as set forth in the Closed Session agenda items below.

PUBLIC HEARING

4. PUBLIC HEARING: TO HEAR PUBLIC OPINION REGARDING A REQUEST BY THE APPLICANT KERRY ROUNDTREE APPLICANT, AUTHORIZED REPRESENTATIVE FOR THE PROPERTY OWNER, PINNELL SQUARE LP, FOR A SPECIFIC USE PERMIT (SUP) TO ALLOW AUTOMOBILE OR OTHER MOTORIZED VEHICLE SALES AND SERVICE IN SUITE 411 ON PROPERTY LEGALLY DESCRIBED AS 3,187 SF IN PINNELL SQUARE ADDITION LOT 1A, BLOCK A BEING 6.663 ACRES IN THE CITY OF CORINTH, DENTON COUNTY, TEXAS. THIS PROPERTY IS LOCATED AT 1400 NORTH CORINTH STREET.

BUSINESS: Consider and act on a an ordinance regarding a request by the applicant Kerry Roundtree, authorized representative for the property owner, Pinnell Square LP, for a Specific Use Permit (SUP) to allow Automobile or Other Motorized Vehicle Sales and Service in Suite 411 on property legally described as 3,187 sf in Pinnell Square Addition Lot 1A, Block A being 6.663 acres in the City of Corinth, Denton County, Texas.

Councilmember Burke - Am I correct that the use request will be restricted to the premises only? It wouldn't change the uses for anyone else in that zone, subdivision or development?

Bob Hart, City Manager - Yes. It would just be for motorcycle sales and maintenance and it will all be indoors in that suite.

WORKSHOP BUSINESS AGENDA ITEM:

1. Hold a discussion regarding North Central Texas College (NCTC) programs, projects and plans for the Corinth Campus.

Bob Hart, City Manager - First, there will not be a need for an Executive Session tonight. We were scheduled to do the condemnation hearing yesterday. At the request of their attorney, we have postponed that. In exchange for our agreement to postpone, they gave us a right of entry at no charge. We opened the bids yesterday for the Lake Sharon extension. The bids came in at \$5.1 million. The budget is for \$5.3 million. We will be able to go in and build the road.

Tonight a team from North Central Texas College (NCTC) is here to discuss their vision and plans and the importance of a good working relationship between the City of Corinth and NCTC.

Dr. G. Brent Wallace, President, NCTC - To give you a little history, we are the oldest continuously operating publicly held two year institution in the state of Texas founded in 1924, in Cook County. We've grown to the 14th largest community college district in the State of Texas. There are now 50 NCTC locations. This growth has been imperative in Denton County. We want to visit you regarding our vision and our hopes as we continue to grow and specifically the relationships that we have had and continue to have with the City of Corinth. We are strong partners with Lake Dallas Independent School District - we have an academy with them. We've graduated students from that high school with their Associates Degree before they ever walked the stage at high school.

Currently, NCTC is serving at about 8,000 students in Denton County. We have two campuses in Denton County - Corinth and Flower Mound. Midwestern State University approached us about two years ago to partner together for their presence in the DFW. They are building a facility in partnership with us and we are doubling our square footage in Flower Mound.

The Gainesville campus is our home campus. We have about 150 acres there. We have our Board elected from that district in Cook County. They govern the entire district. The district consists of Denton County, Montague County, Cook County and Graham Independent School District. Graham ISD annexed themselves out of their community college district and came to NCTC.

Flower Mound and Corinth are primarily academic transfer. We are the feeder institutions for the University of North Texas (UNT) and Texas Woman's University (TWU). Most of our students will end up at one of those two institutions with the majority at UNT. In Corinth and Denton County we offer all of our nursing programs (LVN), Surgical Technician, EMT, EMS, and Paramedicine courses.

We have one building on I-35 at about 75,000 square feet with 6,000 students being serviced out of that building. The average university would have our entire campus dedicated to serving half that student population. We are very cramped. Entrances to the building and parking is also an issue at the Corinth campus. Across the street, we have Pinnell Square, which we lease a whole entire strip that has about 30,000 square feet. That is the overflow of what we don't have room for in the main building. We have been creating, over the last two years, a plan with our architects for our Corinth campus that would benefit us by using only Higher Education space without the need to lease additional space.

We run buses throughout Denton County as a part of our relationship with DCTA. We pick up students to bring them to Denton, Corinth and Flower Mound. We do have public transportation with other cities that are partnering with us on train stops. We have a more visual presence with the way they have redesigned I-35. We are in a very good spot for notice.

How do we square the round part of the building up and how do we give it a centralized focus. Draft plans show the phases of a centralized vision throughout the campus. This design has not been approved, this is purely the hope/dream design. Areas we'd like to improve/add are as follows:

- Industrial Technology Center
- Faculty Offices
- Book Store
- Food Service
- Health & Sciences Center with Lecture Hall and Simulation Labs
- Child Care Centers for Students with Children
- Business Training Center
- Parking Spaces
- Music and Drama Center with Theater

We want the campus in Corinth to not only be a hub for students, but we would like to see it really engaging the community more. For example, 116,000 people go through our center for the performing arts in Gainesville, TX every year. That is because we are literally bringing in children from the ISDs. We bring in community leaders and we put on full pageants and full plays. The new layout has space for an outdoor theater/amphitheater. Our music and drama departments are in this area. This will engage the community. We use students from all age groups to be a part of this.

If we were to ever do these things, this would be a five year building project. It is estimated to be a \$75 million dollar project. This is something we don't have. It is our vision and dream for the site we own. We are committed to the City of Corinth and this community. It is our building. We have been here for 17 years.

Corinth will always maintain the Health Science field for us. There will be no Health Sciences offered at any of our other Denton County campuses. It's close to all of our partnering hospitals.

There are 443 students at NCTC from the City of Corinth. This is a great percentage of students. Part of the reason for this is the relationship with your school district and how many dual credit students are getting college credit before they ever leave the high school. That is a huge step forward. You are the only ISD that we have offered the Academy to in Denton County.

Councilmember Johnson - One of the things that the Medical Surgery Board is concerned about is a change to the way that accreditation is going to work with regards to how the students have to have their Associates before they can get their certification. A lot of those students that are in that situation are second career people. As I understand, that the Medical Surgery program has to become active by 2020.

Dr. G. Brent Wallace, President, NCTC - The plan is to take that to an Associate's degree. One of the things we hope with the added space and higher tech facility is you are able to take degree or certificate programs and you can bump those up to a full Associate degree. Most of the time Associate degree issues are based on the clinical experience and/or the facilities associated with your program and we have to get it approved by the State of Texas. From what I understand that is the plan. There is space and growth space for those programs. Surgical Tech will have their own suite, complex and their own lab.

Mayor Heidemann - When you came here and started the facility that we have now, how was that created and funded?

Dr. G. Brent Wallace, President, NCTC - We were looking in Denton County. Mr. Pinnell came to us and said he had a good amount of land and he'll give us a great buy. Then we bought it and built this current facility. I don't think we realized the growth that Denton County was going to experience back then. Because of that, we underbuilt. We paid for it through revenue bonds. Revenue bonds means a tuition of fees that is generated to pay the bill. We have our own building payment on that.

Mayor Heidemann - You said that there are 443 students from Corinth. Is that just high school students?

Dr. G. Brent Wallace, President, NCTC - That is total enrollments for spring. Spring enrollments are less than fall. This count does include dual credit students. All 443 students have Corinth addresses.

Councilmember Harrison - You're talking about going into the Denton Record Chronicle Building in Denton. When are you going to go to Council for that over there? Do you have to get them to bless it?

Dr. G. Brent Wallace, President, NCTC - I don't because it is already blessed as it is a lease to own. The individuals that are going to build that out and the individuals that own that building have already worked through Council. We just go in with an agreement to lease. It is a lease to own building.

Our Flower Mound campus is a lease to own building. We own it at the end of the lease for \$1.00. What we use is non profit organizations that have specialized in higher education construction. They carry those leases so they are a lot less expense to the institution over a period of time.

Councilmember Harrison - What is your number one thing that you want from the City of Corinth?

Dr. G. Brent Wallace, President, NCTC - Here are our challenges as community colleges in the State of Texas. There are only 11 states in the United States that don't have a full state tax for community colleges. The whole state pays no matter where you live. We are only one of 11 of those. The other states pay a state tax. The problem we have is sustainable funding for buildings. We get no money from the State of Texas for building a building. Zero dollars. Universities get millions from

the state to build. We only get appropriation and reimbursement from when a student takes a course. We don't get it by the student like a university. We get it by the number of hours they spend in the class. The dollar amount is based on the prefix of the course. In the 1990's, 90% of our funds came from the state. NCTC now gets 22% of our funds from the state. We are no longer state supported. We are state located.

The challenge is we have no money for facility unless we do revenue bonds. We constantly seek out the conversation of branch maintenance tax . . . Is there a sustainable funding mechanism to where a community might pay five cents? Cities cannot tax themselves in to a community college district. Only ISDs or county commissioners can do that. A City can't even decide. Lake Dallas ISD, for example, that five cents generates \$600+ thousand dollars a year. That literally pays the payment and the maintenance for our Corinth campus.

We'd love more involvement with our community. We'd love to see you on our campuses more. We'd love to utilize business and industry. We are always looking for flexibility and patience when we have projects. We sometimes struggle with certain cities when it comes to building things or adapting things. We've had a few project requests that have been turned down. Right now we desperately need to build a central processing center somewhere where all of our Denton County shipments come in. We have no place for that. We recently built a cover for some seating for those that are waiting for transportation - we were forced to relocate that. Some patience and flexibility with zoning would help as well.

Mayor Heidemann - What is your first project?

Dr. G. Brent Wallace, President, NCTC - The first thing that is a priority for us is food service - something for our students. Once they get there, we want to keep them there. I-35 becomes difficult. They may have a class that starts at 5 pm and then another at 7:30 pm. We need another elevator. We have one elevator in the building, we need an adjacent add on where we have two sources for handicapped students. We need to expand our library which is at capacity. We want to square off the building and make a two-story addition to that building. This would include food service and a student union. Students currently sit in the hallways because they have no where else to sit. Estimated to complete this first project is about \$2 million based on our average square footage price and especially if you put an elevator in.

We will be out of Pinnell Square in the Fall of 2019. All Health Sciences will be moved into this updated building. There will be a need to transfer some of our academic content to some of our other campus staff. We will probably split our faculty at some of our other campuses.

We run \$24 million dollars in federal debt departmental and state grants. We are a huge grant driving institution. Our Foundation Board that includes representatives from Denton County. We are very excited that we are almost at \$9 million dollars for our foundation and we awarded 2,000 scholarships in the last two years. We have one of the lowest tuition rates for out of district students.

Mayor Heidemann - When you do your studies for projections out 3-5 years, will there be funds available federally that will support that requirement?

Dr. G. Brent Wallace, President, NCTC - Probably not because we are in a culture of defunding education. However, is the demand for jobs there? Yes. The fact is that we have been mandated by our governor the 60 x 30 Texas Plan which was introduced as Higher Ed's plan. 60% of the population of Texas by the year 2030, will have a certificate and/or degree. That is a big job. The only way you get that done is by counting welding certificate programs and other industries. The scary part is that same 60 x 30 Plan says that at any job, when you graduate and with your debt that you have incurred in Higher Ed, cannot exceed 60% of your first years salary. That is impossible. If you are a doctor, a lawyer, a social worker, you might need more than two years to pay it back.

Mayor Heidemann - Thank you for sharing what NCTC is doing in our community. We are making an attempt to get people that live and do things in our community to come in and tell us what they are doing so that if there are chances that we can help, we are here to help.

Dr. G. Brent Wallace, President, NCTC - We love our partnership. In our service area we have about \$196 million economic impact on our service area with our employees and students - that is business industry, their jobs and their purchasing. We are proud to be here. If we can do anything for you as a community such as seminars or rooms, please let us know. We are here for you.

6. Hold a discussion and provide staff direction on the upcoming Unified Development Code updates.

Bob Hart, City Manager - When we discussed the observation memo, we talked about some amendments to Development Codes. As we look at our Development Codes, we are looking at speeding up the processing time for businesses. We want to make sure we have good predictability in terms of what people expect by coming through the process and providing clarity and flexibility for them. Also, there are some legal issues where we must make some changes to conform to some recent court decisions.

If an individual or business comes in with a site plan and it conforms to all of the ordinances, you have to approve it. It takes them 60 days to get through the system here. One thing we'd like to do is amend this so that if a site plan conforms to the ordinance that it can be administratively approved. Of course if there are any waivers they would have to come back through P & Z and Council - the full process. If it complies with the ordinance than it could be administratively approved. This is how we could cut 60 days out of the system.

Right now, when you do a development project we require a Letter of Credit. We will only accept a Letter of Credit from a bank in Denton County or Dallas County. What we would like to do is accept a Letter of Credit from any bank within the State of Texas.

Councilmember Garber - Why do we stop at just the State of Texas?

Councilmember Johnson - Originally the thought was that if we had to collect on one we would have to travel a great distance.

Councilmember Garber - Seems that with electronic and online banking perhaps it would be best to do this.

Bob Hart, City Manager - Let us start working on an ordinance.

Regina Edwards Messer, City Attorney - If a company is from out of state they might have their own lending process set up.

Fred Gibbs, Director, Planning - Sometimes you get into a litigation and they may want to take you to that state.

Bob Hart, City Manager - We will come back with a better answer.

Councilmember Burke - Create an ordinance that deals with that. For example, if they have a letter of credit from Pennsylvania, that bank will have to consent the jurisdiction - Denton County.

Bob Hart, City Manager - Regarding landscaping, we'd like to make some amendments to the landscaping to allow for more native plants and more drought resistant plants. From a water stand point that is an important piece.

We have an Engineering Standards Manual that we always reference. We are working to revise that. The last one was done in 1999. Many things have changed since then. We will be bringing this back to you in the next few months with updated materials.

On parkland dedication as we talk more about mixed use development, we need to come back and get some clarity in that area. If I want to do a mixed use development - how we set up the standards for this is a little fuzzy. In mixed use development you are going to have some open space that lends itself to the commercial areas. Then we have requirements for apartments for parkland. The ordinance is not clear about how that begins to compliment and match. We would like to come back with an ordinance that clarifies these kinds of standards.

Mayor Heidemann - Will there be things in the landscaping or in the land dedication where you will put requirements as far as water conservation?

Bob Hart, City Manager - Yes. We are working on that at the staff level right now. We want to bring that in as part of the budget process. That would deal with conservation managers. When you look at the Denton County Green Belt plan, a lot of that is intended to deal with the watershed for Lake Lewisville. We would like to come back and look at participating in the iSwim Standards that have been put together by the North Central Texas Council of Governments. It is an integrated storm water management system.

We also want to deal with the watershed and the flood plain within Lynchburg Creek. Lori is working on an application with the TEX (Thriving Earth Exchange) Plan through the American Geophysical Union to get us some technical assistance and to help us think through that.

The permitted use and definitions within the charts - we are seeing that we need much greater clarity, what land uses we can have. There are issues that come up that are not permitted in the charts. We'd like to pull together some background data. Would like to have a joint workshop between the Council and P&Z to talk through those kinds of standards. You are going to have a discussion/request tonight about a poker room. That is not permitted now under the definitions with the land use chart. That would be an ideal place to be able to have that kind of conversation about what kind of usage you want to see and you don't want to see.

The sign ordinance - as a result of a recent Supreme Court case, we have to make some modifications to our sign ordinance. The other issue that we have - this came up with Bill Utter Ford recently - the size of the lettering based on where you are relative to I-35.

Related to the permitted use charts, we don't have any standards at all for hotels right now. We'd like to come in and start to clean that up and bring in some standardized recommendations.

The post office won't deliver to your house anymore, the new subdivisions require cluster mailboxes. We'd like to walk through and get some standards. A lot of cities are dealing with this now.

Mayor Heidemann - At this point, what you are looking for from the Council is for us to tell you to go ahead and start developing this. Do you all agree that this is something that should be done and have the City Manager and staff draw up the ordinances to accommodate what they are going to present.

Bob Hart, City Manager - We will bring two or three topics to you at a time.

Councilmember Johnson - My request would be that we don't have a vote on that item that same night. If it comes for Workshop at 5:30 pm, it doesn't show up on the agenda. Some of these items, such as the Permitted Use Chart, are going to require a public hearing. We want to be careful that we don't try to do too much too fast.

Bob Hart, City Manager - The site plan process would probably be relatively straight forward. You can probably do that the same night. The letter of credit criteria can be done. The landscaping will probably take two meetings.

Councilmember Johnson - If we throw in water conservation that will have to have more conversation.

Bob Hart, City Manager - The engineering standards manual will probably be straight forward in one night. Parkland dedication would be two or three meetings. Permitted use chart will be a while. Sign ordinance should be two or three meetings. Hotel/Motel changes two or three meetings. The cluster mailboxes - that is probably about two meetings.

Mayor Heidemann - Go ahead and get started and process of developing the ordinances.

Bob Hart, City Manager - The next step is that we have to get these through the attorney. These also have to come through the Planning and Zoning Commission as well.

7. Receive a presentation, hold a discussion and provide direction on a proposed gateway sign along Swisher and I-35E.

Bob Hart, City Manager - The developer on the property in front of the Comfort Inn would like a multi-tenant sign for all of the businesses on their property. They've come to us with an initial view of the sign. We went back to them to suggest a type of gateway sign for Corinth. We just want to introduce this idea. Samples of other signs were shared with the group such as Grand Prairie, Firewheel in Garland, Eules and The Colony sign outside of Nebraska Furniture. This gives you a scale of some of the multi-tenant signs. We discussed the idea with the developer and they came back with some ideas for us to review.

Councilmember Johnson - Where is the southbound exit that people will be able to see the sign? I don't think the Welcome to Corinth lettering should be at the top of the sign. Only at the bottom of the signage.

Councilmember Harrison - My recommendation would be if you put it on I-35 you also put it over on FM 2181 and FM 2499 to identify and they all need to be tied together if you do them digitally and updated.

Bob Hart, City Manager - We will have to go back and review this and bring some of these recommendations to you in the budget.

ADJOURN:

Mayor Heidemann adjourned the meeting at 7:00 P.M.

Meeting adjourned.

Approved by Council On _____ day of _____, 2017.

Kimberly Pence, City Secretary
City of Corinth, Texas

CONSENT ITEM 2.

City Council Regular and Workshop Session

Meeting Date: 09/21/2017

Title: July 20, 2017 Regular Session

Submitted For: Kim Pence, City Secretary

Submitted By: Kim Pence, City Secretary

City Manager Review: Approval: Bob Hart, City Manager

AGENDA ITEM

Consider and act on minutes from the July 20, 2017 Regular Session.

AGENDA ITEM SUMMARY/BACKGROUND

Attached are minutes from the July 20, 2017 Regular Session. The minutes are in draft form and not considered official until formally approved by the City Council.

RECOMMENDATION

Staff recommends approval of the July 20, 2017 Regular Session minutes.

Attachments

Minutes

**STATE OF TEXAS
COUNTY OF DENTON
CITY OF CORINTH**

On this the 20th day of July 2017 the City Council of the City of Corinth, Texas met in a Regular Session at the Corinth City Hall at 7:00 P.M., located at 3300 Corinth Parkway, Corinth, Texas. The meeting date, time, place and purpose as required by Title 5, Subtitle A, Chapter 551, Subchapter C, Section 551.041, Government Code, with the following members to wit:

Members Present:

Bill Heidemann, Mayor
Joe Harrison, Mayor Pro-Tem
Sam Burke, Council Member
Lowell Johnson, Council Member
Don Glockel, Council Member
Scott Garber, Council Member

Staff Members Present:

Bob Hart, City Manager
Fred Gibbs, Planning and Development Director
Jason Alexander, Economic Development Corporation Director
Kim Pence, City Secretary
Brenton Copeland, Asst. Manager, Technology Services
Regina Edwards, Asst. City Attorney

CALL TO ORDER, INVOCATION, PLEDGE OF ALLEGIANCE & TEXAS PLEDGE:

"Honor the Texas flag; I pledge allegiance to thee, Texas, one state under God, one and indivisible"

Mayor Heidemann called the meeting to order at 7:00 p.m., Councilmember Garber delivered the invocation and led in the Pledge of Allegiance and the Texas Pledge.

CONSENT AGENDA

All matters listed under the Consent Agenda are considered to be routine and will be enacted in one motion. Should the Mayor, a Councilmember, or any citizen desire discussion of any Item that Item will be removed from the Consent Agenda and will be considered separately.

1. Consider and act on minutes from the June 1, 2017 Workshop Session.
2. Consider and act on minutes from the June 1, 2017 Regular Session.
3. Consider and act on the site plan for Discount Tire on property zoned C-2, Commercial and legally described as Swisher 35-E Addition, Lot 6R, Block A, having a physical address of 8051 I 35E in the City of Corinth, Denton County, Texas.

MOTION made by Councilmember Harrison to approve the Consent Agenda as presented. Seconded by Councilmember Johnson.

AYES: Burke, Garber, Johnson, Harrison, Glockel

NOES: None

ABSENT: None

MOTION CARRIED

CITIZENS COMMENTS

In accordance with the Open Meetings Act, Council is prohibited from acting on or discussing (other than factual responses to specific questions) any items brought before them at this time. Citizen's comments will be limited to 3 minutes. Comments about any of the Council agenda items are appreciated by the Council and may be taken into consideration at this time or during that agenda item. Please complete a Public Input form if you desire to address the City Council. All remarks and questions addressed to the Council shall be addressed to the Council as a whole and not to any individual member thereof. Section 30.041B Code of Ordinance of the City of Corinth.

Paul Kim, 523 Ranch Trail, Irving, Texas - I am here tonight because I would like to start a business in Corinth called the 4 Kings Social Club. The club will be a friendly environment for all players with membership only. This started originally in Austin, Texas and we would like to open one here and be a part of the community and give back to the community. We are a private social club with a purchase of a membership for a guest to participate in tournaments or table games. We will provide staff for security and also have a camera system.

PUBLIC HEARING

4. TO HEAR PUBLIC OPINION REGARDING A REQUEST BY THE APPLICANT KERRY ROUNTREE, AUTHORIZED REPRESENTATIVE FOR THE PROPERTY OWNER, PINNELL SQUARE LP, FOR A SPECIFIC USE PERMIT (SUP) TO ALLOW AUTOMOBILE OR OTHER MOTORIZED VEHICLE SALES AND SERVICE IN SUITE 411 ON PROPERTY LEGALLY DESCRIBED AS 3,187 SF IN PINNELL SQUARE ADDITION LOT 1A, BLOCK A BEING 6.663 ACRES IN THE CITY OF CORINTH, DENTON COUNTY, TEXAS. THIS PROPERTY IS LOCATED AT 1400 NORTH CORINTH STREET.

Fred Gibbs, Planning and Development Director - this particular area is zoned Industrial and that use is compatible for that area. This SUP only deals with this suite and does not include the whole building or whole site. The Ordinance specifically limits the applicant to conducting all business related to the motorcycle sales and services to the inside of the building, limiting the request to motorcycle sales and service only and there will be a maximum of five gallons of gasoline on the premises.

Of the fourteen letters sent to the property owners within 200 feet one response was received at the Planning and Zoning Commission concerned about loud motorcycles. Both the Planning and Zoning Commission and staff recommend approval of the SUP to allow motorcycles sales and services in the Pinnell Square Addition.

Councilmember Johnson - if the applicant decides he needs to expand does he has to come back through the SUP process to expand his business if he wants to expand within the shopping center?

Fred Gibbs, Planning and Development Director - yes, his suite increases in square footage we would have to come back and amend that SUP.

Councilmember Garber - an SUP is not grandfathered so if they leave Corinth or move the SUP does not follow correct?

Fred Gibbs, Planning and Development Director - correct, this is just for this use. If the use leaves

then we are back to square 1.

Councilmember Garber - the noise concern was it a residential neighbor or come from someone out of this facility?

Fred Gibbs, Planning and Development Director - it was over by NCTC.

Councilmember Garber - do we get many noise complaints from our Harley Dealership across the highway?

Fred Gibbs, Planning and Development Director - we have had some in the past and that is a much larger scale but yes we have had some complaints.

Mayor Heidemann opened the Public Hearing at 7:24 p.m.

No one spoke during the Public Hearing. Mayor Heidemann closed the Public Hearing at 7:25 p.m.

BUSINESS:

- 4a. Consider and act on a an ordinance regarding a request by the applicant Kerry Rountree, authorized representative for the property owner, Pinnell Square LP, for a Specific Use Permit (SUP) to allow Automobile or Other Motorized Vehicle Sales and Service in Suite 411 on property legally described as 3,187 sf in Pinnell Square Addition Lot 1A, Block A being 6.663 acres in the City of Corinth, Denton County, Texas.

MOTION made by Councilmember Burke to approve the SUP application as presented. Seconded by Councilmember Garber.

AYES: Burke, Garber, Johnson, Harrison, Glockel

NOES: None

ABSENT: None

MOTION CARRIED

BUSINESS AGENDA

5. Consider and act on a Resolution appointing one member to the Board of Managers of the Denco Area 9-1-1 District.

Bob Hart, City Manager - On March 30, 2017, the City Council nominated Sue Tejml for potential appointment to the Denco Area 9-1-1 District Board of Directors. We have prepared the Resolution assuming that you wanted to vote for the candidate for which you made the nomination.

MOTION made by Councilmember Johnson to approve the Resolution as presented. Seconded by Councilmember Harrison.

AYES: Burke, Garber, Johnson, Harrison, Glockel

NOES: None

ABSENT: None

MOTION CARRIED

COUNCIL COMMENTS & FUTURE AGENDA ITEMS

The purpose of this section is to allow each councilmember the opportunity to provide general updates and/or comments to fellow councilmembers, the public, and/or staff on any issues or future events. Also, in accordance with Section 30.085 of the Code of Ordinances, at this time, any Councilmember may direct that an item be added as a business item to any future agenda.

Councilmember Burke - Mr. Johnson has brought up a few times that any sales tax generated from Internet purchases in Corinth benefit our City and I would like the staff to consider whether or not a campaign that informs our citizens of that fact might be useful increasing our revenues. If we could have some discussion on the topic.

Mayor Heidemann - I would like to see more information out to our citizens to better educate them about what has transpired with Upper Trinity, what the needs are and what we have to look for down the road.

There was no Closed Session.

CLOSED SESSION

The City Council will convene in such executive or (closed session) to consider any matters regarding any of the above listed agenda items as well as the following matters pursuant to Chapter 551 of the Texas Government Code

Section 551.071. (1) Private consultation with its attorney to seek advice about pending or contemplated litigation; and/or settlement offer; and/or (2) a matter in which the duty of the attorney to the government body under the Texas Disciplinary Rules of Professional Conduct of the State of Texas clearly conflicts with chapter 551.

Section 551.072. To deliberate the purchase, exchange, lease or value of real property if deliberation in an open meeting would have a detrimental effect on the position of the governmental body in negotiations with a third person.

Lake Sharon Project - Right of Way Acquisition

Section 551.074. To deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee; or to hear a complaint or charge against an officer or employee.

Section 551.087. To deliberate or discuss regarding commercial or financial information that the governmental body has received from a business prospect that the governmental body seeks to have locate, stay, or expand in or near the territory of the governmental body and with which the governmental body is conducting economic development negotiations; or to deliberate the offer of a financial or other incentive to a business prospect.

After discussion of any matters in executive session, any final action or vote taken will be in public by the City Council. City Council shall have the right at any time to seek legal advice in Executive Session from its Attorney on any agenda item, whether posted for Executive Session or not.

RECONVENE IN OPEN SESSION TO TAKE ACTION, IF NECESSARY, ON EXECUTIVE SESSION ITEMS

ADJOURN:

Mayor Heidemann adjourned the meeting at 7:30 p.m.

AYES: All

Meeting adjourned.

Approved by Council on the _____ day of _____ 2017.

Kimberly Pence, City Secretary
City of Corinth, Texas

CONSENT ITEM 3.

City Council Regular and Workshop Session

Meeting Date: 09/21/2017

Title: August 3, 2017 Workshop

Submitted For: Kim Pence, City Secretary

Submitted By: Kim Pence, City Secretary

City Manager Review: Approval: Bob Hart, City Manager

AGENDA ITEM

Consider and act on minutes from the August 3, 2017 Workshop Session.

AGENDA ITEM SUMMARY/BACKGROUND

Attached are minutes from the August 3, 2017 Workshop Session. The minutes are in draft form and not considered official until formally approved by the City Council.

RECOMMENDATION

Staff recommends approval of the August 3, 2017 Workshop Session minutes.

Attachments

Minutes

**STATE OF TEXAS
COUNTY OF DENTON
CITY OF CORINTH**

On this the 3rd day of August 2017, the City Council of the City of Corinth, Texas met in a Workshop Session at the Corinth City Hall at 5:30 P.M., located at 3300 Corinth Parkway, Corinth, Texas. The meeting date, time, place and purpose as required by Title 5, Subtitle A, Chapter 551, Subchapter C, Section 551.041, Government Code, with the following members to wit:

Members Present:

Bill Heidemann, Mayor
Joe Harrison, Council Member
Sam Burke, Council Member
Don Glockel, Council Member
Scott Garber, Council Member
Lowell Johnson, Council Member

Staff Members Present:

Bob Hart, City Manager
Jason Alexander, Director, Economic Development Corporation
Curtis Birt, Chief, Fire Department
Lee Ann Bunselmeyer, Director, Finance
Cody Collier, Director, Public Works
Brenton Copeland, Assistant Manager, Technology Services
Fred Gibbs, Director, Planning
Kim Pence, City Secretary
Chris Rodriguez, Manager, Finance
Debra Walthall, Chief, Police Department
Greg Wilkerson, Assistant Chief, Police Department

CALL TO ORDER:

Mayor Heidemann called the meeting to order at 5:30 P.M.

BUSINESS AGENDA ITEMS:

1. Receive a report, hold a discussion, and provide staff direction on the Fiscal Year 2017-2018 Annual Program of Services and Capital Improvement Program.

Bob Hart, City Manager - What we have set up is an overview of the budget tonight, next Thursday night to talk about the governmental funds and then on the 17th, talk about the proprietary funds. We want to provide an overall picture of what staff is proposing as an operating budget for this coming year.

The proposed budget overview was presented as follows:



Community First
Invest in the Future

City of Corinth, Texas

Fiscal Year 2017-2018
Annual Program of Services
Proposed Budget

August 3, 2017



- City is required by state law to annually adopt a budget and set a property tax rate by September 30
–City’s fiscal year is October 1st to September 30th
- Budget focus as established by the strategic plan, policy workshop, and observation memo
- Priority based budget methodology



Annual Budget Overview

Vision

Corinth is known for its quality of life achieved by providing a safe community, preserving our neighborhoods, and recognizing the importance of quality development along our corridors.



Mission

To provide services that meet or exceed the needs of our community and enhance their quality of life.

Core Values



- Accountability & Integrity
- Long range strategic planning
- Transparency
- Intergovernmental Advocacy

- Communication
- Accessibility
- Responsiveness
- Professionalism
- Public Safety

INDICATORS

- ✓ Credit Rating
- ✓ Citizen Satisfaction Survey
- ✓ Per person cost of government
- ✓ Employee Retention Rate

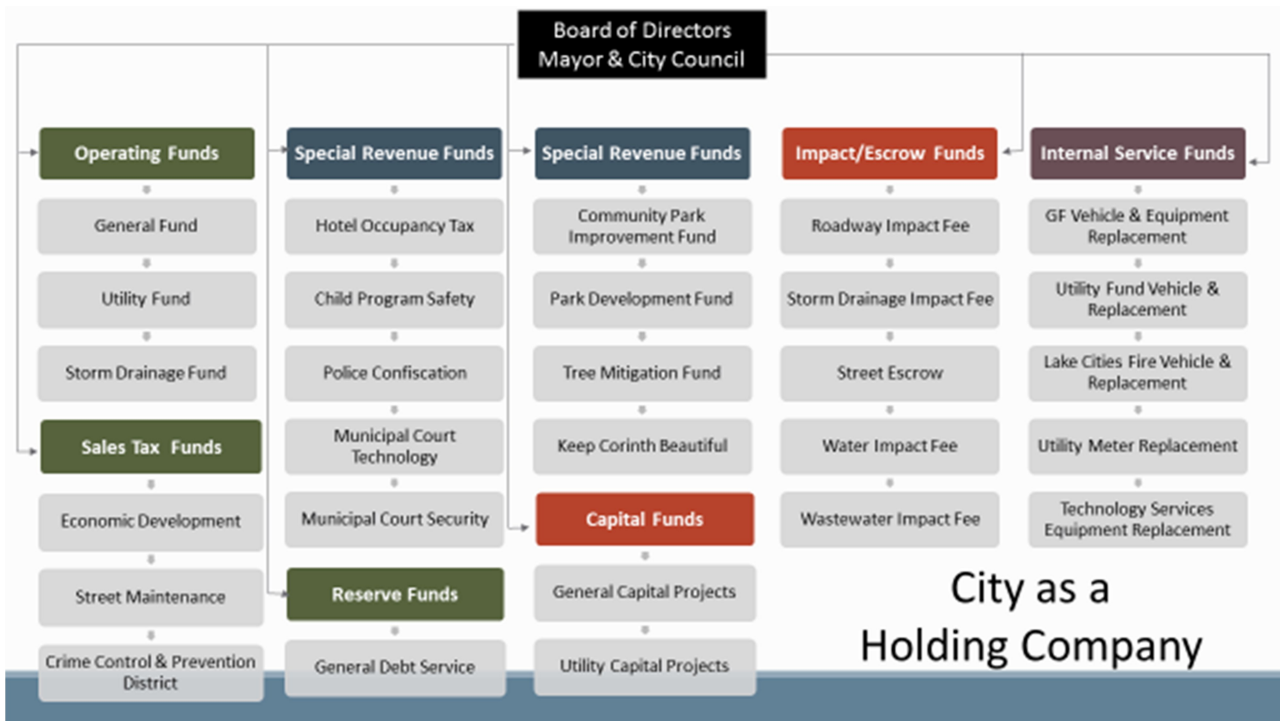


- Balanced Budgeting
- Long range fiscal planning
- Professional Best Practices
- Economic Development

- Long-term Planning
- Operations
- Technology
- Sustainability
- Collaboration

- Competitive Recruitment
- Workforce Development & Recruitment
- Creativity & Innovation
- Succession Planning & Engagement

High Performing Government Strategy Map



Leadership



Promote a high performance organization through open government by maximizing resources through technology, people, fiscal responsibility, and teamwork in partnership with our residents and neighboring cities.

2017-2018 Priorities

- ✓ Relationships with other cities
- ✓ Lake cities vision
- ✓ Expansion of services with Lake Cities
- ✓ Improve relations with Denton County
- ✓ Cooperation with City of Denton
- ✓ Relations with Educational Institutions

Accountability & Integrity

- Council & Board Compensation
- Governance policies

Long range strategic planning

- Community Wide Strategic Plan

Transparency

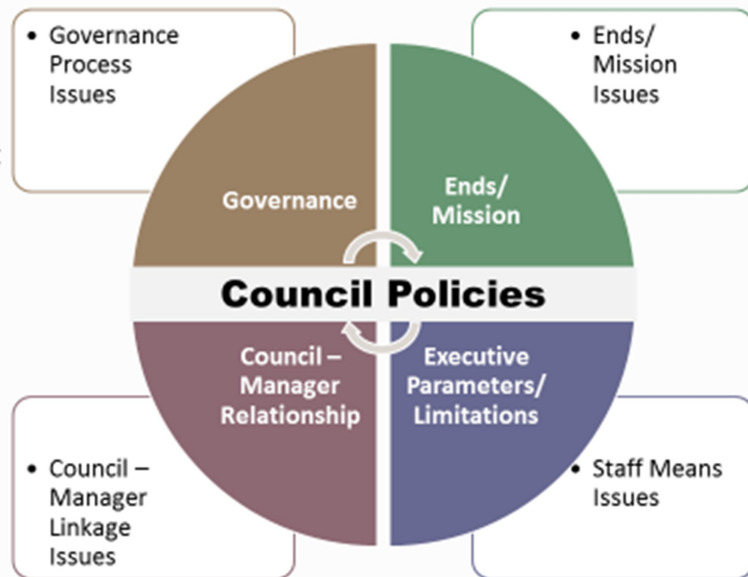
- Continue Comptrollers Transparency Stars Program

Intergovernmental Advocacy

- Strengthen working relationships with Lake Cities
- Strengthen working relationships with Denton County
- Framework for future Fire Contracts
- Animal Control Contract with City of Lake Dallas
- Jail Services contract with Town of Little Elm
- Warrant Entry contract with Town of Flower Mound
- Cloud Services contract with City of Denton
- TML and NCTCOG involvement
- Join National League of Cities and North Texas Commission
- Lake Dallas ISD SRO /Fire academy collaboration and communication
- Denton ISD SRO collaboration and communication
- NCTC, UNT, TWU relationships
- Shady Shores Police Service Contract
- Lake Cities Chamber of Commerce collaboration and communication
- Enhance recycling program with Community Waste Disposal
- Texas Department of Transportation

The Policy Governance Framework

- ✓ Mayor & Council role description
- ✓ Council members code of conduct
- ✓ Council members engagement
- ✓ Governance process
- ✓ Cost of governance
- ✓ Annual planning



Leadership

Resident Engagement & Customer Service



Create a customer centered organizational culture whose focus is on customer service and engaging the community.

2017-2018 Priorities

- ✓ Educate HOAs on water needs
- ✓ Add data on website
- ✓ Continue posting construction and development information
- ✓ Initiate more presence in the Lake Cities newspaper
- ✓ Housing activity report
- ✓ Traffic construction status reports

- **Communication**
 - Develop Communication Strategic Plan
 - Reconfigure the Communication Office
- **Accessibility**
 - Redevelop City Website
 - Improve presence on social media
- **Public Safety**
 - Public Safety Facility
 - Fire Station #3 staffing, operations & equipment
 - ISO rating review
 - Police staffing, operations & equipment
- **Special Events**
 - Pumpkin Palooza
 - Christmas Tree Lighting, Daddy Daughter, Easter, Fish 'n Fun
 - Public Safety Facility Grand Opening
 - Boards & Commissions Appreciation Dinner
 - LDISD Community Breakfast
 - Lake Sharon Extension Opening
 - Lake Cities 4th of July Celebration



□ **Public Safety Center**

- Furniture & Fixtures
- Building Technology
- Moving Expenses

Provide for the safety and security of all citizens, visitors, businesses, and employees through innovative and progressive initiatives and partnerships to ensure the quality of life in our community.

□ **Fire House Staffing & Equipment**

- Apply for SAFER Grant January 2018-75%,75%,35% Funding
- Hire 9 Firefighters-June/July 2018
- Long term staffing
- Purchase Fire Engine #3 (apply through AFG)
- Firehouse #3 Operations
- Consultant to assist with ISO rating review

□ **Police**

- Hire 2 Police Officers
- Thermal Imaging Unit
- RFID Asset and Inventory System-Phase II
- Body cameras – Phase II
- DPS Lab Testing Fees

Public Safety

Human Resource Management



Demonstrate a commitment to employee development and growth.

2017-2018 Priorities
✓ Quality Workforce

□ **Competitive Recruitment**

- Health Insurance Plan
 - Establish Health Insurance Benefits Trust
 - Continue High Deductible Insurance Plan
 - Council Consideration on August 10, 2017
- Compensation
 - Average 3% merit increase for General Employees
 - 3% Step Pay for eligible Public Safety Employees
 - Effective October 2, 2017

□ **Workforce Development & Recruitment**

- Combination Inspector
- Initiate Safety Program
- Supervisor Training
- Expanded EAP Program
- Emergency Management

□ **Creativity & Innovation**

- Employee Recognition Program

CITY CONTRIBUTION			
	Current (75%)	Proposed (75%)	Impact
EE Only	\$695.90	\$757.58	\$61.68
EE/Children	1,113.42	1,212.11	98.69
EE/Spouse	1,322.20	1,439.39	117.19
EE/Family	1,844.12	2,007.59	163.47

EMPLOYEE CONTRIBUTION				
	Blue Essentials		Blue Choice "Buy-Up" Option	
Current (25%)	Proposed (25%)	Impact	Proposed (25%)	Impact
\$0	\$0	\$0	\$33.97	\$33.97
139.18	151.52	12.34	212.67	73.49
208.76	227.28	18.52	302.02	93.26
382.74	416.66	33.92	525.38	142.64

- ❑ Establish Health Insurance Benefits Trust – 1.75% Savings
- ❑ Continue High Deductible Insurance Plan with a Health Savings Account (H.S.A.)
- ❑ Continues 75% dependent contribution rate
- ❑ Continues contribution to employee Health Savings Account of \$1,000
- ❑ Projected 8.86% increase -\$207,892
- ❑ Blue Essentials network as base plan (\$2,600 Deductible/ 80% to \$4,000)
- ❑ Blue Choice network as "buy-up" option (\$2,600 Deductible/ 80% to \$4,000)
- ❑ Council consideration August 10, 2017

Health Insurance

Public Resource Management



Build our community by providing quality residential and commercial development, well maintained parks, trails and open spaces and safe and efficient transportation that provide quality and value for current and future growth.

2017-2018 Priorities

- ✓ Good base for community
- ✓ Trail accessibility
- ✓ Quality comprehensive land use plan
- ✓ Stable politically
- ✓ Connection to Lake Lewisville trail system
- ✓ Broadband
- ✓ Batch plant presence
- ✓ Rising property values

- ❑ **Long-Term Planning**
 - ❑ Asset Management Plan
 - ❑ Parks Master Plan
 - ❑ Lynchburg Drainage Concept plan
 - ❑ Thriving Earth Exchange (TEX)
 - ❑ Lake Sharon & Dobbs Concept Alignment
 - ❑ Strategic Replacement of Vehicles
 - ❑ Site selection for Elevated Storage Tank
 - ❑ Complete Street Concept Plan
- ❑ **Operations**
 - ❑ TIRZ Study
 - ❑ Replace Sewer Camera
 - ❑ City Entrance Signs
 - ❑ Community Park Dugout Covers
 - ❑ Neighborhood Park Trees
 - ❑ Neighborhood Park Fixtures
 - ❑ Utility Transponders Phase II
 - ❑ FM2181 & FM2499 Mowing
 - ❑ Sidewalks & Trail connections
 - ❑ Public Works Building
 - ❑ Public Safety Facility
 - ❑ Lake Sharon Extension
 - ❑ Sewer line Realignment (Huffines)
 - ❑ Meadows & Shady Shores Intersection
 - ❑ Park Signs
- ❑ **Sustainability**
 - ❑ Tree City USA
 - ❑ Monarch Butterfly Program
 - ❑ Scenic City
 - ❑ Integrated Storm Water Management
 - ❑ Water Conservation Incentive Program
 - ❑ SolSmart
 - ❑ Leadership STAR Community Program
- ❑ **Technology**
 - ❑ Replace Phone System
 - ❑ Upgrade Financial, Utility Billing, Municipal Court, and Human Resource Systems
 - ❑ Investigate Broadband
- ❑ **Collaboration**
 - ❑ SPAN bus service

Fiscal Responsibility



Govern the city in a transparent, efficient, accountable and responsible manner while maintaining a flat or reduced tax rate.

2017-2018 Priorities

- ✓ Good infrastructure
- ✓ Water supply
- ✓ Sewer treatment expansion
- ✓ Overhead water storage tank
- ✓ Lake Ralph Hall
- ✓ Life cycle of infrastructure
- ✓ Rising property values

- **Balanced Budgeting**
 - Priority Based Budgeting Model
 - Tax Rate Decrease
 - Water/Wastewater rate increase
 - Maintain adequate reserves
 - General Fund (20% target) – 21.22% projected
 - Water Wastewater (25% target) – 18.84% projected
 - Drainage (25% target) – 109.76% projected
- **Long range fiscal planning**
 - Asset Management Plan
- **Professional Best Practices**
 - Continue with
 - Police Best Practices Program
 - Storm Drainage Best Practices Program
 - APWA Accreditation Program

Prioritize Services

Do the Important Things Well

Question Past Patterns of Spending

Spend Within the Organizations' Means

Know the True Cost of Doing Business

Provide Transparency of Community Priorities

Provide Transparency of Service Impact

Demand Accountability of Results

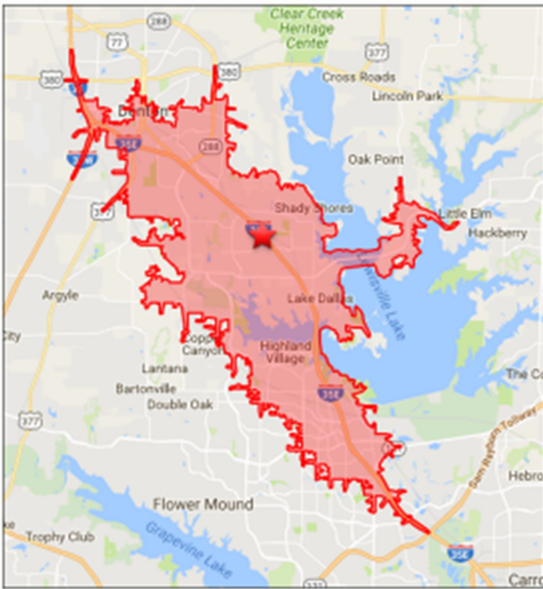


The underlying philosophy of priority-driven budgeting is about how a government entity should invest resources to meet its stated objectives. It helps us to better articulate why the services we offer exist, what price we pay for them, and, consequently, what value they offer citizens.

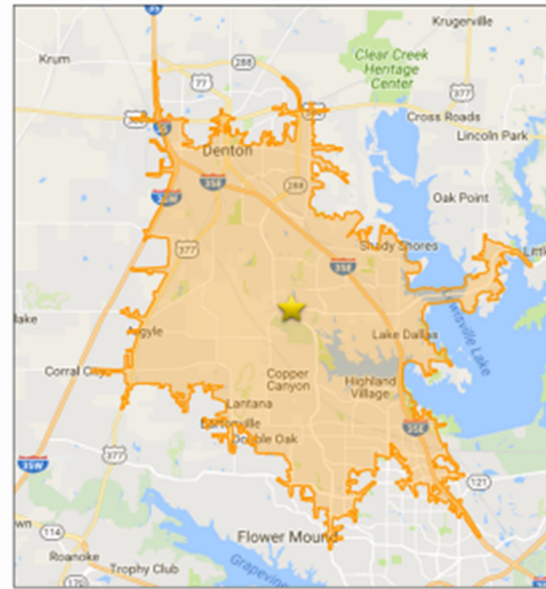
2017-18 Priorities

- ✓ High Performing Government
- ✓ A Safe Community
- ✓ Economic Vitality
- ✓ Strong Neighborhoods and Sense of Community
- ✓ Fiscal Stewardship

Philosophy of Priority-Based Budgeting



IH 35E Trade Area



FM 2181 & FM 2499 Trade Area

Trade Area Overlap

Shifts in Consumer Preference

- Many retailers are closing stores, including big box stores, because of the growth in online shopping and the shifts in consumer preference for shopping and dining in exciting and unique environments that tend to be mixed-use, pedestrian friendly and aesthetically pleasing.

Online Sales in Corinth

- The emergence of Amazon as one of the leading primarily online retailer is evidenced in our sales taxes – the retailer generates the 5th highest sales tax in Corinth.



Retail Trends

- o **Calculate the Tax Rate**
 - Effective Tax Rate
 - Rollback Tax Rate
- o **Publish Notices**
 - Must publish the Notice of 2017 Tax Year Proposed Property Tax Rate
 - To be published in the Denton Record Chronicle on Tuesday, August 15, 2017
- o **Public Hearings**
 - Taxing unit must hold two public hearings
 - August 24, 2017 and September 7, 2017
 - May not adopt the tax rate at either of these hearings
 - Must announce the date, time and place of the meeting at which the Council will vote on the tax rate at the August 10, 2017 council meeting
- o **Adopt a Tax Rate**
 - The meeting to vote on the tax rate must take place no less than three and no more than 14 days after the second public hearing.
 - Must adopt the tax rate by official action and in a written resolution
 - Must adopt the tax rate before September 30th or by the 60th day after the certified appraisal roll was received, whichever date is later.
 - If the deadline is missed, the City must ratify either the effective tax rate or last year's tax rate, whichever is lower, as the adopted tax rate.



Truth in Taxation Requirements

Current Tax Rate	\$.58193
Proposed Tax Rate	\$.55000
Effective Tax Rate	\$.53686
Rollback Tax Rate	\$.55032



What is the Effective Tax Rate?

Tax Rate that provides about the same amount of revenue as the prior year

What is the Rollback Tax Rate?

Maximum rate allowed without voter approval

New Value Tax Growth	\$19,490,199
New Value Tax Revenue	\$107,196
Total AV Growth	8.52%
Average Home Value	\$249,112
Average Tax Bill	\$1,370

Property Taxes

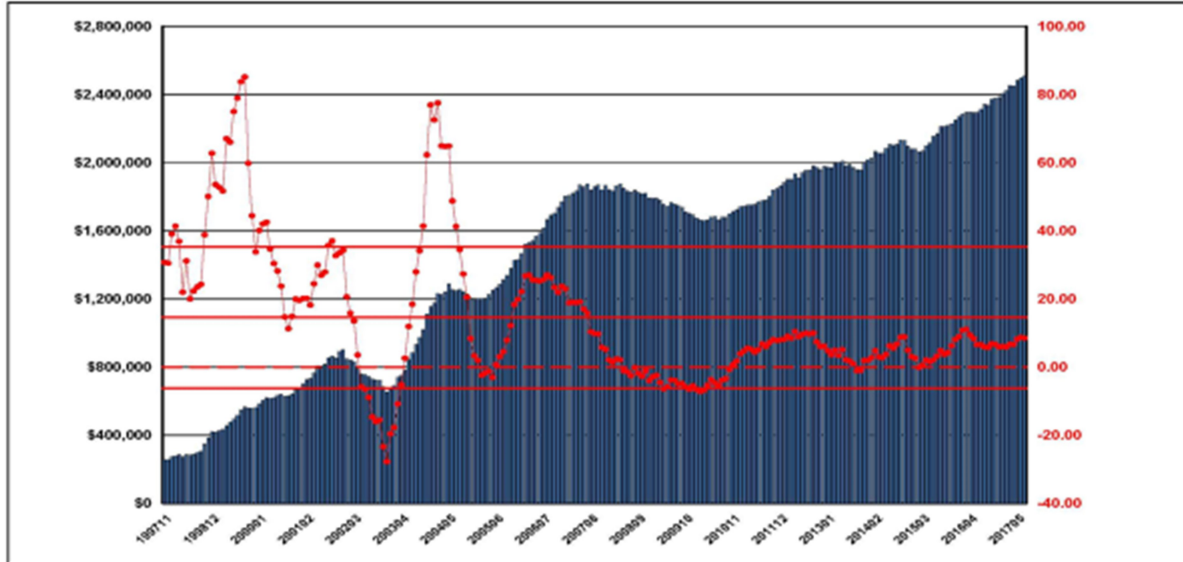
TEXAS SALES TAX ENTITIES SHOWING 25-YEAR HISTORY OF ROLLING 12 MONTH (R12) NET COLLECTIONS & OTHER METRICS

TML 08-WHERE THE WEST BEGINS-FT WORTH
CORINTH

CITY If City or County, click for map (experiment)

MAXIMUM R12	CURRENT R12	CHG FROM MAX	% OF MAX	CURR R12%
\$2,510,840	\$2,510,840	\$0	100.00 %	8.62 %
THIS MONTH LAST YR	THIS MONTH THIS YR	DIFF FROM LAST YR	% DIFF	
\$176,893	\$191,068	\$14,375	8.14 %	

ABOVE (BELOW) STATE AVG OF \$161.86 PER PENNY: **\$-2,027,420** BASED ON POP OF **21,390** AND RATE OF **\$0.017500** = **\$67.09** PER CAP 1-CENT BASIS



Permits	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Estimate	2017-18 Projected
Commercial	4	5	2	17	17
Residential	5	47	40	50	75
Total	29	52	42	67	92



VALUES (millions)	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Estimated	2017-18 Projected
Commercial	4,711,027	18,283,746	722,277	31,809,145	32,000,000
Residential	12,692,435	23,113,142	15,154,261	37,690,488	56,535,732
Total	\$17,403,462	\$41,396,888	\$15,876,538	\$69,499,633	\$88,535,732



Economic Activity

	2016-17				
	Projected Actuals	2017-18 Proposed	2018-19 Projected	2019-20 Projected	2020-21 Projected
Ad Valorem Taxes	8,058,437	8,671,684	9,022,859	9,381,971	10,047,612
Sales Tax	1,363,603	1,430,981	1,501,888	1,576,335	1,654,498
Franchise Tax	1,092,969	1,128,227	1,139,511	1,150,906	1,162,416
Development Fees & Permits	841,725	751,334	471,334	468,334	468,334
Fire Services	2,733,898	2,711,950	2,648,692	2,668,023	2,684,349
Other Revenue	2,354,505	2,579,018	2,969,425	2,925,973	2,687,992
Total Resources	16,445,137	17,273,194	17,753,709	18,171,542	18,705,201
Wages & Benefits	11,069,536	12,668,936	13,573,700	13,923,470	14,263,635
Maintenance & Operations	4,146,881	4,284,797	4,388,956	4,445,475	4,500,831
One-Time Expenditures	147,802	1,268,739	-	-	-
Total Expenditures	15,364,219	18,222,472	17,962,656	18,368,945	18,764,466
Net Income	1,080,918	(949,278)	(208,947)	(197,403)	(59,265)
Ending Fund Balance	4,816,026	3,866,748	3,657,801	3,460,398	3,401,133
Fund Requirement - 20%	3,072,844	3,644,494	3,592,531	3,673,789	3,752,893
Effective Fund Balance	31.35%	21.22%	20.36%	18.84%	18.13%

General Fund Long Range Forecast

Base Rate (by meter size)					
Meter Size	Current	June 15 Meeting	Proposed Budget	Budget vs Current	% Diff
5/8 x 3/4"	\$23.27	\$31.23	\$27.66	\$4.39	18.87%
Full 3/4"	32.25	34.36	32.25	0.00	0.00%
1"	32.25	43.73	38.73	6.48	20.09%
1 1/2"	65.15	65.15	65.15	0.00	0.00%
2"	100.70	100.70	100.70	0.00	0.00%
3"	210.25	343.56	304.30	94.05	44.73%
4"	330.10	437.26	387.29	57.19	17.32%
6"	660.95	660.95	660.95	0.00	0.00%
10"	1,510.65	1,510.65	1,510.65	0.00	0.00%

The rates include a senior citizen discount where senior citizens receive 3,000 gallons of water and 1,000 gallons of wastewater included in their monthly minimum bill.

Water Rates- Base Rates

Volumetric Charge - Residential					
Tier	Current	June 15 Meeting	Proposed Budget	Budget vs Current	% Diff
0-10000	\$2.77	\$4.95	\$5.08	\$2.31	83.39%
10001-25000	4.77	6.95	7.08	2.31	48.43%
25001-50000	6.77	8.95	9.08	2.31	34.12%
50000 up	8.77	10.95	11.08	2.31	26.34%

Volumetric Charge - Commercial					
Tier	Current	June 15 Meeting	Proposed Budget	Budget vs Current	% Diff
0-10000	\$3.68	\$4.75	\$4.56	\$0.88	23.91%
10001-25000	4.68	5.75	5.56	0.88	18.80%
25001-50000	5.68	6.75	6.56	0.88	15.49%
50000 up	6.68	7.75	7.56	0.88	13.17%

Water Rates- Volumetric Charges

Tier	Current	June 15 Meeting	Proposed Budget	Budget vs Current	% Diff
Base Fee	\$21.39	\$21.39	\$21.39	\$0.00	0.00%
Volumetric Fee	5.60	3.67	3.37	(2.23)	-39.82%

Wastewater Rates

Councilmember Garber - What if we put it at the 60% base rate, change the volumetric way down to where there's effectively no change to the water bill? Instead of trying to increment ourselves into this, we can do it with rates just effectively no change to our current revenue or very little increase of a change.

Keeping our revenue exactly the same, what would our water rates have to look like and our base rate to get us a 60% base rate?

Councilmember Johnson - Another thing I would like to look at is what the effect would be of raising the senior citizen's rate on the volumetric side. It is currently 3,000, let's push it up to 10,000 and see how much difference that makes.

Water Bill Analysis - Residential					
Tier	Current	June 15 Meeting	Proposed Budget	Budget vs Current	% Diff
5,000 Gallons	\$37.12	\$55.98	\$53.05	\$15.93	42.91%
10,000 Gallons	50.97	\$80.73	88.43	37.46	73.49%
30,000 Gallons	156.37	\$229.73	239.96	83.59	53.45%
75,000 Gallons	511.02	\$682.48	698.41	187.39	36.67%

Average Resident Bill

v 10,000 Gallons of Water
v 5,000 Gallons of Wastewater

Current Rates
Total Bill = \$100.36

Proposed Rates
Total Bill = \$128.17

Resident Impact
\$27.81 or 27.7% increase

Wastewater Bill Analysis					
Tier	Current	June 15 Meeting	Proposed Budget	Budget vs Current	% Diff
5,000 Gallons	\$49.39	\$39.74	\$39.74	(\$9.65)	(19.54%)
10,000 Gallons	77.39	58.09	58.09	(19.30)	(24.94%)
30,000 Gallons	189.39	131.49	131.49	(57.90)	(30.57%)

Average Bill Analysis - Residential

	2016-17 Projected Actuals	2017-18 Proposed	2018-19 Projected	2019-20 Projected	2020-21 Projected
Water Charges	5,839,810	7,758,303	7,758,303	7,758,303	7,758,303
Wastewater Charges	4,306,237	3,288,209	3,288,209	3,288,209	3,288,209
Garbage	786,740	796,000	796,160	796,322	796,485
Charges & Fees	420,600	333,000	336,330	339,693	343,090
Interest Income	9,500	7,500	7,575	7,651	7,727
Miscellaneous Income	70,869	72,300	73,023	73,754	74,491
Transfers	240,924	335,385	342,092	348,933	355,911
Total Resources	11,674,680	12,590,697	12,601,692	12,612,865	12,624,216
Wages & Benefits	1,640,373	1,873,894	1,917,205	1,960,056	2,002,908
Maintenance & Operations	9,145,820	9,494,681	9,889,401	10,241,727	10,633,119
Debt Payment	1,034,880	1,186,747	1,097,751	875,793	740,499
One-Time Expenditures	166,049	101,685	-	-	-
Total Expenditures	11,987,122	12,657,007	12,904,357	13,077,576	13,376,526
Net Income	(312,442)	(66,310)	(302,665)	(464,711)	(752,310)
Ending Fund Balance	2,451,470	2,385,160	2,082,495	1,617,784	865,474
Fund Requirement - 25%	2,996,781	3,164,252	3,226,089	3,269,394	3,344,132
Effective Fund Balance	20.45%	18.84%	16.14%	12.37%	6.47%

Utility Long Range Forecast



- Planning – (January)
 - January 14 – Council Goal setting / Strategic Planning Retreat
- Department Budget – (March – April)
 - March 7 – Budget Kickoff
 - March 28 – Departments submit budgets to Finance
 - April 11-22 – Budgets reviewed by City Manager
- City Manager’s Budget – (May – July)
 - June 29 – Council Policy Workshop
 - July 25 – Receive certified tax roll; calculate effective & rollback tax rates
 - July 31 – Submit proposed budget to Council
- City Council’s Budget – (August – September)
 - August 3 – Budget work session; Budget Overview
 - August 10- Budget work session; review governmental funds
 - August 10 – Vote on published tax rate and public hearing dates
 - August 17 – Budget work session; review proprietary funds
 - August 24 & September 7 – Public hearings on tax rate & budget
 - August 31 & September 14– Budget work session (if needed)
- Adopted Budget – (September - October)
 - September 21 – Adopt budget & tax rate
 - October 1 – Fiscal year begins; implementation of adopted budget

Budget Process Calendar

Bob Hart, City Manager - All of this is based on our conversations from June 30th and my understanding about where you are wanting to go as a Council. I think this gives you a good cohesive plan to do that.

Councilmember Glockel - Do you want all questions to go through you?

Bob Hart, City Manager - If you could relay them through me, initially, then what I would like to do is once we get your questions, then I will send answers back with staffs help. That way when we answer them, we will send the answers back to all six of you so that everyone has the same information.

ADJOURN:

Mayor Heidemann adjourned the meeting at 8:27 P.M.

Meeting adjourned.

Approved by Council On _____ day of _____, 2017.

Kimberly Pence, City Secretary
City of Corinth, Texas

CONSENT ITEM 4.

City Council Regular and Workshop Session

Meeting Date: 09/21/2017

Title: August 10, 2017 Workshop Session

Submitted For: Kim Pence, City Secretary

Submitted By: Kim Pence, City Secretary

City Manager Review: Approval: Bob Hart, City Manager

AGENDA ITEM

Consider and act on minutes from the August 10, 2017 Workshop Session.

AGENDA ITEM SUMMARY/BACKGROUND

Attached are minutes from the August 10, 2017 Workshop Session. The minutes are in draft form and not considered official until formally approved by the City Council.

RECOMMENDATION

Staff recommends approval of the August 10, 2017 Workshop Session minutes.

Attachments

Minutes

**STATE OF TEXAS
COUNTY OF DENTON
CITY OF CORINTH**

On this the 10th day of August 2017 the City Council of the City of Corinth, Texas met in a Workshop Session at the Corinth City Hall at 5:30 P.M., located at 3300 Corinth Parkway, Corinth, Texas. The meeting date, time, place and purpose as required by Title 5, Subtitle A, Chapter 551, Subchapter C, Section 551.041, Government Code, with the following members to wit:

Members Present:

Bill Heidemann, Mayor
Joe Harrison, Mayor Pro-Tem
Sam Burke, Council Member
Lowell Johnson, Council Member
Don Glockel, Council Member
Scott Garber, Council Member

Staff Members Present:

Bob Hart, City Manager
Fred Gibbs, Planning and Development Director
Lee Ann Bunselmeyer, Finance Director
Chris Rodriquez, Finance Manager
Cody Collier, Public Works Director
Jason Alexander, Economic Development Corporation Director
Debra Walthall, Chief of Police
Greg Wilkerson, Asst. Chief of Police
Curtis Birt, Fire Chief
Brandon Shepard, Deputy Fire Chief
Kim Pence, City Secretary
Shea Rodgers, Technology Services Manager
Mike Brownlee, City Engineer
Mack Reinwand, City Attorney

Others Present:

Jennifer Bertram, Enterprise Fleet Management

CALL TO ORDER:

Mayor Heidemann called the meeting to order at 5:30 p.m.

BUSINESS:

1. Receive a report, hold a discussion, and provide staff direction on the Fiscal Year 2017-2018 Annual Program of Services and Capital Improvement Program.

Bob Hart, City Manager - presented the annual budget overview to Council.

- Proposed Tax Rate:
- Sales Tax, Special Revenue, Internal Service and Impact Fee Funds:
- Capital Improvement Program:
- Vehicle Life Cycle Program:

Current Tax Rate	\$.58193
Proposed Tax Rate	\$.55000
Effective Tax Rate	\$.53686
Rollback Tax Rate	\$.55032



What is the Effective Tax Rate?

Tax Rate that provides about the same amount of revenue as the prior year

What is the Rollback Tax Rate?

Maximum rate allowed without voter approval

New Value Tax Growth	\$19,490,199
New Value Tax Revenue	\$107,196
Total AV Growth	8.52%
Average Home Value	\$249,112
Average Tax Bill	\$1,370

Property Taxes

	2013	2014	2015	2016	2017 Final <small>(as of July 25, 2017)</small>
Certified Value	\$1,428,952,690	\$1,538,127,064	\$1,638,520,892	\$1,799,383,154	\$1,952,654,794
Change in Value	2.53%	7.64%	6.53%	9.82%	8.52%
<u>Property Tax Rate</u>					
General Fund	\$0.46143	\$0.45143	\$0.44143	\$.44298	\$.44105
Debt Service	0.14346	0.14346	0.14346	0.13895	0.10895
Total Tax Rate	\$0.60489	\$0.59489	\$0.58489	\$0.58193	\$0.55000
Change in Tax Rate	-	(1C)	(1C)	(0.296C)	(3.193C)

Assessed Valuation & Property Tax Historical Comparison

The slide below is the additional funding that we are recommending in the budget that are ongoing revenues. The nine fire fighters (3 per shift) we propose to be funded through the Safer Grant. We would submit an application through the Safer Grant to pay for a portion of this.

The Safer applications would go in around the first of January - March. The approval of the grant would be in June/August time-frame. You would bring them on line the last quarter of next year. This is only a partial year of funding. We would meet with the Lake Cities collectively talk through the funding formula and look at whether or not we could get a longer term contract in place. Certainly by the time the application for the Safer Grant is due in I can give you some indication of our discussions with the Lake Cities. I would suggest to apply for the grant anyway and from the time the grant is submitted and an award is made we will know more of what is going to happen with the Lake Cities. We don't have to accept the grant we will just start down this path but we always have exit points depending on how the conversations go.

Councilmember Glockel - if the Lake Cities severed the contract today we would bring out equipment and our people over and put them in the new fire station but if we hire nine more people and the other 3 cities sever it next year what are we going to do with those people?

Councilmember Burke - that is a four year out problem.

Mayor Heidemann - yes, with our current contract but if we go with the Safer Grant we are off one year. We have to underwrite the cost to add more firemen. We do not have any provisions in our current fire contract to add any additional cost other than incremental increases.

Councilmember Burke - if the other 3 cities terminate our contract with them, the fire station that is over there in Lake Dallas is their facility and they will have to deal with the people that work there. If Lake Dallas terminates the contract and we have staffed our facility that services our citizens that will be a problem but that is life. We can't not do what we need to do because "maybe" we won't be able to get this worked out.

Councilmember Glockel - why are we in such a hurry to get these 9 people? We are only talking 9 but it is really 15 people in the budget. When we were building this we agreed for probably at least a year after it was built they would be a box or maybe another vehicle in there but we were not going to put 9 or 12 people in there. The building is not built yet, we are going to 9 then we are going to 15 before we have a consensus with the other 3 cities of what their intentions are and that is where I am hung up.

Councilmember Burke - I think we are planning a best case scenario. That is what a budget is. I don't know why we are talking about not planning for a best case scenario. What we want to happen is for us to negotiate a long-term contract with them and staff that and to know the amount of money we are going to need. There is no commitment to spend it and I don't see the harm in having it and not spending it but I think we should plan for our best case scenario and budget for it.

Bob Hart, City Manager - we would start working with the other 3 cities at the end of August first of September about a funding formula to lay the ground work for a long-term agreement. By December we should have a fairly good sense of where that is going and we then would shift into contract discussions. At that point we will know whether or not that looks positive enough that we can apply for the grant. Then we would continue with the negotiations until the award which would presumably would be somewhere between April and June and then we can make the decision on whether we want to accept the grant and hire anyone. So we are buying some time there. The flip side to this, let's assume it all goes south and we decide that we don't think this is going to work so then we bring everybody out of the Lake

Dallas #1 station and move them over to the 3rd station and now we have two stations operating and we terminate the contract then we have a \$1.8 million dollar deficit that we have to deal with because that is the amount of revenue that we get from those other 3 cities that help to pay for those stations. We have to start with some kind of a plan, something in good faith that we are going to work together long-term and this is that first step. There are two exits points for us to back up, we don't have to spend the money but I also would like to be able to demonstrate good faith on our part that we do have a plan in place and how we are going to start some of this initial staffing.

Councilmember Harrison - if we don't reach an agreement between now and June of next year, We have 4 more years of the existing contract of drawing that money, so the only thing we are having to make up is the safer grant if we bring those on?

Bob Hart, City Manager - yes, if we bring those on.

Councilmember Harrison - I can see your rationale for that. My second point, if the last quarter of 2018, you are going to start drawing for the safer grant, people are going to be on, does the 3 years begin the day that you hire one person?

Curtis Birt, Fire Chief - once you are awarded the safer grant you have 90 days to hire those people and get them on board. Their first check kicks off the years and that is the way it is written for the 2016 grant when the 2017 grant gets published, who knows, it is ready to go for a house vote as soon as the house vote votes they can write the grant for that year.

Bob Hart, City Manager - if this goes south, we come back and start working on plan B or plan C.

Right now the police department is running on 4 shifts, they have 4 officers on two of the shifts, and 5 officers on two of the shifts. We are trying to get 5 officers on each shift and that way it boost the presence on the streets on a day to day basis. This still leaves us short 1 officer for a recommended staffing level but it gets us 5 officers on each shift and that is the reason for the recommendation.

Mayor Heidemann - does that amount include vehicles and all the equipment?

Bob Hart, City Manager - no, the equipment is not included in that. We have it elsewhere in the budget on how we would handle that. We wouldn't need vehicles because they share the vehicles. This does include wages and benefits.

The Combination Inspector we currently have and he is not going to be here for the full year. We have an uptick in building activity and from our perspective is we need to get someone on the ground in a hurry to be able to fill those inspections. The current inspector will vacate his position and we will have to make a decision on what we do at that point. On the short term we need an inspector in there. The alternative is to go out and get a contract inspector but that cost more than hiring someone.

The money for the side is a place holder as we start to go in and look at ways to connect the sidewalk to the trails or we fill in some gaps in the sidewalks. This money is there to do that.

Councilmember Harrison - I don't have a problem with filling up sidewalks but we need to change some of our policies that when people build things they need to have some of that cost when they are building it. These Ordinances should include that.

Bob Hart, City Manager - when developers put the money for escrow for a sidewalk, it is for a specific

sidewalk so in the case of the Millennium the sidewalk in over near Dobbs Street so when that street is built the money is there for that sidewalk.

Councilmember Glockel - is there a holding account set up for that?

Bob Hart, City Manager - there is the money set aside for escrow money and I think we can hold that money for 10 years. It is not in a fund it is accounted for a little differently than those funds because there is a specific location for that to go.

Councilmember Harrison - on FM 2181 and 2499 mowing is the water and irrigation included in that cost?

Bob Hart, City Manager - we have an application pending for the Green Ribbon Program. No landscaping has been done and the irrigation has not been put in, that is just the mowing money.

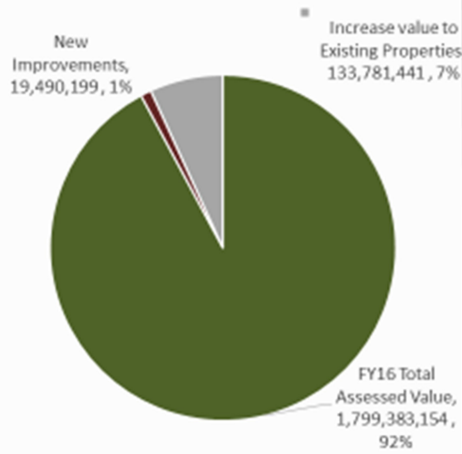
The money in there is for the remainder of FM 2499 when it opens we are going to have to mow that and that is the money for that. FM 2181 was not budgeted and we went back and put that in and that is the reason it is listed like it is.

	Proposed \$.55000	Effective \$.53686	Variance \$.01314
General Fund	\$ 8,612,184	\$8,355,605	\$256,579
Debt Service Fund	2,127,417	2,127,417	0
Total	\$10,739,601	\$10,483,022	\$256,579

Station #3 Staffing- 9 FTE	\$274,684	Public Safety STEP Increases	\$80,738
Police Officers – 2 FTE	161,002	General Employee Merit Increases	121,272
Combination Inspector – 1 FTE	69,526	Health Insurance	170,654
Sidewalk	50,000	Expanded EAP	10,500
FM2181 & FM2499 Mowing	16,692	SPAN bus program	6,000

Effective Tax Rate Analysis

Certified Value as of July 25
\$1,952,654,794



Property Tax Revenue	General Fund	Debt Service Fund	Total
Tax Rate	.44105	.10895	.55000
FY16 Assessed Value	\$7,936,179	\$1,960,428	\$9,896,607
Increase in Existing Properties	590,443	145,755	735,798
New Improvements	85,962	21,235	107,196
Total Property Tax Revenue	\$8,612,184	\$2,127,417	\$10,739,601

Total 2016 Tax Revenue Increase = \$842,994

General Fund = \$676,005
 Debt Service Fund = \$166,989

FY 2017 Assessed Valuation

	2013	2014	2015	2016	2017 Final (as of July 25, 2017)
New Value Added	\$8,745,330	\$8,830,118	\$15,403,173	\$33,390,497	\$19,490,199
Tax Rate	.60489	.59489	.58489	.58913	.55000
Tax Bill Allocation:					
General Fund	\$40,354	\$39,862	\$67,994	\$147,913	\$85,962
Debt Service Fund	12,546	12,668	22,097	46,396	21,235
Total New Taxes	\$52,900	\$52,529	\$90,092	\$194,309	\$107,196

Five Year Average Growth of \$17,171,863

5 Year Average Annual Tax Revenue Increase on New Value Added = \$99,405
 General Fund = \$76,417 and Debt Service Fund = \$22,988

Assessed Valuation New Value Added

	2017 Market Value	2017 Taxable Value	% of Total City Taxable Value \$1,952,654,794
Boulevard 2010 LLC	\$ 23,931,096	\$ 23,931,096	1.2%
CoServ	21,373,185	21,373,185	1.1%
Oncor Electric Delivery Co	12,343,510	12,318,823	0.6%
AGL Constructors JV	9,823,190	9,823,190	0.5%
Tower Ridge Corinth I, LTD	8,770,582	8,770,582	0.4%
Utter Properties LLC	8,440,606	8,440,606	0.4%
HEB Grocery Company, LP	8,261,218	8,261,218	0.4%
Utter, Bill	7,894,886	7,894,886	0.4%
Anixter Power Solutions	7,569,341	7,569,341	0.4%
Texas Health Resources	7,423,519	7,423,519	0.4%
Kensington Square LP PS	7,190,893	7,190,893	0.4%
DATCU	12,000,000	6,941,486	0.4%
QuikTrip Corp	6,363,802	6,363,802	0.3%
Huffines Denton Auto	6,192,518	6,192,518	0.3%
Pinnell Square LP	6,000,000	6,000,000	0.3%
	\$ 153,578,346	\$ 148,495,145	7.60%

2017 Top Taxpayers



The Corinth housing market remains strong with home prices rising as the demand for single-family homes in the region continues. The average number of days homes are on the market in the City of Corinth is twenty eight (28) days.

	2013	2014	2015	2016	2017 Final (as of July 25, 2017)
Avg Home Value	\$185,042	\$198,248	\$211,926	\$229,765	\$249,112
Tax Rate	.60489	.59489	.58489	.58193	.55000
Average Tax Bill:					
General Fund	\$854	\$895	\$936	\$1,018	\$1,099
Debt Service Fund	265	284	304	319	271
Total Taxes Due	\$1,119	\$1,179	\$1,240	\$1,337	\$1,370

Average Home Values increase:

\$19,347 or 8.4% over the 2016 home values = \$33 increase in tax bill

\$64,070 or 35% since 2013 = \$251 increase in tax bill

Average Home Value

Prioritize Services

Do the Important Things Well

Question Past Patterns of Spending

Spend Within the Organizations' Means

Know the True Cost of Doing Business

Provide Transparency of Community Priorities

Provide Transparency of Service Impact

Demand Accountability of Results



The underlying philosophy of priority-driven budgeting is about how a government entity should invest resources to meet its stated objectives. It helps us to better articulate why the services we offer exist, what price we pay for them, and, consequently, what value they offer citizens.

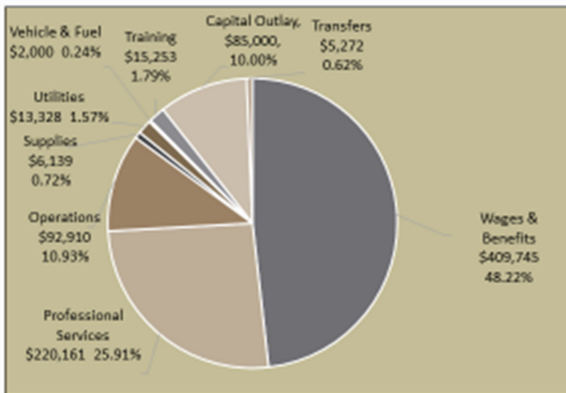
2017-18 Priorities

- ✓ High Performing Government
- ✓ A Safe Community
- ✓ Economic Vitality
- ✓ Strong Neighborhoods and Sense of Community
- ✓ Fiscal Stewardship

Philosophy of Priority-Based Budgeting

City Administration

City Administration, Legal, and City Council Budgets



Department	FTE	Budget
City Administration	2.00	\$392,987
Legal Services		200,550
Council Agenda/Ordinance Publications	1.00	104,341
Capital Outlay		85,000
Utilities & Allocations (Admin & Council)		20,978
Council Admin Services	-	16,067
Communications		11,079
Library Services		10,000
City Election		6,806
Fleet Capital & Maintenance		2,000
Total	3.00	\$849,808

New Program Services:

- ✓ TIRZ Study - \$5,000
- ✓ Community Strategic Plan - \$50,000
- ✓ Expanded EAP - \$10,500
- ✓ Communication Strategy - \$30,000
- ✓ SPAN bus service - \$6,000
- ✓ Council Governance Policies
- ✓ Council /Board Compensation- \$588

Bob Hart, City Manager - the administration department includes the City Manager, City Secretary and the Executive Assistance. I would propose in this budget that the Executive Assistant position would become the Communications person.

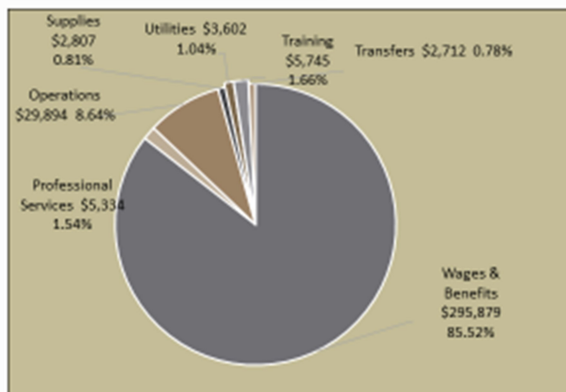
The TIRZ Study for \$5,000 is to look at the potential of a TIRZ or it could be some other strategy for how development could occur around Lynchburg Creek or working with NCTC. That would be some monies there to do some analytics that may need to get done. I suppose you could even expand that to pick up CoServ in terms of what they are trying to do with some of their property.

A community wide strategic plan, this would come out of one time monies, we would get a significant number of people involved (40+) plus the advisory boards involved in terms of doing a community wide strategic plan that would take about six months and be a series of on-going meetings. That would form the basis of a lot of the long-term planning efforts.

Community strategy is coming back in and helping us to think through an overall communication strategy about how we communicate in terms of the community. I've talked to a few folks, mainly thinking about how do you talk about communication in a community like Corinth? There is not a downtown there is not a community gathering place. This is one-time money to get help in defining how to go forward.

Council/Board Compensation was placed in the budget to compensate the board members and the Council as an extra level liability protection. My practice has been you pay everyone \$1.00 a month and that helps from a liability standpoint. You pay once or twice a year based on the attendance schedule so everyone would get a \$6.00 or a \$12.00 check. My experience has been that I have had people accept an appointment over liability concerns.

Human Resources



Department	FTE	Budget
Human Resource Administration	1.00	\$134,728
Employee Legal Compliance	1.00	92,283
Employee Processing	1.00	85,455
Employee Relations & Wellness		11,225
Risk Management		8,689
Utilities & Allocations	-	8,093
Employee Development Programs		5,500
Total	3.00	\$345,973

New Program Services:

- √ Safety Program
- √ Employee Recognition Program

Bob Hart, City Manager - we are spending some time here doing safety and recognition programs.

CITY CONTRIBUTION				EMPLOYEE CONTRIBUTION				
				Blue Essentials			Blue Choice "Buy-Up" Option	
	Current (75%)	Proposed (75%)	Impact	Current (25%)	Proposed (25%)	Impact	Proposed (25%)	Impact
EE Only	\$695.90	\$757.58	\$61.68	\$0	\$0	\$0	\$33.97	\$33.97
EE/Children	1,113.42	1,212.11	98.69	139.18	151.52	12.34	212.67	73.49
EE/Spouse	1,322.20	1,439.39	117.19	208.76	227.28	18.52	302.02	93.26
EE/Family	1,844.12	2,007.59	163.47	382.74	416.66	33.92	525.38	142.64

- Establish Health Insurance Benefits Trust – 1.75% Savings
- Continue High Deductible Insurance Plan with a Health Savings Account (H.S.A.)
- Continues 75% dependent contribution rate
- Continues contribution to employee Health Savings Account of \$1,000

- Projected 8.86% increase -\$207,892
- Blue Essentials network as base plan (\$2,600 Deductible/ 80% to \$4,000)
- Blue Choice network as "buy-up" option (\$2,600 Deductible/ 80% to \$4,000)
- Council consideration August 10, 2017

Health Insurance

Bob Hart, City Manager - this is an item that you have on the agenda tonight. I think we went through this pretty well last week during the workshop session. The reason it is on the agenda tonight is we have to get this in place 30 days prior so the employees can make their selections no later than September 1st. We will be doing that on August 29, 30, and 31.

Councilmember Harrison - what is the total cost of the Cities contribution? What is the total cost for the employee?

Lee Ann Bunselmeyer, Finance Director - the total health insurance cost for the City across all funds is \$2.5 million. The cost of the General Fund alone is right at \$2 million for health insurance cost.

Councilmember Harrison - can you give us something that breaks that down.

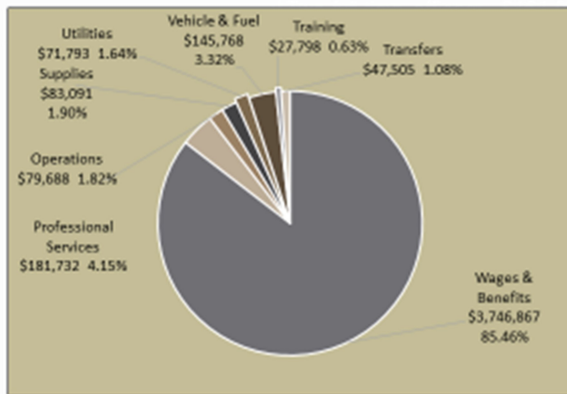
Bob Hart, City Manager - this is what the employees are paying on a monthly basis for their insurance. We have to figure out who is doing children only, spouse or family coverage and then get that breakdown.

Bob Hart, City Manager - The health insurance initial proposal was at 36%. We made the plan modifications we have it down here for just over 7%.

Lee Ann Bunselmeyer, Finance Director - I did a quick calculation and I think the employee contribution is about 25% of what the city contributes so total employee is about \$625,000.

Police Services

Police and Animal Control



Department	FTE	Budget
Field Operations Patrol	23.00	\$2,411,816
Police Administration	5.00	543,958
Criminal Investigations Division	4.00	480,688
School Resource Officers	3.00	327,703
Utilities & Allocations		162,411
Dispatch & IT Maintenance		145,069
Fleet Capital & Maintenance		137,710
Animal Control	2.00	128,224
Emergency Management		12,181
Facility Management		19,134
Public Relations/Events/VIPS		7,643
Citizens Police Academy		3,203
Police Employee Recognition		2,800
Best Practices Program		1,702
Total	37.00	\$4,384,242

New Program Services:

√ 2 full-time police officers - \$161,002

Δ Texas Department of Public Safety lab fees - \$20,800

Bob Hart, City Manager - we have two items in here and one is the police officers we talked about earlier and that is in here as an on-going expense. The second one is shaded a little bit differently, we have originally put that in to cover the DPS cost and the governor intervened and they have waived that cost now. The state will continue to do that so that may be a place where we can pick up some savings. The cost was for testing and the lab reports for DWI and things like that.

The recommendation on the pay increases would be 3% for public safety which would be dealing with the step increases and 3% for the general employees.

Mayor Heidemann - is that 3% individual or 3% dollar figure that would be allocated out to different levels within.

Bob Hart, City Manager - it would be allocated out to different level within. We will be going through the evaluations and dealing with employees individually.

Mayor Heidemann - last year we had 1 ½ people for animal control have we added another person for animal control?

Bob Hart, City Manager - we have 1 ½ positions, one was a part time and then we had a part time court bailiff and what we were running into was we could not hire a part time court bailiff and we could not hire a part time animal control officer. When we got into a contract with Lake Dallas for animal control we were going to have to provide some additional coverage in terms of coordinating with them and so we took the bailiff position and the part time position and made it one position and that is how we got to two. So we had 1 ½ and took that part time bailiff and got it to 2.

Bob Hart, City Manager - we are recommending that we add two police officers and then we abolish the court bailiff which is out of the court technology fund and we take that ½ position go over to animal control and combine it with a part time animal control officer to make it a full time animal control officer for a total of 2.

Mayor Heidemann recessed the workshop to go into the Regular Session at 7:00 p.m.

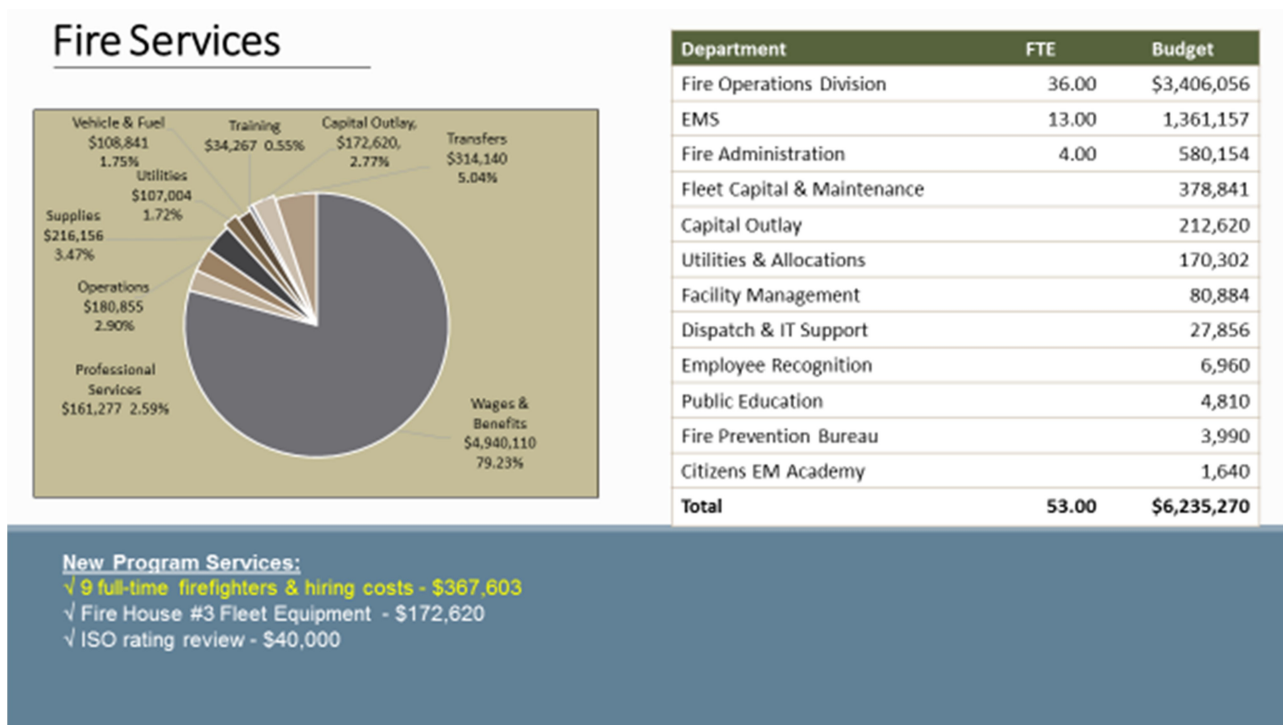
Mayor Heidemann reconvened the Workshop Session at 7:25 p.m.

Mayor Heidemann - on the Fleet Capital & Maintenance Fund, this is all based on us approving the Enterprise is that correct?

Bob Hart, City Manager - yes. As and when we get to that I can show you the consequences one way or the other. The recommended budget is prepared based upon us doing the Enterprise agreement.

Mayor Heidemann - what is the impact if we don't approve that?

Bob Hart, City Manager - we will need to generate some more revenue or cut some services to make up the shortfall.



Bob Hart, City Manager - this is where we pick up the fire fighters per shift. The fire house is the equipment for the truck that would go into the fire house and then the ISO rating and prepare for that. A lot of the questions deal with the strategy or how we go forward with the negotiations and conversations with the Lake Cities. We will start having regular meetings with the staff at the other 3 cities at the end of August first of September and look at a funding formula and a strategy for how we go forward. We will deal with how we staff station 3 and what those costs are going to be, what they can and cannot afford, and we will have several months to work through that process. Then we will have the safer grant that will come up and we will continue those conversations and somewhere through there the strategy is going to emerge on this. At the end of the day all the cities are going to vote in their own best interest.

Councilmember Glockel - what is the bill for the 9 people for the first year \$275,000?

Bob Hart, City Manager - yes for salaries.

Councilmember Glockel - the next year they are going to be on for a full year what is the bill for that?

Bob Hart, City Manager - it is roughly \$1 million dollars.

Councilmember Glockel - and the 3rd year it is more than that because you are paying 65%. If the other cities back out and give us a year contract so now in the 3rd year we could be with 9 employees with a million plus something just for their cost plus the \$1.8 million that the other cities are paying us today under this contract so we could be well over \$3 million dollars extra at the end of the 3rd year if the other cities do not stay with us. We need to be informed if you go talk to Hickory Creek or Lake Dallas every one of us will get a call and we are not going to know anything and that will make it worse.

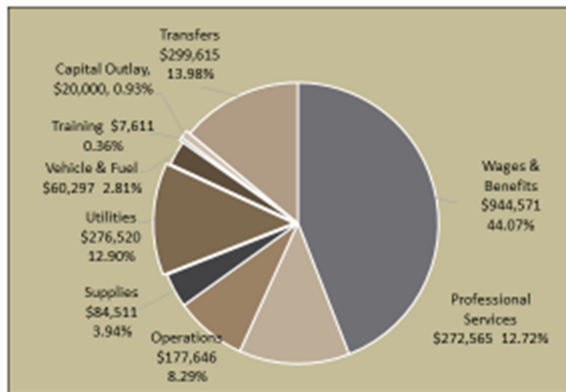
Bob Hart, City Manager - if I am not comfortable with what I am hearing from the other 3 cities then I would not recommend that we move forward on the Safer Grant. I would not go off and spend money unless I am confident in the direction we are going.

Mayor Heidemann - I think the Safer Grant is a good way to go to offset some of your costs but unless there is some commitment I would not proceed with the grant. It would be my hope that the cities would see the beauty of working together.

It was the consensus of the Council for the City Manager to proceed in negotiations with the other 3 cities regarding the Fire contracts and for the City Manager to brief Council and bring back to Council a 6 month plan a 1 year plan and 3 year plan so that everyone is in the loop.

Public Works

Streets and Parks & Recreation Budgets



Department	FTE	Budget
Utilities & Allocations		\$603,115
Community Park Complex	4.00	333,482
Street Repair/Maintenance	4.00	288,763
Sidewalk Repair/Maintenance	3.00	272,782
Neighborhood Parks/Facilities	2.00	168,623
Recreation	3.00	168,081
H.O.A. Maintenance Contracts		101,673
R.O.W. Mowing		89,782
Fleet Capital & Maintenance		58,997
Traffic Mgmt & Signage		27,708
Capital Outlay		20,000
Pond Maintenance & Repair		6,200
Woods Building Maintenance		4,130
Total	16.00	\$2,143,336

New Program Services:

- √ Asset Management Program - \$20,000
- √ Sidewalk Replacement Program - \$50,000
- √ FM2181 & FM2499 Mowing - \$16,692

Bob Hart, City Manager - the mowing and the sidewalk program we talked about earlier.

The Asset Management plan will actually show up in multiple funds. What the Asset Management Plan will do is look at the cost, look at the condition and then look at it on a life cycle basis so that the Council will know when you will need to be replacing for example a water line on Corinth Parkway. So much of this town is built out and typically you will be looking at 30, 40 and 50 year life cycles so you want to start doing some planning for how you will be replacing or making repairs. We would start all this fairly quickly and by February we would have a final report back and merge that with the CIP and

start to see the impacts in preparing next year's budget. It would be all the city's assets.

Councilmember Johnson - I know that there is some GASBE requirements that did this very same thing.

Bob Hart, City Manager - in the US it went to GASBE 34 and became a footnote on the financial statements. You have the numbers but it does not have conditions and you don't have built in schedules for replacements or replacement cost.

Councilmember Burke - \$20,000 is a fraction of the cost, what is the total for this plan?

Bob Hart, City Manager - total cost is \$50,000.

Councilmember Johnson - why is it not part of the CIP?

Bob Hart, City Manager - the CIP would be a Capital Improvement that is when you are building the asset for the future. All you are doing here is documenting and planning for replacement of existing assets. The reason you merge it with the CIP is because when you are looking at building new assets and replacing assets you are going to build up ballots in both of those over the long term.

Planning & Development

Planning and Community Development Budgets

Permits	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Estimate	2017-18 Projected
Commercial	4	5	2	17	17
Residential	5	47	40	50	75
Total	29	52	42	67	92



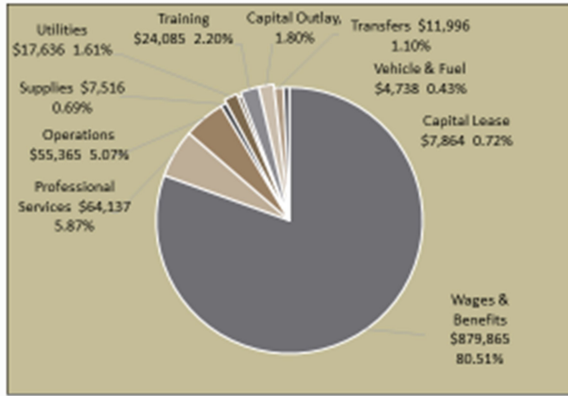
VALUES (millions)	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Estimated	2017-18 Projected
Commercial	4,711,027	18,283,746	722,277	31,809,145	32,000,000
Residential	12,692,435	23,113,142	15,154,261	37,690,488	56,535,732
Total	\$17,403,462	\$41,396,888	\$15,876,538	\$69,499,633	\$88,535,732



Bob Hart, City Manager - this is just to get a sense of what we think is going to be happening to some building activity primarily driven because we have lots on the ground. This goes back to that inspector issue.

Planning & Development

Planning and Community Development Budgets



Department	FTE	Budget
Permits & Plan Reviews	2.00	\$214,851
Current Planning Review	2.00	211,159
Planning Administration	1.00	158,061
Building Inspections	2.00	149,564
Long Range Planning Mgmt	1.00	105,524
Geographic Information Systems	1.00	88,649
Code Compliance	1.00	76,225
Utilities & Allocations		41,069
Health Inspection Program		15,498
Capital Outlay		19,700
Fleet Capital & Maintenance		12,602
Total	10.00	\$1,092,902

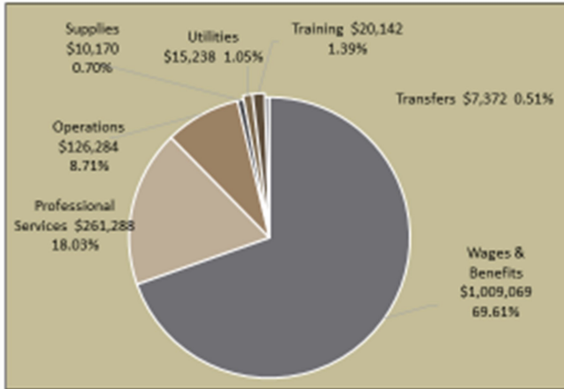
New Program Services:

- √ Star Community Program - \$7,500
- √ Thriving Earth Exchange Program - \$3,000
- √ Scenic City - \$1,000
- √ ISWM - \$1,000
- √ SoSmart Cities - \$1,000
- √ Complete Streets Concept Plan - \$2,000
- √ **Combination Inspector - \$73,726**

Bob Hart, City Manager - for the combination inspector, this includes the inspector and a desk so this is a one-time versus the ongoing. The other items are dealing with this outreach and working within the region. The ISWM, So/SMART, and Complete Streets are all COG initiatives or COG coordinated activities. The Star Community Program is a way of looking at a long-term sustainability of the community where we would like to be participating with other cities across the country in doing measurement. I see that as being important and linking up very close to the strategic plan. The Thrive Earth Exchange Program actually goes back to the earlier conversation on Lynchburg Creek and that is dealing with some potential environmental issues. This program is an initiative of the American Geophysical Union which are the research scientist in the Country and what they do is try to partner with the Cities and provide technical expertise and it is free. I have a little bit of money in there because you have to get maps and surveys to make that work.

Finance & Administrative Services

Finance, Special Events and Municipal Court Budgets

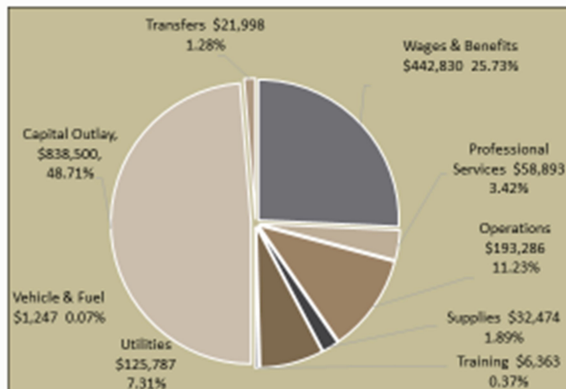


Department	FTE	Budget
Finance & Budget Administration	2.50	\$313,494
Accounting Services	2.00	259,709
Citation Processing	3.00	187,500
Purchasing	2.00	166,993
Courtroom Proceedings	1.00	151,073
Special Events		87,668
Appraisal & Taxation Services		86,375
Payroll Administration	1.00	84,853
Warrant Processing		36,415
Utilities & Allocations		35,552
Jail/Holding Facility		15,000
Budget Administration		12,469
Investment & PFIA Compliance		12,462
Total	11.50	\$1,449,563

New Program Services:
 ✓ No new program funding

Finance & Administrative Services

Technology Services, City Hall, and Public Safety Facilities



Department	FTE	Budget
Capital Outlay		\$838,500
Public Safety Tech Support	2.00	192,559
Tech Administration	1.00	127,761
Network Support	1.00	117,229
Desktop Support	1.00	79,797
Tech/City Hall Utilities & Allocations		74,470
Application Support		62,994
PSF Utilities & Allocations		62,386
City Hall Janitorial		31,518
City Hall System Maintenance		26,009
Website Support		19,342
PSF Janitorial		16,263
Fleet Capital & Maintenance		16,245
Server Support		15,623
PSF Facility Maintenance/Repairs		13,250
City Hall Maintenance/Repairs		12,150
PSF System Maintenance		6,902
City Hall Security		4,421
PSF Security		3,959
Total	5.00	\$1,721,378

New Program Services:
 ✓ Phone System - \$200,000
 ✓ Upgrade INCODE - \$48,125
 ✓ Public Safety Facility Furniture & Fixtures - \$596,000

Bob Hart, City Manager - the increases that you see here are going to be related to the opening of the Public Safety Building and opening of Fire Station #3 and there is an IT expansion that goes there. When we talk about 5 positions, this past year we have had 4 people in IT and we are picking up a 5th person that will be taking care of the public safety building. We had 5 people in the budget last year, one of which was the communications position and we have eliminated that position. We are taking the Communications position and moving that over to Administration taking the Administration Assistant position.

We have two one-time expenditures in here and one is to replace the phone system within city hall and

expand it into the public safety building and the other is to pick up the other versions of INCODE software changes that we are going to have to do sometime over the next 12 months either voluntarily or involuntarily.

	2016-17 Projected Actuals	2017-18 Proposed	2018-19 Projected	2019-20 Projected	2020-21 Projected
Ad Valorem Taxes	8,058,437	8,671,684	9,022,859	9,381,971	10,047,612
Sales Tax	1,363,603	1,430,981	1,501,888	1,576,335	1,654,498
Franchise Tax	1,092,969	1,128,227	1,139,511	1,150,906	1,162,416
Development Fees & Permits	841,725	751,334	471,334	468,334	468,334
Fire Services	2,733,898	2,711,950	2,648,692	2,668,023	2,684,349
Other Revenue	2,354,505	2,579,018	2,969,425	2,925,973	2,687,992
Total Resources	16,445,137	17,273,194	17,753,709	18,171,542	18,705,201
Wages & Benefits	11,069,536	12,668,936	13,573,700	13,923,470	14,263,635
Maintenance & Operations	4,146,881	4,284,797	4,388,956	4,445,475	4,500,831
One-Time Expenditures	147,802	1,268,739	-	-	-
Total Expenditures	15,364,219	18,222,472	17,962,656	18,368,945	18,764,466
Net Income	1,080,918	(949,278)	(208,947)	(197,403)	(59,265)
Ending Fund Balance	4,816,026	3,866,748	3,657,801	3,460,398	3,401,133
Fund Requirement - 20%	3,072,844	3,644,494	3,592,531	3,673,789	3,752,893
Effective Fund Balance	31.35%	21.22%	20.36%	18.84%	18.13%

General Fund Long Range Forecast

Lee Ann Bunselmeyer, Finance Director - for Ad Valorem Taxes we have it at 4% it is pretty conservative when you look at the growth that we have had over the last 3 years. We are averaging about 6% over the last 4 years so it is relatively conservative on the property taxes. On sales tax, the trend is still cycling up and we factored in a 5% growth. Your fire Services contract are contractually set for the next 5 years.

Councilmember Harrison - so you are going to take out \$949,000 dollars out of the fund balance?

Bob Hart, City Manager - yes, those are the one-time expenditures that you see in the budget. When we went through and looked at the items in the white that is the cumulative total of all of those.

Councilmember Harrison - we are going into fund balance for \$900,000 in 2017-18 and next year we are projected to go in \$208,000 and what is that?

Bob Hart, City Manager - the fund balance goes up 30% and we are taking about 10% of that and using it for one-time expenditures.

Councilmember Harrison - give me a list of what they are for the out years?

Bob Hart, City Manager - in the out years we are not doing that. All this is, is the difference between revenue and expenses. That is just the projected deficit.

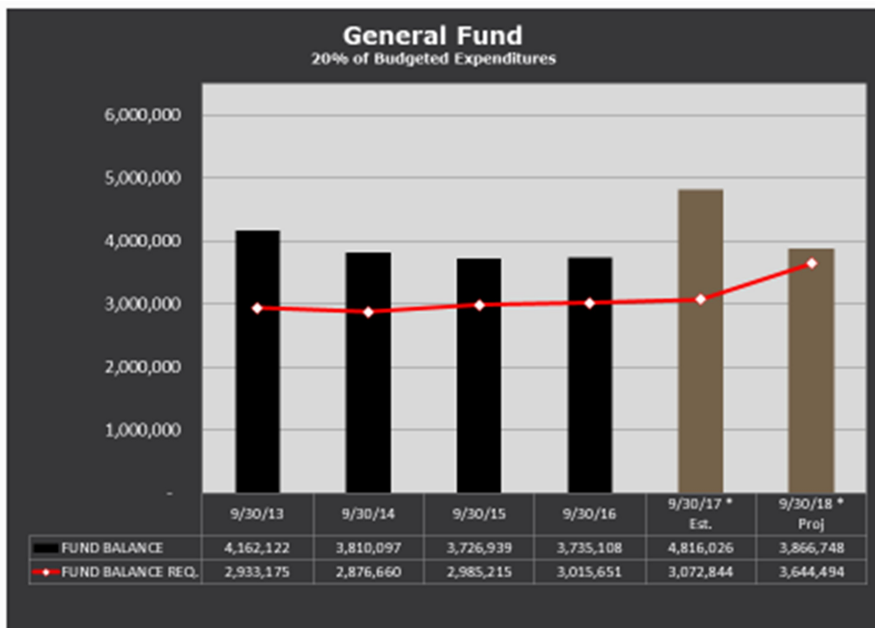
Mayor Heidemann - in other words, in 2018-2019, and 2019-2020 you are projecting that out with a reduction in your safer grant? As part of the wages?

Bob Hart, City Manager - yes, as part of the wages. Then next year we will know a little better but you

have to have an assumption somewhere and the assumption is that we are going to do the 9 fire fighters over that 4 year period as shown.

Councilmember Harrison - are the phones in that \$900,000?

Bob Hart, City Manager - yes. The list of the one-time purchases is on page 6 in the budget.



In December 2012, the City Council adopted a Fund Balance Policy. The policy established the City's goal to achieve and maintain an unassigned fund balance in the General Fund equal to 20% of expenditures.

Appropriation from the minimum assigned fund balance requires the approval of the Council and may only be utilized for one-time expenditures, such as capital purchases and not for ongoing expenditures.

Fund Balance Historical Analysis

Restricted and Sales Tax Use Funds



Sales Tax Funds Budget Overview

A city can adopt a sales tax if the combined rate of all local sales taxes would not exceed two percent at any location within its territorial limits. The sales tax in Corinth is 8.25% of goods or services sold within the City's boundaries. The tax is collected by businesses making the sale and is remitted to the State's Comptroller of Public Accounts on a monthly, and in some cases, a quarterly basis. Of the 8.25% tax, the State retains 6.25% and distributes 1% to the City of Corinth, .25% to the Street Maintenance Sales Tax Fund, .25% to the Crime Control & Prevention District and .50% to the Economic Development Corporation.

Departments	FTE	2017-18	Est. 9/30/18	Budgeted Expenditures
		Proposed Budget	End Fund Balance	
Economic Development	1.00	\$754,828	\$3,316,569	Administrative, utilities and allocation expenses -\$271,217 Business Retention/Expansion - \$56,211 Development Plans - \$86,400 Economic Incentives/Grants - \$166,000 Lake Sharon Extension Lighting - \$175,000
Crime Control & Prevention District	2.00	\$312,403	\$318,865	Wages & benefits -\$171,447 Enterprise Fleet Replacement Program - \$110,567 Thermal Imaging Unit -\$5,249 RFID Asset and Inventory Phase II - \$25,140
Street Maintenance	-	\$385,660	\$709,587	Preventative pavement maintenance - \$310,660 Meadows at Shady Shores Intersection street project -\$75,000

Bob Hart, City Manager - the amount for the Lake Sharon Extension was budgeted prior to bids. We anticipate construction to be complete in mid, 2018.

The Crime Control and Prevention District funds two police officers and this equipment. This will need to be reauthorized by the voters again in 2019.

The Street Maintenance fund has some cost there for the maintenance program for the streets and Meadows and Shady Shores for street improvements and drainage improvements.

Special Revenue Funds Budget Overview

Special Revenue Funds are used to account for general government financial resources that are restricted by law or contractual agreement to specific purposes other than debt service or major capital projects.

Departments	FTE	2017-18	Est. 9/30/18	Budgeted Expenditures
		Proposed Budget	End Fund Balance	
Hotel Occupancy Tax	-	\$103,532	\$117,666	Pumpkin Palooza Music Festival - \$24,132 Administrative services to promote tourism - \$21,000 Special event advertising - \$6,400 Public Safety Facility curator cases - \$52,000
Keep Corinth Beautiful	-	\$5,000	\$23,020	Beautification projects - \$3,500 Tree City USA - \$1,000 Monarch Butterfly Program - \$500
Community Park Improvement	-	\$34,000	\$130	Permanent Dugout Covers - \$34,000
Park Development	-	\$40,000	\$288,557	Neighborhood park fixtures - \$2,000 Parks Master Plan - \$25,000 Park signs - \$13,000
Tree Mitigation	-	\$5,000	\$141,342	Installation of neighborhood park trees - \$5,000

Lee Ann Bunselmeyer, Finance Director - the Public Safety Facility curator cases is used to store historical artifacts. You can use this as an historical category in the Hotel Occupancy Tax and you can provide funding to preserve historical artifacts and so forth. For example the Police Department has uniforms of the first female police officer. The fire has items also and they represent the history of those departments. These curator cases can actually display those in the lobbies of the Public Services Facility.

Bob Hart, City Manager - Tree City USA is a new national program and it helps with the tree mitigation to get that designation.

Councilmember Johnson - we already spent \$25,000 on the Parks Master Plan, we are going to spend another \$25,000?

Bob Hart, City Manager - that was my mistake. I am recommending we set aside about \$5,000 and take the Hike and Bike Trail and the Parks Plan that we did not adopt and merge those, go back through and work with the Council and Planning and Zoning and get to the point where we can have a final document, get it adopted and then use it for some future grant applications.

Special Revenue Funds Budget Overview (Continued)

Special Revenue Funds are used to account for general government financial resources that are restricted by law or contractual agreement to specific purposes other than debt service or major capital projects.

Departments	FTE	2017-18	Est. 9/30/18	Budgeted Expenditures
		Proposed Budget	End Fund Balance	
Child Safety Program	0.50	\$26,956	\$24,805	Denton County Child Advocacy - \$13,543 Crossing Guards - \$13,413
Municipal Court Security	-	\$7,500	\$79,644	Police overtime for court security.
Municipal Court Technology	-	\$25,238	\$33,746	Municipal Court INCODE upgrade - \$12,000 Police Body Cameras - \$7,530 Technology Computer Replacement Transfer - \$5,708

Internal Service Funds Budget Overview

The Internal Service funds were established to accumulate sufficient resources to replace existing vehicles and equipment that has reached or exceeded its useful life. The funds are managed to purchase City vehicles and equipment in a manner that will not create a burden on the City budgets. Vehicles and equipment are replaced based on a schedule established to maintain a safe fleet for public service.

Departments	FTE	2017-18	Est. 9/30/18	Budgeted Expenditures
		Proposed Budget	End. Fund Balance	
General Fund Vehicle & Equipment Replacement	-	\$148,526	\$157,700	Enterprise Fleet Replacement Program - \$65,365 Police Vehicle equipment purchase - \$83,161
Technology Replacement	-	\$78,400	\$93,737	Replace MDTs, printers and computers for Police and Fire.
Fire Vehicle & Equipment Replacement	-	\$358,880	\$229,091	Fire ladder truck - \$97,288 Pumper #1 lease - \$65,075 Medic #2 - \$39,935 Station #3 Engine lease - \$80,000 Enterprise Fleet Replacement Program - \$44,382 Command vehicle equipment - \$32,200
Utility Vehicle & Equipment Replacement	-	\$40,201	\$410,769	W/WW Enterprise Fleet Replacement Program - \$32,186 Drainage Fleet Replacement Program - \$8,015
Utility Meter Replacement	-	\$400,000	\$91,108	New Meter Transponder system Phase II.

Bob Hart, City Manager - this is dealing with replacing vehicles and equipment based on a schedule.

Mayor Heidemann - what would this look like without Enterprise in there in terms of cost?

Bob Hart, City Manager - the Enterprise proposal and bringing them in is they would set up a fleet management program for us and in doing that they would help manage the gasoline, the vehicle operations and maintenance, help us with the disposal of vehicles and the acquisition of vehicles. They do a complete management program. That relieves a lot of the staff time that is there.

Mayor Heidemann - how do we dispose the vehicles now?

Bob Hart, City Manager - we use a third party auctioneer and auction them off. If you look at what we would pay to Enterprise as reflected in the budget of \$220,000 with that we would be able to replace 25 vehicles. We try to replace 3 vehicles a year, in the current year we did not replace any vehicles. We are 3 behind there and we need to get 3 this next year for a total of 6. We have 4 vehicles that we have taken out of the fleet because of carbon monoxide leaks and we are not using them at all and those need to be replaced.

Mayor Heidemann - why do they need to be replaced? Ford Motor Company said they were going to repair them.

Bob Hart, City Manager - today is when Ford made their announcement to do that. When we were working on this stuff I didn't know that. I don't know what the repairs are going to be or the timing is going to be and we will be in line with a whole lot of people.

We need to replace 3 vehicles in the Fire Department. You can pull of the \$195,000 and that puts you at \$435,000 and that will take care of 7 vehicles. This is simply a cost saving strategy partly because their approach of dealing with these vehicles is looking at cost of the vehicle operation and that resale value.

Mayor Heidemann - when the residual value goes below what they established when they stated that

lease, who has to absorb the difference?

Jennifer Bertram, Enterprise Fleet Management - hypothetically the difference would be on the City so if it sells for more you would get that as well. How we structure it is very conservative. We look at how many miles is the vehicle going and how does that depreciate the value over its life, what is the condition going to be? The police vehicles will have a lot more aftermarket on them and we take all that into consideration when we set a residual value. The risk really is we could continue to run it if we chose, we could pay off the residual value or buy out the payoff of the vehicle.

Mayor Heidemann - so that is going to be over and above that \$220,000?

Jennifer Bertram, Enterprise Fleet Management - from a capital standpoint yes.

Mayor Heidemann - when you go out and lease that vehicle you are going to replace it in 3 years so we pay the lease payments for those 3 years and say you had a \$10,000 residual value all of sudden that dropped down to \$6,000 that \$4,000 dollar difference that you had in that value the city has to come up and pay that \$4,000?

Jennifer Bertram, Enterprise Fleet Management - One, we are implementing an account team that is watching that throughout the term. You are not required that year to pay off the residual, you have options because it is open-ended. If you got to the end of the term and worse-case scenario happened then you could pay off the residual by financing the rest of the value to zero and essentially own the vehicle at that point.

We are going to implement an account team that is going to watch all of the trends. We have to be really conservative on the front end, how much of that principal we should be paying down to put you at an equitable position, if something were to change in the market to know that we could adjust those if we had to. If one of the public works trucks starts going 50,000 miles a year instead of 10,000 that we predicted, if we needed to speed up the principal portion of the payment or that depreciation we could speed that portion of the payment up at any time so it gives us flexibility if there were a change. We look at the trend on every single vehicle that we are replacing and determine how many miles on average does that person or that position go and then we will depreciate accordingly. You are essentially creating an internal replacement fund on the backend.

The \$220,000 is the annual cash outlay for the 25 vehicles.

Mayor Heidemann - which is an estimate?

Jennifer Bertram, Enterprise Fleet Management - no it is not an estimate that is the actual cost.

Councilmember Burke - that is the contract and if you are conservative we will recover some of that and if you all are wrong we extend the payment and keep the cars.

Bob Hart, City Manager - I know this is a radically different program from what you are used to traditionally. When I was first exposed to this your initial reaction is this is too good to be true. But if you go back and look at the formula it makes all the sense in the world to me. If you look at the two proposals the alternate proposal you are looking at 10 vehicles for \$640,000 and the Enterprise proposal we are getting 25 vehicles for \$220,000.

Councilmember Glockel - so if you don't add another vehicle for 3 years you are going to pay

\$220,000 if you don't add another vehicle and next year you replace 25 vehicles just to keep it even and now you are paying \$440,000 a year because this is just the lease on these 25 vehicles. All the time we are adding you are adding this lease payment of whatever it is to the direct proportion to the number of vehicles. What is the highest we will be paying on lease payments based on your research a year? This year it will be \$220,000, next year it will be what?

Lee Ann Bunselmeyer, Finance Director - wants the program is fully operational we are looking just under \$600,000 in the 5th year. Your impact to the General Fund on the 5th year will be a little less than \$160,000. What we are doing is putting the police vehicles in the Crime Control District and that is where the biggest fleet of the general fund is, is your police vehicles.

Councilmember Harrison - where are the 13 vehicles that you are going to eliminate?

Lee Ann Bunselmeyer Finance Director - there are two or three vans in the recreation department that we currently have. The Council approved the contract with Lake Dallas to use their bus services for \$4,500 a year. 3 of those vans we are no longer using. In our current process on how we do things is a lot of our departments have back up vehicles so with the underutilized vehicles it eliminates all those vehicles that we currently have in our fleet as back up vehicles because with Enterprise if a vehicle goes down within 24 hours they will have a new one here to be able to use. So a lot of those is just the backup vehicles that we are not going to need.

Bob Hart, City Manager - it would cost us a lot more than that just to replace what we are already behind but these you almost have to do now because we are so far behind. There is not going to be a good way to get out of this outside of a program like this.

Councilmember Glockel - I am not opposed to the program I think it has a lot of possibilities but is this something that we should have bid?

Bob Hart, City Manager - Enterprise is already bid on a state wide basis so the bid has already been done. We can go in on one of those pools and accept the bid that has already been done. So did we go off and write specs and get a bid the answer is no. But the state has gone out and bid it with these purchasing pools and we will go in there. That is the way we buy vehicles today, we go to a purchasing pool that has already been bid to buy it.

Jennifer Bertram, Enterprise Fleet Management - the TIPS Cooperative is the cooperative that we have been a part of for about 3 years now. They go out to bid and they do their due diligence and all the cities and counties are piggybacking off of so they don't have to do their own. It has made it a lot easier for cities to come on board because most cities don't want to do their own because of all the time that it takes and we have seen a lot of growth over the last few years.

Enterprise Proposal

- Fleet Management Program
 - Gasoline
 - Vehicle O&M
 - Disposal
 - Acquisition

- 2017-18 Lease Payments - \$220,314
 - Replace 25 vehicles
 - General \$65,365
 - Crime Control \$110,567
 - LCFD \$44,382

Alternate Proposal

- Police Department
 - Replace 6 patrol units-\$390,000
 - Replace 3 Ford Interceptors - \$195,000

- Fire Department
 - Replace 1 Fire Command Unit- \$55,000

- Does not address Street/Parks and full Fire Needs

- Total Funding needed - \$640,000

Vehicle Life cycle program

Impact/Escrow Funds Budget Overview

Impact fees are paid by developers for construction of water, wastewater, roadway, and drainage projects. Impact fees are restricted by law for use only on projects deemed necessary for development by an impact fee study which establishes fees appropriate to fund identified projects.

Departments	FTE	2017-18 Proposed Budget	Est. 9/30/18 End Fund Balance	Budgeted Expenditures
Water Impact Fee	-	\$400,000	\$49,852	Elevated storage tank design.
Wastewater Impact Fee	-	\$0	\$299,343	No budgeted expenditures
Roadway Impact Fee	-	\$300,000	\$14,422	Lake Sharon/Dobbs alignment
Storm Drainage Impact Fee	-	\$0	\$91,193	No budgeted expenditures
Street Escrow	-	\$0	\$152,865	No budgeted expenditures

Bob Hart, City Manager - on Impact fee and Escrow, we don't have any budgeted expenditures on these.

Capital Improvement Program



CAPITAL COSTS	2016-17	2017-18	2018-19	2019-20	2020-21	Over 5 Years	Total
Public Works Facility	\$ -	\$ 1,500,000	\$ -	\$ -	\$ -	\$ -	\$ 1,500,000
Elevated Storage Tank	-	1,700,000	-	-	5,500,000	-	7,200,000
Qual Run/Dobbs Road Water Lines	-	-	-	2,100,000	-	-	2,100,000
Lake Sharon Pump Station & 3mg Ground Storage Tank	-	-	-	-	-	3,900,000	3,900,000
24" and 20" line along Lake Sharon	-	-	-	-	-	2,000,000	2,000,000
16" line along S. Corinth street	-	-	-	-	-	250,000	250,000
12" line along FM2181	-	-	-	-	-	2,000,000	2,000,000
Total	\$ -	\$ 3,200,000	\$ -	\$ 2,100,000	\$ 5,500,000	\$ 8,150,000	\$ 18,950,000

FUNDING SOURCES	2016-17	2017-18	2018-19	2019-20	2020-21	Over 5 Years	Total
Unissued/Unauthorized Bond Proceeds	\$ -	\$ -	\$ -	\$ 2,100,000	\$ 5,500,000	\$ 8,150,000	\$ 15,750,000
2017 C.O.	-	1,500,000	-	-	-	-	1,500,000
2016 C.O.	-	1,300,000	-	-	-	-	1,300,000
Impact Fees/Escrow Funds	-	400,000	-	-	-	-	400,000
Total	\$ -	\$ 3,200,000	\$ -	\$ 2,100,000	\$ 5,500,000	\$ 8,150,000	\$ 18,950,000

Capital Improvement Program - Water System Improvements

Bob Hart, City Manager - you will see the same charts again next week with the proprietary funds because when we talk about water, wastewater and drainage. One of the things that we are recommending taking a look at is the Public Works facility. With the CO package we have freed up some funds that we can do that. You looked at this last year and set it aside so I would like to bring that back to the table for some more conversation on trying to renovate, and expand and get that building in good shape. That would leave us in good shape on all of the buildings. A lot of the items listed we will discuss next week when we discuss the water rates.

CAPITAL COSTS	2016-17	2017-18	2018-19	2019-20	2020-21	Over 5 Years	Total
Sewer line Realignment (L3)	\$ 225,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 225,000
FM2181 lift station and 14"/12" force main	-	-	-	-	-	700,000	700,000
Lynchburg 15', 12', 10" Sewer Line	-	-	-	-	-	1,300,000	1,300,000
Shady Rest Lift station 18"/21" Sewer Line	-	-	-	-	-	1,700,000	1,700,000
Total	\$225,000	\$ -	\$ -	\$ -	\$ -	\$ 3,700,000	\$3,925,000

FUNDING SOURCES	2016-17	2017-18	2018-19	2019-20	2020-21	Over 5 Years	Total
Unissued/Unauthorized Bond Proceeds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,700,000	\$ 3,700,000
Aid in Construction	225,000	-	-	-	-	-	225,000
Total	\$ 225,000	\$ -	\$ -	\$ -	\$ -	\$ 3,700,000	\$ 3,925,000

Capital Improvement Program - WasteWater System Improvements

CAPITAL COST	2016-17	2017-18	2018-19	2019-20	2020-21	Over 5 Years	Total
Public Safety Facility	\$14,400,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,400,000
City Entrance Signs	-	150,000	-	-	-	-	150,000
Facility Renovations	500,000	-	-	-	-	-	500,000
Total	\$14,900,000	\$150,000	\$ -	\$ -	\$ -	\$ -	\$ 15,050,000

FUNDING SOURCES	2016-17	2017-18	2018-19	2019-20	2020-21	Over 5 Years	Total
2016 C.O.	\$13,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$13,000,000
2017 C.O.	1,900,000	-	-	-	-	-	1,900,000
Capital Improvement Fund	-	150,000	-	-	-	-	150,000
Total	\$14,900,000	\$150,000	\$ -	\$ -	\$ -	\$ -	\$ 15,050,000

Capital Improvement Program - General System Improvements

Bob Hart, City Manager - we are recommending setting aside some funds so that we can deal with the gateway sign and an additional entrance sign in or around FM 2181 and FM 2499. This includes a budget place for close to 3 signs. We just opened bids for a street sign in front of City Hall and that came in at about \$49,000 and that will get built between now and the 1st of October. One will be the gateway sign that we have talked about and you will be able to look at that at a future meeting. We will talk about whether you want to proceed and do these in some other locations around the edge of the city.

CAPITAL COSTS	2016-17	2017-18	2018-19	2019-20	2020-21	Over 5 Years	Total
Lake Sharon Extension	\$6,800,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,800,000
Meadows/Shady Shores Intersection	-	75,000	-	-	-	-	75,000
Lake Sharon/Dobbs Alignment	-	1,200,000	-	3,100,000	-	-	4,300,000
W. Shady Shores Rd - Collector	-	-	-	-	-	4,100,000	4,100,000
Garrison St. - Collector	-	-	-	-	-	1,100,000	1,100,000
Post Oak Dr - Greenway (1/2)	-	-	-	-	-	2,500,000	2,500,000
Total	\$6,800,000	\$1,275,000	\$ -	\$3,100,000	\$ -	\$7,700,000	\$18,875,000

FUNDING SOURCES	2016-17	2017-18	2018-19	2019-20	2020-21	Over 5 Years	Total
Unissued/Unauthorized Bond Proceeds	\$ -	\$ -	\$ -	\$3,100,000	\$ -	\$7,700,000	\$10,800,000
2017 C.O.	1,600,000	-	-	-	-	-	1,600,000
2016 C.O.	-	700,000	-	-	-	-	700,000
2007 C.O.	286,129	-	-	-	-	-	286,129
Economic Dev. Operating Funds	175,000	-	-	-	-	-	175,000
Denton County Aid in Construction	3,400,000	-	-	-	-	-	3,400,000
Sales Tax Funds (Street Maintenance)	-	75,000	-	-	-	-	75,000
Impact Fees/Escrow Funds	-	300,000	-	-	-	-	300,000
Capital Improvement Funds	1,338,871	200,000	-	-	-	-	1,538,871
TOTAL	\$6,800,000	\$1,275,000	\$ -	\$3,100,000	\$ -	\$7,700,000	\$18,875,000

Capital Improvement Program – Street Improvements

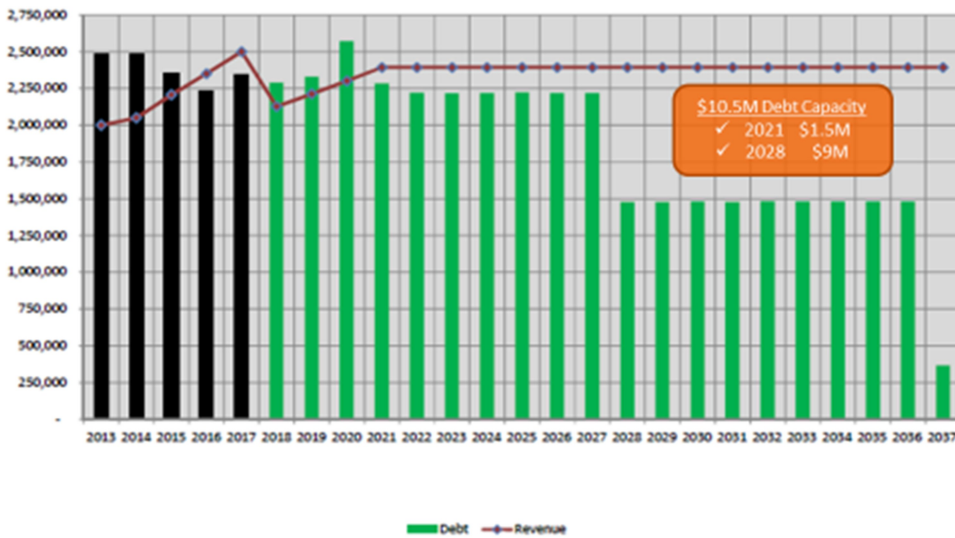
Bob Hart, City Manager - The Lake Sharon Extension is in the current budget. You awarded the bid on that tonight. To start off this process of doing the Lake Sharon/Dobbs Alignment and what we are including in this budget and recommending that we buy the Right-of-Way for Corinth Parkway through Dobbs over to I-35 and then pick up the Right-of-Way on Lake Sharon up to I-35 so it aligns with the TxDOT project. There will be some water lines that will go to that and that will all feed back into the elevated storage tank. This begins that entire process to make that loop connection with Corinth Parkway.

CAPITAL COSTS	2016-17	2017-18	2018-19	2019-20	2020-21	Over 5 Years	Total
Meadows/Shady Shores Intersection	\$ -	\$ 75,000	\$ -	\$ -	\$ -	\$ -	\$ 75,000
Total	\$ -	\$ 75,000	\$ -	\$ -	\$ -	\$ -	\$ 75,000

FUNDING SOURCES	2016-17	2017-18	2018-19	2019-20	2020-21	Over 5 Years	Total
Drainage Operating Funds	\$ -	\$ 75,000	\$ -	\$ -	\$ -	\$ -	\$ 75,000
Total	\$ -	\$ 75,000	\$ -	\$ -	\$ -	\$ -	\$ 75,000

Capital Improvement Program – Drainage Improvements

8.52% Ad Valorem Growth for 2017-18
4% for 2019-21



General Fund Total Outstanding Debt as of October 1, 2017 = \$36,468,257

FY2017-18 Annual Debt Service Payment of \$2,289,552

General Fund Debt Analysis



- Planning – (January)
 - January 14 – Council Goal setting / Strategic Planning Retreat
- Department Budget – (March – April)
 - March 7 – Budget Kickoff
 - March 28 – Departments submit budgets to Finance
 - April 11-22 – Budgets reviewed by City Manager
- City Manager’s Budget – (May – July)
 - June 29 – Council Policy Workshop
 - July 25 – Receive certified tax roll; calculate effective & rollback tax rates
 - July 31 – Submit proposed budget to Council
- City Council’s Budget – (August – September)
 - August 3 – Budget work session; Budget Overview
 - August 10- Budget work session; review governmental funds
 - August 10 – Vote on published tax rate and public hearing dates
 - August 17 – Budget work session; review proprietary funds
 - August 24 & September 7 – Public hearings on tax rate & budget
 - August 31 & September 14 – Budget work session (if needed)
- Adopted Budget – (September - October)
 - September 21 – Adopt budget & tax rate
 - October 1 – Fiscal year begins; implementation of adopted budget

Budget Process Calendar

2. Receive a report, hold a discussion and give staff direction on the Enterprise Fleet Management Program.

Item #2 was covered during the budget discussion.

ADJOURN:

Mayor Heidemann adjourned the meeting at 9:23 p.m.

AYES: All

Meeting adjourned.

Approved by Council on the _____ day of _____ 2017.

Kimberly Pence, City Secretary
City of Corinth, Texas

CONSENT ITEM 5.

City Council Regular and Workshop Session

Meeting Date: 09/21/2017

Title: August 10, 2017 Special Session

Submitted For: Kim Pence, City Secretary

Submitted By: Kim Pence, City Secretary

City Manager Review: Approval: Bob Hart, City Manager

AGENDA ITEM

Consider and act on minutes from the August 10, 2017 Special Session.

AGENDA ITEM SUMMARY/BACKGROUND

Attached are minutes from the August 10, 2017 Special Session. The minutes are in draft form and not considered official until formally approved by the City Council.

RECOMMENDATION

Staff recommends approval of the August 10, 2017 Special Session minutes.

Attachments

Minutes

**STATE OF TEXAS
COUNTY OF DENTON
CITY OF CORINTH**

On this the 10th day of August 2017 the City Council of the City of Corinth, Texas met in a Special Session at the Corinth City Hall at 7:00 P.M., located at 3300 Corinth Parkway, Corinth, Texas. The meeting date, time, place and purpose as required by Title 5, Subtitle A, Chapter 551, Subchapter C, Section 551.041, Government Code, with the following members to wit:

Members Present:

Bill Heidemann, Mayor
Joe Harrison, Mayor Pro-Tem
Sam Burke, Council Member
Lowell Johnson, Council Member
Don Glockel, Council Member
Scott Garber, Council Member

Staff Members Present:

Bob Hart, City Manager
Fred Gibbs, Planning and Development Director
Lee Ann Bunselmeyer, Finance Director
Chris Rodriquez, Finance Manager
Cody Collier, Public Works Director
Jason Alexander, Economic Development Corporation Director
Debra Walthall, Chief of Police
Greg Wilkerson, Asst. Chief of Police
Curtis Birt, Fire Chief
Brandon Shepard, Deputy Fire Chief
Kim Pence, City Secretary
Shea Rodgers, Technology Services Manager
Mike Brownlee, City Engineer
Mack Reinwand, City Attorney

Others Present:

Jennifer Bertram, Enterprise Fleet Management

CALL TO ORDER, INVOCATION, PLEDGE OF ALLEGIANCE & TEXAS PLEDGE:

"Honor the Texas flag; I pledge allegiance to thee, Texas, one state under God, one and indivisible"

Mayor Heidemann called the meeting to order at 7:00 p.m., Councilmember Garber delivered the invocation and led in the Pledge of Allegiance and the Texas Pledge.

CONSENT AGENDA

All matters listed under the Consent Agenda are considered to be routine and will be enacted in one motion. Should the Mayor, a Councilmember, or any citizen desire discussion of any Item that Item will be removed from the Consent Agenda and will be considered separately.

1. Consider and act on a resolution authorizing the creation of an Employee Benefits Trust.

Councilmember Glockel - pulled item #1 for discussion.

Councilmember Glockel - it is strange to me that the Secretary duties would rotate through the

Councilmembers starting with Place 1 am I reading that correctly? I was looking to see if the Mayor has a vote because he is a Trustee also?

Bob Hart, City Manager - all the work will be done at the staff level. This is a typical trust set up and the Mayor will be voting as well.

Councilmember Garber - what would we do if there was a tie?

Mack Reinwand, City Attorney - the Council will be making decisions on funding for the good of the trust board so you will be basically formalizing decisions you have already made as a Council so it should not be common that a member of the Trust Board not carry that out.

MOTION made by Councilmember Harrison to approve item #1 of the Consent Agenda. Seconded by Councilmember Burke.

AYES: Burke, Garber, Johnson, Harrison, Glockel
NOES: None
ABSENT: None

MOTION CARRIED

2. Consider and act on the acceptance of BlueCross BlueShield of Texas' proposal for City's employee medical insurance benefits for FY 2017-2018, and authorization for the City Manager to execute any necessary documents.
3. Discuss and consider awarding the Lake Sharon Drive Paving, Drainage and Water Improvements project to the lowest responsible bidder, Munilla Construction Management, LLC dba MCM, in the amount of \$5,064,468.47. The award includes the base bid amount of \$4,997,337.78 and the alternate bid amount of \$67,130.69.

Councilmember Harrison pulled item #3 for discussion.

Councilmember Harrison - what kind of sign are we putting for \$70,000 on Lake Sharon?

Mike Brownlee, City Engineer - the sign will be the same sign we are putting out front of City Hall. It is an informational sign.

Councilmember Harrison - are you going to put one on FM 2181?

Fred Gibbs, Planning and Development Director - when we were bidding out the Lake Sharon project we wanted to make sure that we captured having some monument signage in that intersection. This bid project does not include the sign on FM 2499 and FM 2181.

Councilmember Harrison - I'm not sure that it is really needed.

Fred Gibbs, Planning and Development - we took the same spec from the sign that is going in front of City Hall and we used that same spec for the bid.

MOTION made by Councilmember Johnson to award the contract for the Lake Sharon Drive Extension including paving, drainage and water improvements to the lowest responsible bidder, Munilla Construction Management, LLC in the amount of \$5,064,468.47 which includes an alternate bid amount of \$67,130.69. Seconded by Councilmember Harrison.

Councilmember Johnson - the Economic Development Corporation (EDC) was tasked some years ago with helping the lighting on that and complete the lighting that we started on the Lake Sharon and Corinth Parkway. In our budget we had an item for \$175,000 and the contract calls for the item to be \$151,053.87 so that is what the EDC contribution will be there.

AYES: Burke, Garber, Johnson, Harrison, Glockel
NOES: None
ABSENT: None

MOTION CARRIED

MOTION made by Councilmember Harrison to approve item #2 of the Consent Agenda. Seconded by Councilmember Garber.

AYES: Burke, Garber, Johnson, Harrison, Glockel
NOES: None
ABSENT: None

MOTION CARRIED

CITIZENS COMMENTS

In accordance with the Open Meetings Act, Council is prohibited from acting on or discussing (other than factual responses to specific questions) any items brought before them at this time. Citizen's comments will be limited to 3 minutes. Comments about any of the Council agenda items are appreciated by the Council and may be taken into consideration at this time or during that agenda item. Please complete a Public Input form if you desire to address the City Council. All remarks and questions addressed to the Council shall be addressed to the Council as a whole and not to any individual member thereof. Section 30.041B Code of Ordinance of the City of Corinth.

There were no Citizen Comments made.

BUSINESS AGENDA

4. Consider approval of a resolution of the City Council of the City of Corinth, Texas placing a proposal on the September 21, 2017 City Council Public Meeting Agenda to adopt a 2017 tax rate that will exceed the lower of the rollback rate or effective tax rate; calling two public hearings on a tax increase to be held on August 24, 2017, and September 7, 2017; requiring publication of a Notice of 2017 Tax Year Proposed Property Tax Rate in accordance with the law; and providing an effective date.

Bob Hart, City Manager - the recommended tax rate is \$.55000 cents and we are recommending that you have a Public Hearing on a tax rate not to exceed \$.55000 cents. That does not keep you from lowering it but you cannot go above \$.55000 cents.

MOTION made by Councilmember Johnson I move to approve a resolution placing a proposal on the September 21, 2017 Council Agenda to consider a FY 2017-2018 tax increase of \$.55000 per one hundred dollars (\$100) of valuation and to set the public hearings on the proposal to increase total tax revenues for Thursday, August 24th at 7:00 p.m. and Thursday, September 7th at 7:00 p.m., with each meeting taking place at the Corinth Municipal Chambers at 3300 Corinth Parkway, Corinth, Texas. Seconded by Councilmember Burke.

Councilmember Burke made a Friendly Amendment to change the motion from "tax increase" to "tax rate" Seconded by Councilmember Johnson.

AYES: Burke, Garber, Johnson, Harrison, Glockel
NOES: None
ABSENT: None

MOTION CARRIED

Main Motion:

AYES: Burke, Garber, Johnson, Harrison, Glockel
NOES: None
ABSENT: None

MOTION CARRIED AS AMENDED

COUNCIL COMMENTS & FUTURE AGENDA ITEMS

The purpose of this section is to allow each councilmember the opportunity to provide general updates and/or comments to fellow councilmembers, the public, and/or staff on any issues or future events. Also, in accordance with Section 30.085 of the Code of Ordinances, at this time, any Councilmember may direct that an item be added as a business item to any future agenda.

Councilmember Johnson - the Lake Dallas High School Falcon Marching Band will be hosting their Marchathon this Saturday morning at 8:00 a.m. This is a major fundraising effort so come out and watch it is always fun.

Mayor Heidemann - The Lake Cities Fire Department will be having a Wash Down and Swearing in Ceremony on Monday, September 11, 2017 at 9:00 a.m. at the Fire House #1 located at 275 Main Street, Lake Dallas Texas.

ADJOURN:

Mayor Heidemann adjourned the meeting at 7:20 p.m.

AYES: All

Meeting adjourned.

Approved by Council on the _____ day of _____ 2017.

Kimberly Pence, City Secretary
City of Corinth, Texas

CONSENT ITEM 6.

City Council Regular and Workshop Session

Meeting Date: 09/21/2017

Title: August 17, 2017 Workshop Session

Submitted For: Kim Pence, City Secretary

Submitted By: Kim Pence, City Secretary

City Manager Review: Approval: Bob Hart, City Manager

AGENDA ITEM

Consider and act on minutes from the August 17, 2017 Workshop Session.

AGENDA ITEM SUMMARY/BACKGROUND

Attached are minutes from the August 17, 2017 Workshop Session. The minutes are in draft form and not considered official until formally approved by the City Council.

RECOMMENDATION

Staff recommends approval of the August 17, 2017 Workshop Session minutes.

Attachments

Minutes

**STATE OF TEXAS
COUNTY OF DENTON
CITY OF CORINTH**

On this the 17th day of August 2017 the City Council of the City of Corinth, Texas met in a Workshop Session at the Corinth City Hall at 5:30 P.M., located at 3300 Corinth Parkway, Corinth, Texas. The meeting date, time, place and purpose as required by Title 5, Subtitle A, Chapter 551, Subchapter C, Section 551.041, Government Code, with the following members to wit:

Members Present:

Bill Heidemann, Mayor
Joe Harrison, Mayor Pro-Tem
Sam Burke, Council Member
Lowell Johnson, Council Member
Don Glockel, Council Member
Scott Garber, Council Member

Staff Members Present:

Bob Hart, City Manager
Fred Gibbs, Planning and Development Director
Lee Ann Bunselmeyer, Finance Director
Chris Rodriquez, Finance Manager
Angie Watson, Utility Billing Supervisor
Cody Collier, Public Works Director
Kim Pence, City Secretary
Shea Rodgers, Technology Services Manager
Mike Brownlee, City Engineer
Barbara Cabbage, Planning Manager

Others Present:

Nelisa Heddin, Nelisa Heddin Consulting, L.L.C

CALL TO ORDER:

Mayor Heidemann called the meeting to order at 5:30 p.m.

BUSINESS AGENDA

1. Receive a report, hold a discussion, and provide staff direction on the Fiscal Year 2017-2018 Annual Program of Services and Capital Improvement Program.

Bob Hart, City Manager - presented the annual budget overview. The following funds were discussed

- Utility Fund Overview
- Storm Drainage Fund Overview
- Capital Improvement Program
- Utility Rates



Annual Budget Overview

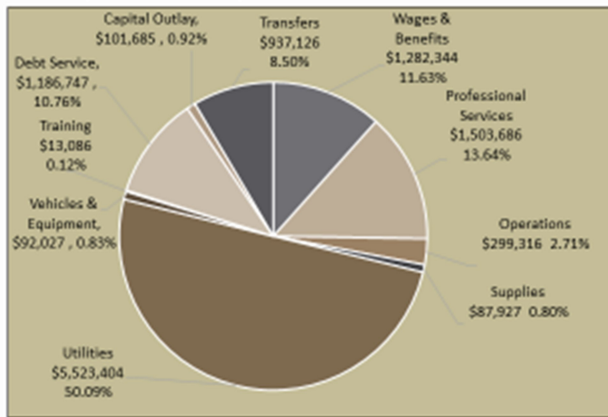
Utility Fund

- Water/Wastewater
 - Engineering
 - Utility Billing
 - Garbage
 - Debt Service
-



Water/Wastewater

Water/Wastewater Operations & General Services



Department	FTE	Budget
Fixed Utility contracts		\$6,743,027
Debt Service		1,186,747
Utilities & Allocations		1,163,398
Water System Maintenance	9.50	780,439
Wastewater System Maintenance	7.50	571,371
Utility Administration	2.00	216,738
Capital Outlay		101,685
Fleet Capital & Maintenance		87,378
Emergency Contract Services		66,450
Accreditation & Incentive Programs		50,000
TCEQ Compliance		38,235
PW Building Maintenance & Repair		21,881
Total	19.00	\$11,027,348

New Program Services:

- ✓ Sewer Camera- \$81,685
- ✓ Water Conservation Incentive Program- \$25,000
- ✓ APWA Accreditation- \$25,000
- ✓ Asset Management Plan - \$20,000
- ✓ Investigate Supplemental Water Supply

Bob Hart, City Manager - the biggest part of this is when we talk about these fixed utility contracts and that is the Upper Trinity contract. We contract to buy from them our peak use of 7.5 million gallons of water a day and that is what we pay.

We are recommending that we get a replacement camera for the sewer system so we can look for breaks etc. as part of the maintenance program. One of the on-going items to look at is creating a conservation incentive program and when we begin to look at some of the rates that will help as to why.

The APWA Accreditation and Asset Management Plan are mainly through the Public Works Department some are in Public Works and some are in the Utility Funds.

We also have in here to spend some staff time trying to investigate Supplemental water supply. As we go through the rates we can discuss that.

Councilmember Glockel - what do the fixed utility contracts represent?

Bob Hart, City Manager - the bulk of it is in the Utilities which is the Upper Trinity Regional Authority.

Lee Ann Bunselmeyer, Finance Director - your charges for the water and treatment of the wastewater is over in utilities and the administrative fees that go to Upper Trinity are under the Professional Services category. You are also paying utilities for some of your lift stations, and electric so that is mixed in there as well.

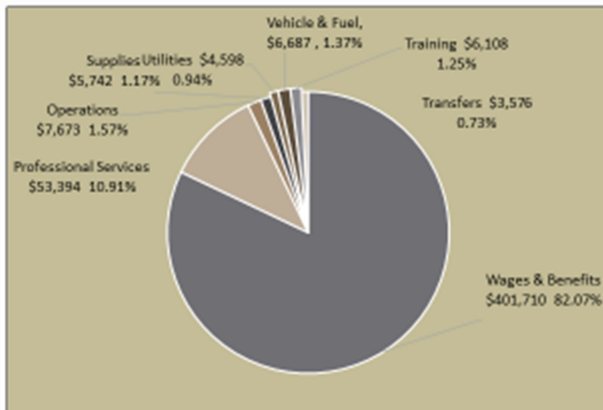
Councilmember Harrison - what does the Investigate the supplemental water supply entail?

Bob Hart, City Manager - it would be going back and having some conversations with the North Texas Groundwater District about the idea of forming some well for supplemental water. Having some conversations with the City of Denton about buying some water. When you start to investigate there could be other things that come up. But it would be exploring that kind of data.

We have to figure out some ways to keep from going over that 7.5 million gallon subscription we have right now with the Upper Trinity Regional Water District. We need to look at a whole range of ways to do that. Partly would be with

conservation and partly would be with additional water supply.

Engineering



Department	FTE	Budget
Private Development Engineering	1.00	178,978
Capital Construction Inspections	2.00	164,972
Capital Project Management	1.00	127,283
Utilities & Allocations		11,568
Fleet Capital & Maintenance		6,687
Total	4.00	\$489,488

New Program Services:

√ Integrated Storm Water Management

Bob Hart, City Manager - this is placed in the Utility Fund and about half the cost is allocated to the Utility Fund and half the cost is covered by the General Fund. The General Fund pays for these services.

Mayor Heidemann - what is the Capital Project Management?

Bob Hart, City Manager - that is a staff person that does a lot of the coordination of the projects.

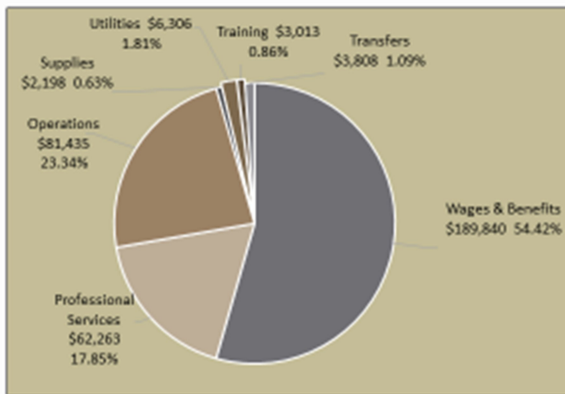
Mayor Heidemann - in the engineering, you have one person here at \$178,978?

Lee Ann Bunselmeyer, Finance Director - no, that is salaries plus some project money for surveys, studies, supply costs and various things. Those are not just salaries those are administrative costs to handle their engineering function.

Councilmember Glockel - I would like to see wages broken out. What really are wages and what is really benefits and if it is something extra to buy widgets with put a wedge over here for widgets but don't combine them so that we can figure out how these numbers are projected up here.

Bob Hart, City Manager - we have a slide coming up that will give a breakdown of wages and benefits.

Utility Billing



Department	FTE	Budget
Customer Service & Payment Processing	2.00	121,509
Utility Billing Administration	1.00	115,734
Meter Reading & Billing		60,547
Utilities & Allocations		51,073
Total	3.00	\$348,863

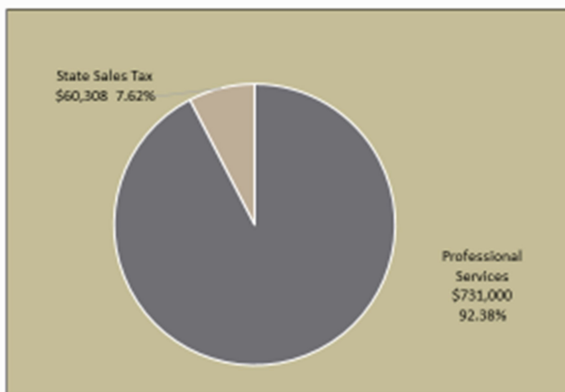
New Program Services:

- √ Participate with NCTCOG on Shared Service Analysis
- √ Consider change to billing statement to separate Upper Trinity rates from City rates

Bob Hart, City Manager - North Central Texas Council of Government (NCTCOG) is looking at doing some shared services. The trick is how do you get all the data, how you get it to customers so they can make meaning use of it. They are trying to put together some cities to help deal with some of that. I told them we are interested in participating however I have no idea what all that entails at this point.

The other program is going ahead and separating the Upper Trinity portion from the City portion on the billing statement.

Garbage



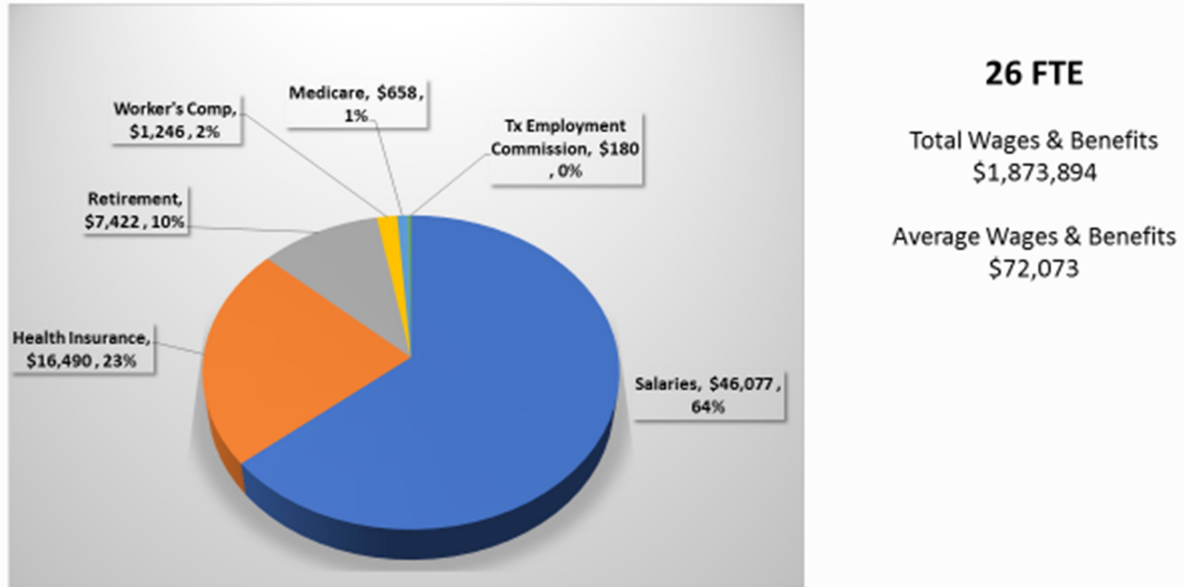
Department	FTE	Budget
Solid Waste & Recycle Collection	-	\$791,308
Total	-	\$791,308

New Program Services:

- √ Investigate multi-family recycling and business paper recycling

Bob Hart, City Manager - we contract with CWD and this is the sales tax we pay to the state. There is not an increase for CWD. We vote on it every year and until you vote on it we won't put it in there. This is an outside contract that they

will bring to you and the Council will vote on whether to do it or not.



Utility Fund Wages & Benefits Analysis

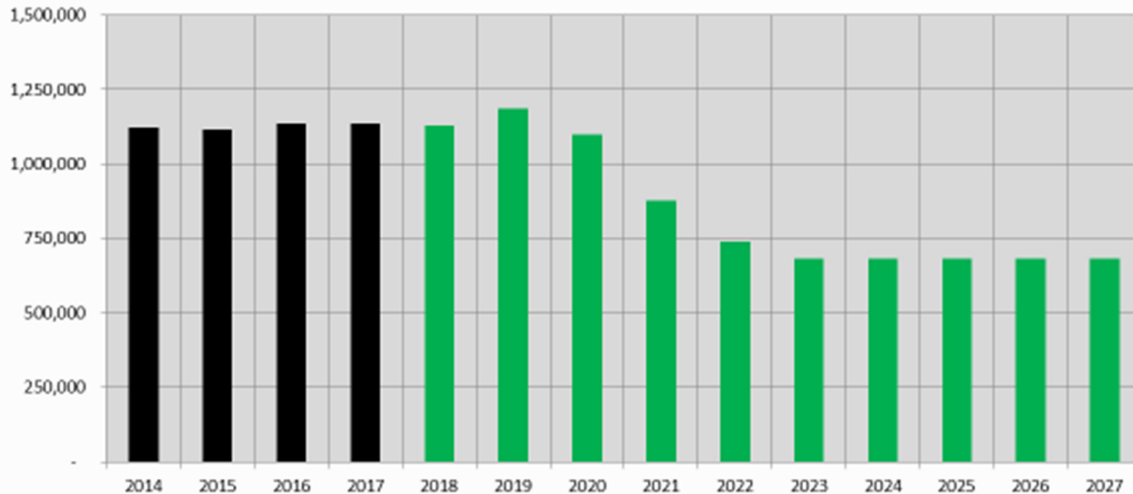
Bob Hart, City Manager - this is based on 26 people in the utility department. 64% goes to salaries and the other 36% deals with other costs.

Councilmember Burke - this is what I asked Lee Ann Bunselmeyer to do because we had citizens saying we are paying these people \$72,000 a year for an employee. I wanted to be able to show people the \$72,000 in cost for the employee is not \$72,000 in wages. It is a lot less. It is \$46,000 and the rest of that is health insurance and retirement.

Councilmember Glockel - tell me what a benefit is? What is included in a benefit? Everything on this pie chart and only on this pie chart?

Lee Ann Bunselmeyer, Finance Director - we probably should not have grouped them. What you have in your benefit is you have salaries, overtime, and longevity. Those 3 components actually go to the employee. Insurance, which is your health insurance, dental insurance, and life and disability insurance. In your retirement you have TMRS, and the 401A. Under Medicare, that is your EAP, FSA, and Medicare cost.

FY 2017-2018 Debt Service Payment = \$1,186,747

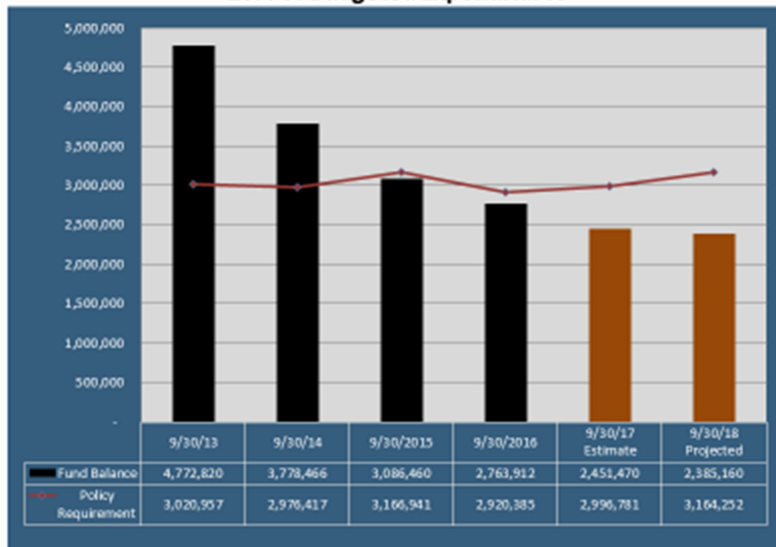


Average Debt Service Payment from 2018-2027= \$799,492

Utility Fund Total Outstanding Debt As of October 1, 2017 = \$7,994,916

Utility Fund Debt Analysis

WATER/WASTEWATER FUND 25% of Budgeted Expenditures



In December 2012, the City Council adopted a Fund Balance Policy. The policy established the City's goal to achieve and maintain an unassigned fund balance in the Water/Wastewater Fund equal to 25% of expenditures.

Appropriation from the minimum assigned fund balance requires the approval of the Council and may only be utilized for one-time expenditures, such as capital purchases and not for ongoing expenditures.

Fund Balance Historical Analysis

Bob Hart, City Manager - at the end of FY 2013 we were well within the 25% policy and we have been running a little short since 2015.

Councilmember Garber - the revenues are down because of the wet years plus we are at the tail end of the 3 year cycle where it was planned to be low anyway. Those are the reasons why we are looking at the deficit not necessarily there was failure to manage those 3 years.

Bob Hart, City Manager - we built the system thinking we are going to peak at about 7.5 million gallons a day. This year we are peaking at about 5 million gallons a day which also explains the shortage. This is mainly because of the wet years. When we put together the draft budget recommendation it is for a 1 year rate increase only. We are not trying to

look at a 3 year rate. What that does is help mitigate the rate of the increase and you would have to come back next year and talk about another rate increase under this scenario.

Nelisa Heddin, Nelisa Heddin Consulting, L.L.C - the original proposal that we had presented was an average for 3 year period. The new recommendation is to not average over 3 years and adopt the first year and the second year we will adopt and so on instead of one hit for 3 years.

Councilmember Burke - so relatively speaking when everybody freaked out, we lowered the amount of the rate increase just for 1 year so we can buffer over 3 and that is what ended up in the budget and not the whole proposal that we initially said.

Nelisa Heddin, Nelisa Heddin Consulting, L.L.C - correct. This is a 1 year rate increase so additional fractions could be made next year should your fund balance deteriorate further in the projected or you have additional capital projects that come up beyond what you have sitting in your funding capacity.

Councilmember Harrison - so what we are looking at is a 1 year rate? If come January or February we get no water the utility use is going to go up so our revenues will go up and then we will collect more than what we budgeted correct? We are going to have to redo the rates if we are over?

Bob Hart, City Manager - yes. When we get into the rates, I want to talk about this underlining philosophy about how we do rates because there are ways to mitigate that.

	2016-17 Projected Actuals	2017-18 Proposed	2018-19 Projected	2019-20 Projected	2020-21 Projected
Water Charges	5,839,810	7,758,303	7,758,303	7,758,303	7,758,303
Wastewater Charges	4,306,237	3,288,209	3,288,209	3,288,209	3,288,209
Garbage	786,740	796,000	796,160	796,322	796,485
Charges & Fees	420,600	333,000	336,330	339,693	343,090
Interest Income	9,500	7,500	7,575	7,651	7,727
Miscellaneous Income	70,869	72,300	73,023	73,754	74,491
Transfers	240,924	335,385	342,092	348,933	355,911
Total Resources	11,674,680	12,590,697	12,601,692	12,612,865	12,624,216
Wages & Benefits	1,640,373	1,873,894	1,917,205	1,960,056	2,002,908
Maintenance & Operations	9,145,820	9,494,681	9,889,401	10,241,727	10,633,119
Debt Payment	1,034,880	1,186,747	1,097,751	875,793	740,499
One-Time Expenditures	166,049	101,685	-	-	-
Total Expenditures	11,987,122	12,657,007	12,904,357	13,077,576	13,376,526
Net Income	(312,442)	(66,310)	(302,665)	(464,711)	(752,310)
Ending Fund Balance	2,451,470	2,385,160	2,082,495	1,617,784	865,474
Fund Requirement - 25%	2,996,781	3,164,252	3,226,089	3,269,394	3,344,132
Effective Fund Balance	20.45%	18.84%	16.14%	12.37%	6.47%

Utility Long Range Forecast

Bob Hart, City Manager - if we maintain this 1 year rate and we continue the increases with Upper Trinity Regional Water District you can see how it is projected to decline over the future years. The other issue that is out there is it does not include a substance for capital improvements. We know we are going to have to deal with some elevated storage issues so that has to be built in the rate base as well.

Councilmember Glockel - under transfer, where did that \$240,924 come from?

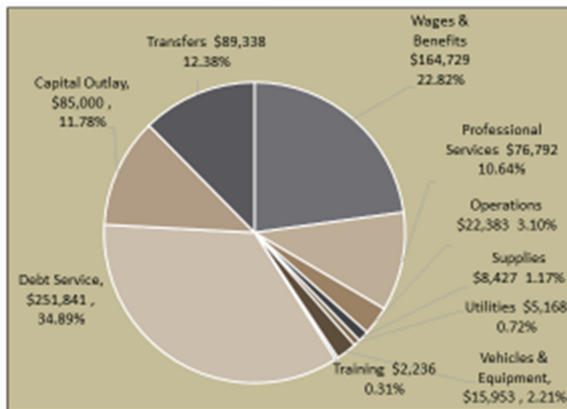
Bob Hart, City Manager - this would be a transfer from the general fund for the engineering. The general fund pays for one inspector, they pay a pro rata share for the engineer and the clerk.

Storm Drainage Fund

- Storm Drainage
- Debt Service



Storm Drainage

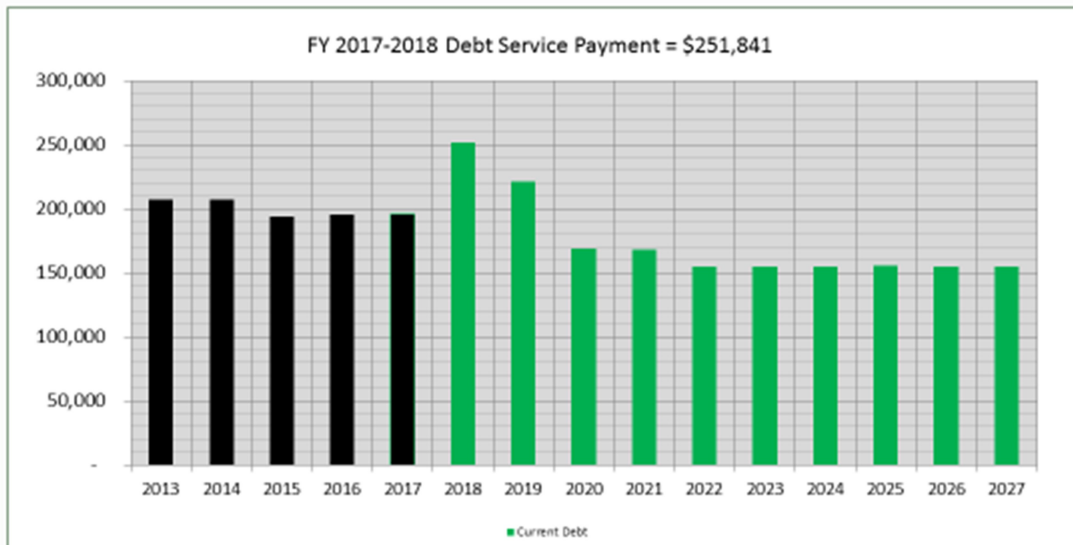


Department	FTE	Budget
Drainage Debt Service		\$251,841
Storm Water Maintenance	3.00	195,516
Utilities & Allocations		98,061
Drainage Capital Outlay		85,000
Mosquito Abatement		35,000
Structural Maintenance		28,287
Fleet Capital & Maintenance		15,953
TCEQ Best Mgt. Practices		12,209
Total	3.00	\$721,867

New Program Services:

- √ Meadows/Shady Shores intersection drainage - \$75,000
- √ Asset Management Plan - \$5,000
- √ Lynchburg Drainage Concept Plan - \$5,000

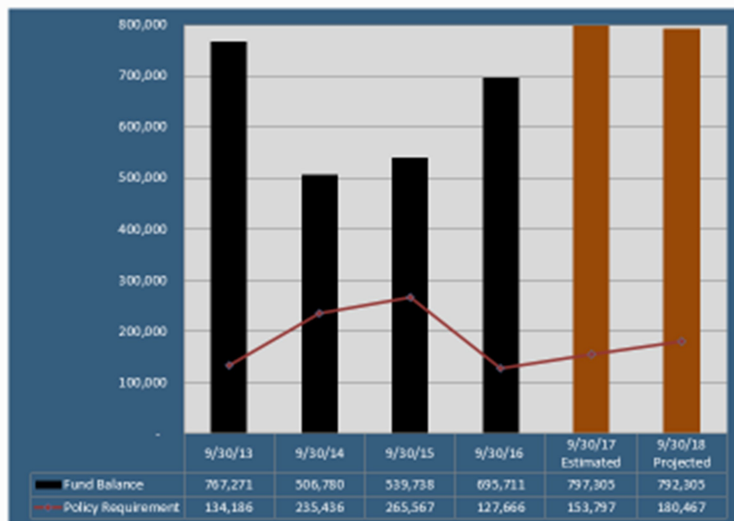
Bob Hart, City Manager - we covered the program areas in Public Works earlier.



Average Debt Service Payment from 2018-2027= \$173,953
 Storm Drainage Total Outstanding Debt as of October 1, 2017 = \$1,739,533

Storm Drainage Debt Analysis

STORM DRAINAGE FUND 25% of Budgeted Expenditures



In December 2012, the City Council adopted a Fund Balance Policy. The policy established the City's goal to achieve and maintain an unassigned fund balance in the Storm Drainage Fund equal to 25% of expenditures.

Appropriation from the minimum assigned fund balance requires the approval of the Council and may only be utilized for one-time expenditures, such as capital purchases and not for ongoing expenditures.

Fund Balance Historical Analysis

	2016-17 Projected Actuals	2017-18 Proposed	2018-19 Projected	2019-20 Projected	2020-21 Projected
Storm Drainage Fee	\$ 685,000	\$ 705,000	\$ 712,050	\$ 719,171	\$ 726,363
Interest/Investment Income	31,782	11,867	11,986	12,106	12,228
Total Resources	\$ 716,782	\$ 716,867	\$ 724,036	\$ 731,277	\$ 738,591
Wages & Benefits	\$ 149,177	\$ 164,729	\$ 168,898	\$ 173,027	\$ 177,158
Maintenance & Operations	224,654	220,297	231,877	235,326	240,226
Debt Payment	195,646	251,841	221,585	168,775	168,074
Capital Outlay	45,711	85,000	-	-	-
Total Expenditures	\$ 615,188	\$ 721,867	\$ 622,360	\$ 577,128	\$ 585,458
Net Income	101,594	(5,000)	101,676	154,149	153,133
Ending Fund Balance	797,305	792,305	893,981	1,048,130	1,201,263
Fund Requirement - 25%	153,797	180,467	155,590	144,282	146,365
Effective Fund Balance	129.60%	109.76%	143.64%	181.61%	205.18%

Storm Drainage Long Range Forecast

Capital Improvement Program



CAPITAL COSTS	2016-17	2017-18	2018-19	2019-20	2020-21	Over 5 Years	Total
Public Works Facility	\$ -	\$ 1,500,000	\$ -	\$ -	\$ -	\$ -	\$ 1,500,000
Elevated Storage Tank	-	1,700,000	-	-	5,500,000	-	7,200,000
Quail Run/Dobbs Road Water Lines	-	-	-	2,100,000	-	-	2,100,000
Lake Sharon Pump Station & 3mg Ground Storage Tank	-	-	-	-	-	3,900,000	3,900,000
24" and 20" line along Lake Sharon	-	-	-	-	-	2,000,000	2,000,000
16" line along S. Corinth street	-	-	-	-	-	250,000	250,000
12" line along FM2181	-	-	-	-	-	2,000,000	2,000,000
Total	\$ -	\$ 3,200,000	\$ -	\$ 2,100,000	\$ 5,500,000	\$ 8,150,000	\$ 18,950,000

FUNDING SOURCES	2016-17	2017-18	2018-19	2019-20	2020-21	Over 5 Years	Total
Unissued/Unauthorized Bond Proceeds	\$ -	\$ -	\$ -	\$ 2,100,000	\$ 5,500,000	\$ 8,150,000	\$ 15,750,000
2017 C.O.	-	1,500,000	-	-	-	-	1,500,000
2016 C.O.	-	1,300,000	-	-	-	-	1,300,000
Impact Fees/Escrow Funds	-	400,000	-	-	-	-	400,000
Total	\$ -	\$ 3,200,000	\$ -	\$ 2,100,000	\$ 5,500,000	\$ 8,150,000	\$ 18,950,000

Capital Improvement Program - Water System Improvements

Bob Hart, City Manager - the big item is the elevated storage tank, getting the design, the site and waterlines that will feed that and we have to look out in the future to actually pay for those improvements. What we have in the budget deals with the site acquisition, getting the design work and making sure we have all the easements and right-of-way in place for that tank to be built.

CAPITAL COSTS	2016-17	2017-18	2018-19	2019-20	2020-21	Over 5 Years	Total
Sewer line Realignment (L3)	\$ 225,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 225,000
FM2181 lift station and 14"/12" force main	-	-	-	-	-	700,000	700,000
Lynchburg 15', 12', 10' Sewer Line	-	-	-	-	-	1,300,000	1,300,000
Shady Rest Lift station 18"/21" Sewer Line	-	-	-	-	-	1,700,000	1,700,000
Total	\$ 225,000	\$ -	\$ -	\$ -	\$ -	\$ 3,700,000	\$ 3,925,000

FUNDING SOURCES	2016-17	2017-18	2018-19	2019-20	2020-21	Over 5 Years	Total
Unissued/Unauthorized Bond Proceeds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,700,000	\$ 3,700,000
Aid in Construction	225,000	-	-	-	-	-	225,000
Total	\$ 225,000	\$ -	\$ -	\$ -	\$ -	\$ 3,700,000	\$ 3,925,000

Capital Improvement Program - Wastewater System Improvements

Bob Hart, City Manager - the sewer line Realignment with (L3), we are finalizing the design and getting ready to get quotes to move forward on that.

CAPITAL COSTS	2016-17	2017-18	2018-19	2019-20	2020-21	Over 5 Years	Total
Meadows/Shady Shores Intersection	\$ -	\$ 75,000	\$ -	\$ -	\$ -	\$ -	\$ 75,000
Total	\$ -	\$ 75,000	\$ -	\$ -	\$ -	\$ -	\$ 75,000

FUNDING SOURCES	2016-17	2017-18	2018-19	2019-20	2020-21	Over 5 Years	Total
Drainage Operating Funds	\$ -	\$ 75,000	\$ -	\$ -	\$ -	\$ -	\$ 75,000
Total	\$ -	\$ 75,000	\$ -	\$ -	\$ -	\$ -	\$ 75,000

Capital Improvement Program – Drainage Improvements

Base Rate (by meter size)					
Meter Size	Current	June 15 Meeting	Proposed Budget	Budget vs Current	% Diff
5/8 x 3/4"	\$23.27	\$31.23	\$27.66	\$4.39	18.87%
Full 3/4"	32.25	34.36	32.25	0.00	0.00%
1"	32.25	43.73	38.73	6.48	20.09%
1 1/2"	65.15	65.15	65.15	0.00	0.00%
2"	100.70	100.70	100.70	0.00	0.00%
3"	210.25	343.56	304.30	94.05	44.73%
4"	330.10	437.26	387.29	57.19	17.32%
6"	660.95	660.95	660.95	0.00	0.00%
10"	1,510.65	1,510.65	1,510.65	0.00	0.00%

The rates include a senior citizen discount where senior citizens receive 3,000 gallons of water and 1,000 gallons of wastewater included in their monthly minimum bill.

Water Rates- Base Rates

Volumetric Charge - Residential					
Tier	Current	June 15 Meeting	Proposed Budget	Budget vs Current	% Diff
0-10000	\$2.77	\$4.95	\$5.08	\$2.31	83.39%
10001-25000	4.77	6.95	7.08	2.31	48.43%
25001-50000	6.77	8.95	9.08	2.31	34.12%
50000 up	8.77	10.95	11.08	2.31	26.34%

Volumetric Charge – Commercial					
Tier	Current	June 15 Meeting	Proposed Budget	Budget vs Current	% Diff
0-10000	\$3.68	\$4.75	\$4.56	\$0.88	23.91%
10001-25000	4.68	5.75	5.56	0.88	18.80%
25001-50000	5.68	6.75	6.56	0.88	15.49%
50000 up	6.68	7.75	7.56	0.88	13.17%

Water Rates- Volumetric Charges

Tier	Current	June 15 Meeting	Proposed Budget	Budget vs Current	% Diff
Base Fee	\$21.39	\$21.39	\$21.39	\$0.00	0.00%
Volumetric Fee	5.60	3.67	3.67	(1.93)	-34.46%

Wastewater Rates

Water Bill Analysis - Residential					
Tier	Current	June 15 Meeting	Proposed Budget	Budget vs Current	% Diff
5,000 Gallons	\$37.12	\$55.98	\$53.06	\$15.94	42.91%
10,000 Gallons	50.97	\$80.73	78.46	27.49	53.93%
30,000 Gallons	156.37	\$229.73	230.06	73.69	47.13%
75,000 Gallons	511.02	\$682.48	663.26	152.24	29.79%

Wastewater Bill Analysis					
Tier	Current	June 15 Meeting	Proposed Budget	Budget vs Current	% Diff
5,000 Gallons	\$49.39	\$39.74	\$39.74	(\$9.65)	(19.54%)
10,000 Gallons	77.39	58.09	58.09	(19.30)	(24.94%)
30,000 Gallons	189.39	131.49	131.49	(57.90)	(30.57%)

Average Resident Bill

v 10,000 Gallons of Water
v 5,000 Gallons of Wastewater

Current Rates

Total Bill = \$100.36

Proposed Rates

Total Bill = \$118.20

Resident Impact

\$17.84 or 17.8% increase

Average Bill Analysis - Residential

Bob Hart, City Manager - this is what we looked at on June 15th based on your feedback we made some adjustments to these rates as the recommendation and these are the numbers that we have used in the preparation of this budget. This proposed budget on a 1 year rate is a resident increase on an average bill of about 17.8% It was going to be about 32% increase.

Utility Rates



Base Rates	Current	June 15 Mtg	Proposed (31%)	Difference	% Diff
5/8 x3/4"	\$ 23.27	\$ 31.23	\$ 27.66	\$ 4.39	18.87%
Full 3/4"	32.25	34.26	32.25	-	0.31%
1"	32.25	43.73	38.73	6.48	20.09%
1 1/2"	65.15	65.15	65.15	-	0.00%
2"	100.70	100.70	100.70	-	0.00%
3"	210.25	343.56	304.30	94.05	44.73%
4"	330.10	437.26	387.29	57.19	17.33%
6"	660.95	660.95	660.95	-	0.00%
10"	1,510.65	1,510.65	1,510.65	-	0.00%
Residential Rates					
0-10,000	\$ 2.77	\$ 4.95	\$ 5.08	\$ 2.31	83.39%
10,001-25,000	4.77	6.95	7.08	2.31	48.43%
25,001-50,000	6.77	8.95	9.08	2.31	34.12%
50,001 +	8.77	10.95	11.08	2.31	26.34%
Commercial Rates					
0-10,000	\$ 3.68	\$ 4.75	\$ 4.56	\$ 0.88	23.91%
10,001-25,000	4.68	5.75	5.56	0.88	18.80%
25,001-50,000	5.68	6.75	6.56	0.88	15.49%
50,001 +	6.68	7.75	7.56	0.88	13.17%
Wastewater Rates					
Base Rate	\$ 21.39	\$ 21.39	\$ 21.39	\$ -	0.00%
Volumetric Fee	5.60	3.67	3.67	(1.93)	-34.46%

Average Resident Bill

v 10,000 Gallons of Water
v 5,000 Gallons of Wastewater

Current Total Bill = \$100.36
Water = \$50.97
Wastewater = \$49.39

Proposed Total Bill = \$118.20
Water = \$78.46
Wastewater = \$39.74

Resident Impact
\$17.84 or 17.8% increase

Proposed Budget Rates – 31% Fixed Base Fee / No Future CIP

Entity Name	Residential	Commercial	Total	Subscription Mod	Subscription per Acct Total
Entities that are served by UTRWD only					
Denton Co. Fresh Water Supply District 6-7 (Lantana)	3,300	30	3,330	3.20	961
Corinth - Current	6,800	334	7,134	7.50	1,051
Mustang SUD (Providence/Savannah)	6,400	-	6,400	2.90	453
LCMUA (Shady Shores/Lake Dallas/Hickory Creek)	4,526	399	4,925	3.80	772
Entities with multiple water providers					
Denton Co. Fresh Water Supply District 1A (Castle Hill)	City of Lewisville	3,791	91	3,882	3.00 773
Cross Timbers Water Supply (Bartonville/Copper Canyon/Double Oak)	wells	2,300	15	2,315	2.50 1,080
Prosper	wells	7,300	175	7,475	1.00 134
Flower Mound	Own/Lake Lewisville/Lake Grapevine	20,018	108	20,126	30.00 1,491
Krum	wells	1,716	97	1,813	0.40 221
Celina	wells	4,576	196	4,772	2.50 524
Argyle Water Supply (Argyle/Bartonville)	wells	2,300	45	2,345	2.00 853
Sanger	wells	2,522	304	2,826	0.50 177
Aubrey	wells	1,059	122	1,181	0.10 85
Justin	wells	1,300	100	1,400	0.85 607
Highland Village	wells	5,200	300	5,500	3.00 545
UTRWD Board member - No Water Subscription					
Lewisville	Own/Lake Lewisville	16,875	5,625	22,500	None None
Pilot Point	wells	1,500	200	1,700	None None
Denton	Own/Lake Lewisville/Ray Roberts	29,411	4,784	34,195	None None
Ponder	wells	945	55	1,000	None None
Little Elm	North Texas Municipal Water District	10,313	188	10,501	None None

UTRWD Member Comparison

Bob Hart, City Manager - Denton County provides water out to Lantana. Mustang Special Utility District provides water out to Providence and Savannah and LCMUA. These are the systems that rely on the Upper Trinity Regional Water District for all their water supply source. LCMUA does use a couple of wells to avoid going over their subscription amount of this 3.80 Mgd. If you exceed that for 3 consecutive days then you end with a new subscription level and that is what your bill is based on.

Our number is 7.50 Mgd and we are peaking at about 5.00 Mgd this year and that means that 1/3 of what we are paying Upper Trinity we are not selling. That is the rainfall and that is what is causing some of the shortage.

The other cities listed are buying water from Upper Trinity and they have additional water providers available. Highland

Village is half of what our subscription is and the reason they can get by with that is because they are using wells as part of their water supply. Flower Mound has their own water treatment plant and they are pulling water out of Lake Grapevine and Lake Lewisville and they are also getting water from the Upper Trinity. Their subscription rate is higher and what is probably happening there is a lot of commercial activity that would skew that number.

When you start looking at these numbers with these Cities that begins to explain why it is hard to compare rates because you are not comparing water rates with Upper Trinity 100% and everybody else is averaging all these water supply sources and that is how they are able to drive some of their costs down. We need to start looking at some alternative water supply sources. Most of our bill is tied up with Upper Trinity.

Councilmember Garber - how long would it take us to get a well and how much would that cost?

Bob Hart, City Manager - we have to see if we have ground water available to tap into. Then we have to see if we can get a permit to drill the well.

Councilmember Burke - is there any way we could partner with some of our homeowner associations not mix the water supply and make them use some cheap water to water?

Bob Hart, City Manager - that is possible. Also for how we water the parks.

Councilmember Johnson - we have discussed that back in 2011/2012 and one of the factors was where are we going to pump the water.

Councilmember Burke - there is probably a whole different set of requirements for the City to do it than a private citizen and is there a way we can encourage some of our private citizens to tap in to that outside of the regulatory scheme on some of these larger tracts to use that for irrigation so that we can offset this potential peak demand problem.

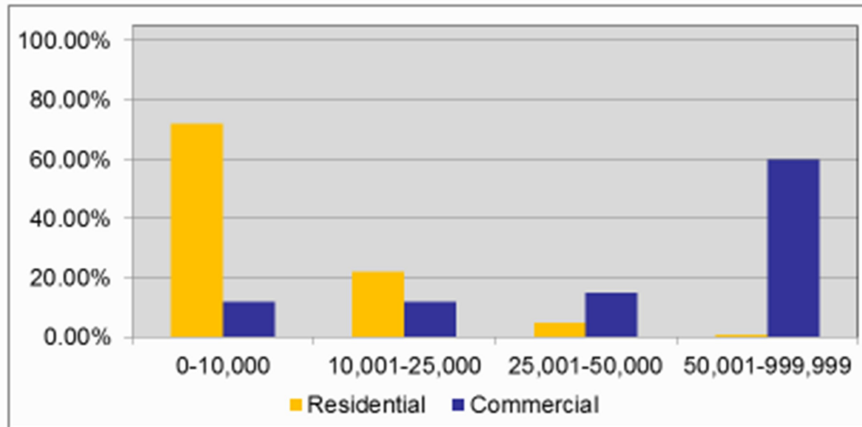
Bob Hart, City Manager - the incentive program becomes a big part of that.

Councilmember Harrison - I think it is going to be difficult and TCEQ is going to eat you up.

Entity Name	Base Rate	Volumetric 10,000	Total Water	Total WW 5,000	Total Bill
Entities that are served by UTRWD only					
Denton Co. Fresh Water Supply District 6-7 (Lantana)	27.00	29.70	56.70	40.00	96.70
Connth - Current	23.27	27.70	50.97	49.39	100.36
Mustang SUD (Providence/Savannah)	26.75	34.40	61.15	49.15	110.30
Connth - Proposed	27.66	50.80	78.46	39.74	118.20
LCMUA (Shady Shores/Lake Dallas/Hickory Creek)	30.00	53.00	83.00	52.40	135.40
Entities with multiple water providers					
Denton Co. Fresh Water Supply District 1A (Castle Hill)	34.75	29.92	64.67	None	64.67
Cross Timbers Water Supply (Bartonville/Copper Canyon/Double Oak)	38.25	32.50	70.75	None	70.75
Prosper	11.12	37.40	48.52	40.23	88.75
Flower Mound	32.82	30.00	62.82	31.29	94.11
Krum	16.20	31.52	47.72	46.77	94.49
Celina	22.25	39.68	61.93	37.79	99.72
Argyle Water Supply (Argyle/Bartonville)	27.04	30.97	58.01	43.64	101.65
Sanger	21.74	40.55	62.29	43.10	105.39
Aubrey	29.09	46.13	75.22	35.70	110.92
Justin	27.50	54.00	81.50	33.00	114.50
Highland Village	31.00	28.00	59.00	60.60	119.60
UTRWD Board member - No Water Subscription					
Lewisville	14.78	24.40	39.18	19.75	58.93
Pilot Point	22.08	27.61	49.69	31.64	81.33
Denton	16.00	41.50	57.50	31.50	89.00
Ponder	25.85	33.95	59.80	38.11	97.91
Little Elm	22.70	48.16	70.86	42.29	113.15

UTRWD Member Comparison

Utility Customers Based on Usage



Residential Customers (95.3%) 6,800
 Commercial Customers (4.7%) 334
 Total Customers 7,134

Base Rates	Current	City	UTRWD	Total	Ttl vs Current	% Diff
5/8 x 3/4	23.27	15.81	15.42	31.23	7.96	34.2%
full 3/4	32.25	17.39	16.96	34.35	2.10	6.5%
1 inch	32.25	22.14	21.59	43.73	11.48	35.6%
1 1/2 inch	65.15	37.39	27.76	65.15	-	0.0%
2 inch	100.70	55.98	44.72	100.70	-	0.0%
3 inch	210.25	173.94	169.62	343.56	133.31	63.4%
4 inch	330.10	221.38	215.88	437.26	107.16	32.5%
6 inch	660.95	337.13	323.82	660.95	-	0.0%
10 inch	1,510.65	1,063.47	447.18	1,510.65	-	0.0%
Residential Rates						
0-10,000	2.77	-	5.39	5.39	2.62	94.6%
10,001-25,000	4.77	1.54	5.39	6.93	2.16	45.3%
25,001-50,000	6.77	3.54	5.39	8.93	2.16	31.9%
50,001+	8.77	5.54	5.39	10.93	2.16	24.6%
Commercial Rates						
0-10,000	3.68	-	5.39	5.39	1.71	46.5%
10,001-25,000	4.68	-	5.39	5.39	0.71	15.2%
25,001-50,000	5.68	0.92	5.39	6.31	0.63	11.1%
50,001+	6.68	1.92	5.39	7.31	0.63	9.4%
Wastewater Rates						
Base Rate	21.39	21.39	-	21.39	-	0.0%
Volumetric	5.60	.96	2.71	3.67	(1.93)	-34.5%

Average Resident Bill
 v 10,000 Gallons of Water
 v 5,000 Gallons of WW

Current Total Bill = \$100.36
 Water = \$50.97
 Wastewater = \$49.39

Total Revised Bill = \$124.87

Water Fee = \$85.13
 City Fee = \$15.81
 UTRWD = \$69.32

Wastewater Fee = \$39.74
 City Fee = \$26.19
 UTRWD = \$13.55

Resident Impact
 \$24.51 or 24.4% increase

UTRWD Fee Component – 35% Base Fee / No Future CIP

Bob Hart, City Manager - this rate is based on a 35% base fee. If we have a water bill of \$85.13, almost \$16.00 of that is a city component of the bill and \$69.00 is Upper Trinity. If you were to separate out that bill that is what you would see. Highland Village takes that Upper Trinity component and increase annually between 3-5% and passes it through.

Base Rates	Current	Proposed (31%)	40%	50%	60%
5/8 x 3/4	23.27	27.66	35.70	44.62	53.54
full 3/4	32.25	32.25	39.26	49.08	58.90
1 inch	32.25	38.73	49.97	62.47	74.96
1 1/2 inch	65.15	65.15	65.15	80.31	96.38
2 inch	100.70	100.70	100.70	129.39	155.27
3 inch	210.25	304.30	392.65	490.81	588.97
4 inch	330.10	387.29	499.73	624.66	749.60
6 inch	660.95	660.95	749.60	936.99	1,124.39
10 inch	1,510.65	1,510.65	1,510.65	1,510.65	1,552.73
Residential Rates					
0-10,000	2.77	5.08	4.10	3.02	1.94
10,001-25,000	4.77	7.08	6.10	5.02	3.94
25,001-50,000	6.77	9.08	8.10	7.02	5.94
50,001+	8.77	11.08	10.10	9.02	7.94
Commercial Rates					
0-10,000	3.68	4.56	4.35	4.11	3.87
10,001-25,000	4.68	5.56	5.35	5.11	4.87
25,001-50,000	5.68	6.56	6.35	6.11	5.87
50,001+	6.68	7.56	7.35	7.11	6.87
Wastewater					
	Current	Proposed			
Base Rate	21.39	21.39			
Volumetric	5.60	3.67			

Fixed Base Rate Comparison

Bob Hart, City Manager - this shows our current rates and what is proposed in the budget of 31% cost recovery on the fixed rate. The question then is what happens if you run it out to 40%, 50% and 60% and I was surprised and remember getting out to 60% is where you provide the financial stability of the system even during the wet years. The higher you can get that number the greater the financial stability you are going to have.

Nelisa Heddin, Nelisa Heddin Consulting, L.L.C - you are shifting the revenues you are recovering to your fixed charge and fewer from your volumetric charge. That drives up your base fee and down your volumetric fee and when that happens your users that only uses 3,000 - 4,000 gal of water will actually see a greater increase. The users that are using more gallons 10,000, 20,000, 30,000 and 50,000 gallons will see a lower increase because you are shifting the percentage of revenue you are getting out of your base charge versus your volumetric.

Bob Hart, City Manager - you need to talk about what cost recovery you want and then how you are going to approach these volumetric rates. That is a policy decision that you have to make and then we can start plugging the numbers in.

Fixed Base Fee Water Residential Bill Impact

Gallons	Current	Proposed	40%	50%	60%
5,000	37.12	53.06	56.20	59.72	63.24
10,000	50.97	78.46	76.70	74.82	72.94
30,000	156.37	230.06	208.70	185.22	161.74
75,000	511.02	663.26	623.20	551.12	479.04

Average Residential Bill

Gallons	Current	Proposed	40%	50%	60%
10,000 Water	50.97	78.46	76.70	74.82	72.94
5,000 Wastewater	49.39	39.74	39.74	39.74	39.74
Total Bill	100.36	118.20	116.44	114.56	112.68

Fixed Base Rate Comparison

Nelisa Heddin, Nelisa Heddin Consulting, L.L.C - the total bill would be \$118.20 total if you did not increase the gallons for seniors which is currently at 3,000 gallons. If you increase the gallons for seniors everyone else roughly pays \$5.00 more.

Base Rates	Current	35%	Difference	% Diff
5/8 x 3/4	23.27	31.23	7.96	34.21%
full 3/4	32.25	34.36	2.11	6.54%
1 inch	32.25	43.73	11.48	35.60%
1 1/2 inch	65.15	65.15	-	0.00%
2 inch	100.70	100.70	-	0.00%
3 inch	210.25	343.56	133.31	63.41%
4 inch	330.10	437.26	107.16	32.46%
6 inch	660.95	660.95	-	0.00%
10 inch	1,510.65	1,510.65	-	0.00%
Residential Rates				
0-10,000	2.77	5.24	2.47	89.17%
10,001-25,000	4.77	7.24	2.47	51.78%
25,001-50,000	6.77	9.24	2.47	36.48%
50,001+	8.77	11.24	2.47	28.16%
Commercial Rates				
0-10,000	3.68	4.47	0.79	21.47%
10,001-25,000	4.68	5.47	0.79	16.88%
25,001-50,000	5.68	6.47	0.79	13.91%
50,001+	6.68	7.47	0.79	11.83%
Wastewater				
Base Rate	21.39	21.39	-	0.00%
Volumetric	5.60	3.67	(1.93)	-34.46%

Average Resident Bill

√ 10,000 Gallons of Water
 √ 5,000 Gallons of Wastewater

Current Total Bill = \$100.36

Water = \$50.97

Wastewater = \$49.39

Proposed Total Bill = \$123.40

Water = \$83.66

Wastewater = \$39.74

Resident Impact
\$23.04 or 22.9% increase

35% Base Fee Analysis/10,000 Senior Minimum Bill

Bob Hart, City Manager - for a senior included in the base is 10,000 gallons of water for free so as a senior the bill would be \$31.23 for water. Everyone that is under 65 years of age their water bill would be \$83.66 and the reason for that is they have to make up for everybody else free water.

Councilmember Harrison - if we go the proposed route and average 10,000 gallons the senior's bill would be

\$123.40?

Nelisa Heddin, Nelisa Heddin Consulting, L.L.C - their total bill would be around \$102.00 for a senior's bill for 3,000 gallons of water. If you change the policy so seniors receive 10,000 gallons of water then their total bill would be approximately \$70.00.

Councilmember Glockel - a person does not need 10,000 gallons and that is kind of over and above this 3,000 gallons of water. If you are going to give 3,000 gallons out for a senior to keep my bill flat you would have to maybe give me 6,000 gallons of water not 10,000.

Councilmember Garber - so more levels and pushing the cost into the higher levels. So instead of 0-10,000 we want 0-3,000, 6,000 - 9,000?

Councilmember Glockel - just for that one bracket. I would not have a multi-bracket.

Bob Hart, City Manager - so what I think I am hearing is we are going to shift more of the cost into the volumetric side and lessen the base side? If we leave the seniors so there is not an adjustment is keep the cost recovery low?

Councilmember Glockel - you are going to change the base rate that is a given. I am talking about the volumetric. That is the only advantage that 65 years and older has today is that they get 3,000 gallons of water for free. We are talking about giving them as much as 10,000 and that is \$50.80 at the new rate. The old rate it would have been \$27.00 for 10,000 gallons. I am saying find a spot and set it for all seniors that the volumetric at the new rate is still the same as what we would pay at \$27.70 and not give them 10,000 gallons.

Nelisa, Heddin, Nelisa Heddin Consulting, L.L.C - so to clarify you want to let them have the increase in the base fee but no increase for seniors in the volumetric is that correct up to 5,000 or 6,000 gallons?

Councilmember Glockel - correct and if they use over that then they will have to pay whatever the new rate is.

Nelisa, Heddin, Nelisa Heddin Consulting, L.L.C - so let the increase go through for the base charge with the volumetric rate, you could add a tier for 0-5,000 gallons tier it is \$2.77 and then from 5,000-10,000 gallons tier would be \$3.77 or a dollar more and you would leave your senior policy in place. Your average senior uses 7,633 gallons of water is their average use is and so that would mitigate the impact and it would also mitigate the impact of the rate increase for anybody using less than 5,000 gallons.

Councilmember Johnson - how about we look at moving our base rate to 50% at \$44.62 and putting in your 0-5,000 gallons for your first rate set and then push the rest of your rates from 5,000 down to the 40% level so 5,000 - 10,000 would be \$4.10, 10,000 - 25,000 would be \$6.10 etc. would that not cover your 0-5,000 at \$2.77 and also provide you some volumetric relief on the other side as well.

Nelisa Heddin, Nelisa Heddin Consulting, L.L.C - so your average bill would go up by \$21.00 for anyone using 0-5,000 gallons of water it may go up a little bit more than that.

Councilmember Burke - so if we did what Lowell suggested with a 50% fixed rate and then did the rate structure as he suggested are you saying the average bill would be \$120.00?

Nelisa Heddin, Nelisa Heddin Consulting, L.L.C - the water bill would be less for a 5,000 gallon user they would just have the \$20.00 increase on the base rate.

Base Rates	Current	5000 Gal Minimum Bill	10,000 Gal Minimum Bill
5/8 x 3/4	23.27	53.54	53.54
full 3/4	32.25	58.90	58.90
1 inch	32.25	74.96	74.96
1 1/2 inch	65.15	96.38	96.38
2 inch	100.70	155.27	155.27
3 inch	210.25	588.97	588.97
4 inch	330.10	749.60	749.60
6 inch	660.95	1,124.39	1,124.39
10 inch	1,510.65	1,552.73	1,552.73
Residential Rates			
0-10,000	2.77	2.01	2.19
10,001-25,000	4.77	4.01	4.19
25,001-50,000	6.77	6.01	6.19
50,001+	8.77	8.01	8.19
Commercial Rates			
0-10,000	3.68	3.87	3.87
10,001-25,000	4.68	4.87	4.87
25,001-50,000	5.68	5.87	5.87
50,001+	6.68	6.87	6.87
Wastewater			
Base Rate	21.39	21.39	21.39
Volumetric	5.60	3.67	3.67

**Average Resident Bill
At 10,000 Gallon Senior**

√ 10,000 Gallons of Water
√ 5,000 Gallons of Wastewater

Current Total Bill = \$100.36
Water = \$50.97
Wastewater = \$49.39

Proposed Total Bill = \$115.18
Water = \$75.44
Wastewater = \$39.74

Resident Impact
\$14.82 or 14.77% increase

60% Base Fee Senior Citizen Analysis

Nelisa Heddin, Nelisa Heddin Consulting, L.L.C - so this is a 60% base fee scenario and for your average customer, your non-senior customers their bill would be \$115.18 but your senior citizens, under this scenario their bill would be \$53.54 for the water and \$39.00 for sewer. So the senior citizens bill would be about \$94.00 versus \$115.00 or \$118.00 with the other scenarios.

Current	5,000	10,000	20,000	30,000	75,000
Average Resident	\$37.12	\$50.97	\$98.67	\$156.37	\$511.02
Senior Resident	28.81	42.66	90.36	148.06	502.71

10,000 Gallons Senior Minimum Bill	5,000	10,000	20,000	30,000	75,000
Average Resident	\$64.49	\$75.44	\$117.34	\$169.24	\$497.79
Senior Resident	53.54	53.54	95.44	147.34	475.89

5,000 Gallons Senior Minimum Bill	5,000	10,000	20,000	30,000	75,000
Average Resident	\$63.59	\$73.64	\$113.74	\$163.84	\$484.29
Senior Resident	53.54	63.59	103.69	153.79	474.24

60% Base Fee Senior Citizen Analysis

Nelisa Heddin, Nelisa Heddin Consulting, L.L.C - option 1 would be to include gallons and base fee, Option 2 is to address through just your tier rate structure and how you want do that and then the question is, is your tier rate structure appropriate for achieving the goals you want to achieve. Right now it is structured with a \$2.00 differential between

each of the rate tiers and that was based off where you were several years ago. You can certainly look at being a little more aggressive with your volumetric rates in terms of the differential between tiers ultimately the lower tier will go lower and the higher tier will come higher. If you were to be a little more aggressive I would encourage you to put more of your cost recovery in that base charge just to provide you more coverage for the wet years.

Councilmember Johnson - if we go this route you are raising the rates quite a bit for the family of 4 or family of 5 and that concerns me.

Councilmember Burke - my opinion on that is there does not need to be an increase in the subsidy of the seniors at all. Most of the subsidy in our society right now go to the older population and most of the wealth in our society is that population. The other part of that is wants you give that benefit like any other benefit taking it away is very painful.

Councilmember Johnson - I agree. If we are going to do anything we should help out the other end where they need the help.

Councilmember Burke - I think our policy on the low end where you are really calling non-discretionary use should be neutral and should be based on discretionary use. The more excessive discretionary use the more you pay. Not based on age. I think 50% seems like a good number we just have to match rates. I am not suggesting we take away the 3,000 gallons of free water for the seniors but the rest of the increase they will absorb like everyone else is.

Councilmember Garber - the higher that base rate goes that shows that we are 6% better off at collecting dollars than we are at a lower base rate. As long as the volumetric offsets any potential increases or mitigate as much of it as we can for that 3,000 gallon range. If we can line up the volumetric rates with what our citizens are actually using and if you keep it that low to 3,000 or 4,000 gallons you are not going to water your lawn that much.

Councilmember Johnson - so you want to establish a 0-5,000 gallon rate and then 5,000 - 10,000 gallons and go from there?

Councilmember Garber - yes and line those categories up with what we are actually using so if 72% of our citizens are using 10,000 gallons or less we are going to have to collect most of our dollars within that range because that is where most people use it. We are going to have to split those categories up some to capture as many categories within that 10,000 gallons as we can because if we put most of the cost to the 50,000 gallons, that is not even 1% so we will not recover our cost. To make it simple I think we should try to hit as close to 60% as we can on the base rate try to really help our citizens that use 2,000, 3,000, 4,000 gallons of water, like we currently are and expand it to more folks and then really break up that 10,000 gallon range so that the folks at the top end of that at 25,000 gallons are paying more of the share versus less.

Nelisa Heddin, Nelisa Heddin Consulting, L.L.C - so you are wanting to get as close to the 60% base fee and break up the 0-10,000 gallon block into perhaps 3 sections to get a little help to the lower end. So maybe \$1.50 for 0-3,000 gallons etc.

Councilmember Garber - yes.

Mayor Heidemann - so what we are proposing is to go back and give us a base rate of 50% and 60% and change your structure on your volumetric side and not doing anything additional or take away on the senior side is that correct?

Bob Hart, City Manager - we can come back next Thursday evening and have all of this provided?

Nelisa Heddin, Nelisa Heddin Consultant, L.L.C - absolutely.



- Planning – (January)
 - January 14 – Council Goal setting / Strategic Planning Retreat
- Department Budget – (March – April)
 - March 7 – Budget Kickoff
 - March 28 – Departments submit budgets to Finance
 - April 11-22 – Budgets reviewed by City Manager
- City Manager’s Budget – (May – July)
 - June 29 – Council Policy Workshop
 - July 25 – Receive certified tax roll; calculate effective & rollback tax rates
 - July 31 – Submit proposed budget to Council
- City Council’s Budget – (August – September)
 - August 3 – Budget work session; Budget Overview
 - August 10- Budget work session; review governmental funds
 - August 10 – Vote on published tax rate and public hearing dates
 - August 17 – Budget work session; review proprietary funds
 - August 24 & September 7 – Public hearings on tax rate & budget
 - August 31 & September 14 – Budget work session (if needed)
- Adopted Budget – (September - October)
 - September 21 – Adopt budget & tax rate
 - October 1 – Fiscal year begins; implementation of adopted budget

Budget Process Calendar

ADJOURN:

Mayor Heidemann adjourned the meeting at 8:20 p.m.

AYES: All

Meeting adjourned.

Approved by Council on the _____ day of _____ 2017.

Kimberly Pence, City Secretary
City of Corinth, Texas

City Council Regular and Workshop Session

Meeting Date: 09/21/2017

Title: Lake Sharon - Construction Phase Services

Submitted For: Mike Brownlee, City Engineer

Submitted By: Mike Brownlee, City Engineer

Finance Review: Yes

Legal Review: Yes

City Manager Review: Approval: Bob Hart, City Manager

AGENDA ITEM

Consider and act on Amendment No. 6 to the Lake Sharon Roadway design contract to add Construction Phase Services in the amount of \$27,550.00.

AGENDA ITEM SUMMARY/BACKGROUND

The proposed amendment expands the level of construction phase services from the base contract which only included limited site visits during construction and As-Built preparation. Amendment No. 6 is proposed in the amount of \$27,550.00 to provide additional support in the following areas.

- Review of shop drawings
- Answer Contractor information requests
- Assistance with plan interpretation and design intent
- Process necessary change orders and plan revisions
- Attend coordination meetings during construction
- Coordination with the UTRWD related to the Water line bypass
- Participate in project closeout activities
- Project expenses for printing construction plans for distribution

The base contract amount was approved by Council in December of 2013 in the amount \$281, 800.00.

Amendments 1 through 5 increased the contract amount to \$324,700.00. Previous amendments in the amount of \$42,900 were approved for the following:

- Amendment No. 1 - \$7,200 retaining wall for City of Denton lift station site
- Amendment No. 2 - \$8,000 hydraulic modeling and revisions to CLOMR
- Amendment No. 3 - \$2,500 survey work needed clean up blanket easements
- Amendment No. 4 - \$20,200 design for UTRWD water line bypass
- Amendment No. 5 - \$5,000 value engineering to eliminate storm drains

Services provided during the construction phase will be billed for actual time and expenses paid up to a maximum amount of \$27,550.

RECOMMENDATION

Staff recommends approval of Amendment No. 6 to the Lake Sharon Roadway design contract to add Construction Phase Services in the amount of \$27,550.00.

Attachments

Amendment No 6

**CONTRACT FOR ENGINEERING SERVICES
SUPPLEMENTAL AGREEMENT NO. 6**

**STATE OF TEXAS §
CITY OF CORINTH §**

THIS SUPPLEMENTAL AGREEMENT to contract for engineering services is made by and between the City of Corinth, hereinafter called the "City", and Teague Nall and Perkins, Inc. hereinafter called the "Engineer", and becomes effective when fully executed by both parties.

WITNESSETH

WHEREAS, the City and the Engineer executed a contract on December 19, 2013 for Engineering and Surveying Services for the Lake Sharon Drive Extension project.

WHEREAS, Attachment B, Schedule of Fees limits the maximum amount payable of the contract to \$281,800; and

WHEREAS, Supplemental Agreements No. 1 through No. 5 revised the contract amount to \$324,700; and

WHEREAS, it has become necessary to further amend the contract;

AGREEMENT

NOW THEREFORE, premises considered, the City and the Engineer agree that said contract is amended as follows:

I. Exhibit A, Scope of Services, is amended to add the following services and cost:

Additional Construction Services

II. The maximum amount payable under this contract is increased by \$27,550 from \$324,700 to **\$352,250**.

All other provisions are unchanged and remain in full force and effect.

IN WITNESS WHEREOF, the City and the Engineer have executed this supplemental agreement in duplicate.

By: 
Signature

Gary L. Vickery, P.E.
Printed Name

Principal
Title

Sept. 7, 2017
Date

By: _____
Signature

Printed Name

Title

Date

**CONTRACT FOR ENGINEERING SERVICES
SUPPLEMENTAL AGREEMENT NO. 6**

Attachment A

Scope of Work:

The scope of the original agreement included very limited site visits during construction, and preparation of as-built drawings based on information provided to the Consultant by the City.

This amendment is to expand the scope of construction support services as follows:

- Review shop drawings and submittals
- Assist the City Engineer with project coordination
- Attend progress meetings (assumed monthly)
- Prepare and process change orders as needed
- Visit the project site monthly
- Attend two coordination meetings related to the UTRWD water line bypass
- Evaluate the water line bypass work plan
- Participate in a final walk-thru and preparation of a punch list

In addition, this supplemental agreement covers printing of plans and specifications for the City and for UTRWD as requested.

Construction support services will be provided on a time and materials basis. The amount of the supplemental agreement is only an estimate, and will be affected by both the Contractor and the needs of the City. The Consultant cannot assure the City that the charges for construction support services will not exceed the amount shown herein. The Consultant will notify the City in advance of exceeding the amount shown.

City Council Regular and Workshop Session

Meeting Date: 09/21/2017
Title: UDC Amendment Security for Completion of Improvements
Submitted For: Fred Gibbs, Director
Submitted By: Barbara Cabbage, Planning & Development Manager
City Manager Review: Approval: Bob Hart, City Manager

AGENDA ITEM

Consider and act on an ordinance amending the Subdivision Regulations being a part of the Unified Development Code (UDC) Ordinance No. 13-05-02-08, as amended, Section 3.04.05 E Security for Completion of Improvements.

AGENDA ITEM SUMMARY/BACKGROUND

APPROVAL PROCESS

Amendments to the Subdivision Regulations of the Unified Development Code, are considered by the Planning and Zoning Commission and a recommendation is made to City Council. City Council will consider the item for final action.

PUBLIC NOTIFICATION

Legal notification is not required for text amendments to the Subdivision Regulations. Consideration is held in open meetings before both the Planning and Zoning Commission and for final approval through City Council.

AGENDA ITEM DESCRIPTION

The Unified Development Code was adopted by City Council in May 2013 after a yearlong review period. Since then, staff has kept an ongoing list of proposed updates that need to be addressed. These updates will help improve the predictability and flexibility of the City's development process. Staff held a workshop with City Council on July 20, 2017 regarding the proposed amendments and was requested to move forward with the adoption of the UDC amendments.

Letter of Credit: Currently the UDC only accepts letters of credit from banks in Dallas or Denton Counties. This requirement has caused some delay when moving projects forward. After receiving Council direction, staff has proposed to allow the letter of credit to be from any bank nationwide, allowing to have a venue in Denton County, in case we should litigate for any reason. This change will also allow more speed and predictability in the development process.

ZONING

N/A

COMPREHENSIVE PLAN FUTURE LAND USE DESIGNATION

N/A

FINANCIAL SUMMARY

Source of Funding: No funding is required.

RECOMMENDATION

STAFF RECOMMENDATION

Planning and Zoning Commission recommended approval of the item 5-0.

Staff recommends approval of the proposed amendment.

Attachments

UDC Amend Letter of Credit

ORDINANCE NO. 17-09-21-___

AN ORDINANCE AMENDING SECTION 3.04.05 OF THE CORINTH UNIFIED DEVELOPMENT CODE TO AMEND IRREVOCABLE LETTER OF CREDIT REQUIREMENTS; PROVIDING FOR PUBLICATION; PROVIDING A REPEALER AND SEVERABILITY CLAUSE; PROVIDING FOR A PENALTY; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Corinth is a home rule city acting under its charter adopted by the electorate pursuant to Article XI, Section 5 of the Texas Constitution and Chapter 9 of the Local Government Code; and

WHEREAS, the City is authorized to adopt regulations governing the development of land within the City and its extraterritorial jurisdiction in the interest of the public health, safety and welfare of its citizens; and

WHEREAS, the City adopted the Unified Development Code which provides that a final plat may not be approved without completion of all required public improvements unless a development agreement is executed and the developer posts financial security for the completion of the improvements; and

WHEREAS, it is the intent of the Corinth City Council to amend the Unified Development Code by adding the State of Texas from which a Letter of Credit may be drawn to enhance the development process; and

WHEREAS, City staff recommends the Unified Development Code be amended to provide for the State of Texas where the bank's Letter of Credit, if chosen as the developer's method of financial security, may be drawn and the City Council has considered such recommendation and desires to amend the Unified Development Code; **NOW THEREFORE**,

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

SECTION 1.

That Section 3, Subdivision Regulations, Subsection 3.04, Construction Plans & Procedures, Paragraph 3.04.05, Development Agreements and Security for Completion, of the Corinth Unified Development Code is hereby amended by amendment to Subparagraph 3.04.05(E)(1)(b) so that it shall hereafter be and read as follows:

“3.04.05 Development Agreement and Security for Completion

...

E. Security for Completion of Improvements

1. Type of Security

...

- b.** A single irrevocable standby letter of credit issued by a federally insured bank licensed to do business in the State of Texas. The letter of credit must state that the issuer will honor drafts or other demands for payment upon compliance with the conditions specified in the letter of credit; it must not expire prior to two (2) years

from the date of Plat Approval by the City; and must state the governing law and venue for any disputes be in Denton, Texas.”

SECTION 2.

That all ordinances of the City in direct conflict with the provisions of this Ordinance are hereby repealed and all other ordinances of the City not in conflict with the provisions of this Ordinance shall remain in full force and effect, to the extent provided by law.

SECTION 3.

Should any paragraph, sentence, clause, phrase or section of this Ordinance be adjudged or held to be unconstitutional, illegal or invalid, the same shall not affect the validity of this Ordinance as a whole or any part or provision thereof, other than the part so declared to be invalid, illegal or unconstitutional, and shall not affect the validity of this Ordinance as a whole.

SECTION 4.

The City Secretary of the City of Corinth is directed to publish the caption, publication clause and effective date of this Ordinance to the extent required by law.

SECTION 5.

Any person, firm or corporation who violates any provision of this Ordinance or the Code of Ordinances, as amended hereby, shall be subject to a fine not to exceed the sum of five hundred dollars (\$500.00) for each offense, and each and every day any such offense shall continue shall be deemed to constitute a separate offense, provided, however, that in all cases involving violation of any provision of this ordinance or Code of Ordinances, as amended hereby, governing the fire safety or public health shall be subject to a fine not to exceed the sum of two thousand dollars (\$2,000.00) for each offense.

SECTION 6.

This Ordinance shall be in full force and effect from and after its passage and publications as required by law, and it is so ordained.

PASSED AND APPROVED ON THIS _____ DAY OF _____, 2017.

The Honorable Bill Heidemann, Mayor

ATTEST:

Ordinance #17-09-21-__
Amend UDC
Letter of Credit_Counties

Kimberly Pence, City Secretary

APPROVED AS TO FORM:

Mack Reinwand, City Attorney

City Council Regular and Workshop Session

Meeting Date: 09/21/2017
Title: UDC Amendment Site Plan Approval
Submitted For: Fred Gibbs, Director
Submitted By: Barbara Cabbage, Planning & Development Manager
City Manager Review: Approval: Bob Hart, City Manager

AGENDA ITEM

PUBLIC HEARING: To hear public opinion regarding amending the Comprehensive Zoning Ordinance being a part of the Unified Development Code (UDC) Ordinance No. 13-05-02-08, as amended, Section 2.10.08 Site Plans.

BUSINESS: Consider and act on an ordinance amending the Comprehensive Zoning Ordinance being a part of the Unified Development Code (UDC) Ordinance No. 13-05-02-08, as amended, Section 2.10.08 Site Plans.

AGENDA ITEM SUMMARY/BACKGROUND

APPROVAL PROCESS

A zoning text amendment does not include change or modify the boundaries of any zoning districts. The Planning and Zoning Commission after a Public Hearing will recommend to City Council for consideration. City Council through a Public Hearing will consider the item for action. Notification of the hearing will be placed in the City's official newspaper prior to City Council.

PUBLIC NOTIFICATION

Notification by newspaper is required with the zoning text amendment process.

AGENDA ITEM DESCRIPTION

The Unified Development Code was adopted by City Council in May 2013 after a yearlong review period. Since then, staff has kept an ongoing list of proposed updates that need to be addressed. These updates will help improve the predictability and flexibility of the City's development process. Staff held a workshop with City Council on July 20, 2017 regarding the proposed amendments and was requested to move forward with the adoption of the UDC amendments.

Site Plan Process: The following amendment will allow for speed and predictability of the site plan process. Currently it can take up to two months just to get through the process of P&Z and City Council. With the proposed changes, staff will have the approval authority with waiver and appeal authority going to P&Z and City Council.

ZONING

N/A

COMPREHENSIVE PLAN FUTURE LAND USE DESIGNATION

N/A

FINANCIAL SUMMARY

Source of Funding: No funding is required.

RECOMMENDATION

STAFF RECOMMENDATION

Planning and Zoning Commission recommended approval of the item 5-0.

Staff recommends approval of the proposed amendment.

Attachments

Amend UDC 2.10.08 Site Plan

Ordinance Amend UDC 2.10.08 Site Plan



2.10.08. Site Plans

A. Purpose

The purpose of the Site Plan process is to establish a procedure for coordinating and verifying improvements to properties. Through Site Plan review, zoning standards and other applicable municipal standards or ordinances that may apply to specific site development can be uniformly implemented by the City for townhome, multi-family, and nonresidential development. This process is intended to promote, among other items, the efficient and harmonious use of land, safe and efficient vehicular and pedestrian circulation, parking and loading, lighting, screening, open space, landscaping, and natural features.

B. Applicability

1. Processing and Timing: Two Different Types of Site Plans Exist

a. Site Plans Related to Rezoning Applications

i. Requirement

No [Zoning Map Amendment \(Rezoning\)](#) Application shall be approved for any applicable zoning district unless a [Site Plan](#) is approved at the time of rezoning Application.

ii. Rezoning Applications Requiring Site Plans

In order to approve a [Zoning Map Amendment \(Rezoning\)](#) Application, a Site Plan shall be submitted as a part of rezoning Application for the following zoning districts.

- (a) MX-D, Mixed Density Residential Zoning District
- (b) MF-1, Multi-Family Residential Zoning District
- (c) MF-2, Multi-Family Residential Zoning District
- (d) MF-3, Multi-Family Residential Zoning District
- (e) MX-R, Mixed Use Residential
- (f) MX-C, Mixed Use Commercial
- (g) Specific Use Permit (SUP)

b. Site Plans Related to Building Permits or any On-Site Construction/Development

i. Requirement

No building permit shall be issued for any applicable developments or any on-site construction/development activity shall occur unless a [Site Plan](#) is first approved by the City.

ii. Nonresidential Development Requiring Site Plans

- (a) All nonresidential development within the City's corporate limits, except as provided in [2.10.08. D Site Plan Exempted Development](#), below, require an approved Site Plan.
- (b) Parking lot development, reconstruction, or reconfiguration of more than twenty (20) spaces requires an approved Site Plan.

iii. Residential Development Requiring Site Plans

- (a) All residential development within the [MX-D, Mixed Density Residential](#) zoning district requires an approved Site Plan.
- (b) Residential development having more than two dwelling units, including attached single family housing, townhomes, and condominiums requires an approved Site Plan.

2. Public Hearings

A public hearing on a Site Plan is not required unless a site plan is prepared in conjunction with a rezoning Application.

3. Effect

No certificate of occupancy shall be issued unless all construction and development conform to the Site Plan as approved by the City.

C. Approval and Process

1. Site Plans Related to Rezoning Applications

The approval of a Site Plan (SP) related to a rezoning Application requires the following:

- a. Review by the [Development Review Committee](#),
- b. A recommended action by [Planning and Zoning Commission](#) for the Council's consideration, and
- c. Approval by the [City Council](#).

2. Site Plans Related to Building Permits or any On-Site Construction/Development

The approval of a Site Plan (SP) related to a building permit or construction/development Application requires the following:

- a. Review by the [Development Review Committee](#),
- b. A recommended action by [Planning and Zoning Commission](#) for the Council's consideration, and
- c. Approval by the [City Council](#).

3. Site Plan Process Overview

The purpose of the Site Plan process is to:

- a. Ensure compliance with adopted City development regulations and other applicable regulations that apply to the property for which the City has enforcement responsibility;
- b. Promote safe, efficient and harmonious use of land through application of City-adopted design standards and guidelines;
- c. Promote the vision established by the Comprehensive Plan;
- d. Ensure adequate public facilities to serve development;
- e. Coordinate and document the design of public and private improvements to be constructed;
- f. Prevent or mitigate adverse development impacts, including overcrowding and congestion;
- g. Aid evaluation and coordination of land subdivision, including the granting of easements, Right-of-Way, development agreements and provision of surety;
- h. Identify and address environmental concerns (floodplain, drainage, trees, topography, etc.); and
- i. Promote the public health, safety and welfare.

D. Site Plan Exempted Development



The following types of development are exempted from the requirements of this [2.10.08. Site Plans](#):

- a. Agricultural buildings; and
- b. A [Temporary Building for New Construction](#) as permitted by [2.07.03. Use Chart](#).

E. Submission of Site Plan Applications

1. Coordinating Official

Applications for approval of plans required by this Section [2.10.08. Site Plans](#) must be submitted to the Director of Planning.

2. Calendar of Official Processing Dates

A calendar of official processing dates for items requiring [DRC](#) review, [Planning and Zoning Commission](#) recommendation, and [City Council](#) approval pursuant to this Section [2.10.08. Site Plans](#) shall be published by the City thirty (30) calendar days prior to the beginning of each calendar year.

3. Late Application Processing Date

All Applications required by this Section [2.10.08. Site Plans](#) filed on a date other than an official processing date shall be processed according to the schedule established by the subsequent official processing date appearing on the calendar after the filing date and after the date of receipt of the Application.

4. Other Regulations for Applications

Applications are also governed by [Subsection 2.02 Zoning Submittal and Processing Procedures](#).

F. Fees, Forms and Procedures

1. Schedule of Fees

The fees relating to the Site Plan approval process shall be established by the [Fee Schedule](#).

2. Delinquent Taxes

No Site Plan shall be approved for properties with delinquent City taxes.

3. Procedures, Forms and Standards

The Director of Planning shall establish procedures, forms and standards with regard to the content, format and number of copies of information constituting an Application for a Site Plan.

G. Site Plan

1. Site Plan Application Procedure and Requirements

a. Site Plan Pre-Application

i. Before preparing a [Site Plan](#), the [Applicant](#) may meet with the [Director of Planning](#) to allow the Applicant to learn the general procedures for approval and to review the concept of the proposed development, if desired by Applicant.

ii. No Application for a permit may be submitted to or accepted for filing with the Director of Planning during the meeting.

b. Site Plan General Application

The property owner or authorized agent shall file an Application for the approval of a Site Plan. This Application shall include the information listed on the Site Plan [Application Form](#) and Checklist, which shall be created and maintained by the Director of Planning.



c. Site Plan Additional Requirements

The following plans shall be submitted with a [Site Plan Application](#) and approval is necessary prior to final authorization for development:

- i. Final Plat or Replat,
- ii. Engineering plans or Construction Plans,
- iii. Traffic Impact Analysis ([3.05.04. D](#)), if applicable,
- iv. Tree Preservation Plan, if applicable,
- v. Traffic Circulation Study, if required,
- vi. Landscape plans,
- vii. Flood Study, if required, or
- viii. Other approvals as required by ordinance or resolution.

d. Site Plan Standards of Approval

i. City Council Approval

The [City Council](#), using the review and approval process outlined in Section [2.10.08. C.1](#) and [2.10.08. C.2](#), may approve, conditionally approve, table or deny a Site Plan based upon the criteria listed below.

ii. Approval Criteria

- (a) Conformance with the Comprehensive Plan and adopted design guidelines.
- (b) Compliance with the UDC Zoning Regulations and other applicable regulations and previously approved, valid plans for the property.
- (c) The design and location of off-street parking and loading facilities to ensure that all such spaces are usable and are safely arranged.
- (d) The width, grade and location of streets designed to accommodate prospective traffic and to provide access for firefighting and emergency equipment to buildings.
- (e) The use of landscaping and screening to provide adequate buffers to shield lights, noise, movement or activities from adjacent properties when necessary, and to complement the design and location of buildings and be integrated into the overall site design.
- (f) The location, size and configuration of open space areas to ensure that such areas are suitable for intended recreation and conservation uses.
- (g) Protection and conservation of soils from erosion by wind or water or from excavation or grading.
- (h) Protection and conservation of water courses and areas subject to flooding.
- (i) The adequacy of streets, water, drainage, wastewater, storm water facilities, garbage disposal and other utilities necessary for essential services to residents and occupants.
- (j) The design of adjacent public street improvements and Right-of-Way including existing or proposed deceleration lanes, median openings and left turn bays, location of driveways, drive aisles, cross access between internal developments, and access to properties adjacent to the subject site.
- (k) The City shall not take action on a Site Plan for property where City taxes are delinquent.

e. Site Plan Effect

- i. Approval of a [Site Plan](#) is the City's authorization to apply for approval of building permits and to receive approval of engineering plans.
- ii. During the time the Site Plan remains valid, the City shall not apply any additional requirements concerning building placement, streets, drives, parking, landscaping or screening.
- iii. Site Plan approval is separate and distinct from other permits and approvals as may be required by the City and other regulatory agencies.
- iv. Approval of a Site Plan shall not affect other applicable regulations concerning development and land use.
- v. Except where authorized by ordinance, a Site Plan may not be used to approve a variance to development regulations.
- vi. Where an approved plan conflicts with an adopted regulation and no [Zoning Variance](#) or [Zoning Special Exception](#) is expressly approved, the regulation shall apply.

f. Site Plan Lapse

- i. Two (2) Year Effective Period
 - (a) The approval of a Site Plan shall be effective for a period of two (2) years from the date of filing of the Application with the Director of Planning. At the end of this time, the Site Plan shall expire unless the Applicant demonstrates to the Director of Planning that progress has been made towards completion of the project for which the Site Plan was approved.
 - (b) Submission and receipt of approval of engineering plans and building permits prior to expiration of the Site Plan shall be evidence of progress towards completion.
 - (c) However, if engineering plans and permits have been approved only for a portion of the property or if the progress towards completion is only for a portion of the property and/or improvements, the Site Plan for the remaining property and/or improvements shall expire.
- ii. Expired Site Plans
 - (a) For all expired Site Plans, the Applicant shall be required to submit a new Site Plan subject to the then existing regulations (see [2.10.08. G.1 Site Plan Application Procedure and Requirements](#)).
 - (b) Site Plan approval shall expire upon completion of the improvements shown on the plan. Permits must remain valid during the construction process.
 - (c) Subsequent additional development, site modifications and redevelopment shall be permitted in accordance with [2.10.08. J Additional Development and Redevelopment](#) and shall be considered a new project subject to the then existing ordinances, laws and regulations of the City.



H. Site Plan Amendments

As changes are proposed to an approved Site Plan (SP), an Applicant shall comply with the following review and approval processes.

1. Updates During Construction Plan Reviews
 - a. Updates made to a Site Plan based on modifications made during construction plan review shall be incorporated into the approved Site Plan.
 - b. The Applicant shall submit [Record Drawings](#) prior to final acceptance for approval by the Director of Planning.
2. Substantially Conforming Site Plan (SCSP)
 - a. This plan shall include, but is not limited to, corrections of distances and dimensions, adjustments of building configuration and placement, increase in building area not to exceed 1,000 square feet, changes to utility locations, modifications to the number or size of meters, and the addition or removal of twenty (20) or fewer parking spaces, and the addition of cellular antenna ground-mounted equipment where the use has been approved.
 - b. The [SCSP](#) shall be reviewed and approved or denied by the [Director of Planning](#).
 - c. An [Applicant](#) may appeal the denial of an [SCSP](#) to the [City Council](#) in accordance to the following.
 - i. Appeal of a Substantially Conforming Site Plan Decision made by the Director of Planning
 - (a) The Applicant or four (4) members of City Council may appeal the decision regarding a SCSP by submitting a written notice of appeal to the Director of Planning.
 - (i) The Applicant must submit said written notice of appeal no later than thirty (30) business days from the date of such decision by the Director of Planning.
 - (ii) The City Council shall consider and act on whether it will appeal the Director of Planning's decision no later than thirty (30) business days from the date of such decision or at the City Council's first regular meeting (for which there is time to post an agenda as required by law) that occurs after the Director of Planning's decision, whichever is later.
 - (iii) Written notice of the City Council's vote to appeal shall be submitted to the Director of Planning within seven (7) calendar days of the City Council's vote.
 - (b) The City Council shall consider the appeal at a public meeting no later than forty-five (45) calendar days after the date on which the notice of appeal is submitted to the Director of Planning.
 - (c) The City Council may affirm, modify, or reverse the Site Plan decision made by the Director of Planning.
 - d. The expiration shall be the same date of the originally approved Site Plan. In cases where a Site Plan has already expired, the [SCSP](#) shall expire six (6) months from the date of approval during which time all permits shall be issued for construction.
 - e. Any construction plans and building plans associated with the project that have been submitted or approved shall be updated accordingly with the approval.
 - f. Depending on the changes proposed, other approvals may be required, such as Landscape Plans, platting, etc.
3. Revised Site Plan (SP)
 - a. This revised Site Plan shall include, but is not limited to, realignments of drive aisles and fire lanes, increase in building area of 1,000 square feet or more, increase of building

height, decrease in the proximity to an adjacent (off-site) residential use, and the addition or removal of more than 20 parking spaces.

- b. The revised Site Plan shall be considered a new project and shall be evaluated under the regulations in effect at the time the Application is submitted.
- c. The revised plan requires approval by the [City Council](#).
- d. The revised Site Plan shall expire two (2) years from the date of [City Council](#) approval.
- e. Construction Plans and building plans associated with the project that have been submitted or approved shall be updated accordingly with the approval. The construction of the modified improvements shall not occur until after the approval of a revised Site Plan.
- f. Depending on the changes proposed, other approvals may be required, such as but not limited to Landscape Plans and plats.

I. Revocation of Site Plan Approval

The City Council may revoke approval of a Site Plan if it determines that the conditions of the approval have not been met or if the plan contains, or is based upon, incorrect information or if it is determined that it was obtained using fraud or deceit.

J. Additional Development and Redevelopment

1. Additional Development, Site Modifications, or Redevelopment

Following the completion of improvements shown on an approved Site Plan, additional development, site modifications, or redevelopment of the site shall be permitted subject to the approval of a revised Site Plan, which shall be considered a new project and shall require submittal of a revised Site Plan and the approval of the City Council under the regulations, requirements and procedures then in effect.

2. Minor Expansions and Redevelopment

Minor expansions and redevelopment may be approved by the Director of Planning under the terms of [2.10.08. H Site Plan Amendments](#).

K. Design Standards and Specifications

The following design standards and specifications, as they exist or may be amended, are required in addition to the design standards and specification set forth in this UDC:

1. Zoning Regulations;
2. Subdivision Regulations;
3. Fire Code;
4. Engineering Standards;
5. Any design standards and specifications approved by the City Council following the enactment of this provision; and
6. Building Code.

ORDINANCE NO. 17-09-21-___

AN ORDINANCE AMENDING SECTION 2.10.08 OF THE CORINTH UNIFIED DEVELOPMENT CODE TO AMEND APPROVAL REQUIREMENTS FOR SITE PLANS; PROVIDING FOR PUBLICATION; PROVIDING A REPEALER AND SEVERABILITY CLAUSE; PROVIDING FOR A PENALTY; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Corinth is a home rule city acting under its charter adopted by the electorate pursuant to Article XI, Section 5 of the Texas Constitution and Chapter 9 of the Local Government Code; and

WHEREAS, the City is authorized to adopt regulations governing the development of land within the City and its extraterritorial jurisdiction in the interest of the public health, safety and welfare of its citizens; and

WHEREAS, the City adopted the Unified Development Code which provides that a site plan be required as part of the development process; and

WHEREAS, it is the intent of the Corinth City Council to amend the Unified Development Code by amending the site plan process to enhance the development process; and **NOW THEREFORE**,

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

SECTION 1.

That Section 2, Zoning Regulations, Subsection 2.10, Zoning Procedures, Paragraph 2.10.08, Site Plans, of the Corinth Unified Development Code is hereby amended by modifying the approval of Site Plans related to building permits by amendment to Subparagraphs 2.10.08(B)(1)(b)(i), 2.10.08(C)(2)(b)-(c), 2.10.08(G)(1)(d)(i), 2.10.08(H)(3)(c)-(d), 2.10.08(I), and 2.10.08(J)(1) so that they shall hereafter be and read as follows:

“2.10.08 Site Plans

...

B. Applicability

1. Processing and Timing: Two Different Types of Site Plans Exist

...

b. Site Plans Related to Building Permits or any On-Site Construction/Development.

i. Requirement. No building permit shall be issued for any applicable development or any on-site construction/development activity shall occur unless a Site Plan is first:

(a) Reviewed by the Development Review Committee; and

(b) Approved by the Director of Planning

...

C. Approval and Process

...

2. Site Plans Related to Building Permits or any On-Site Construction/Development. The approval of a Site Plan (SP) related to a building permit or construction/development Application requires the following:

- a. Review by the Development Review Committee
- b. Approval by the Director of Planning

...

G. Site Plan

1. Site Plan Application Procedure and Requirements

...

d. Site Plan Standards of Approval

i. Director of Planning Approval and City Council Approval.

The Director of Planning using the review and approval process outlined in Section 2.10.08.C1 and 2.10.08.C2, may approve, conditionally approve, refer to City Council for approval, or deny a Site Plan based upon the criteria listed below. If the Director of Planning denies approval of the Site Plan, the applicant may appeal the determination to the City Council following the appeal procedure for Substantially Conforming Site Plan appeals.

Site Plans Requiring City Council Approval: Upon referral from the Director of Planning or the applicant's appeal of the denial of the Site Plan, City Council using the review and approval process outlined in Section 2.10.08. C1 and 2.10.08. C2, may approve, conditionally approve, or deny a Site Plan based upon the criteria listed below.

...

H. Site Plan Amendments As changes are proposed to an approved Site Plan (SP), an Applicant shall comply with the following review and approval processes.

...

3. Revised Site Plan (SP)

...

c. The revised plan requires approval by the Director of Planning.

d. The revised Site Plan shall expire two (2) years from the date of approval.

...

I. Revocation of Site Plan Approval The Director of Planning or City Council, when applicable, may revoke approval of a Site Plan if it determines that the conditions of the approval have not been met or if the plan contains, or is based upon, incorrect information or if it is determined that it was obtained using fraud or deceit. If the Director of Planning revokes approval of the Site Plan, the applicant may appeal the determination to the City Council following the appeal procedure for Substantially Conforming Site Plan appeals.

J. Additional Development and Redevelopment

1. Additional Development, Site Modifications, or Redevelopment. Following the completion of improvements shown on an approved Site Plan, additional development, site modifications, or redevelopment of the site shall be permitted subject to the approval of a revised Site Plan, which shall be considered a new project and shall require submittal of a revised Site Plan and the approval of the Director of Planning under the regulations, requirements and procedures then in effect.”

SECTION 2.

That all ordinances of the City in direct conflict with the provisions of this Ordinance are hereby repealed and all other ordinances of the City not in conflict with the provisions of this Ordinance shall remain in full force and effect, to the extent provided by law.

SECTION 3.

Should any paragraph, sentence, clause, phrase or section of this Ordinance be adjudged or held to be unconstitutional, illegal or invalid, the same shall not affect the validity of this Ordinance as a whole or any part or provision thereof, other than the part so declared to be invalid, illegal or unconstitutional, and shall not affect the validity of this Ordinance as a whole.

SECTION 4.

The City Secretary of the City of Corinth is directed to publish the caption, publication clause and effective date of this Ordinance to the extent required by law.

SECTION 5.

Any person, firm or corporation who violates any provision of this Ordinance or the Code of Ordinances, as amended hereby, shall be subject to a fine not to exceed the sum of five hundred dollars (\$500.00) for each offense, and each and every day any such offense shall continue shall be deemed to constitute a separate offense, provided, however, that in all cases involving violation of any provision of this ordinance or Code of Ordinances, as amended hereby, governing the fire safety or public health shall be subject to a fine not to exceed the sum of two thousand dollars (\$2,000.00) for each offense.

SECTION 6.

This Ordinance shall be in full force and effect from and after its passage and publications as required by law, and it is so ordained.

PASSED AND APPROVED ON THIS _____ DAY OF _____, 2017.

The Honorable Bill Heidemann, Mayor

ATTEST:

Kimberly Pence, City Secretary

APPROVED AS TO FORM:

Mack Reinwand, City Attorney

City Council Regular and Workshop Session

Meeting Date: 09/21/2017
Title: Adopt the Annual Budget
Submitted For: Lee Ann Bunselmeyer, Director
Submitted By: Lee Ann Bunselmeyer, Director
Finance Review: N/A **Legal Review:** Yes
City Manager Review: Bob Hart, City Manager

AGENDA ITEM

Consider and act on an Ordinance adopting the 2017-2018 Annual Budget and appropriating resources for the budget year beginning October 1, 2017.

AGENDA ITEM SUMMARY/BACKGROUND

This item is to adopt and appropriate funds for the FY 2017-2018 budget. Prior to this meeting, the City followed Truth-in-Taxation public notice requirements, held two public hearings on the tax rate and one public hearing on the proposed budget. Interested taxpayers were given the opportunity to provide feedback on the tax rate and proposed budget.

The annual budget for FY 2017-2018 continues to provide the financial resources to support our community need and is developed based on the Strategic Plan and the following guiding principles:

- * Perform all budgetary functions in complete and open transparency
- * Reduce tax rate when possible while maintaining service levels
- * Be fiscally responsible while meeting city departmental needs
- * Maintain reserves in accordance with statutory requirements and financial policies.
- * Use fund balance only for one-time expenditures or for temporary budgetary stabilization in an economic downturn.

The FY 2017-2018 budget includes total resources of \$37,225,958 and expenditures of \$37,077,867. Changes to City Manager proposed general fund budget includes the following:

Revenue

Elimination of SAFER Grant revenue for 6 Firefighter positions - \$107,122

Expenditures

Elimination of 6 firefighter positions - \$166,080
Elimination of Hiring costs for 6 firefighter positions - \$61,687
Elimination of Council/Board Compensation - \$588
Elimination of DPS Lab Testing Fees - \$20,800

RECOMMENDATION

I move to approve an ordinance adopting the Fiscal Year 2017-2018 Annual Budget and appropriating resources for the fiscal year beginning October 1, 2017 and ending September 30, 2018.

Attachments

Ordinance

Chris ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF CORINTH, ADOPTING A BUDGET AND THE FIRST YEAR OF THE CAPITAL IMPROVEMENT PLAN AND APPROPRIATING RESOURCES FOR THE BUDGET YEAR BEGINNING OCTOBER 1, 2017 AND ENDING SEPTEMBER 30, 2018, FOR THE CITY OF CORINTH, INCLUDING OPERATION OF GENERAL GOVERNMENT, THE WATER / WASTEWATER UTILITY FUND, THE STORM WATER UTILITY FUND, THE STREET MAINTENANCE SALES TAX FUND, THE DEBT SERVICE FUND, THE ECONOMIC DEVELOPMENT CORPORATION FUND, THE CRIME CONTROL AND PREVENTION DISTRICT FUNDS AND VARIOUS SPECIAL REVENUE FUNDS; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, pursuant to the laws of the State of Texas and the City Charter, the budget covering proposed expenditures for the fiscal year beginning October 1, 2017 and ending September 30, 2018 was filed with the City Secretary; and

WHEREAS, the City Council conducted budget workshops on the proposed budget on August 2nd, August 10th, August 17th, August 24th, and August 31st 2017 and fully considered the proposed budget; and

WHEREAS, in accordance with the provisions of the City Charter and the Local Government Code, the City Council of the City of Corinth, Texas published notice of and conducted a public hearing on the budget on September 7th, 2017;

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

SECTION 1.

That the City Council adopts the budget for the City of Corinth, Texas, a copy of which is on file in the office of the City Secretary and incorporated herein by reference as if copied verbatim and which is hereinafter referred to as the “budget”, for the fiscal year beginning October 1, 2017 and ending September 30, 2018.

SECTION 2.

That the sum of Eighteen Million Two Hundred Twenty Two Thousand Four Hundred and Seventy Two Dollars (\$18,222,472) is hereby appropriated out of the General Fund revenues for the payment of operating expenses of the City Government, as set forth in the budget.

SECTION 3.

That the sum of Two Million Two Hundred Ninety Nine Thousand Five Hundred and Fifty Two Dollars (\$2,299,552) is hereby appropriated out of the General Debt Service Fund revenues and reserve for the payment of the annual general debt service requirements, as set forth in the budget.

SECTION 4.

That the sum of Three Hundred Eighty Five Thousand Six Hundred and Sixty Six Dollars (\$385,660) is hereby appropriated out of the Street Maintenance Sales Tax Fund revenues for the payment of street maintenance operating expenses, as set forth in the budget.

SECTION 5.

That the sum of Twelve Million Six Hundred Fifty Seven Thousand and Seven Dollars (\$12,657,007) is hereby appropriated out of the Water/Wastewater Utility Fund revenues for the payment of operating expenses of the Water/Wastewater Utility Fund, as set forth in the budget.

SECTION 6.

That the sum of Seven Hundred Twenty One Thousand Eight Hundred and Sixty Seven Dollars (\$721,867) is hereby appropriated out of the Storm Water Utility Fund revenues for the payment of operating expenses of the Storm Water Utility Fund, as set forth in the budget.

SECTION 7.

That the sum of Seven Hundred Fifty Four Thousand Eight Hundred and Twenty Eight Dollars (\$754,828) is hereby appropriated out of the Economic Development Corporation revenues for the payment of operating expenses of the Economic Development Corporation, as set forth in the budget.

SECTION 8.

That the sum of Three Hundred Twelve Thousand Four Hundred and Thirteen Dollars (\$312,413) is hereby appropriated out of the Crime Control & Prevention District revenues for the payment of operating expenses of the Crime Control & Prevention District, as set forth in the budget.

SECTION 9.

That the sum of Four Hundred Thousand Dollars (\$400,000) is hereby appropriated out of the Water Impact Fee Fund revenues for the payment of operating expenses of the Water Impact Fee Fund, as set forth in the budget.

SECTION 10.

That the sum of Three Hundred Thousand Dollars (\$300,000) is hereby appropriated out of the Roadway Impact Fee Fund revenues for the payment of operating expenses of the Roadway Impact Fee Fund, as set forth in the budget.

SECTION 11.

That the sum of One Million Two Hundred Seventy Three Thousand Two Hundred and Thirty Three Dollars (\$1,273,233) is hereby appropriated out of the following Special Revenue Funds for the payment of operating expenses, as set forth in the budget.

Hotel Occupancy Tax	\$103,532
Keep Corinth Beautiful	\$ 5,000
Child Safety Program	\$26,956
Municipal Court Security	\$7,500
Municipal Court Technology	\$25,238
Park Development	\$40,000
Community Park Improvement	\$34,000
Tree Mitigation	\$5,000
Technology Replacement	\$78,400
Fire Department Vehicle Replacement	\$358,880
General Fund Vehicle Replacement	\$148,526
Utility Vehicle & Equipment Replacement	\$40,201
Utility Meter Replacement	\$400,000

SECTION 12.

That the City Council approves the first year of the Capital Improvement Program Budget, as set forth in the budget.

SECTION 13.

This Ordinance shall take effect from and after its adoption.

PASSED AND APPROVED BY A VOTE OF AT LEAST TWO-THIRDS OF THE CITY COUNCIL ON THE 21st DAY OF SEPTEMBER, 2017.

Bill Heidemann, Mayor

ATTEST:

Kimberly Pence, City Secretary

APPROVED AS TO FORM AND LEGALITY:

City Attorney

City Council Regular and Workshop Session

Meeting Date: 09/21/2017
Title: Adopt Tax Rate
Submitted For: Lee Ann Bunselmeyer, Director
Submitted By: Lee Ann Bunselmeyer, Director
Finance Review: N/A **Legal Review:** Yes
City Manager Review: Bob Hart, City Manager

AGENDA ITEM

Consider and act on an Ordinance levying and adopting the tax rate for the 2017-2018 Fiscal Year.

AGENDA ITEM SUMMARY/BACKGROUND

The proposed tax rate of \$0.55000 per \$100 valuation is used to balance the FY 2017-2018 Budget. The tax rate is above the estimated effective tax rate of \$0.53686. As required by Property Tax Code Section 26.05(d), the City held two public hearings on the proposed tax increase on August 24, 2017 and September 7, 2017. Additionally, the *Notice of 2017 Tax Year Proposed Property Tax Rate* for the City of Corinth was published in the Denton Record Chronicle on Tuesday, August 15, 2017.

The proposed property tax rate should generate \$10,739,601 in property tax revenue to support the general fund and the debt service fund. The distribution of the tax rate and property tax revenue is as follows:

Fund	Tax Rate	Tax Revenue
General Fund	\$0.44105	\$8,612,184
Debt Service Fund	\$0.10895	2,127,417
Total	\$0.55000	\$10,739,601

RECOMMENDATION

Proposed Motion:

I move to approve an ordinance that the property tax rate be increased by the adoption of a tax rate of \$0.55000 per \$100 assessed valuation, which is effectively a 2.56% increase in the tax rate.

Attachments

Ordinance

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF CORINTH, TEXAS LEVYING AD VALOREM TAXES AND A TAX RATE FOR THE OPERATION OF CITY GOVERNMENT FOR THE YEAR 2017-18; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Council of the City of Corinth finds that a tax rate of \$.55000 per \$100 valuation for the year, hereinafter levied for current expenses of the City and general improvements of the City and its property, must be levied to provide the revenue requirements of the budget for the ensuing year; and

WHEREAS, all statutory and constitutional requirements for the levy and assessment of ad valorem taxes have been completed in due and correct time and all requirements of the Corinth City Charter have been met; **NOW, THEREFORE**,

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

Section 1.

The City Council does hereby levy a tax upon all taxable property in the City and adopt the tax rate on \$100 assessed valuation for the City for maintenance and operation of the City government for the tax year as follows:

.44105/\$100

Section 2.

The City Council does hereby levy and adopt the tax rate on \$100 assessed valuation for the City for debt service for City government for the tax year as follows:

.10895/\$100

Section 3.

As required by TEX. TAX CODE sec. 26.05, the following statements are included:

THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE.

THE TAX RATE WILL EFFECTIVELY BE RAISED BY 7.92 PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$32.38.

Section 4.

Provisions relative to penalties, interest and remedies for the collection of delinquent taxes, as set out in the Charter and the Code of the City of Corinth, Texas, as amended, and the laws of the State of Texas, shall be used in the collection of the taxes levied herein.

Section 5.

This Ordinance is effective upon its adoption.

PASSED AND APPROVED THIS THE 21st DAY OF SEPTEMBER, 2017.

Bill Heidemann, Mayor

ATTEST:

Kimberly Pence, City Secretary

APPROVED AS TO FORM AND LEGALITY:

City Attorney

Ordinance No. _____

City Council Regular and Workshop Session

Meeting Date: 09/21/2017
Title: Approve Tax Rolls
Submitted For: Lee Ann Bunselmeyer, Director
Submitted By: Lee Ann Bunselmeyer, Director
Finance Review: N/A **Legal Review:** Yes
City Manager Review: Bob Hart, City Manager

AGENDA ITEM

Consider and act on an Ordinance approving the 2017 Tax Rolls and accepting the anticipated collection rate of 100 percent for the fiscal year beginning October 1, 2017 and ending September 30, 2018.

AGENDA ITEM SUMMARY/BACKGROUND

The Texas Property Tax Code, Section 26.09 (e) requires that the City Council approve the tax roll as submitted by the Assessor. The Roll is calculated by taking the 2017 Certified Appraisal Roll of \$1,952,654,794 and applying the 2017 adopted tax rate of \$.55000 per \$100 valuation.

Chapter 26 of the Property Tax Code requires municipalities to adopt an estimated collection rate to comply with truth-in-taxation laws in adopting their tax rates. The laws are designed to make tax payers aware of the tax rate proposal.

The anticipated collection rate used for the General Fund and the Debt Service Fund is 100% for the 2017-2018 fiscal year. The collection rate includes the current taxes, delinquent taxes, penalties, and interest.

RECOMMENDATION

Proposed Motion: I move to approve the Ordinance accepting the 2017 Tax roll and to accept the submission of the certified collection rate of 100 percent for the fiscal year beginning October 1, 2017 and ending September 30, 2018.

Attachments

Ordinance

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF CORINTH, TEXAS, APPROVING THE 2017 TAX ROLLS AND PROVIDING AN EFFECTIVE DATE.

THE COUNCIL OF THE CITY OF CORINTH HEREBY ORDAINS:

SECTION 1. The City Council hereby approves the 2017 tax rolls of the City of Corinth, Texas, as approved by the Appraisal Review Board of the Denton Central Appraisal District, which, with amounts of tax as approved by the governing body, will result in a tax levy in the amount of \$10,739,601 based on the Certified Appraisal Roll and raise more revenue from property taxes than in the previous year.

SECTION 2. This ordinance shall become effective immediately upon its passage and approval.

PASSED AND APPROVED this the _____ day of _____, 2017.

Bill Heidemann, Mayor

ATTEST:

Kimberly Pence, City Secretary

APPROVED AS TO FORM AND LEGALITY

City Attorney

BUSINESS ITEM 13.

City Council Regular and Workshop Session

Meeting Date: 09/21/2017

Title: Vote to Ratify Tax Increase

Submitted For: Bob Hart, City Manager

Submitted By: Lee Ann Bunselmeyer,
Director

Finance Review: N/A

Legal Review: Yes

City Manager Review: Bob Hart, City Manager

AGENDA ITEM

Consider vote to ratify the property tax increase reflected in the city's annual budget for FY 2017-2018.

AGENDA ITEM SUMMARY/BACKGROUND

Section 107.003 (c) of the Texas Local Government Code states that adoption of a budget that will require raising more revenue from property taxes than in the previous year requires a separate vote of the governing body to ratify the property tax increase reflected in the budget. A vote under this section of the code must be separate from the vote to adopt the budget or a vote to set the tax rate.

RECOMMENDATION

Proposed Motion:

I move to ratify the property tax increase reflected in the city's annual budget for FY 2017-2018.

City Council Regular and Workshop Session

Meeting Date: 09/21/2017

Title: Enterprise Fleet Mgmt Program

Submitted For: Bob Hart, City Manager

Submitted By: Lee Ann Bunselmeyer,
Director

City Manager Review: Approval: Bob Hart, City Manager

AGENDA ITEM

Consider and act on a master agreement with Enterprise Fleet Management to finance and manage the replacement of the city's fleet.

AGENDA ITEM SUMMARY/BACKGROUND

The City established an Internal Service Fund to accumulate sufficient resources to replace existing vehicles and equipment that had reached or exceeded their useful life. The internal program was designed for departments to contribute annual payments to the fund based on the number, type, average life expectancy, and the projected replacement of the vehicles/equipment. The intent was for funds to be managed to purchase City vehicles and equipment in a manner that would not create a burden on the City budgets. Currently the City has 67 vehicles, of which 32 are eight years and older. However, due to funding constraints, the City has never been able to adequately support the fund. Further, 13 vehicles are underutilized and should be eliminated from the fleet.

Staff has continued to examine alternatives for the financing and maintenance of vehicles consistent with the philosophy of an internal service fund for vehicle replacement. The Enterprise Fleet Management is a turn-key program designed for municipalities to finance and manage the replacement of the city's fleet.

RECOMMENDATION

Staff recommends approval of the master agreement with Enterprise Fleet Management and the authorized signature certificate.

Attachments


Authorized Signature Certificate

Master Agreement

Fleet Proposal

Authorized Signature Certificate

The undersigned hereby certifies (i) that he is the duly appointed "Title" for City of Corinth hereafter known as "The Entity", (ii) that he is authorized by The Entity to execute and deliver on behalf of The Entity to Enterprise Fleet Management, hereafter known as "Enterprise" a Texas statutory trust ("Lessor") and the Master Equity Lease Agreement between Enterprise and the Entity the ("Lessee"), and (iii) that the following individuals are authorized and empowered on behalf of and in the name of The Entity to execute and deliver to Enterprise Schedules to the Lease for individual motor vehicles, together with any other necessary documents in connection with those Schedules:

<u>Name</u>	<u>Title</u>	<u>Signature</u>
<u>Bob Hart</u>	<u>CITY Manager</u>	<u></u>
<u>Lee Ann Bunselmeyer</u>	<u>Director of Finance</u>	<u></u>
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Federal ID #: 75-1453222

Date: June 15, 2017



940-498-3200
www.cityofcorinth.com

City of Corinth
3300 Corinth Parkway

Fax: 940-498-3232
Corinth, TX 76208

June 15, 2017

Jennifer Bertram
Enterprise Fleet Management
1420 W. Mockingbird Lane, Ste. 640
Dallas, TX 75234

Dear Jennifer Bertram:

After review and evaluation of the Fleet Management piggybacking TIPS RFP #2072816, City of Corinth is pleased to award this proposal to Enterprise Fleet Management.

The contract agreement to be prepared as a result of this award will be one which incorporates by reference all the requirements, terms and conditions of the solicitation and the contract proposal as negotiated.

On behalf of City of Corinth, we thank you and look forward to a mutually beneficial relationship with your company.

Sincerely,

Bob Hart
City Manager

**SELF -INSURANCE ADDENDUM TO MASTER EQUITY LEASE AGREEMENT
(Physical Damage and Liability)**

This Addendum is made to the Master Equity Lease Agreement dated the second day of June, 2017, as amended (the "Agreement"), by and between Enterprise FM Trust, a Delaware statutory trust ("Lessor"), and the lessee whose name is set forth on the signature line below ("Lessee").

This Addendum is attached to and made a part of the Agreement (including each Schedule to the Agreement). All capitalized terms used and not otherwise defined herein shall have the respective meanings ascribed to them in the Agreement.

Notwithstanding the provisions of Section 11 of the Agreement, Lessee shall be permitted to assume and self-insure the risks set forth in Section 11 of the Agreement and shall not be required to purchase or maintain any insurance policy of any kind with respect to any Vehicle; provided, however, that if any Federal, state, local or other law, statute, rule, regulation or ordinance requires Lessee to maintain any amount of insurance with respect to any Vehicle, Lessee shall purchase and maintain such amount of Insurance in the form of an insurance policy which complies in all respects, other than the amount of insurance required, with Section 11 of the Agreement.

Notwithstanding the foregoing, if (1) Lessor, at any time in its good faith judgment, is not satisfied with the condition, prospects or performances, financial or otherwise, of Lessee or (2) any default or event of default occurs under the Agreement, than Lessor may, at its option, revoke this Addendum and terminate Lessee's right to self-insure by providing Lessee with at least thirty (30) days prior written notice thereof. Upon the termination of Lessee's right to self-insure, Lessee shall comply in all respects with Section 11 of the Agreement.

Except as amended hereby, all the terms and provisions of the Agreement shall remain in full force and effect. In the event of any conflict between this Addendum and the Agreement or any of the Schedules, the terms and provisions of this Addendum will govern and control.

LESSEE: City of Corinth

LESSOR: Enterprise FM Trust
By: Enterprise Fleet Management, Inc., its attorney in fact

By:
Title:

By: Phil Bevel
Title: Finance Manager

Date Signed: _____, _____

Date Signed: _____, _____

MASTER EQUITY LEASE AGREEMENT

This Master Equity Lease Agreement is entered into this second day of June, 2017, by and between Enterprise FM Trust, a Delaware statutory trust ("Lessor"), and the lessee whose name and address is set forth on the signature page below ("Lessee").

1. LEASE OF VEHICLES: Lessor hereby leases to Lessee and Lessee hereby leases from Lessor the vehicles (individually, a "Vehicle" and collectively, the "Vehicles") described in the schedules from time to time delivered by Lessor to Lessee as set forth below ("Schedule(s)") for the rentals and on the terms set forth in this Agreement and in the applicable Schedule. References to this "Agreement" shall include this Master Equity Lease Agreement and the various Schedules and addenda to this Master Equity Lease Agreement. Lessor will, on or about the date of delivery of each Vehicle to Lessee, send Lessee a Schedule covering the Vehicle, which will include, among other things, a description of the Vehicle, the lease term and the monthly rental and other payments due with respect to the Vehicle. The terms contained in each such Schedule will be binding on Lessee unless Lessee objects in writing to such Schedule within ten (10) days after the date of delivery of the Vehicle covered by such Schedule. Lessor is the sole legal owner of each Vehicle. This Agreement is a lease only and Lessee will have no right, title or interest in or to the Vehicles except for the use of the Vehicles as described in this Agreement. This Agreement shall be treated as a true lease for federal and applicable state income tax purposes with Lessor having all benefits of ownership of the Vehicles. It is understood and agreed that Enterprise Fleet Management, Inc. or an affiliate thereof (together with any servicer, agent, successor or assign as servicer on behalf of Lessor, "Servicer") may administer this Agreement on behalf of Lessor and may perform the service functions herein provided to be performed by Lessor.

2. TERM: The term of this Agreement ("Term") for each Vehicle begins on the date such Vehicle is delivered to Lessee (the "Delivery Date") and, unless terminated earlier in accordance with the terms of this Agreement, continues for the "Lease Term" as described in the applicable Schedule.

3. RENT AND OTHER CHARGES:

(a) Lessee agrees to pay Lessor monthly rental and other payments according to the Schedules and this Agreement. The monthly payments will be in the amount listed as the "Total Monthly Rental Including Additional Services" on the applicable Schedule (with any portion of such amount identified as a charge for maintenance services under Section 4 of the applicable Schedule being payable to Lessor as agent for Enterprise Fleet Management, Inc.) and will be due and payable in advance on the first day of each month. If a Vehicle is delivered to Lessee on any day other than the first day of a month, monthly rental payments will begin on the first day of the next month. In addition to the monthly rental payments, Lessee agrees to pay Lessor a pro-rated rental charge for the number of days that the Delivery Date precedes the first monthly rental payment date. A portion of each monthly rental payment, being the amount designated as "Depreciation Reserve" on the applicable Schedule, will be considered as a reserve for depreciation and will be credited against the Delivered Price of the Vehicle for purposes of computing the Book Value of the Vehicle under Section 3(c). Lessee agrees to pay Lessor the "Total Initial Charges" set forth in each Schedule on the due date of the first monthly rental payment under such Schedule. Lessee agrees to pay Lessor the "Service Charge Due at Lease Termination" set forth in each Schedule at the end of the applicable Term (whether by reason of expiration, early termination or otherwise).

(b) In the event the Term for any Vehicle ends prior to the last day of the scheduled Term, whether as a result of a default by Lessee, a Casualty Occurrence or any other reason, the rentals and management fees paid by Lessee will be recalculated in accordance with the rule of 78's and the adjusted amount will be payable by Lessee to Lessor on the termination date.

(c) Lessee agrees to pay Lessor within thirty (30) days after the end of the Term for each Vehicle, additional rent equal to the excess, if any, of the Book Value of such Vehicle over the greater of (i) the wholesale value of such Vehicle as determined by Lessor in good faith or (ii) except as provided below, twenty percent (20%) of the Delivered Price of such Vehicle as set forth in the applicable Schedule. If the Book Value of such Vehicle is less than the greater of (i) the wholesale value of such Vehicle as determined by Lessor in good faith or (ii) except as provided below, twenty percent (20%) of the Delivered Price of such Vehicle as set forth in the applicable Schedule, Lessor agrees to pay such deficiency to Lessee as a terminal rental adjustment within thirty (30) days after the end of the applicable Term. Notwithstanding the foregoing, if (i) the Term for a Vehicle is greater than forty-eight (48) months (including any extension of the Term for such Vehicle), (ii) the mileage on a Vehicle at the end of the Term is greater than 15,000 miles per year on average (prorated on a daily basis) (i.e., if the mileage on a Vehicle with a Term of thirty-six (36) months is greater than 45,000 miles) or (iii) in the sole judgment of Lessor, a Vehicle has been subject to damage or any abnormal or excessive wear and tear, the calculations described in the two immediately preceding sentences shall be made without giving effect to clause (ii) in each such sentence. The "Book Value" of a Vehicle means the sum of (i) the "Delivered Price" of the Vehicle as set forth in the applicable Schedule minus (ii) the total Depreciation Reserve paid by Lessee to Lessor with respect to such Vehicle plus (iii) all accrued and unpaid rent and/or other amounts owed by Lessee with respect to such Vehicle.

(d) Any security deposit of Lessee will be returned to Lessee at the end of the applicable Term, except that the deposit will first be applied to any losses and/or damages suffered by Lessor as a result of Lessee's breach of or default under this Agreement and/or to any other amounts then owed by Lessee to Lessor.

(e) Any rental payment or other amount owed by Lessee to Lessor which is not paid within twenty (20) days after its due date will accrue interest, payable on demand of Lessor, from the date due until paid in full at a rate per annum equal to the lesser of (i) Eighteen Percent (18%) per annum or (ii) the highest rate permitted by applicable law (the "Default Rate").

(f) If Lessee fails to pay any amount due under this Agreement or to comply with any of the covenants contained in this Agreement, Lessor, Servicer or any other agent of Lessor may, at its option, pay such amounts or perform such covenants and all sums paid or incurred by Lessor in connection therewith will be repayable by Lessee to Lessor upon demand together with interest thereon at the Default Rate.

(g) Lessee's obligations to make all payments of rent and other amounts under this Agreement are absolute and unconditional and such payments shall be made in immediately available funds without setoff, counterclaim or deduction of any kind. Lessee acknowledges and agrees that neither any Casualty Occurrence to any Vehicle nor any defect, unfitness or lack of governmental approval in, of, or with respect to, any Vehicle regardless of the cause or consequence nor any breach by Enterprise Fleet Management, Inc. of any maintenance agreement between Enterprise Fleet Management, Inc. and Lessee covering any Vehicle regardless of the cause or consequence will relieve Lessee from the performance of any of its obligations under this Agreement, including, without limitation, the payment of rent and other amounts under this Agreement.

4. USE AND SURRENDER OF VEHICLES: Lessee agrees to allow only duly authorized, licensed and insured drivers to use and operate the Vehicles. Lessee agrees to comply with, and cause its drivers to comply with, all laws, statutes, rules, regulations and ordinances and the provisions of all insurance policies affecting or covering the Vehicles or their use or operation. Lessee agrees to keep the Vehicles free of all liens, charges and encumbrances. Lessee agrees that in no event will any Vehicle be used or operated for transporting hazardous substances or persons for hire, for any illegal purpose or to pull trailers that exceed the manufacturer's trailer towing recommendations. Lessee agrees that no Vehicle is intended to be or will be utilized as a "school bus" as defined in the Code of Federal Regulations or any applicable state or municipal statute or regulation. Lessee agrees not to remove any Vehicle from the continental United States without first obtaining Lessor's written consent. At the expiration or earlier termination of this Agreement with respect to each Vehicle, or upon demand by Lessor made pursuant to Section 14, Lessee at its risk and expense agrees to return such Vehicle to Lessor at such place and by such reasonable means as may be designated by Lessor. If for any reason Lessee fails to return any Vehicle to Lessor as and when required in accordance with this Section, Lessee agrees to pay Lessor additional rent for such Vehicle at twice the normal pro-rated daily rent. Acceptance of such additional rent by Lessor will in no way limit Lessor's remedies with respect to Lessee's failure to return any Vehicle as required hereunder.

5. COSTS, EXPENSES, FEES AND CHARGES: Lessee agrees to pay all costs, expenses, fees, charges, fines, tickets, penalties and taxes (other than federal and state income taxes on the income of Lessor) incurred in connection with the titling, registration, delivery, purchase, sale, rental, use or operation of the Vehicles during the Term. If Lessor, Servicer or any other agent of Lessor incurs any such costs or expenses, Lessee agrees to promptly reimburse Lessor for the same.

6. LICENSE AND CHARGES: Each Vehicle will be titled and licensed in the name designated by Lessor at Lessee's expense. Certain other charges relating to the acquisition of each Vehicle and paid or satisfied by Lessor have been capitalized in determining the monthly rental, treated as an initial charge or otherwise charged to Lessee. Such charges have been determined without reduction for trade-in, exchange allowance or other credit attributable to any Lessor-owned vehicle.

7. REGISTRATION PLATES, ETC.: Lessee agrees, at its expense, to obtain in the name designated by Lessor all registration plates and other plates, permits, inspections and/or licenses required in connection with the Vehicles, except for the initial registration plates which Lessor will obtain at Lessee's expense. The parties agree to cooperate and to furnish any and all information or documentation, which may be reasonably necessary for compliance with the provisions of this Section or any federal, state or local law, rule, regulation or ordinance. Lessee agrees that it will not permit any Vehicle to be located in a state other than the state in which such Vehicle is then titled for any continuous period of time that would require such Vehicle to become subject to the titling and/or registration laws of such other state.

8. MAINTENANCE OF AND IMPROVEMENTS TO VEHICLES:

(a) Lessee agrees, at its expense, to (i) maintain the Vehicles in good condition, repair, maintenance and running order and in accordance with all manufacturer's instructions and warranty requirements and all legal requirements and (ii) furnish all labor, materials, parts and other essentials required for the proper operation and maintenance of the Vehicles. Any alterations, additions, replacement parts or improvements to a Vehicle will become and remain the property of Lessor and will be returned with such Vehicle upon such Vehicle's return pursuant to Section 4. Notwithstanding the foregoing, so long as no Event of Default has occurred and is continuing, Lessee shall have the right to remove any additional equipment installed by Lessee on a Vehicle prior to returning such Vehicle to Lessor under Section 4. The value of such alterations, additions, replacement parts and improvements will in no instance be regarded as rent. Without the prior written consent of Lessor, Lessee will not make any alterations, additions, replacement parts or improvements to any Vehicle which detract from its economic value or functional utility. Lessor will not be required to make any repairs or replacements of any nature or description with respect to any Vehicle, to maintain or repair any Vehicle or to make any expenditure whatsoever in connection with any Vehicle or this Agreement.

(b) Lessor and Lessee acknowledge and agree that if Section 4 of a Schedule includes a charge for maintenance, (i) the Vehicle(s) covered by such Schedule are subject to a separate maintenance agreement between Enterprise Fleet Management, Inc. and Lessee and (ii) Lessor shall have no liability or responsibility for any failure of Enterprise Fleet Management, Inc. to perform any of its obligations thereunder or to pay or reimburse Lessee for its payment of any costs and expenses incurred in connection with the maintenance or repair of any such Vehicle(s).

9. SELECTION OF VEHICLES AND DISCLAIMER OF WARRANTIES:

(a) LESSEE ACCEPTANCE OF DELIVERY AND USE OF EACH VEHICLE WILL CONCLUSIVELY ESTABLISH THAT SUCH VEHICLE IS OF A SIZE, DESIGN, CAPACITY, TYPE AND MANUFACTURE SELECTED BY LESSEE AND THAT SUCH VEHICLE IS IN GOOD CONDITION AND REPAIR AND IS SATISFACTORY IN ALL RESPECTS AND IS SUITABLE FOR LESSEE'S PURPOSE. LESSEE ACKNOWLEDGES THAT LESSOR IS NOT A MANUFACTURER OF ANY VEHICLE OR AN AGENT OF A MANUFACTURER OF ANY VEHICLE.

(b) LESSOR MAKES NO REPRESENTATION OR WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, WITH RESPECT TO ANY VEHICLE, INCLUDING, WITHOUT LIMITATION, ANY REPRESENTATION OR WARRANTY AS TO CONDITION, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, IT BEING AGREED THAT ALL SUCH RISKS ARE TO BE BORNE BY LESSEE. THE VEHICLES ARE LEASED "AS IS," "WITH ALL FAULTS." All warranties made by any supplier, vendor and/or manufacturer of a Vehicle are hereby assigned by Lessor to Lessee for the applicable Term and Lessee's only remedy, if any, is against the supplier, vendor or manufacturer of the Vehicle.

(c) None of Lessor, Servicer or any other agent of Lessor will be liable to Lessee for any liability, claim, loss, damage (direct, incidental or consequential) or expense of any kind or nature, caused directly or indirectly, by any Vehicle or any inadequacy of any Vehicle for any purpose or any defect (latent or patent) in any Vehicle or the use or maintenance of any Vehicle or any repair, servicing or adjustment of or to any Vehicle, or any delay in providing or failure to provide any Vehicle, or any interruption or loss of service or use of any Vehicle, or any loss of business or any damage whatsoever and however caused. In addition, none of Lessor, Servicer or any other agent of Lessor will have any liability to Lessee under this Agreement or under any order authorization form executed by Lessee if Lessor is unable to locate or purchase a Vehicle ordered by Lessee or for any delay in delivery of any Vehicle ordered by Lessee.

10. RISK OF LOSS: Lessee assumes and agrees to bear the entire risk of loss of, theft of, damage to or destruction of any Vehicle from any cause whatsoever ("Casualty Occurrence"). In the event of a Casualty Occurrence to a Vehicle, Lessee shall give Lessor prompt notice of the Casualty Occurrence and thereafter will place the applicable Vehicle in good repair, condition and working order; provided, however, that if the applicable Vehicle is determined by Lessor to be lost, stolen, destroyed or damaged beyond repair (a "Totaled Vehicle"), Lessee agrees to pay Lessor no later than the date thirty (30) days after the date of the Casualty Occurrence the amounts owed under Sections 3(b) and 3(c) with respect to such Totaled Vehicle. Upon such payment, this Agreement will terminate with respect to such Totaled Vehicle.

11. INSURANCE:

(a) Lessee agrees to purchase and maintain in force during the Term, insurance policies in at least the amounts listed below covering each Vehicle, to be written by an insurance company or companies satisfactory to Lessor, insuring Lessee, Lessor and any other person or entity designated by Lessor against any damage, claim, suit, action or liability:

(i) Commercial Automobile Liability Insurance (including Uninsured/Underinsured Motorist Coverage and No-Fault Protection where required by law) for the limits listed below (Note - \$2,000,000 Combined Single Limit Bodily Injury and Property Damage with No Deductible is required for each Vehicle capable of transporting more than 8 passengers):

<u>State of Vehicle Registration</u>	<u>Coverage</u>
Connecticut, Massachusetts, Maine, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont	\$1,000,000 Combined Single Limit Bodily Injury and Property Damage - No Deductible
Florida	\$500,000 Combined Single Limit Bodily Injury and Property Damage or \$100,000 Bodily Injury Per Person, \$300,000 Per Occurrence and \$50,000 Property Damage (100/300/50) - No Deductible
All Other States	\$300,000 Combined Single Limit Bodily Injury and Property Damage or \$100,000 Bodily Injury Per Person, \$300,000 Per Occurrence and \$50,000 Property Damage (100/300/50) - No Deductible

(ii) Physical Damage Insurance (Collision & Comprehensive): Actual cash value of the applicable Vehicle. Maximum deductible of \$500 per occurrence - Collision and \$250 per occurrence - Comprehensive).

If the requirements of any governmental or regulatory agency exceed the minimums stated in this Agreement, Lessee must obtain and maintain the higher insurance requirements. Lessee agrees that each required policy of insurance will by appropriate endorsement or otherwise name Lessor and any other person or entity designated by Lessor as additional insureds and loss payees, as their respective interests may appear. Further, each such insurance policy must provide the following: (i) that the same may not be cancelled, changed or modified until after the insurer has given to Lessor, Servicer and any other person or entity designated by Lessor at least thirty (30) days prior written notice of such proposed cancellation, change or modification, (ii) that no act or default of Lessee or any other person or entity shall affect the right of Lessor, Servicer, any other agent of Lessor or any of their respective successors or assigns to recover under such policy or policies of insurance in the event of any loss of or damage to any Vehicle and (iii) that the coverage is "primary coverage" for the protection of Lessee, Lessor, Servicer, any other agent of Lessor and their respective successors and assigns notwithstanding any other coverage carried by Lessee, Lessor, Servicer, any other agent of Lessor or any of their respective successors or assigns protecting against similar risks. Original certificates evidencing such coverage and naming Lessor, Servicer, any other agent of Lessor and any other person or entity designated by Lessor as additional insureds and loss payees shall be furnished to Lessor prior to the Delivery Date, and annually thereafter and/or as reasonably requested by Lessor from time to time. In the event of default, Lessee hereby appoints Lessor, Servicer and any other agent of Lessor as Lessee's attorney-in-fact to receive payment of, to endorse all checks and other documents and to take any other actions necessary to pursue insurance claims and recover payments if Lessee fails to do so. Any expense of Lessor, Servicer or any other agent of Lessor in adjusting or collecting insurance shall be borne by Lessee.

Lessee, its drivers, servants and agents agree to cooperate fully with Lessor, Servicer, any other agent of Lessor and any insurance carriers in the investigation, defense and prosecution of all claims or suits arising from the use or operation of any Vehicle. If any claim is made or action commenced for death, personal injury or property damage resulting from the ownership, maintenance, use or operation of any Vehicle, Lessee will promptly notify Lessor of such action or claim and forward to Lessor a copy of every demand, notice, summons or other process received in connection with such claim or action.

(b) Notwithstanding the provisions of Section 11(a) above: (i) if Section 4 of a Schedule includes a charge for physical damage waiver, Lessor agrees that (A) Lessee will not be required to obtain or maintain the minimum physical damage insurance (collision and comprehensive) required under Section 11(a) for the Vehicle(s) covered by such Schedule and (B) Lessor will assume the risk of physical damage (collision and comprehensive) to the Vehicle(s) covered by such Schedule; provided, however, that such physical damage waiver shall not apply to, and Lessee shall be and remain liable and responsible for, damage to a covered Vehicle caused by wear and tear or mechanical breakdown or failure, damage to or loss of any parts, accessories or components added to a covered Vehicle by Lessee without the prior written consent of Lessor and/or damage to or loss of any property and/or personal effects contained in a covered Vehicle. In the event of a Casualty Occurrence to a covered Vehicle, Lessor may, at its option, replace, rather than repair, the damaged Vehicle with an equivalent vehicle, which replacement vehicle will then constitute the "Vehicle" for purposes of this Agreement; and (ii) if Section 4 of a Schedule includes a charge for commercial automobile liability enrollment, Lessor agrees that it will, at its expense, obtain for and on behalf of Lessee, by adding Lessee as an additional insured under a commercial automobile liability insurance policy issued by an insurance company selected by Lessor, commercial automobile liability insurance satisfying the minimum commercial automobile liability insurance required under Section 11(a) for the Vehicle(s) covered by such Schedule. Lessor may at any time during the applicable Term terminate said obligation to provide physical damage waiver and/or commercial automobile liability enrollment and cancel such physical damage waiver and/or commercial automobile liability enrollment upon giving Lessee at least ten (10) days prior written notice. Upon such cancellation, insurance in the minimum amounts as set forth in 11(a) shall be obtained and maintained by Lessee at Lessee's expense. An adjustment will be made in monthly rental charges payable by Lessee to reflect any such change and Lessee agrees to furnish Lessor with satisfactory proof of insurance coverage within ten (10) days after mailing of the notice. In addition, Lessor may change the rates charged by Lessor under this Section 11(b) for physical damage waiver and/or commercial automobile liability enrollment upon giving Lessee at least thirty (30) days prior written notice.

12. INDEMNITY: To the extent permitted by state law, Lessee agrees to defend and indemnify Lessor, Servicer, any other agent of Lessor and their respective successors and assigns from and against any and all losses, damages, liabilities, suits, claims, demands, costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) which Lessor, Servicer, any other agent of Lessor or any of their respective successors or assigns may incur by reason of Lessee's breach or violation of, or failure to observe or perform, any term, provision or covenant of this Agreement, or as a result of any loss, damage, theft or destruction of any Vehicle or related to or arising out of or in connection with the use, operation or condition of any Vehicle. The provisions of this Section 12 shall survive any expiration or termination of this Agreement. Nothing herein shall be deemed to affect the rights, privileges, and immunities of Lessee and the foregoing indemnity provision is not intended to be a waiver of any sovereign immunity afforded to Lessee pursuant to the law.

13. INSPECTION OF VEHICLES; ODOMETER DISCLOSURE; FINANCIAL STATEMENTS: Lessee agrees to accomplish, at its expense, all inspections of the Vehicles required by any governmental authority during the Term. Lessor, Servicer, any other agent of Lessor and any of their respective successors or assigns will have the right to inspect any Vehicle at any reasonable time(s) during the Term and for this purpose to enter into or upon any building or place where any Vehicle is located. Lessee agrees to comply with all odometer disclosure laws, rules and regulations and to provide such written and signed disclosure information on such forms and in such manner as directed by Lessor. Providing false information or failure to complete the odometer disclosure form as required by law may result in fines and/or imprisonment. Lessee hereby agrees to promptly deliver to Lessor such financial statements and other financial information regarding Lessee as Lessor may from time to time reasonably request.

14. DEFAULT; REMEDIES: The following shall constitute events of default ("Events of Default") by Lessee under this Agreement: (a) if Lessee fails to pay when due any rent or other amount due under this Agreement and any such failure shall remain unremedied for ten (10) days; (b) if Lessee fails to perform, keep or observe any term, provision or covenant contained in Section 11 of this Agreement; (c) if Lessee fails to perform, keep or observe any other term, provision or covenant contained in this Agreement and any such failure shall remain unremedied for thirty (30) days after written notice thereof is given by Lessor, Servicer or any other agent of Lessor to Lessee; (d) any seizure or confiscation of any Vehicle or any other act (other than a Casualty Occurrence) otherwise rendering any Vehicle unsuitable for use (as determined by Lessor); (e) if any present or future guaranty in favor of Lessor of all or any portion of the obligations of Lessee under this Agreement shall at any time for any reason cease to be in full force and effect or shall be declared to be null and void by a court of competent jurisdiction, or if the validity or enforceability of any such guaranty shall be contested or denied by any guarantor, or if any guarantor shall deny that it, he or she has any further liability or obligation under any such guaranty or if any guarantor shall fail to comply with or observe any of the terms, provisions or conditions contained in any such guaranty; (f) the occurrence of a material adverse change in the financial condition or business of Lessee or any guarantor; or (g) if Lessee or any guarantor is in default under or fails to comply with any other present or future agreement with or in favor of Lessor, The Crawford Group, Inc. or any direct or indirect subsidiary of The Crawford Group, Inc.. For purposes of this Section 14, the term "guarantor" shall mean any present or future guarantor of all or any portion of the obligations of Lessee under this Agreement.

Upon the occurrence of any Event of Default, Lessor, without notice to Lessee, will have the right to exercise concurrently or separately (and without any election of remedies being deemed made), the following remedies: (a) Lessor may demand and receive immediate possession of any or all of the Vehicles from Lessee, without releasing Lessee from its obligations under this Agreement; if Lessee fails to surrender possession of the Vehicles to Lessor on default (or termination or expiration of the Term), Lessor, Servicer, any other agent of Lessor and any of Lessor's independent contractors shall have the right to enter upon any premises where the Vehicles may be located and to remove and repossess the Vehicles; (b) Lessor may enforce performance by Lessee of its obligations under this Agreement; (c) Lessor may recover damages and expenses sustained by Lessor, Servicer, any other agent of Lessor or any of their respective successors or assigns by reason of Lessee's default including, to the extent permitted by applicable law, all costs and expenses, including court costs and reasonable attorneys' fees and expenses, incurred by Lessor, Servicer, any other agent of Lessor or any of their respective successors or assigns in attempting or effecting enforcement of Lessor's rights under this Agreement (whether or not litigation is commenced) and/or in connection with bankruptcy or insolvency proceedings; (d) upon written notice to Lessee, Lessor may terminate Lessee's rights

under this Agreement; (e) with respect to each Vehicle, Lessor may recover from Lessee all amounts owed by Lessee under Sections 3(b) and 3(c) of this Agreement (and, if Lessor does not recover possession of a Vehicle, (i) the estimated wholesale value of such Vehicle for purposes of Section 3(c) shall be deemed to be \$0.00 and (ii) the calculations described in the first two sentences of Section 3(c) shall be made without giving effect to clause (ii) in each such sentence); and/or (f) Lessor may exercise any other right or remedy which may be available to Lessor under the Uniform Commercial Code, any other applicable law or in equity. A termination of this Agreement shall occur only upon written notice by Lessor to Lessee. Any termination shall not affect Lessee's obligation to pay all amounts due for periods prior to the effective date of such termination or Lessee's obligation to pay any indemnities under this Agreement. All remedies of Lessor under this Agreement or at law or in equity are cumulative.

15. ASSIGNMENTS: Lessor may from time to time assign, pledge or transfer this Agreement and/or any or all of its rights and obligations under this Agreement to any person or entity. Lessee agrees, upon notice of any such assignment, pledge or transfer of any amounts due or to become due to Lessor under this Agreement to pay all such amounts to such assignee, pledgee or transferee. Any such assignee, pledgee or transferee of any rights or obligations of Lessor under this Agreement will have all of the rights and obligations that have been assigned to it. Lessee's rights and interest in and to the Vehicles are and will continue at all times to be subject and subordinate in all respects to any assignment, pledge or transfer now or hereafter executed by Lessor with or in favor of any such assignee, pledgee or transferee, provided that Lessee shall have the right of quiet enjoyment of the Vehicles so long as no Event of Default under this Agreement has occurred and is continuing. Lessee acknowledges and agrees that the rights of any assignee, pledgee or transferee in and to any amounts payable by the Lessee under any provisions of this Agreement shall be absolute and unconditional and shall not be subject to any abatement whatsoever, or to any defense, setoff, counterclaim or recoupment whatsoever, whether by reason of any damage to or loss or destruction of any Vehicle or by reason of any defect in or failure of title of the Lessor or interruption from whatsoever cause in the use, operation or possession of any Vehicle, or by reason of any indebtedness or liability howsoever and whenever arising of the Lessor or any of its affiliates to the Lessee or to any other person or entity, or for any other reason.

Without the prior written consent of Lessor, Lessee may not assign, sublease, transfer or pledge this Agreement, any Vehicle, or any interest in this Agreement or in and to any Vehicle, or permit its rights under this Agreement or any Vehicle to be subject to any lien, charge or encumbrance. Lessee's interest in this Agreement is not assignable and cannot be assigned or transferred by operation of law. Lessee will not transfer or relinquish possession of any Vehicle (except for the sole purpose of repair or service of such Vehicle) without the prior written consent of Lessor.

16. MISCELLANEOUS: This Agreement contains the entire understanding of the parties. This Agreement may only be amended or modified by an instrument in writing executed by both parties. Lessor shall not by any act, delay, omission or otherwise be deemed to have waived any of its rights or remedies under this Agreement and no waiver whatsoever shall be valid unless in writing and signed by Lessor and then only to the extent therein set forth. A waiver by Lessor of any right or remedy under this Agreement on any one occasion shall not be construed as a bar to any right or remedy, which Lessor would otherwise have on any future occasion. If any term or provision of this Agreement or any application of any such term or provision is invalid or unenforceable, the remainder of this Agreement and any other application of such term or provision will not be affected thereby. Giving of all notices under this Agreement will be sufficient if mailed by certified mail to a party at its address set forth below or at such other address as such party may provide in writing from time to time. Any such notice mailed to such address will be effective one (1) day after deposit in the United States mail, duly addressed, with certified mail, postage prepaid. Lessee will promptly notify Lessor of any change in Lessee's address. This Agreement may be executed in multiple counterparts (including facsimile and pdf counterparts), but the counterpart marked "ORIGINAL" by Lessor will be the original lease for purposes of applicable law. All of the representations, warranties, covenants, agreements and obligations of each Lessee under this Agreement (if more than one) are joint and several.

17. SUCCESSORS AND ASSIGNS; GOVERNING LAW: Subject to the provisions of Section 15, this Agreement will be binding upon Lessee and its heirs, executors, personal representatives, successors and assigns, and will inure to the benefit of Lessor, Servicer, any other agent of Lessor and their respective successors and assigns. This Agreement will be governed by and construed in accordance with the substantive laws of the State of Missouri (determined without reference to conflict of law principles).

18. NON-PETITION: Each party hereto hereby covenants and agrees that, prior to the date which is one year and one day after payment in full of all indebtedness of Lessor, it shall not institute against, or join any other person in instituting against, Lessor any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings or other similar proceeding under the laws of the United States or any state of the United States. The provisions of this Section 18 shall survive termination of this Master Equity Lease Agreement.

19. NON-APPROPRIATION: Lessee's funding of this Agreement shall be on a Fiscal Year basis and is subject to annual appropriations. Lessor acknowledges that Lessee is a municipal corporation, is precluded by the County or State Constitution and other laws from entering into obligations that financially bind future governing bodies, and that, therefore, nothing in this Agreement shall constitute an obligation of future legislative bodies of the County or State to appropriate funds for purposes of this Agreement. Accordingly, the parties agree that the lease terms within this Agreement or any Schedules relating hereto are contingent upon appropriation of funds. The parties further agree that should the County or State fail to appropriate such funds, the Lessor shall be paid all rentals due and owing hereunder up until the actual day of termination. In addition, Lessor reserves the right to be paid for any reasonable damages. These reasonable damages will be limited to the losses incurred by the Lessor for having to sell the vehicles on the open used car market prior to the end of the scheduled term (as determined in Section 3 and Section 14 of this Agreement).

IN WITNESS WHEREOF, Lessor and Lessee have duly executed this Master Equity Lease Agreement as of the day and year first above written.

LESSEE: City of Corinth

LESSOR: Enterprise FM Trust
By: Enterprise Fleet Management, Inc., its attorney in fact

By:
Title:

By: Phil Bevel
Title: Finance Manager

Address: 3300 Corinth Pkwy.
Corinth, TX 76208

Address: 1420 W. Mockingbird Lane, Ste. 640
Dallas, TX 75247

Date Signed: _____, _____

Date Signed: _____, _____

AMENDMENT TO MASTER EQUITY LEASE AGREEMENT

THIS AMENDMENT ("Amendment") dated this ____ day of June, 2017 is attached to, and made a part of, the MASTER EQUITY LEASE AGREEMENT entered into on the ____ day of June, 2017 ("Agreement") by and between Enterprise FM Trust, a Delaware statutory trust ("Lessor") and City of Corinth ("Lessee"). This Amendment is made for good and valuable consideration, the receipt of which is hereby acknowledged by the parties.

Section 3(b) of the Master Equity Lease Agreement is amended to read as follows:

In the event the Term for any Vehicle ends prior to the last day of the scheduled Term, whether as a result of a default by Lessee, a Casualty Occurrence or any other reason, the rentals and management fees paid by Lessee will be recalculated in accordance with the rule of 78's and the adjusted amount which have accrued to the date of termination will be payable by Lessee to Lessor on the termination date.

Section 3(e) of the Master Equity Lease Agreement is amended to read as follows:

Any rental payment or other amount owed by Lessee to Lessor which is not paid within thirty (30) days after its due date will accrue interest, payable on demand of Lessor, from the date due until paid in full at a rate per annum equal to the lesser of (i) Twelve Percent (12%) per annum or (ii) the highest rate permitted by applicable law (the "Default Rate").

Section 3(g) of the Master Equity Lease Agreement is amended to read as follows:

Upon acceptance of the Vehicle, Lessee's obligations to make all payments of rent and other amounts under this Agreement are absolute and unconditional and such payments shall be made in immediately available funds without setoff, counterclaim or deduction of any kind. Lessee acknowledges and agrees that neither any Casualty Occurrence to any Vehicle nor any defect, unfitness or lack of governmental approval in, of, or with respect to, any Vehicle regardless of the cause or consequence nor any breach by Enterprise Fleet Management, Inc. of any maintenance agreement between Enterprise Fleet Management, Inc. and Lessee covering any Vehicle regardless of the cause or consequence will relieve Lessee from the performance of any of its obligations under this Agreement, including, without limitation, the payment of rent and other amounts under this Agreement.

Section 4 of the Master Equity Lease Agreement is amended to read as follows:

Lessee agrees to allow only duly authorized, licensed and insured drivers to use and operate the Vehicles. Lessee agrees to comply with, and cause its drivers to comply with, all laws, statutes, rules, regulations and ordinances and the provisions of all insurance policies affecting or covering the Vehicles or their use or operation. Lessee agrees to keep the Vehicles free of all liens, charges and encumbrances. Lessee agrees that in no event will any Vehicle be used or operated for transporting hazardous substances or persons for hire, for any illegal purpose or to pull trailers that exceed the manufacturer's trailer towing recommendations. For purposes of this agreement, hazardous substances shall be defined as any substance that requires an Environmental Protection Agency (EPA) placard or additional insurance to transport such substance. Lessee agrees that no Vehicle is intended to be or will be utilized as a "school bus" as defined in the Code of Federal Regulations or any applicable state or municipal statute or regulation. Lessee agrees not to remove any Vehicle from the continental United States without first obtaining Lessor's written consent. At the expiration or earlier termination of this Agreement with respect to each Vehicle, or upon demand by Lessor made pursuant to Section 14, Lessee at its risk and expense agrees to return such Vehicle to Lessor at such place and by such reasonable means as may be designated by Lessor. If for any reason Lessee fails to return any Vehicle to Lessor as and when required in accordance with this Section, Lessee agrees to pay Lessor additional rent for such Vehicle at the normal pro-rated daily rent. Acceptance of such additional rent by Lessor will in no way limit Lessor's remedies with respect to Lessee's failure to return any Vehicle as required hereunder.

Section 9(c) of the Master Equity Lease Agreement is amended to add the following paragraph:

In the event Lessee notifies Lessor of any claim or dispute under this Agreement, and/or any claim involving the Vehicle, Lessor will, in good faith, attempt to resolve the Lessee's claims in a manner satisfactory to all parties and Lessor will provide commercially reasonable assistance to Lessee in any communications and/or negotiations with the Vehicle's manufacturer with respect to claims relating to such Vehicle.

Section 11(a)(ii) of the Master Equity Lease Agreement is amended to read as follows:

Physical Damage Insurance (Collision & Comprehensive): Actual cash value of the applicable Vehicle.
Maximum deductible of \$1,000 per occurrence - Collision and \$1,000 per occurrence - Comprehensive).

Section 11(a)(ii), first paragraph of the Master Equity Lease Agreement is amended to read as follows:

If the requirements of any governmental or regulatory agency exceed the minimums stated in this Agreement, Lessee must obtain and maintain the higher insurance requirements. Lessee agrees that each required policy of insurance will be by appropriate endorsement or otherwise name Lessor and any other person or entity designated by Lessor as additional insureds and loss payees, as their respective interests may appear. Further, each such insurance policy must provide the following: (i) that the same may not be cancelled, changed or modified until after the Lessee has given to Lessor, Servicer and any other person or entity designated by Lessor at least thirty (30) days prior written notice of such proposed cancellation, change or modification, (ii) that no act or default of Lessee or any other person or entity shall affect the right of Lessor, Servicer, any other agent of Lessor or any of their respective successors or assigns to recover under such policy or policies of insurance in the event of any loss of or damage to any Vehicle and (iii) that the coverage is "primary coverage" for the protection of Lessee, Lessor, Servicer, any other agent of Lessor and their respective successors and assigns notwithstanding any other coverage carried by Lessee, Lessor, Servicer, any other agent of Lessor or any of their respective successors or assigns protecting against similar risks. Original certificates evidencing such coverage and naming Lessor, Servicer, any other agent of Lessor and any other person or entity designated by Lessor as additional insureds and loss payees shall be furnished to Lessor prior to the Delivery Date, and annually thereafter and/or as reasonably requested by Lessor from time to time. In the event of default, Lessee hereby appoints Lessor, Servicer and any other agent of Lessor as Lessee's attorney-in-fact to receive payment of, to endorse all checks and other documents and to take any other actions necessary to pursue insurance claims and recover payments if Lessee fails to do so. Any expense of Lessor, Servicer or any other agent of Lessor in adjusting or collecting insurance shall be borne by Lessee.

Section 12 of the Master Equity Lease Agreement is amended to read as follows:

INDEMNITY: Lessee is a unit of local government of the State of Texas and is subject to, and must comply with, the applicable provisions of the Texas Tort Claims Act, as set out in Civil Practices and Remedies Code, Section 101.001 et. seq. and the remedies authorized therein regarding claims or causes of action that may be asserted by breach of this Agreement. To the extent permitted by Texas law and except in the event of the negligence or willful misconduct of Servicer (or any other agent of Lessor), Lessee agrees to defend and indemnify Lessor, Servicer, any other agent of Lessor and their respective successors and assigns from and against any and all losses, damages, liabilities, suits, claims, demands, costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) which Lessor, Servicer, any other agent of Lessor or any of their respective successors or assigns may incur by reason of Lessee's breach or violation of, or failure to observe or perform, any term, provision or covenant of this Agreement, or as a result of any loss, damage, theft or destruction of any Vehicle or related to or arising out of or in connection with the use, operation or condition of any Vehicle. The provisions of this Section 12 shall survive any expiration or termination of this Agreement. Nothing herein shall be deemed to affect the rights, privileges, and immunities of Lessee and the foregoing indemnity provision is not intended, nor shall it be construed by Lessor or any other party, to be a waiver of any sovereign, governmental or other applicable immunity afforded to Lessee pursuant to Texas law.

Section 13 of the Master Equity Lease Agreement is amended to read as follows:

Lessee agrees to accomplish, at its expense, all inspections of the Vehicles required by any governmental authority during the Term. Lessor, Servicer, any other agent of Lessor and any of their respective successors or assigns will have the right, after providing 24 hours' notice to Lessee, to inspect any Vehicle at any reasonable time(s) during the Term and for this purpose to enter into or upon any building or place where any Vehicle is located. Lessee agrees to comply with all odometer disclosure laws, rules and regulations and to provide such written and signed disclosure information on such forms and in such manner as directed by Lessor. Providing false information or failure to complete the odometer disclosure form as required by law may result in fines and/or imprisonment. Lessee hereby agrees to promptly deliver to Lessor such financial statements and other financial information regarding Lessee as Lessor may from time to time reasonably request.

Section 14, first paragraph of the Master Equity Lease Agreement is amended to read as follows:

The following shall constitute events of default ("Events of Default") by Lessee under this Agreement: (a) if Lessee fails to pay when due any rent or other amount due under this Agreement and any such failure shall remain unremedied for ten (10) days after written notice thereof is given by Lessor, Servicer or any other agent of Lessor to Lessee; (b) if Lessee fails to perform, keep or observe any term, provision or covenant contained in Section 11 of

this Agreement; (c) if Lessee fails to perform, keep or observe any other term, provision or covenant contained in this Agreement and any such failure shall remain unremedied for thirty (30) days after written notice thereof is given by Lessor, Servicer or any other agent of Lessor to Lessee; (d) any seizure or confiscation of any Vehicle or any other act (other than a Casualty Occurrence) otherwise rendering any Vehicle unsuitable for use (as determined by Lessor); (e) if any present or future guaranty in favor of Lessor of all or any portion of the obligations of Lessee under this Agreement shall at any time for any reason cease to be in full force and effect or shall be declared to be null and void by a court of competent jurisdiction, or if the validity or enforceability of any such guaranty shall be contested or denied by any guarantor, or if any guarantor shall deny that it, he or she has any further liability or obligation under any such guaranty or if any guarantor shall fail to comply with or observe any of the terms, provisions or conditions contained in any such guaranty; or (f) the occurrence of a material adverse change in the financial condition or business of Lessee or any guarantor; For purposes of this Section 14, the term "guarantor" shall mean any present or future guarantor of all or any portion of the obligations of Lessee under this Agreement.

Section 16 of the Master Equity Lease Agreement is amended to read as follows:

This Agreement contains the entire understanding of the parties. This Agreement may only be amended or modified by an instrument in writing executed by both parties. Lessor shall not by any act, delay, omission or otherwise be deemed to have waived any of its rights or remedies under this Agreement and no waiver whatsoever shall be valid unless in writing and signed by Lessor and then only to the extent therein set forth. A waiver by Lessor of any right or remedy under this Agreement on any one occasion shall not be construed as a bar to any right or remedy, which Lessor would otherwise have on any future occasion. If any term or provision of this Agreement or any application of any such term or provision is invalid or unenforceable, the remainder of this Agreement and any other application of such term or provision will not be affected thereby. Giving of all notices under this Agreement will be sufficient if mailed by certified mail to a party at its address set forth below or at such other address as such party may provide in writing from time to time. Any such notice mailed to such address will be effective three (3) days after deposit in the United States mail, duly addressed, with certified mail, postage prepaid. Lessee will promptly notify Lessor of any change in Lessee's address. This Agreement may be executed in multiple counterparts (including facsimile and pdf counterparts), but the counterpart marked "ORIGINAL" by Lessor will be the original lease for purposes of applicable law. All of the representations, warranties, covenants, agreements and obligations of each Lessee under this Agreement (if more than one) are joint and several.

Section 17 of the Master Equity Lease Agreement is amended to read as follows:

Subject to the provisions of Section 15, this Agreement will be binding upon Lessee and its heirs, executors, personal representatives, successors and assigns, and will inure to the benefit of Lessor, Servicer, any other agent of Lessor and their respective successors and assigns. This Agreement will be governed by and construed in accordance with the substantive laws of the State of Texas (determined without reference to conflict of law principles). Any litigation arising out of this Agreement shall be filed in a court of competent jurisdiction in Denton County, Texas.

Section 19 of the Master Equity Lease Agreement is amended to read as follows:

NON-APPROPRIATION: Notwithstanding any provision in this Agreement to the contrary, Lessee's funding of this Agreement shall be on a Fiscal Year basis and is subject to annual appropriations. Lessor acknowledges that Lessee is a municipal Corporation, and being a unit of government, is precluded by the **Texas State Constitution** and other laws from entering into obligations that financially bind future governing bodies, and that, therefore, nothing in this Agreement shall constitute an obligation of future legislative bodies of the City, County, or State to appropriate funds for purposes of this Agreement. Accordingly, the parties agree that the lease terms within this Agreement or any Schedules relating hereto are contingent upon appropriation of funds by the City, County, or State. The parties further agree that should the City, County, or State fail to appropriate such funds, the Lessor shall be paid all rentals due and owing hereunder up until the actual day of termination. In addition, the parties agree that Lessor may recover the losses incurred by the Lessor for having to sell the vehicles on the open used car market prior to the end of the scheduled term (as determined in Section 3 and Section 14 of this Agreement).

All references in the Agreement and in the various Schedules and addenda to the Agreement and any other references of similar import shall henceforth mean the Agreement as amended by this Amendment. Except to the extent specifically amended by this Amendment, all of the terms, provisions, conditions, covenants, representations and warranties contained in the Agreement shall be and remain in full force and effect and the same are hereby ratified and confirmed.

IN WITNESS WHEREOF, Lessor and Lessee have executed this Amendment to Master Equity Lease Agreement as of the _____ day of June, 2017.

City of Corinth (Lessee)

By _____

Title: _____

Enterprise FM Trust (Lessor)
By: Enterprise Fleet Management, Inc., its attorney in fact

By _____

Title: _____

MAINTENANCE AGREEMENT

This Maintenance Agreement (this "Agreement") is made and entered into this second day of June, 2017, by Enterprise Fleet Management, Inc., a Missouri corporation ("EFM"), and City of Corinth ("Lessee").

WITNESSETH

1. LEASE. Reference is hereby made to that certain Master Equity Lease Agreement dated as of the second day of June, 2017, by and between Enterprise FM Trust, a Delaware statutory trust, as lessor ("Lessor"), and Lessee, as lessee (as the same may from time to time be amended, modified, extended, renewed, supplemented or restated, the "Lease"). All capitalized terms used and not otherwise defined in this Agreement shall have the respective meanings ascribed to them in the Lease.

2. COVERED VEHICLES. This Agreement shall only apply to those vehicles leased by Lessor to Lessee pursuant to the Lease to the extent Section 4 of the Schedule for such vehicle includes a charge for maintenance (the "Covered Vehicle(s)").

3. TERM AND TERMINATION. The term of this Agreement ("Term") for each Covered Vehicle shall begin on the Delivery Date of such Covered Vehicle and shall continue until the last day of the "Term" (as defined in the Lease) for such Covered Vehicle unless earlier terminated as set forth below. Each of EFM and Lessee shall each have the right to terminate this Agreement effective as of the last day of any calendar month with respect to any or all of the Covered Vehicles upon not less than sixty (60) days prior written notice to the other party. The termination of this Agreement with respect to any or all of the Covered Vehicles shall not affect any rights or obligations under this Agreement which shall have previously accrued or shall thereafter arise with respect to any occurrence prior to termination, and such rights and obligations shall continue to be governed by the terms of this Agreement.

4. VEHICLE REPAIRS AND SERVICE. EFM agrees that, during the Term for the applicable Covered Vehicle and subject to the terms and conditions of this Agreement, it will pay for, or reimburse Lessee for its payment of, all costs and expenses incurred in connection with the maintenance or repair of a Covered Vehicle. This Agreement does not cover, and Lessee will remain responsible for and pay for, (a) fuel, (b) oil and other fluids between changes, (c) tire repair and replacement, (d) washing, (e) repair of damage due to lack of maintenance by Lessee between scheduled services (including, without limitation, failure to maintain fluid levels), (f) maintenance or repair of any alterations to a Covered Vehicle or of any after-market components (this Agreement covers maintenance and repair only of the Covered Vehicles themselves and any factory-installed components and does not cover maintenance or repair of chassis alterations, add-on bodies (including, without limitation, step vans) or other equipment (including, without limitation, lift gates and PTO controls) which is installed or modified by a dealer, body shop, upfitter or anyone else other than the manufacturer of the Covered Vehicle, (g) any service and/or damage resulting from, related to or arising out of an accident, a collision, theft, fire, freezing, vandalism, riot, explosion, other Acts of God, an object striking the Covered Vehicle, improper use of the Covered Vehicle (including, without limitation, driving over curbs, overloading, racing or other competition) or Lessee's failure to maintain the Covered Vehicle as required by the Lease, (h) roadside assistance or towing for vehicle maintenance purposes, (i) mobile services, (j) the cost of loaner or rental vehicles or (k) if the Covered Vehicle is a truck, (i) manual transmission clutch adjustment or replacement, (ii) brake adjustment or replacement or (iii) front axle alignment. Whenever it is necessary to have a Covered Vehicle serviced, Lessee agrees to have the necessary work performed by an authorized dealer of such Covered Vehicle or by a service facility acceptable to EFM. In every case, if the cost of such service will exceed \$50.00, Lessee must notify EFM and obtain EFM's authorization for such service and EFM's instructions as to where such service shall be made and the extent of service to be obtained. Lessee agrees to furnish an invoice for all service to a Covered Vehicle, accompanied by a copy of the shop or service order (odometer mileage must be shown on each shop or service order). EFM will not be obligated to pay for any unauthorized charges or those exceeding \$50.00 for one service on any Covered Vehicle unless Lessee has complied with the above terms and conditions. EFM will not have any responsibility to pay for any services in excess of the services recommended by the manufacturer, unless otherwise agreed to by EFM. Notwithstanding any other provision of this Agreement to the contrary, (a) all service performed within one hundred twenty (120) days prior to the last day of the scheduled "Term" (as defined in the Lease) for the applicable Covered Vehicle must be authorized by and have the prior consent and approval of EFM and any service not so authorized will be the responsibility of and be paid for by Lessee and (b) EFM is not required to provide or pay for any service to any Covered Vehicle after 100,000 miles.

5. ENTERPRISE CARDS: EFM may, at its option, provide Lessee with an authorization card (the "EFM Card") for use in authorizing the payment of charges incurred in connection with the maintenance of the Covered Vehicles. Lessee agrees to be liable to EFM for, and upon receipt of a monthly or other statement from EFM, Lessee agrees to promptly pay to EFM, all charges made by or for the account of Lessee with the EFM Card (other than any charges which are the responsibility of EFM under the terms of this Agreement). EFM reserves the right to change the terms and conditions for the use of the EFM Card at any time. The EFM Card remains the property of EFM and EFM may revoke Lessee's right to possess or use the EFM Card at any time. Upon the termination of this Agreement or upon the demand of EFM, Lessee must return the EFM Card to EFM. The EFM Card is non-transferable.

6. PAYMENT TERMS. The amount of the monthly maintenance fee will be listed on the applicable Schedule and will be due and payable in advance on the first day of each month. If the first day of the Term for a Covered Vehicle is other than the first day of a calendar month, Lessee will pay EFM, on the first day of the Term for such Covered Vehicle, a pro-rated maintenance fee for the number of days that the Delivery Date precedes the first monthly maintenance fee payment date. Any monthly maintenance fee or other amount owed by Lessee to EFM under this Agreement which is not paid within twenty (20) days after its due date will accrue interest, payable upon demand of EFM, from the date due until paid in full at a rate per annum equal to the lesser of (i) Eighteen Percent (18%) per annum or (ii) the highest rate allowed by applicable law. The monthly maintenance fee set forth on each applicable Schedule allows the number of miles per month as set forth in such Schedule. Lessee agrees to pay EFM at the end of the applicable Term (whether by reason of termination of this Agreement or otherwise) an overmileage maintenance fee for any miles in excess of this average amount per month at the rate set forth in the applicable Schedule. EFM may, at its option, permit Lessor, as an agent for EFM, to bill and collect amounts due to EFM under this Agreement from Lessee on behalf of EFM.

7. NO WARRANTIES. Lessee acknowledges that EFM does not perform maintenance or repair services on the Covered Vehicles but rather EFM arranges for maintenance and/or repair services on the Covered Vehicles to be performed by third parties. EFM MAKES NO REPRESENTATION OR WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, WITH RESPECT TO ANY PRODUCTS, REPAIRS OR SERVICES PROVIDED FOR UNDER THIS AGREEMENT BY THIRD PARTIES, INCLUDING, WITHOUT LIMITATION, ANY REPRESENTATION OR WARRANTY AS TO MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, COMPLIANCE WITH SPECIFICATIONS, OPERATION, CONDITION, SUITABILITY, PERFORMANCE OR QUALITY. ANY DEFECT IN THE PERFORMANCE OF ANY PRODUCT, REPAIR OR SERVICE WILL NOT RELIEVE LESSEE OF ITS OBLIGATIONS UNDER THIS AGREEMENT, INCLUDING THE PAYMENT TO EFM OF THE MONTHLY MAINTENANCE FEES AND OTHER CHARGES DUE UNDER THIS AGREEMENT.

8. LESSOR NOT A PARTY. Lessor is not a party to, and shall have no rights, obligations or duties under or in respect of, this Agreement.

9. NOTICES. Any notice or other communication under this Agreement shall be in writing and delivered in person or sent by facsimile, recognized overnight courier or registered or certified mail, return receipt requested and postage prepaid, to the applicable party at its address or facsimile number set forth on the signature page of this Agreement, or at such other address or facsimile number as any party hereto may designate as its address or facsimile number for communications under this Agreement by notice so given. Such notices shall be deemed effective on the day on which delivered or sent if delivered in person or sent by facsimile, on the first (1st) business day after the day on which sent, if sent by recognized overnight courier or on the third (3rd) business day after the day on which mailed, if sent by registered or certified mail.

10. MISCELLANEOUS. This Agreement embodies the entire Agreement between the parties relating to the subject matter hereof. This Agreement may be amended only by an agreement in writing signed by EFM and Lessee. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective only to the extent of such prohibition or unenforceability without invalidating the remaining provisions of this Agreement or affecting the validity or enforceability of such provisions in any other jurisdiction. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, except that Lessee may not assign, transfer or delegate any of its rights or obligations under this Agreement without the prior written consent of EFM. This Agreement shall be governed by and construed in accordance with the substantive laws of the State of Missouri (without reference to conflict of law principles).

IN WITNESS WHEREOF, EFM and Lessee have executed this Maintenance Agreement as of the day and year first above written.

LESSEE: City of Corinth

EFM: Enterprise Fleet Management, Inc.

By:
Title:

By: Phil Bevel
Title: Finance Manager

Address: 3300 Corinth Pkwy.
Corinth, TX 76208

Address: 1420 W. Mockingbird Lane, Ste. 640
Dallas, TX 75247

Attention: _____

Attention: _____

Facsimile No.: _____

Facsimile No.: _____

Date Signed: _____, _____

Date Signed _____, _____

AMENDMENT TO MAINTENANCE AGREEMENT

THIS AMENDMENT ("Amendment") dated this ____ day of June, 2017 is attached to, and made a part of, the MAINTENANCE AGREEMENT entered into on the ____ day of June, 2017 ("Agreement") by and between Enterprise Fleet Management Inc., a Missouri corporation ("EFM") and City of Corinth ("Lessee"). This Amendment is made for good and valuable consideration, the receipt of which is hereby acknowledged by the parties.

Section 6 of the Maintenance Agreement is amended to read as follows:

The amount of the monthly maintenance fee will be listed on the applicable Schedule and will be due and payable in advance on the first day of each month. If the first day of the Term for a Covered Vehicle is other than the first day of a calendar month, Lessee will pay EFM, on the first day of the Term for such Covered Vehicle, a pro-rated maintenance fee for the number of days that the Delivery Date precedes the first monthly maintenance fee payment date. Any monthly maintenance fee or other amount owed by Lessee to EFM under this Agreement which is not paid within thirty (30) days after its due date will accrue interest, payable upon demand of EFM, from the date due until paid in full at a rate per annum equal to the lesser of (i) Twelve Percent (12%) per annum or (ii) the highest rate allowed by applicable law. The monthly maintenance fee set forth on each applicable Schedule allows the number of miles per month as set forth in such Schedule. Lessee agrees to pay EFM at the end of the applicable Term (whether by reason of termination of this Agreement or otherwise) an overmileage maintenance fee for any miles in excess of this average amount per month at the rate set forth in the applicable Schedule. EFM may, at its option, permit Lessor, as an agent for EFM, to bill and collect amounts due to EFM under this Agreement from Lessee on behalf of EFM.

Section 10 of the Maintenance Agreement is amended to read as follows:

This Agreement embodies the entire Agreement between the parties relating to the subject matter hereof. This Agreement may be amended only by an agreement in writing signed by EFM and Lessee. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective only to the extent of such prohibition or unenforceability without invalidating the remaining provisions of this Agreement or affecting the validity or enforceability of such provisions in any other jurisdiction. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, except that Lessee may not assign, transfer or delegate any of its rights or obligations under this Agreement without the prior written consent of EFM. This Agreement shall be governed by and construed in accordance with the substantive laws of the State of Texas (without reference to conflict of law principles). Any litigation arising out of this Agreement shall be filed in a court of competent jurisdiction in Denton County, Texas.

All references in the Agreement and in the various Schedules and addenda to the Agreement and any other references of similar import shall henceforth mean the Agreement as amended by this Amendment. Except to the extent specifically amended by this Amendment, all of the terms, provisions, conditions, covenants, representations and warranties contained in the Agreement shall be and remain in full force and effect and the same are hereby ratified and confirmed.

IN WITNESS WHEREOF, EFM and Lessee have executed this Amendment to Maintenance Agreement as of the __ day of June, 2017.

City of Corinth (Lessee)

By _____

Title _____

ENTERPRISE FLEET MANAGEMENT, INC.

By _____

Title: _____

MAINTENANCE MANAGEMENT AND FLEET RENTAL AGREEMENT

This Agreement is entered into as of the second day of June, 2017, by and between Enterprise Fleet Management, Inc., a Missouri corporation, doing business as "Enterprise Fleet Management" ("EFM"), and City of Corinth (the "Company").

WITNESSETH:

- 1. ENTERPRISE CARDS:** Upon request from the Company, EFM will provide a driver information packet outlining its vehicle maintenance program (the "Program") and a card ("Card") for each Company vehicle included in the Company's request. All drivers of vehicles subject to this Agreement must be a representative of the Company, its subsidiaries or affiliates. All Cards issued by EFM upon request of the Company shall be subject to the terms of this Agreement and the responsibility of the Company. All Cards shall bear an expiration date.

Cards issued to the Company shall be used by the Company in accordance with this Agreement and limited solely to purchases of certain products and services for Company vehicles, which are included in the Program. The Program is subject to all other EFM instructions, rules and regulations which may be revised from time to time by EFM. Cards shall remain the property of EFM and returned to EFM upon expiration or cancellation.

- 2. VEHICLE REPAIRS AND SERVICE:** EFM will provide purchase order control by phone or in writing authorizing charges for repairs and service over \$75, or such other amount as may be established by EFM from time to time under the Program. All charges for repairs and services will be invoiced to EFM. Invoices will be reviewed by EFM for accuracy, proper application of potential manufacturer's warranties, application of potential discounts and unnecessary, unauthorized repairs.

Notwithstanding the above, in the event the repairs and service are the result of damage from an accident or other non-maintenance related cause (including glass claims), these matters will be referred to the Company's Fleet Manager. If the Company prefers that EFM handle the damage repair, the Company agrees to assign the administration of the matter to EFM. EFM will administer such claims in its discretion. The fees for this service will be up to \$125.00 per claim and the Company agrees to reimburse for repairs as outlined in this agreement. If the Company desires the assistance of EFM in recovering damage amounts from at fault third parties, a Vehicle Risk Management Agreement must be on file for the Company.

- 3. BILLING AND PAYMENT:** All audited invoices paid by EFM on behalf of the Company will be consolidated and submitted to the Company on a single monthly invoice for the entire Company fleet covered under this Agreement. The Company is liable for, and will pay EFM within ten (10) days after receipt of an invoice or statement for, all purchases invoiced to the Company by EFM, which were paid by EFM for or on behalf of the Company. EFM will be entitled to retain for its own account, and treat as being paid by EFM for purposes of this Agreement, any discounts it receives from a supplier with respect to such purchases which are based on the overall volume of business EFM provides to such supplier and not solely the Company's business. EFM will exercise due care to prevent additional charges from being incurred once the Company has notified EFM of its desire to cancel any outstanding Card under this Agreement. The Company will use its best efforts to obtain and return any such cancelled Card.

- 4. RENTAL VEHICLES:** The Card will authorize the Company's representative to arrange for rental vehicles with a subsidiary of Enterprise Rent-A-Car Company for a maximum of two (2) days without prior authorization. Extensions beyond two (2) days must be granted by an EFM representative. The Company assumes all responsibility for all rental agreements arranged by EFM with a subsidiary of Enterprise Rent-A-Car Company through an EFM representative or through the use of the Card. All drivers must be at least 21 years of age, hold a valid driver's license, be an employee of the Company or authorized by the Company through established reservation procedures and meet other applicable requirements of the applicable subsidiary of Enterprise Rent-A-Car Company.

- 5. NO WARRANTY:** EFM MAKES NO REPRESENTATION OR WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, WITH RESPECT TO PRODUCTS, REPAIRS OR SERVICES PROVIDED FOR UNDER THIS AGREEMENT BY THIRD PARTIES, INCLUDING, WITHOUT LIMITATION, ANY REPRESENTATION OR WARRANTY AS TO MERCHANTABILITY, COMPLIANCE WITH SPECIFICATIONS, OPERATION, CONDITION, SUITABILITY, PERFORMANCE, QUALITY OR FITNESS FOR USE. Any defect in the performance of any product, repair or service will not relieve the Company from its obligations under this Agreement, including without limitation the payment to EFM of monthly invoices.

- 6. CANCELLATION:** Either party may cancel any Card under this Agreement or this Agreement in its entirety at any time by giving written notice to the other party. The cancellation of any Card or termination of this Agreement will not affect any rights or obligations under this Agreement, which shall have previously accrued or shall thereafter arise with respect to any occurrence prior to such cancellation or termination. A Card shall be immediately returned to EFM upon cancellation to: Enterprise Fleet

Management, 600 Corporate Park Drive, St. Louis, MO 63105, Attention: Enterprise Card Department. Notice to EFM regarding the cancellation of any Card shall specify the Card number and identify the Company's representative. In the case of a terminated representative, such notice shall include a brief description of the efforts made to reclaim the Card.

- 7. **NOTICES:** All notices of cancellation or termination under this Agreement shall be mailed postage prepaid by registered or certified mail, or sent by express overnight delivery service, to the other party at its address set forth on the signature page of this Agreement or at such other address as such party may provide in writing from time to time. Any such notice sent by mail will be effective three (3) days after deposit in the United States mail, duly addressed, with registered or certified mail postage prepaid. Any such notice sent by express overnight delivery service will be effective one (1) day after deposit with such delivery service, duly addressed, with delivery fees prepaid. The Company will promptly notify EFM of any change in the Company's address.
- 8. **FEES:** EFM will charge the Company for the service under this Agreement \$7.00 per month per Card, plus a one time set-up fee of \$0.00.
- 9. **MISCELLANEOUS:** This Agreement may be amended only by an agreement in writing signed by EFM and the Company. This Agreement is governed by the substantive laws of the State of Missouri (determined without reference to conflict of law principles).

IN WITNESS WHEREOF, EFM and the Company have executed this Maintenance Management and Fleet Rental Agreement as of the day and year first above written.

Company: City of Corinth

EFM: Enterprise Fleet Management, Inc.

By:
Title:

By: Phil Bevel
Title: Finance Manager

Address: 3300 Corinth Pkwy.
Corinth, TX 76208

Address: 1420 W. Mockingbird Lane, Ste. 640
Dallas, TX 75247

Date Signed: _____, _____

Date Signed: _____, _____

AMENDMENT TO MAINTENANCE MANAGEMENT AND FLEET RENTAL AGREEMENT

THIS AMENDMENT ("Amendment") dated this ____ day of June, 2017 is attached to, and made a part of, the MAINTENANCE MANAGEMENT AND FLEET RENTAL AGREEMENT entered into on the ____ day of June, 2017 ("Agreement") by and between Enterprise Fleet Management Inc., a Missouri corporation ("EFM") and City of Corinth ("Company"). This Amendment is made for good and valuable consideration, the receipt of which is hereby acknowledged by the parties.

Section 3 of the Maintenance Management and Fleet Rental Agreement is amended to read as follows:

All audited invoices paid by EFM on behalf of the Company will be consolidated and submitted to the Company on a single monthly invoice for the entire Company fleet covered under this Agreement. The Company is liable for, and will pay EFM within thirty (30) days after receipt of an invoice or statement for, all purchases invoiced to the Company by EFM, which were paid by EFM for or on behalf of the Company. EFM will be entitled to retain for its own account, and treat as being paid by EFM for purposes of this Agreement, any discounts it receives from a supplier with respect to such purchases which are based on the overall volume of business EFM provides to such supplier and not solely the Company's business. EFM will exercise due care to prevent additional charges from being incurred once the Company has notified EFM of its desire to cancel any outstanding Card under this Agreement. The Company will use its best efforts to obtain and return any such cancelled Card.

Section 9 of the Maintenance Management and Fleet Rental Agreement is amended to read as follows:

This Agreement may be amended only by an agreement in writing signed by EFM and the Company. This Agreement is governed by the substantive laws of the State of Texas (determined without reference to conflict of law principles). Any litigation arising out of this Agreement shall be filed in a court of competent jurisdiction in Denton County, Texas.

All references in the Agreement and in the various Schedules and addenda to the Agreement and any other references of similar import shall henceforth mean the Agreement as amended by this Amendment. Except to the extent specifically amended by this Amendment, all of the terms, provisions, conditions, covenants, representations and warranties contained in the Agreement shall be and remain in full force and effect and the same are hereby ratified and confirmed.

IN WITNESS WHEREOF, Company and EFM have executed this Amendment to Maintenance Management and Fleet Rental Agreement as of the ____ day of June, 2017.

City of Corinth (Company)

ENTERPRISE FLEET MANAGEMENT, INC.

By _____

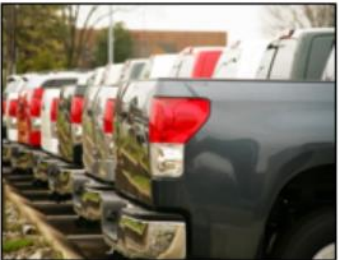
By _____

Title: _____

Title: _____



FLEET MANAGEMENT





City of Corinth
3300 Corinth Parkway
Corinth, TX 76208

Enterprise Fleet Management, Inc.
Enterprise Fleet Management
600 Corporate Park Drive
St. Louis, MO 63105
314-512-5000 Main
314-518-5583 Fax

Jennifer Bertram
Senior Account Executive
1420 W. Mockingbird Lane, Ste. 640.
Dallas, TX 75247
469-358-4304 Cell
866-599-4639 Fax
Jennifer.I.bertram@efleets.com

Situation

- **Current fleet age is negatively impacting the overall budget and fleet operations**
 - **15%** of the light and medium duty fleet is currently 15 years or older
 - **35%** of the light and medium duty fleet is currently 9 years or older
 - **8.9 years** is the current average age of the fleet
 - Older vehicles have higher fuel costs, maintenance costs and tend to be unreliable, causing increased downtime and loss of productivity.

Objectives

- **Identify an effective vehicle life cycle that maximizes potential equity at time of resale creating a conservative savings of \$264,588 in 5 years**
 - Shorten the current vehicle life cycle from 10 years to 5 years
 - Provide a lower sustainable fleet cost that is predictable year over year
 - Free up more than \$114,535 in capital from the salvage of 32 vehicles in the first year
 - Significantly reduce Maintenance to an average monthly cost of \$32.66 vs. current \$100 equaling up to \$37,439 in savings the first year by replacing vehicles more often
 - Reduce the overall fuel spend through more fuel efficient vehicles
 - Leverage an open-ended lease to maximize cash flow opportunities and recognize equity.
- **Increase employee safety with newer vehicles**
 - Currently:
 - 18 vehicle predate Anti-Lock Brake standardization (2007)
 - 43 vehicles predate Electronic Stability Control standardization (2012)
 - ESC is the most significant safety invention since the seatbelt
- **Piggyback The T.I.P.S awarded RFP #2072513 that addresses the following:**
 - Access to all fleet management services as applicable to the needs of the city
 - Supports the city's need for fleet evaluation on a quarterly basis assessing costs and reviewing best practices

Recommendations

Replacement Criteria

Fiscal Year 2017 = 9 years old and older, or odometer over 80,000
 Fiscal Year 2018 = 8 years old and older, or odometer over 60,500
 Fiscal Year 2019 = 7 years old and older, or odometer over 50,000
 Fiscal Year 2020 = 6 years old and older, or odometer over 30,000
 Fiscal Year 2021 = Remaining Vehicles
 Underutilized = Down size by 13 vehicles due to healthy lifecycle

Fleet Planning Analysis - Non Emergency Response Vehicles:

Current Fleet	37	Fleet Growth	0.00%	Proposed Fleet	37
Current Cycle	10	Annual Miles	7,500	Proposed Cycle	5
Current Maint.	\$100.00	Insurance	\$0.00	Proposed Maint.	\$32.17
Fuel Info	-	MPG	12	Price/Gallon	\$2.20

5 Year Savings
\$264,588

Fiscal Year	Fleet Mix				Fleet Cost							Annual Savings
	Fleet Size	Annual Needs	Owned	Leased	Purchase	Lease*	Maintenance	Fuel	Current Cost	Resale Profit**	Total Cost	
Current	37	4	37	0	103,048	0	44,400	50,875	198,323	1,500	196,823	0
2017	37	13	24	13	0	76,618	33,775	41,580	151,974	114,535	37,439	159,384
2018	37	4	20	17	0	99,159	30,408	38,720	168,287	26,000	142,287	60,441
2019	37	7	13	24	0	155,965	25,784	33,715	215,463	46,300	169,163	39,646
2020	37	3	10	27	0	181,528	22,184	31,570	235,281	21,000	214,281	793
2021	37	10	0	37	0	270,997	14,285	24,420	309,702	92,500	217,202	4,324

*Equity Lease Payments based on conservative Estimates

**Estimated Market Values are based on conservative, sight unseen estimates

***Fleet Planning Analysis considers a conservative 5% inflation factor year over year

Cash Flow Analysis - Police and Fire Department (ERVs):

5 Year Cash Flow Savings
\$648,559

Fiscal Year	Fleet Mix				Fleet Cost					Annual Savings
	Fleet Size	Annual Needs	Owned	Leased	Purchase	Lease*	AME	Resale Profit	Total Capital	
Current	30	6	30	0	240,000	0	108,000	30,000	318,000	0
2017	30	6	24	6	0	56,935	27,720	49,700	34,955	283,045
2018	30	9	15	15	0	154,949	87,641	99,400	143,190	174,810
2019	30	5	10	20	0	213,439	41,581	51,000	204,020	113,980
2020	30	5	5	25	0	268,732	55,441	79,000	245,172	72,828
2021	30	5	0	30	0	324,024	41,581	51,500	314,104	3,896

*Cash Flow Analysis is based on average Capital Budget for Fire & PD including Aftermarket

- **City of Waxahachie**
- **City of San Marcos**
- **City of Fredericksburg**
- **San Marcos**
- **City of Orange**
- **City of Beaumont**
- **City of Alvin**
- **City of Big Spring**
- **Ellis County**
- **Webb County**
- **University of North Texas**
- **City of Pampa**
- **City of Kennedale**
- **Texas State University**
- **University of Texas at Dallas**
- **Deer Park ISD**

REFERENCES

Below is a list of at least three (4) client/customer references including company name, contact person, and telephone number.

1. Company Name: **City of Waxahachie**
Business Phone #: 830-990-2029
Contact Person: Michael Scott, Assistant City Manager
2. Company Name: **City of Fredericksburg**
Business Phone #: 830-990-2029
Contact Person: Lea Feuge, Engineering
3. Company Name: **City of San Marcos**
Business Phone #: 512-393-8176
Contact Person: Heather Hulbert, Director of Finance
4. Company Name: **City of Pampa**
Business Phone #: 806-669-5750
Contact Person: Shane Stokes, City Manager

City Council Regular and Workshop Session

Meeting Date: 09/21/2017
Title: Water /Wastewater Rate Study
Submitted For: Lee Ann Bunselmeyer, Director
Submitted By: Lee Ann Bunselmeyer, Director
City Manager Review: Approval: Bob Hart, City Manager

AGENDA ITEM

Consider and act on an ordinance approving the Water and Wastewater Rates in the master fee schedule for the Fiscal Year 2017-18 as presented by Nelisa Heddin Consulting, LLC.

AGENDA ITEM SUMMARY/BACKGROUND

The City retained NH Consulting to perform a cost of service and rate design study for the City's water and wastewater utility. The study's intent is to achieve a water and wastewater structure that will assure equitable and adequate revenues for operations, debt service retirement, capital improvements and bond covenant requirements. Therefore ensuring the utility operates on a self-sustaining basis while considering the economic impact on the City's customers. The recommended rates are sufficient to meet revenue requirements for a one year period and consist of a base rate and a volumetric rate. The base rate is the minimum bill that customers receive to equally share in providing the availability of service. The volumetric rate is the amount charged to a customer per thousand gallons of usage.

There are two cost components associated with the city utility system. The first component is charges from the Upper Trinity Regional Water District (UTRWD) for the purchase of wholesale water and wholesale sewer and the maintenance of their water and sewer distribution system. The second component is city expenditures for the maintenance of city water and sewer lines, lift stations used to pump sewer through the city system to UTRWD for treatment, capital improvement projects, debt service, mandatory testing, personnel and repairs to the system.

A pass-through charge will be maintained as a separate item in accordance with amounts actually billed to the city by the Upper Trinity River Water District (UTRWD). In each fiscal year budget, a projected number of billings and projected total usage will be determined and used as the basis for distributing cost charged by UTRWD to the city as a rate per 1,000 gallons. The pass-through charge shall consist of: (A) a minimum monthly billing charge related to wholesale costs other than volume charges charged by UTRWD to the city; and (B) a charge per gallon related to wholesale volume charges charged by UTRWD to the city. Each year, effective with the November billing, this rate will be updated to reflect increases or decreases in rates from the city's wholesale provider.

Currently senior citizens over the age of 65 receive 3,000 gallons of water and 1,000 gallons of sewer included in their monthly minimum bill. The new proposal includes 5,000 gallons of water and 1,000 gallons of sewer.

The average household has 10,000 gallons of water and 5,000 gallons of sewer usage per month, and will see an approximate 11.5% increase or \$11.50 per month. The average household during an irrigation (summer) month with about 20,000 gallons of water and 5,000 gallons of sewer usage will see an approximate 17.7% increase or \$26.20 per month.

RECOMMENDATION

Staff recommends approving the Water and Wastewater Rates for the fiscal year 2017-2018, as presented and providing an effective date of October 1, 2017.

Attachments

Utility Rates
Ordinance

Utility Rates

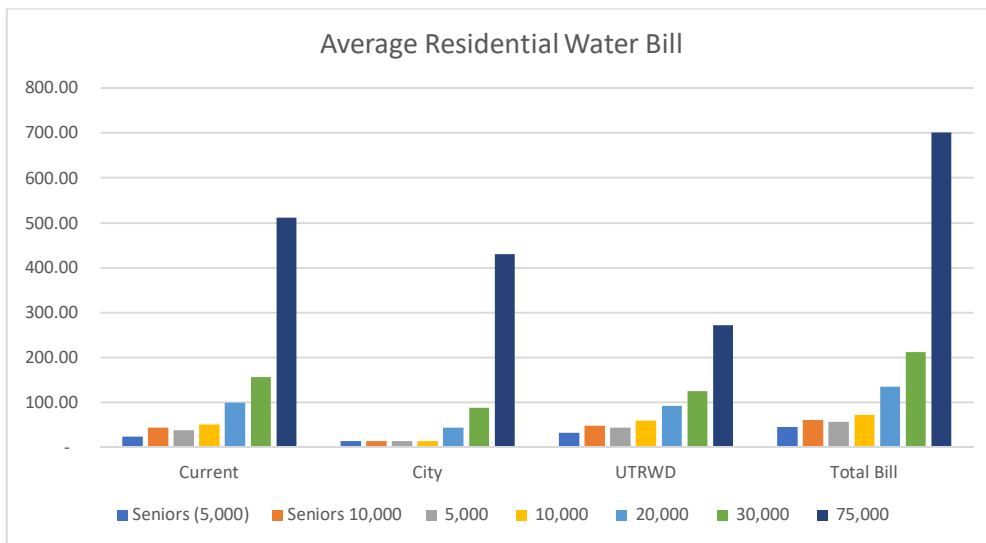
Effective October 1, 2017

Base Rates	Current	City	UTRWD	Total
5/8 x 3/4	23.27	13.35	31.27	44.62
full 3/4	32.25	14.68	34.40	49.08
1 inch	32.25	18.69	43.78	62.47
1 1/2 inch	65.15	24.02	56.29	80.31
2 inch	100.70	38.70	90.69	129.39
3 inch	210.25	146.80	344.01	490.81
4 inch	330.10	186.83	437.83	624.66
6 inch	660.95	280.25	656.74	936.99
10 inch	1,510.65	603.72	906.93	1,510.65
Residential Rates				
0-3,000	2.77	-	2.15	2.15
3,001-5,000	2.77	-	2.65	2.65
5,001-10,000	2.77	-	3.15	3.15
10,001-25,000	4.77	2.97	3.27	6.24
25,001-50,000	6.77	5.94	3.27	9.21
50,001 +	8.77	8.91	3.27	12.18
Commercial Rates				
0-10,000	3.68	0.84	3.27	4.11
10,001-25,000	4.68	1.84	3.27	5.11
25,001-50,000	5.68	2.84	3.27	6.11
50,001 +	6.68	3.84	3.27	7.11
Wastewater				
Base Rate	21.39	21.39	-	21.39
Volumetric	5.60	0.96	2.71	3.67

Average Residential Water Bills (including base rate)

No CIP

	Seniors (5,000)	Seniors 10,000	5,000	10,000	20,000	30,000	75,000
Current	23.27	42.66	37.12	50.97	98.67	156.37	511.02
City	13.35	13.35	13.35	13.35	43.05	87.60	429.15
UTRWD	31.27	47.02	43.02	58.77	91.47	124.17	271.32
Total Bill	44.62	60.37	56.37	72.12	134.52	211.77	700.47
Difference	21.35	17.71	19.25	21.15	35.85	55.40	189.45
% Difference	92%	42%	52%	41%	36%	35%	37%



	% Increase						
Base Rate	5,000	10,000	20,000	30,000			
Current	50%	92%	#REF!	52%	41%	36%	35%

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF CORINTH, TEXAS APPROVING AN INCREASE IN WATER AND WASTEWATER RATES IN EFFECT; PROVIDING FOR ANNUAL PASS-THROUGH ADJUSTMENTS TO RECOVER COSTS FOR WATER AND WASTEWATER SERVICE PROVIDED BY UPPER TRINITY REGIONAL WATER DISTRICT; PROVIDING THAT THIS ORDINANCE SHALL BE CUMULATIVE OF ALL ORDINANCES; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Corinth, Texas, is a home rule city acting under its charter adopted by the electorate pursuant to Article XI, Section 5 of the Texas Constitution and Chapter 9 of the local Government Code; and

WHEREAS, the City has commissioned a water and wastewater cost of service and financial plan study which has been presented to the City Council and which recommends that increases in water and wastewater rates are necessary at this time; and

WHEREAS, the City receives water and wastewater treatment services from Upper Trinity Regional Water District (UTRWD) and the City Council desires to make certain changes to the rate structure charged by the City to customers in order to pass-through the rate changes enacted by UTRWD; and

WHEREAS, the City Council desires to formally act through adoption of this ordinance that the City's current water and wastewater rates will continue until the City Council adopts another ordinance revising the City's water rates and to authorize and direct the City Manager to adjust annually and passed-through the City's charges for UTRWD wholesale water and wastewater services to City's customers without the adoption of another ordinance; **NOW, THEREFORE,**

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

SECTION 1.

That Section 50.16, "Water Rates", of the Code of Ordinances of the City of Corinth, is hereby amended in its entirety to read as follows:

§50.16 WATER RATES.

The monthly rates or charges for service furnished by the City's waterworks system shall be as follows:

- (A) UTRWD pass-through wholesale water charges. The monthly rates for water service shall include all current charges for wholesale water billed to the city by the Upper Trinity Regional Water District (UTRWD) as a pass-through charge which will be maintained as a separate item in accordance with amounts actually

billed to the city by UTRWD. In each fiscal year budget, a projected number of billings and projected total usage will be determined and used as the basis for distributing wholesale water treatment and delivery cost charged by UTRWD to the city as a monthly minimum based on meter size and a rate per 1,000 gallons. The pass-through charge shall consist of: (A) a minimum monthly billing charge related to wholesale costs other than volume charges charged by UTRWD to the city; and (B) a charge per gallon related to wholesale volume charges charged by UTRWD to the city. Each year, effective with October usage and the November billing, this rate will be updated by the City Manager or his or her designee to reflect increases or decreases in rates from the city's wholesale provider, UTRWD, adjusted by a reconciliation of billed amounts compared to actual charges incurred by the city in the previous fiscal year.

(B) City water rates for residential customers. In addition to the UTRWD pass-through charge described in paragraph (A) of this Section, residential water customers shall pay the City a fee for the receipt of water service. The rates for the provision of water service for residential accounts are as follows:

(1) Monthly minimum

Meter Size (in Inches)	City Fee
5/8"	\$13.35
3/4"	14.68
1"	18.69
1 1/2"	24.02
2"	38.70
3"	146.80
4"	186.83
6"	280.25
10"	603.72

(2) Plus Volume charge (per 1,000 gallons):

	City Fee
0-3,000 Gallons	-
3,001-5,000 Gallons	-
5,001-10,000 Gallons	-
10,001-25,000 Gallons	2.97
25,001-50,000 Gallons	5.94
50,001 and Up	8.91

(C) City water rates for commercial customers. In addition to the UTRWD pass-through charge described in paragraph (A) of this Section, commercial water customers shall pay the City a fee for the receipt of water service. The rates for the provision of water service for commercial accounts are as follows:

(1) Monthly minimum

Meter Size (in Inches)	City Fee
5/8"	\$13.35
3/4"	14.68
1"	18.69
1 1/2"	24.02
2"	38.70
3"	146.80
4"	186.83
6"	280.25
10"	603.72

(2) Plus Volume charge (per 1,000 gallons):

	City Fee
0-10,000 Gallons	\$.84
10,001-25,000 Gallons	1.84
25,001-50,000 Gallons	2.84
50,001 and Up	3.84

(D) Customers over the age of 65 years receive a credit for 5,000 gallons included in the monthly minimum.

(E) For water consumed for irrigation by the City Parks Department, the charges shall be equivalent to the wholesale cost paid by the city for the water.

SECTION 2.

That subsections (A) and (B) of Section 50.36, "Wastewater Rates", of the Code of Ordinances of the City of Corinth are hereby amended to read as follows:

§50.36 WASTEWATER RATES.

Ordinance No. _____

The monthly rates or charges for services furnished by the sanitary wastewater system of the City shall be as follows:

(A) UTRWD pass-through wholesale sanitary wastewater system charges. The monthly rates for sanitary wastewater service shall include all current charges for wholesale sanitary sewer services billed to the city by the Upper Trinity Regional Water District (UTRWD) as a pass-through charge which will be maintained as a separate item in accordance with amounts actually billed to the city by UTRWD. In each fiscal year budget, a projected number of billings and projected total usage will be determined and used as the basis for distributing wholesale sanitary sewer cost charged by UTRWD to the city as a monthly minimum based on a rate per 1,000 gallons. The pass-through charge shall consist of: (A) a minimum monthly billing charge related to wholesale costs other than volume charges charged by UTRWD to the city; and (B) a charge per gallon related to wholesale volume charges charged by UTRWD to the city. Each year, effective with October usage and the November billing, this rate will be updated by the City Manager or his or her designee to reflect increases or decreases in rates from the city's wholesale provider, UTRWD, adjusted by a reconciliation of billed amounts compared to actual charges incurred by the city in the previous fiscal year.

(B) Rates for sanitary sewer service. In addition to the UTRWD pass-through charge described in paragraph (A) of this Section, sanitary sewer service customers shall pay the City a fee for the receipt of sanitary sewer service. The rates for the provision of water service for residential and commercial accounts are as follows:

	City Fee
Wastewater Rates Monthly Minimum	\$21.39
Plus Volume Charge (for each 1,000 gallons)	.96

SECTION 3.

This ordinance shall be and is hereby declared to be cumulative of all other ordinances of the City and shall not operate to repeal or affect any such other ordinances except insofar as the provisions thereof are inconsistent or in conflict with the provisions hereof, and to the extent of such conflict, if any, such other ordinances are hereby repealed.

SECTION 4.

It is hereby declared to be the intention of the City Council that the phrases, clauses, sentences, paragraphs, and sections of this ordinance are severable, and if any phrase, clause, sentence, paragraph or section of this ordinance shall be declared unconstitutional by the valid judgment or decree of any court of competent jurisdiction, such unconstitutionality shall not affect any of the remaining phrases, clauses, sentences, paragraphs and sections of this ordinance, since the same would have been enacted by the City Council without the incorporation in the ordinance of any such unconstitutional phrase, clause, sentence, paragraph or section.

SECTION 5.

This Ordinance shall become effective immediately upon and after its passage as provided by law.

PASSED AND APPROVED ON THIS ____ DAY OF _____, 2017.

APPROVED:

Bill Heidemann, Mayor

ATTEST:

Kim Pence, City Secretary

APPROVED AS TO FORM:

Andy Messer, City Attorney