



# CITY COUNCIL

1520 AVENUE K

DATE: 1/11/2010  
 CALL TO ORDER: 7:00 p.m.  
 INVOCATION: Steve Sharp, Worship Pastor  
 Meadows Baptist Church  
 PLEDGE OF ALLEGIANCE: Cub Scout Pack 18  
 Saigling Elementary

ITEM NO.	EXPLANATION	ACTION TAKEN
	<p>THE MISSION OF THE CITY OF PLANO IS TO PROVIDE OUTSTANDING SERVICES AND FACILITIES, THROUGH COOPERATIVE EFFORTS WITH OUR CITIZENS THAT CONTRIBUTE TO THE QUALITY OF LIFE IN OUR COMMUNITY.</p> <p><b>The City Council may convene into Executive Session to discuss posted items in the regular meeting as allowed by law.</b></p> <p><b><u>PROCLAMATIONS &amp; SPECIAL RECOGNITION</u></b></p> <p>Special Recognition: Richard Butterly – Poor Richard’s Cafe</p> <p>Special Recognition: 2009 MP3 Graduates</p> <p>Presentation: To Rod Hogan, Deputy City Manager, for 35 Years of Service to the City of Plano.</p> <p><b><u>COMMENTS OF PUBLIC INTEREST</u></b></p> <p><b><u>This portion of the meeting is to allow up to five (5) minutes per speaker with thirty (30) total minutes on items of interest or concern and not on items that are on the current agenda. The Council may not discuss these items, but may respond with factual or policy information. The Council may choose to place the item on a future agenda.</u></b></p> <p><b><u>CONSENT AGENDA</u></b></p> <p><b><u>The Consent Agenda will be acted upon in one motion and contains items which are routine and typically noncontroversial. Items may be removed from this agenda for individual discussion by a Council Member, the City Manager or any citizen. Citizens are limited to two (2) items and discussion time of three (3) minutes each.</u></b></p>	

ITEM NO.	EXPLANATION	ACTION TAKEN
(a)	<p><b><u>Approval of Minutes</u></b>                      December 7, 2009                      December 10, 2009                      December 14, 2009                      December 22, 2009</p>	
	<p><b><u>Approval of Expenditures</u></b>  <b>Award/Rejection of Bid/Proposal: (Purchase of products/services through formal procurement process by this agency)</b></p>	
(b)	<p>Bid No. 2010-31-B for Erosion Control Briarwood - Eight Locations to ARK Contracting Services, LLC in the amount of \$996,155.</p>	
	<p><b><u>Purchase from an Existing Contract</u></b></p>	
(c)	<p>To approve the purchase of three (3) Rear Loader Bodies and three (3) Automated Side Loader Bodies in the amount of \$517,175 from Heil of Texas, through an existing contract/agreement with Texas Association School Buyboard Program, and authorizing the City Manager to execute all necessary documents. (#280-07).</p>	
(d)	<p>To approve the purchase of three (3) Rear Loader Chassis and three (3) Automated Side Loader Chassis in the amount of \$869,527 from Bond Equipment Company, through an existing contract/agreement with Texas Association School Buyboard Program, and authorizing the City Manager to execute all necessary documents. (#281-07).</p>	
	<p><b><u>Adoption of Resolutions</u></b></p>	
(e)	<p>To approve the terms and conditions of a Professional Services Agreement by and between Alternative Service Concepts, LLC, and the City of Plano; authorizing its execution of all necessary documents by the City Manager; and providing an effective date.</p>	
(f)	<p>To accept the findings and opinions of the Annual Audit; authorizing the City Manager to publish the results thereof; and providing an effective date.</p>	
	<p><b><u>ITEMS FOR INDIVIDUAL CONSIDERATION:</u></b></p>	
	<p><b><u>Public Hearing Items: Applicants are limited to fifteen (15) minutes presentation time with a five (5) minute rebuttal, if needed. Remaining speakers are limited to thirty (30) total minutes of testimony time, with three (3) minutes assigned per speaker. The presiding officer may extend these times as deemed necessary.</u></b></p>	

ITEM NO.	EXPLANATION	ACTION TAKEN
	<p><b><u>Non-Public Hearing Items: The Presiding Officer may permit limited public comment for items on the agenda not posted for a Public Hearing. The Presiding Officer will establish time limits based upon the number of speaker requests, length of the agenda, and to ensure meeting efficiency, and may include a cumulative time limit. Speakers will be called in the order cards are received until the cumulative time is exhausted.</u></b></p>	
(1)	<p>Public Hearing and consideration of an Ordinance as requested in Zoning Case 2009-20 to amend Section 3.300 (Exterior Wall Construction Standards for Structures) and Section 3.1200 (Landscaping Requirements) of Article 3 (Supplementary Regulations) and related sections of the Comprehensive Zoning Ordinance of the City, Ordinance No. 2006-4-24, as heretofore amended, pertaining to above ground and/or at-grade parking structures; and providing a penalty clause, a repealer clause, a savings clause, a severability clause, and an effective date. Applicant: City of Plano</p>	
(2)	<p>Public Hearing and consideration of an Ordinance as requested in Zoning Case 2009-21 to amend the Comprehensive Zoning Ordinance of the City, Ordinance No. 2006-4-24, as heretofore amended, so as to rezone 9.3± acres located at the southeast corner of Spring Creek Parkway and Communications Parkway, in the City of Plano, Collin County, Texas, from Agricultural to Regional Employment; directing a change accordingly in the official zoning map of the City; and providing a penalty clause, a repealer clause, a savings clause, a severability clause, and an effective date. Applicant: Rutledge Haggard</p>	
(3)	<p>Public Hearing and consideration of an Ordinance as requested in Zoning Case 2009-22 to amend the Comprehensive Zoning Ordinance of the City, Ordinance No. 2006-4-24, as heretofore amended, granting Specific Use Permit No. 603 so as to allow the additional use of Long-term Care Facility on 6.1± acres of land located on the east side of Communications Parkway, 290± feet south of Spring Creek Parkway, in the City of Plano, Collin County, Texas, presently zoned Agricultural; directing a change accordingly in the official zoning map of the City; and providing a penalty clause, a repealer clause, a savings clause, a severability clause, and an effective date. Applicant: Acres of Sunshine, Ltd.</p>	
(4)	<p>A Resolution to approve the terms and conditions of an Economic Development Incentive Agreement by and between the City of Plano, Texas and Scarbrough, Medlin &amp; Associates, Inc., a Texas corporation; authorizing its execution by the City Manager and providing an effective date.</p>	
	<p><b><u>Municipal Center is wheelchair accessible. A sloped curb entry is available at the main entrance facing Municipal Avenue, with specially marked parking spaces nearby. Access and special parking are also available on the north side of the building. Training Room A/Building Inspections Training Room are located on the first floor. Requests for sign interpreters or special services must be received forty-eight (48) hours prior to the meeting time by calling the City Secretary at 972-941-7120.</u></b></p>	



## CITY OF PLANO COUNCIL AGENDA ITEM

CITY SECRETARY'S USE ONLY			Initials	Date
<input type="checkbox"/> Consent <input type="checkbox"/> Regular <input type="checkbox"/> Statutory		Purchasing		
Council Meeting Date: 01/11/2010		Budget		
Department:	City Manager's Office	Legal		
Department Head	Tom Muehlenbeck	Assistant City Manager		
Dept Signature:		Deputy City Manager		
		City Manager		
Agenda Coordinator (include phone #): <b>Sharon Wright ext. 7107</b>				
ACTION REQUESTED: <input type="checkbox"/> ORDINANCE <input type="checkbox"/> RESOLUTION <input type="checkbox"/> CHANGE ORDER <input type="checkbox"/> AGREEMENT <input type="checkbox"/> APPROVAL OF BID <input type="checkbox"/> AWARD OF CONTRACT <input checked="" type="checkbox"/> OTHER				
<b>CAPTION</b>				
Special Recognition: Richard Butterly – Poor Richard's Cafe				
<b>FINANCIAL SUMMARY</b>				
<input checked="" type="checkbox"/> NOT APPLICABLE <input type="checkbox"/> OPERATING EXPENSE <input type="checkbox"/> REVENUE <input type="checkbox"/> CIP				
FISCAL YEAR:	<b>Prior Year (CIP Only)</b>	<b>Current Year</b>	<b>Future Years</b>	<b>TOTALS</b>
Budget	0	0	0	0
Encumbered/Expended Amount	0	0	0	0
This Item	0	0	0	0
BALANCE	0	0	0	0
FUND(s):				
COMMENTS:				
<b>SUMMARY OF ITEM</b>				
List of Supporting Documents:		Other Departments, Boards, Commissions or Agencies		



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		City Manager		
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<b>CAPTION</b>				
Special Recognition: 2009 MP3 Graduates				
<b>FINANCIAL SUMMARY</b>				
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Presentation: To Rod Hogan, Deputy City Manager, for 35 Years of Service to the City of Plano.				
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Encumbered/Expended Amount	0	0	0	0
This Item	0	0	0	0
BALANCE	0	0	0	0
FUND(s):				
COMMENTS:				
<b>SUMMARY OF ITEM</b>				
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**PLANO CITY COUNCIL  
CORE BUSINESS WORK SESSION  
DECEMBER 7, 2009**

**COUNCIL MEMBERS**

Phil Dyer, Mayor  
Harry LaRosiliere, Mayor Pro Tem  
Lee Dunlap, Deputy Mayor Pro Tem  
Pat Miner  
Ben Harris  
Mabrie Jackson (resigned)  
Lissa Smith  
Jean Callison

**STAFF**

Thomas H. Muehlenbeck, City Manager  
Frank Turner, Deputy City Manager  
Bruce Glasscock, Deputy City Manager  
Rod Hogan, Deputy City Manager  
Mark Israelson, Assistant City Manager  
LaShon Ross, Assistant City Manager  
Diane C. Wetherbee, City Attorney  
Diane Zucco, City Secretary

Mayor Dyer convened the Council into the open session at 8:31 a.m. on Monday, December 7, 2009, in Training Room A of the Plano Municipal Center, 1520 K Avenue. All Council Members were present. Council Member Callison arrived at 8:49 a.m.

**Opening Comments**

City Manager Muehlenbeck recognized department heads for their efforts in holding down expenditures and developing the core business matrix, advising that revenue enhancements will be addressed at a later time and requesting Council direction on priorities for October 1, 2010 – September 30, 2011. Lyle Sumek, of Lyle Sumek Associates, Inc. facilitated the worksession and spoke to increased demand for services and to considering the responsibilities of the City as well as priorities. Director of Budget and Research Rhodes-Whitley spoke to the forecasted decrease of 8% in commercial property values, a projected budget deficit of \$20 million, continued low sales tax revenues, declines in water/sewer revenue, and the need for a 1.5 cent increase for the debt rate due to projects coming online. Mr. Sumek spoke to the categories of “no choice,” “choice,” “quality of life,” and “add-ons” for services. Ms. Rhodes-Whitley spoke to salaries making up 67.7% of the General Fund (\$219 million) and to Public Safety accounting for 65% of salaries. She advised that “no choice” items comprise approximately 8% of expenditures, “choice” 64%, “quality of life” 27% and “add-ons” 0.7%. She provided information on the transfer of funds for economic development, capital reserve, insurance/workman’s comp and Plano Television Network and spoke to categories of service provided from enterprise funds.

**Council discussion and direction on the core business services for the following City service areas and departments:**

## **Public Safety Services Business Center**

Police Chief Rushin spoke to the budget of \$53 million, 494 full-time and 90 part-time positions, advised that court security services are funded through fees and Ms. Rhodes-Whitley advised she would meet with the Municipal Judge regarding paying administrative fees associated with court security to determine if the account is neutral. Chief Rushin spoke to the cost of false alarms (99% of calls) and Deputy City Manager Glasscock advised regarding timeframes for response and stated that state law regulates fees collected. Council Member Callison spoke to providing public education on the cost of false alarms. Chief Rushin advised that the Red Light Camera Program is self-funded with monies reinvested into the community and City Manager Muehlenbeck spoke to the percentage of revenues forwarded to the state. Chief Rushin spoke to the value of accreditation and compliance with directives and standards and advised regarding the School Liaison Officer Program costs and his recommendation that the program be discontinued from Plano locations, continued in Frisco locations (where the school district pays 100% of costs) and retaining three officers and one sergeant for call response. Mayor Dyer requested further information regarding the level of contribution by school districts in other cities and City Manager Muehlenbeck requested direction from the Council to stay in the program or to require a minimum participation level from the school district. The Council stated a consensus to work toward a 50/50 split of costs for a savings of \$332,296.

Chief Rushin spoke to officers assigned to the Canine Program, Neighborhood Police Officer Program and Crime Prevention all of which were identified as “quality of life.” He spoke to Warrant Services and advised that Detention Services is operating with minimum staff. Police Budget Analyst Smith advised that Crossing Guard services are covered by revenue from the Child Safety Fund. Chief Rushin advised that Plano has one of the best SWAT teams in the state, spoke to equipment costs, grants received and benefits of the program. He reviewed the Professional Standards Unit, Traffic Enforcement Program, Training Services and Records Management.

Fire Chief Esparza spoke to an updated internal strategic plan and departmental reorganization to include five divisions with a budget of \$42 million and 333 positions. He spoke to Community Outreach and Childhood Safety as “quality of life” programs, cited their benefits and stated that if Staff were cut, the programs would be discontinued. Chief Esparza spoke to the Technical Rescue and Hazardous Material/WMD Programs staffed by line fire fighters with costs related to equipment. He spoke to prevention programs including annual inspections for commercial sites, false-alarm tracking, investigations and plan review. Assistant Fire Chief/Fire Marshal Kerr advised that annual commercial inspections are provided at no charge and Mayor Dyer requested information regarding the number of such inspections as a possible source of revenue. Chief Esparza spoke to Ambulance Transport/EMS Services and staffing; the need for mandated training; and advised regarding mutual aid where Plano would provide services to neighboring communities at no charge. He spoke to the equipment costs of \$12.8 million costs associated with the retention of the ISO1 rating including Station #13 coming online, a 5<sup>th</sup> ladder truck with personnel and equipment, a 14<sup>th</sup> engine and \$5 million in annual operating costs. City Manager Muehlenbeck requested information regarding the impact on tax revenues if the ISO1 rating were lost. Deputy City Manager Glasscock spoke to possible grant funds to offset some costs.

Director of Emergency Management Stovall spoke to capital outlay for the new training facility and operations center which will be one-time costs. He advised that emergency/disaster preparedness along with response/recovery are driven by state mandates and spoke to the impact on grant funding. Mr. Stovall responded to the Council, stating that some existing furnishings are being utilized for the new center and reductions have been made from the original cost estimates. He spoke to lack of other training space, the center providing education for City Staff and Deputy Mayor Pro Tem Dunlap spoke to possible opportunities for revenue.

The Council recessed at 10:30 a.m. and resumed at 10:39 a.m.

Director of Public Safety/Communications Timmons spoke to transition of some services to wire-line funds which come to the City from telephone bills, future funding needs for “next generation” technology, and transition of some personnel to these purposes. He spoke to providing public education and responded to City Manager Muehlenbeck regarding annual draws in preparation for new equipment anticipated in two-three years. Mr. Timmons spoke to support functions provided for emergency departments, 24-hour operations, regional voice/data public safety radio system and the expertise of Staff. He advised that \$81,000 in revenue for the radio systems maintenance and operation is from agencies serviced by the system and that \$4.2 million is spent on alert functions (emergency phone and dispatch services).

Director of Health Collins spoke to the department having a combined staff of 44 with a composite budget of \$3.5 million (down 8.5%) and the elimination of positions and services. He spoke to implications if further programs were eliminated and the county not having the capacity or means to accomplish the tasks provided. Mr. Collins spoke to programs including response to illumination requests, reduced funding for promotion of Clean Air initiatives, investigation of noise complaints, the importance of education for food handlers/managers, and benefits of enforcing the City’s smoking ordinance, and communicable disease surveillance. He spoke to the success of the mosquito/rodent control programs, environmental remediation/spill response program to assist the Fire Department, inspections of non-hazardous liquid waste (grease traps), and water quality program with over 400 pools under inspection. Mr. Collins spoke to department enforcement of federal/state/local laws to reduce the level of pollutants discharged in the sewer system and inspection of 13,000-14,000 food establishments. He advised that the only “no choice” area of the department is inspection and monitoring of storm water inlets and outlets which is mandated by federal/state law and advised that 44% of programs are budget neutral. Mr. Collins responded to the Council regarding the cost for food permitting and comparisons to other area cities, and advised that Health Department inspection services are conducted after buildings are constructed. He further stated that while disease surveillance may be done by the county, they do not track migration or provide education to slow/stop the outbreaks and spoke to enforcement of the smoking ordinance on a complaint basis.

Director of Health Collins spoke to Animal Services field operations, off-site adoptions and education programs, revenues generated from licensing and the possibility new software would generate higher compliance, and responded to the Council regarding the number of Staff presentations provided annually. He spoke to the need for veterinary services to prevent the spread of illness, assistance provided to citizens, and contracting for sterilization services. Mr. Collins spoke to adoptions (2,500 per year) providing 92% cost recovery, the number of animals dropped off at the center, and reviewed field and shelter operations. He advised that local rabies control would revert to the county if not done by the City and City Manager Muehlenbeck spoke to possible public reaction should services be reduced. The Council requested Staff look into efforts to encourage registration of all animals in the City and to review possible hiring of a veterinarian to reduce costs.

### **Customer Utility Services, Library, Technology Services & Public Information Office**

Assistant City Manager Israelson spoke to monies derived mainly from the Water and Sewer Fund with utility management funded additionally through the General Fund. He spoke to resolving issues with franchisees and their revenue collection, right-of-way management and legislative representation. Mr. Israelson spoke to the highest priority service being field services and upgrade of the meter system. He spoke regarding the billing and systems areas including the issuance of statements, management of inserts and quality control as well as the revenue and collections area where a payment kiosk has been installed. Mr. Israelson advised that 56% of customers utilize electronic payment and spoke to the cost for “high touch” services including the call center(s), notification tags and after-hours collections and restarts. He spoke to services provided at the Davis Library location and Council requested usage figures for this site. The Council requested information regarding possible charges for services conducted on weekends/holidays.

Director of Libraries Baumbach spoke to the costs and services provided by the Municipal Reference Library whose librarian also acts as the department web master advising that if eliminated, the savings would be \$18,000 in materials. She spoke to the libraries providing income tax forms to the public and service time expenses should this be discontinued. Ms. Baumbach spoke regarding program room administration, adult education programs and increased usage of the genealogy area. She spoke to Plano's inter-library loan program, enrichment activities, technical services/administration, and the use of "pools" for librarians, clerks and pages to fill in where needed. Ms. Baumbach spoke to the state-mandated 64 hours of operation for libraries, which does not need to be met by every location and to the lightest service day as Friday. She spoke to collection management and community education services including reference librarians, children's education services, increased computer usage, program changes implemented on October 1 to limit holds and lock book drops during holidays, and funds received from the county and state. The Council spoke to receiving information on the impact of rolling closures; fees for genealogy services and non-residents; and provision of income tax forms.

Mayor Dyer adjourned the session for lunch at 12:22 and resumed the session at 12:34 p.m.

Director of Technology Services Stephens spoke to service provided to all departments, management of cell phone and wireless data services, and desktop support for over 2,000 users. He advised regarding utilization of the Moto-mesh system beyond the Public Safety area and spoke to operations management costs for equipment and personnel, main internet connectivity in providing citizens with access to information and the need for highly secure networks. Mr. Stephens advised that Staff provides support for in-house developed software and maintenance of the telecommunications and data network along with the City's e-mail services. He further advised regarding support provided to the Fire, Police and Public Safety Communications Departments and responded to Deputy Mayor Pro Tem Dunlap that Staff will evaluate all maintenance and support service agreements providing more detailed information to the Council.

Assistant City Manager Israelson advised that the Joint Use Facility of Customer Utility Billing receives 21,000 payments per month while the Municipal Center Facility receives 51,000.

Assistant City Manager Israelson spoke to service changes in the Public Information Department including the outsourcing of printing, reassignment of publishing duties and moving mail services and action center responsibilities to the City Secretary's office. He spoke to the role of Public Information to provide press releases and publications mandated by state and federal authorities and the creation of annual reports, inserts, resident guides and to further study of the department. Mr. Israelson spoke to the role of Plano Television Network including emergency communications, televised meetings and agenda postings, and the level of grants. City Manager Muehlenbeck responded to Deputy Mayor Pro Tem Dunlap regarding Staff consideration of programming and the need for a long-term strategy for funding as \$134,000 was transferred in from the General Fund to offset expenses. Mr. Dunlap spoke to selling air time to other entities to increase revenues. Staff was directed to evaluate their mission and responsibilities going forward including the number of productions and billing other departments for their efforts.

Mr. Israelson spoke to the web site providing a link for communications, including postings and live streaming of meetings, web-based forms, and citizen response. He advised that design is accomplished in-house with the exception of a small contract. Ms. Rhodes-Whitley advised that the \$250,000 in revenues noted is a transfer from the Technology Fund to pay web site expenses and Deputy Mayor Pro Tem Dunlap spoke to the importance of the web site and the possibility of revenue by charging organizations for posting to the City's calendar.

## **Public Works & Engineering Business Center**

Director of Public Works/Engineering Upchurch spoke to Utility Operations, paid by the Water/Sewer Fund providing water main services and repair, right-of-way management, review of contractual rehabilitation and community outreach. He spoke to Pumping Facilities including flow testing, inspection of contractor services, and contractual mowing of facilities. Mr. Upchurch spoke to Municipal Drainage paid from drainage funds, administration costs spread to various business areas, and to street operations paid partially from the General Fund and including repairs, patching, screening walls and alleyways. Deputy City Manager Hogan advised that the Capital Reserve Fund was established to fund repairs and Mr. Upchurch advised that while most maintenance is an in-house function, major construction is contracted out. City Manager Muehlenbeck spoke to possible consolidation of graffiti removal efforts between the Engineering and Property Standards Departments.

Mr. Upchurch spoke to continued maintenance, design and operation required for traffic signals, the uninterruptable power supply system, quality of life issues such as lighted signs and “no choice” items including traffic signs and markings. Mr. Hogan spoke to federal guidelines requiring specific size lettering and reflexivity on signage as mandates passed to the City.

Mr. Upchurch spoke to the Engineering Department’s responsibility for Community Investment Projects including street design, construction and inspection. The Council expressed no interest in charging inspection costs against projects to move revenue to the General Fund. Mr. Upchurch spoke to right-of-way management, operations/maintenance of facilities, contract services, energy management and pest control. He spoke to FEMA’s publication of new maps with slight variations in topography indicating some homes are now in the flood plains. The Council requested Staff provide public information regarding the map changes to advise citizens. Mr. Upchurch spoke to traffic management, operations, and signals.

Director of Parks and Recreation Fortenberry advised the Council that the department is responsible for maintaining grounds/buildings, providing programs to the public and offering “quality of life” programs including special event permit processing and senior transportation. Mayor Pro Tem LaRosiliere requested information regarding the number of riders at which the senior transportation program reaches a “break even” point and the Council concurred to evaluate the program and consider possible discontinuation. Ms. Fortenberry spoke to community events, and the Council stated a consensus to look into corporate sponsorship of events. Staff spoke to input received following changes to the parks mowing/maintenance program and the Council spoke to the opportunity for cost recovery with partnerships from those utilizing the ball fields. Staff reviewed use of recreation centers and cost recovery, advising that there is neighborhood interest in providing service at Douglass Center. The Council discussed attendance at the centers and revenues and stated a consensus not to implement rolling closures. Ms. Fortenberry advised regarding performing arts venues, the interurban rail station, public arts program, and volunteer program. She advised that costs reflected for the Aerobats Gymnastics program include administrative costs and that the program typically covers its costs and City Manager Muehlenbeck spoke to the use of both General and Recreation Funds.

Director of Sustainability and Environmental Services Nevil spoke to the department’s funding through an enterprise fund with costs recouped by fees, advising that Plano offers a high value of services at low rates. She spoke to “no choice” programs including refuse collection, commercial disposal and solid waste and to “quality of life” programs including yard trimming, bulky waste and household chemical collection and to the decline in revenues from recycling services from \$1.3 million to \$150,000 in two years. Ms. Nevil spoke to Texas Pure Processing’s goal to become self sufficient, savings gained through the sustainability program, costs associated with the Live Green Expo and the Commercial Recycling Team and organic recycling which results in cost savings by diverting 47,000 tons from the land fill.

Ms. Nevil responded to Mayor Dyer, advising that mulch products are selling as soon as they are processed and rated the lowest priority items in the department as the Live Green Expo and special paid collection. She advised that the water district is having difficulty locating a site for transfer station #4 and to expansion of a City of Richardson station for the region. She responded to the Council that administrative costs have been spread across the expenditures and spoke to the funding of communications through the Enterprise Fund rather than the General Fund. Ms. Nevil advised that approximately 70% of the attendees at the Expo are residents.

The Council recessed at 2:41 p.m. and resumed at 2:47 p.m.

### **Development Services Business Center**

Director of Planning Jarrell spoke to the geographic information system/mapping, advising that there has been some staff reduction in this area; spoke to the phases of commercial development and redevelopment; customer assistance provided; demographics and census support; the regulatory role of heritage preservation and to “quality-of-life” issues including the day labor center, community building, and neighborhood enhancement programs. She spoke to discussions related to the day labor center, posting notice that activities are prohibited on other properties and advised that 200-250 workers per day utilize the site.

Chief Building Official Mata spoke to “no choice” items including inspections/plan review/permit services and records and information management. He spoke regarding sign enforcement as a “quality of life” issue and City Manager Muehlenbeck spoke regarding the cost of the program. The Council discussed continuation of the program and fines and stopping sign pick up to determine the impact. Mr. Mata spoke to departmental vacancies, contractor meetings, dispute resolution, community benefits and the waiver of fees for other entities including the county, school district, etc. He responded to Deputy Mayor Pro Tem Dunlap regarding contractor luncheons and the Council requested consideration of expansion to include realtors.

Director of Property Standards O’Banner spoke to Staff preparation and testifying for administrative and judicial hearing of cases and to neighborhood assessment and education. She advised regarding enforcement officer education and offering classes to other communities for fees and clarified state legislation regarding graffiti. Ms. O’Banner spoke to the lack of interest in retailers recouping abandoned shopping carts and exploration of ways to recycle them and to Staff time in bringing sub-standard property cases before the Building Standards Commission. She spoke to liens placed on public nuisance property, the rental inspection program as self-sustaining and challenges in expanding the program to single family locations. City Manager Muehlenbeck spoke to waiting to move forward on a new program during the current economic times. Ms. O’Banner spoke to Staff providing community service spruce up and to participation in professional organizations to further legislative needs and garner regional support.

### **Human Resources, Risk Management & Finance**

Assistant City Manager Ross spoke to Human Resources compliance with federal and state laws regarding employment law and to offering recruitment/retention and employee development to managers. She spoke to other cities enrolling in Plano leadership courses, suspension of the tuition assistance program, and expenses and returns derived from the Management Preparation Program. Ms. Ross spoke to the number of employees indicating that their spouse has other coverage, changes to the health plan directed toward cost sharing, addressing the costs for civil service examinations, review of overtime payment, collection of retirees’ insurance payments and consideration of alternative coverage. Mayor Dyer requested Staff follow-up on those employees whose spouses have other coverage and address it during the budget cycle. City Manager Muehlenbeck advised that after review of the Management Preparation Program, it was retained based on the minor cost as compared to the benefits derived. Director of Finance Tacke spoke to the cost savings realized by moving over-65 retirees to an alternate program.

Director of Finance Tacke spoke to “no choice” programs including monitoring bond sales, tax increment finance administration and “choice” items (economic development and audits). She advised regarding court administration revenues generated (\$7.9 million) versus costs (\$2.1 million) and spoke to the savings realized by “special projects” in purchasing the new court system. Ms. Tacke advised that the annual audit is “no choice” and to the retention of some general accounting functions, stating that the Redflex contract could be outsourced to save costs. She spoke to the efficiency of payroll operations, accounts payable/receivable and advised there may be no savings in outsourcing these items. Ms. Tacke advised that Property Management Programs are included in an enterprise fund and are cost neutral; spoke to savings through reorganization in the purchasing area; the role of the treasury in debt management and securities; and Financial Systems Administration who support the accounting functions. Director of Fleet Services Ryan spoke to a reduction in the number of vehicles and to maintenance issues. City Manager Muehlenbeck spoke regarding plans for a bond sale in January.

Risk Manager Edwards spoke to managing costs for subrogation, workers compensation claims, the need for a risk control program and training to provide in-house expertise for management.

City Manager Muehlenbeck responded to Mayor Dyer regarding Staff reductions over the last two years and to the new fire fighter positions that will be added. Deputy Mayor Pro Tem Dunlap spoke to a possible reduction in Council stipends and Council Member Smith spoke to attracting all citizens to serve on the Council. She and Mayor Pro Tem LaRosiliere spoke to declining the stipend if members so choose. The Council spoke to meals being appropriate for board/commission day programs and Deputy City Manager Hogan spoke to the Parks and Recreation Planning Board ceasing meal service beginning in January. Mayor Dyer spoke to addressing Council meals at a later time.

City Manager Muehlenbeck spoke to securing monies from hotel/motel taxes for development of a new convention center and funding historic and arts groups at a lower percentage. Council Member Callison spoke to the effect of the economy on the arts groups and ensuring the timing is right for a shift. Mayor Pro Tem LaRosiliere spoke to notifying arts groups if grants will be scaled down. City Manager Muehlenbeck advised that Staff would bring back information regarding alternatives for center funding and for graduated grants to the arts groups. In response to Deputy Mayor Pro Tem Dunlap, he spoke regarding meetings with the Arts of Collin County to determine the project’s status as well as operations and maintenance costs. The Council discussed special event grants and stated a consensus to have a committee review these requests prior to the budget session.

### **Council Appointees**

Municipal Judge Stevenson spoke to the Juvenile Case Managers as a “quality of life” program and provided at no cost to the City; the Building Security Fund paid for by court costs and to funds available to cover expenses for five years; and to the Court Technology Fund where state statutes prohibit fees collected to be spent on personnel. He advised that court operations is a “choice” and spoke to magistrate operations and having judges available 24 hours a day to perform functions. Judge Stevenson spoke the Teen Court Program, paid for by defendants throughout the year.

City Secretary Zucco spoke to expansion of the department to include Records Management and the “no choice” areas of open record coordination and retention of records and charge back of costs to departments. She spoke to costs for warehousing, scanning, and the action center and advised that postage and equipment costs for mail services are \$290,000 per year. Ms. Zucco advised that in the City Secretary’s office most items are “no choice,” and spoke to the January 2010 election as a supplemental appropriation. She spoke to creation of the paperless agenda packet, legal publications, income received from alcoholic beverage permits in the City, and customer service provided by the department. Ms. Zucco spoke to coordinating the boards/commissions and utilization of an on-line application process in 2009.

City Attorney Wetherbee spoke to the reductions in Staff and other cities that do not have in-house attorneys. She spoke to utilizing a mentor program to reduce costs, her department acting as a corporation counsel, disposition of lawsuits, and recovering monies due the City.

Director of Budget and Research Rhodes-Whitley spoke to areas of “no choice” including preparation of a budget and regarding her role as the tax assessor. She spoke to her department coordinating special projects including the core business matrix and budget projections.

Ms. Rhodes-Whitley spoke to retiree payouts and Mayor Dyer requested a briefing on this and other employee benefits. She further spoke to costs for unemployment insurance, central appraisal district estimates, electrical/water costs for the City. Ms. Rhodes-Whitley spoke to retiree health insurance costs, vacation/sick-leave buy backs, holiday luncheon, minor apparatus, funding of Technology Services, departmental awards, regional/national association memberships, departmental transfers, and social service add-ons.

City Manager Muehlenbeck spoke to the duties of the Internal Audit Department to produce reports to streamline operations, audit arts groups, and complete special projects. He advised that Economic Development attracts business, develops the incentive fund program, provides business retention and expansion services, and coordinates redevelopment efforts. Mr. Muehlenbeck spoke to providing information on the potential of issuing debt for water and sewer as opposed to pay as you go. Mayor Dyer thanked the Staff for their work and requested the Council forward any questions.

Nothing further was discussed and Mayor Dyer adjourned the meeting at 5:28 p.m.

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**Phil Dyer, Mayor**

ATTEST:

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Diane Zucco, City Secretary

**PLANO CITY COUNCIL  
NEIGHBORHOOD ROUNDTABLE  
DISTRICT TWO  
DECEMBER 10, 2009**

**COUNCIL MEMBERS**

Phil Dyer, Mayor  
Harry LaRosiliere, Mayor Pro Tem  
Lee Dunlap, Deputy Mayor Pro Tem  
Pat Miner  
Ben Harris  
Mabrie Jackson (resigned)  
Lissa Smith  
Jean Callison

**STAFF**

Thomas H. Muehlenbeck, City Manager  
Frank Turner, Deputy City Manager  
Bruce Glasscock, Deputy City Manager  
Rod Hogan, Deputy City Manager  
Mark Israelson, Assistant City Manager  
LaShon Ross, Assistant City Manager  
Diane C. Wetherbee, City Attorney  
Diane Zucco, City Secretary

The Plano City Council met informally at 7:09 p.m., Thursday, December 10, 2009, at the Tom Muehlenbeck Recreation Center, 5801 West Parker Road, Plano, Texas. All Council Members were present with the exception of Council Member Smith. Mayor Dyer welcomed those in attendance and introduced Council and Staff. He spoke regarding the structure of the Council where all members represent citizens across the City.

**2009/2010 Budget Update**

Director of Budget and Research Rhodes-Whitley spoke to the decline in sales tax revenues, efforts on the part of Council and Staff to address a deficit projected for 2009-10, and an increase in ad valorem taxes of 1.51 cents, the majority of which will be used to pay for debt. She spoke to the projected \$20 million deficit for 2010-11 and the requirement that Council pass a balanced budget. Ms. Rhodes-Whitley stated that the Collin County Appraisal District has advised there will likely be an 8% reduction in commercial property value for the coming year and spoke to the positive impact of the economic development fund, the costs for operation/maintenance for new facilities, and the impact of heavy rains on income for the Water/Sewer Fund. She responded to questions from citizens regarding the cost of the January special election and efforts to maintain the City's AAA bond rating. Ms. Rhodes-Whitley welcomed new ideas and spoke to the low tax rate in Plano as compared to other area cities. City Manager Muehlenbeck spoke to a January bond sale and Ms. Rhodes-Whitley spoke to street projects where there are matching funds.

In response to a citizen's question, City Manager Muehlenbeck advised that there was a 45% decrease in participation when recreation membership fees were raised. Citizens spoke to maintaining library hours and to their willingness to pay more taxes with the understanding these would be adjusted when the economy improves.

Mayor Pro Tem LaRosiliere spoke to the deficit forecast for 2009-10 and \$10 million in service/personnel cuts and review of services by the Council. Mayor Dyer spoke to a one penny increase in the property tax rate resulting in \$2.5 million and the reduction of \$10 million in sales tax revenues. Ms. Rhodes-Whitley responded to a citizen, advising that the City is unable to track spending by citizens versus non-citizens and Mayor Dyer spoke regarding sales tax distribution (6.25 cents to the state, 1 cent to DART and 1cent to the City).

### **Economic Development Progress Report**

Plano Economic Development Board Executive Director Bane reviewed the facilities that opened in 2008-09 including Children's Medical Center, Capital One Auto Finance, Denbury Resources, Cigna-Regional Headquarters, Diodes, and Hope Center. She spoke to the number of medical facilities in Plano, 2009-10 projects including Crumb Corp and Huawei, Pizza Hut construction with a value of \$15-20 million, and the number of data centers. Ms. Bane spoke to the jobs brought to the City, improvements and pending projects from Alliance Data Systems and Tektronics.

Ms. Bane spoke to Chapter 380 incentives where companies agreement to comply with requirements for occupancy and personnel, the number of healthcare industries coming to the City, the popularity of incentives and limitations/benefits of tax abatements. She advised that Plano is advertised as a top city for working families with low business costs, educated workforce and world-class business parks. Ms. Bane spoke to challenges of a maturing city as aging infrastructure, slow revenue streams, the impact of other cities with 4A and 4B funds, and external retail growth and the opportunities including redevelopment/infill, organic business growth, emerging industries, increased awareness, and recruiting from high-cost and regulated markets. She advised that the board has a staff of five and that efforts can be Plano-specific or regional in nature and that during slow economic times, companies take more time to analyze decisions.

### **Community Investment Projects/Street Repairs/Improvements/Resurfacing – District 2**

Director of Public Works/Engineering Upchurch advised regarding design work on intersection improvements for Plano Parkway/Preston Road; construction of improvements at Coit Road and Legacy Drive; widening of McDermott Road from Coit Road to Ohio Drive; intersection improvements at Spring Creek Parkway/Coit Road; improvements on Communications Parkway from Parker Road to Spring Creek Parkway and on Razor Boulevard east of Ohio Drive. He spoke to work on the left turn lanes on Ohio Drive south of S.H. 121; testing of equipment at the Mapleshade Lift Station; widening of Marsh Lane south of Parker Road; widening of Plano Parkway west of Midway Road; residential reconstruction in the area bounded by Spring Creek Parkway/Coit Road/Hedgcoxe Road/Preston Road and the change out of water meters in the City.

Mr. Upchurch responded to citizens, advising that now is an opportune time to bid projects as pricing is low; S.H 544 west of the Burlington Northern Railroad is not within Plano City limits; the median left-turn lane at Preston Road/Legacy Drive has been delayed by weather; ramps at Parker Road/U.S. 75 are working toward completion; and advised that plans for an overpass at Preston Road/Plano Parkway have been removed from plans.

### **Fire Station #12/Emergency Operations Center & Fire Station #13 Update**

Fire Chief Esparza spoke to completion of Station #12 (including Logistics Facility and Emergency Operations Center) at Parker Road/Coit Road; plans to go to bid for Station #13 early in 2010; and adding a bay at the Roundrock Station. He responded to citizen questions advising that Station #12 was delayed due to contractor issues, is much larger than a typical station and Staff does not anticipate traffic problems in the area. Mayor Dyer spoke to Plano's ISO 1 rating and being the only "flagship" municipality.

### **Major Park Projects and Park Land Acquisition**

Parks and Recreation Director Fortenberry spoke to the similarities between the Park Master Plan in place in the 1960's and development today. She advised regarding two acquisitions: Sunset Park at Midway Road to provide parking and a trail connection; and the White Rock Creek Community Park Addition including 80 acres completing a 124-acre site with trail connections for future development. She responded to citizen questions, advising that trails will follow creeks and bridges, spoke to the cost for park land and advised there would still need to be agreement between parties even if eminent domain were used. Ms. Fortenberry spoke to removing the proposed pool from plans for Carpenter Park Recreation Center and moving forward with an expansion of the weight room; and the use of "soft" trails at Oak Point Park. She advised that Staff will review uneven trails at Arbor Hills.

Council Member Harris opened the floor for general questions and advised that Staff will review multiple mailings related to utility billing and that the Council has not yet considered increased expenses that may be associated with caps on trade. City Manager Muehlenbeck spoke to the City being turned down in efforts to secure stimulus funds and Mayor Dyer advised that the City cannot increase the sales tax rate. Council Member Harris spoke to the 1 cent of sales tax that is paid to DART and responded to a citizen regarding traffic/noise concerns.

Mayor Dyer thanked those in attendance. Nothing further was discussed and the meeting was closed at 8:47 p.m.

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**Phil Dyer, Mayor**

ATTEST:

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Diane Zucco, City Secretary

**PLANO CITY COUNCIL  
PRELIMINARY OPEN MEETING  
December 14, 2009**

**COUNCIL MEMBERS**

Phil Dyer, Mayor  
Harry LaRosiliere, Mayor Pro Tem  
Lee Dunlap, Deputy Mayor Pro Tem  
Pat Miner  
Ben Harris  
Mabrie Jackson (resigned)  
Lissa Smith  
Jean Callison

**STAFF**

Thomas H. Muehlenbeck, City Manager  
Frank Turner, Deputy City Manager  
Bruce Glasscock, Deputy City Manager  
Rod Hogan, Deputy City Manager  
Mark Israelson, Assistant City Manager  
LaShon Ross, Assistant City Manager  
Diane C. Wetherbee, City Attorney  
Diane Zucco, City Secretary

Mayor Dyer called the meeting to order at 5:13 p.m., Monday, December 14, 2009, in Training Room A of the Municipal Center, 1520 K Avenue. All Council Members were present with the exception of Council Member Miner. Council Member Callison arrived at 5:28 p.m. Mayor Dyer then stated that the Council would retire into Executive Session in compliance with Chapter 551, Government Code, Vernon's Texas Codes, Annotated, in order to consult with an attorney and receive Legal Advice/Litigation, Section 551.071; to receive information regarding Economic Development, Section 551.087; and to discuss Personnel, Section 551.074 for which a certified agenda will be kept in the office of the City Secretary for a period of two years as required.

Mayor Dyer reconvened the meeting back into the Preliminary Open Meeting at 6:25 p.m. in the Council Chambers where the following matters were discussed:

**Consideration and Action Resulting From Executive Session: Personnel**

Appointment - Arts of Collin County Commission Board of Directors

Upon a motion made by Council Member Smith and seconded by Mayor Pro Tem LaRosiliere, the Council voted 6-0 to appoint Sandra Yancey as a Joint Member of the board.

## **Departmental Briefing – Building Inspections**

Chief Building Official Mata spoke to the department's responsibilities to verify that construction of all buildings and residential homes meet adopted standards for quality of life and building safety through plan review and construction inspection services and enforcing the international codes. He advised that permit services include permitting, plan review, variances and records while inspection services are comprised of field inspections, code consultation/enforcement and job tracking. Mr. Mata spoke to the timeframe and electronic processing for permit review and the variety of inspections performed. He advised that the department facilitates the Building Standards Commission and Board of Adjustment, spoke to adoption of green building standards and an updated sign ordinance and referenced outreach efforts and future projects.

## **Council items for discussion/action on future agendas**

No items were discussed.

## **Consent and Regular Agenda**

Council Member Harris requested that Consent Agenda Item "J," a resolution to approve the terms and conditions of a real estate contract between the Jason Byron Sowell Jr. Trust and the City of Plano for the purchase and lease of property located at Spring Creek Parkway and Windhaven Parkway, be removed for individual consideration due to a possible conflict of interest.

Nothing further was discussed. Mayor Dyer adjourned the Preliminary Meeting at 6:41 p.m.

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**Phil Dyer, Mayor**

ATTEST

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**Diane Zucco, City Secretary**

**PLANO CITY COUNCIL**  
**December 14, 2009**

**COUNCIL MEMBERS**

Phil Dyer, Mayor  
Harry LaRosiliere, Mayor Pro Tem  
Lee Dunlap, Deputy Mayor Pro Tem  
Pat Miner  
Ben Harris  
Mabrie Jackson (resigned)  
Lissa Smith  
Jean Callison

**STAFF**

Thomas H. Muehlenbeck, City Manager  
Frank Turner, Deputy City Manager  
Bruce Glasscock, Deputy City Manager  
Rod Hogan, Deputy City Manager  
Mark Israelson, Assistant City Manager  
LaShon Ross, Assistant City Manager  
Diane C. Wetherbee, City Attorney  
Diane Zucco, City Secretary

Mayor Dyer convened the Council into the Regular Session on Monday, December 14, 2009, at 7:01 p.m. in the Council Chamber of the Plano Municipal Center, 1520 K Avenue. All Council Members were present with the exception of Council Member Miner.

The invocation was led by Deputy Mayor Pro Tem Dunlap and the Pledge of Allegiance was led Douglass Community Center Seniors.

**COMMENTS OF PUBLIC INTEREST**

No one appeared to speak

**CONSENT AGENDA**

Upon a request by Council Member Harris, Consent Agenda Item "J" was pulled for individual consideration due to a possible conflict of interest.

Upon a motion made by and seconded by the Council voted 6-0 to approve and adopt all remaining items on the Consent Agenda as recommended and as follows:

**Approval of Minutes** (Consent Agenda Item "A")

November 18, 2009  
November 23, 2009

### **Approval of Expenditures**

#### **Award/Rejection of Bid/Proposal: (Purchase of products/services through formal procurement process by this agency)**

**Bid No. 2009-192-C** for Annual Supply Contract for Herbicides, Insecticides, and Miscellaneous Chemicals in the estimated annual amount of \$78,149 to Red River Specialties, Mann Farm and Ranch, Estes Inc., CWC Chemical Inc., BWI Companies, Univar USA, and Helena Chemical Co., and authorizing the City Manager to execute all necessary documents. This will establish an annual fixed price contract with three optional one-year renewals. (Consent Agenda Item “B”)

**Bid No. 2009-143-B** for construction of the McDermott Road from Ohio Drive to Coit Road project to Tiseo Paving Company in the amount of \$2,132,270. The project consists of the construction of the widening of McDermott Road to a six lane road from Coit Road to Razor Boulevard and a four lane road from Razor Boulevard to Ohio Drive. The project also includes a bridge over White Rock Creek between Robinson Road and Razor Boulevard. (Consent Agenda Item “C”)

#### **Purchase from an Existing Contract**

To approve the purchase of GIS Maintenance Expenses as designated in the amount of \$58,700 from ESRI, Inc. through a State of Texas Department of Information Resources (DIR) Contract, and authorizing the City Manager to execute any and all necessary documents. (DIR-SDD-492) (Consent Agenda Item “D”)

#### **Approval of Contract: (Purchase of products/services exempt from State of Texas Competitive Bid Laws)**

To approve a Professional Services Agreement contract between the City of Plano and Mandy Vassigh Engineering, Inc., in the amount of \$64,850 for the engineering design of Screening Wall – Parker Road and Independence Parkway and authorizing the City Manager to execute all necessary documents. This is for the engineering design and specifications for the reconstruction of screening walls at the following two locations: (1) On the south side of Parker Road from 560 feet west of Alma Drive to Spring Creek Parkway – Length 1,400 LF and (2) On the west side of Independence Parkway from approximately 140 feet north of Lanarc Drive to approximately 150 feet south of Sebring Drive – Length 380 LF. (Consent Agenda Item “E”)

To approve a Professional Services Agreement by and between the City of Plano and BW2 Engineering, Inc., in the amount of \$97,450 for Dallas North Estates 3, and authorizing the City Manager to execute all necessary documents. This includes the complete reconstruction of existing street pavement, sidewalks and waterlines at the following locations: Edgefield Drive-Janwood Drive to Springbrook Road, Linden Drive-Edgefield Drive to Ridgefield Drive and Meadowcrest Drive-Springbrook Drive to Ridgefield Drive. (Consent Agenda Item “F”)

To approve a contract made and entered into by and between the City of Plano and Sharon Rowe, the Elections Administrator of Collin County, Texas, pursuant to the authority in Subchapter D, Section 31.092, of Chapter 31, of the Texas Election Code, regarding the coordination, supervision, and running of the City’s January 30, 2010, Special Election in the estimated amount of \$68,149. (Consent Agenda Item “G”)

## **Approval of Change Order**

To Smith Contracting, Inc., increasing the contract by \$43,351 for the 2008-2009 Arterial Concrete Pavement Rehabilitation Project, Enterprise Drive and Premier Drive, Project No. 5892, Change Order No. 1, Bid No. 2009-133-B. (Consent Agenda Item “H”)

## **Adoption of Resolutions**

**Resolution No. 2009-12-1(R):** To approve receipt of funds in the amount of \$158,403 from the Texas State Library and Archives Commission – Loan Star Libraries to fund the following for the Plano Public Library System; tagging Library materials for Radio Frequency Identification (RFID) implementation, English and Spanish Microsoft computer class instructors; books; large print books, World Language materials, and CDs and DVDs; and authorizing the City Manager to execute all necessary documents for receipt of the funding. (Consent Agenda Item “I”)

**Resolution No. 2009-12-2(R):** To authorize an Interlocal Cooperation Agreement between the City of Plano, and the City of Murphy for backup assistance in Building Plans Examination and Building Inspection; and providing for an immediate effective date. (Consent Agenda Item “K”)

**Resolution No. 2009-12-3(R):** To approve and adopt an amendment to the City of Plano Supplemental Savings Plan (Governmental Money Purchase Plan); authorizing its execution by the City Manager; approving the termination of the Plan; delegating to the City Manager the authority to submit the Plan to the Internal Revenue Service for a determination as to its qualified status upon termination; and providing an effective date. (Consent Agenda Item “L”)

**Resolution No. 2009-12-4(R):** To approve the terms and conditions of a Texas Traffic Safety Program Grant Agreement by and between the State of Texas and the City of Plano, Texas; authorizing the City Manager to execute the Grant Agreement and any other documents necessary to effectuate the action taken; and providing an effective date. (Consent Agenda Item “M”)

**Resolution No. 2009-12-5(R):** To approve the terms and conditions of a First Amendment to a Development Agreement between the City of Plano and RH 15<sup>th</sup> Condos One, Ltd. for the development of 15<sup>th</sup> Street Village; authorizing its execution by the City Manager; and providing an effective date. (Consent Agenda Item “N”)

## **Adoption of Ordinances**

**Ordinance No. 2009-12-6:** To transfer the sum of \$79,954 from the General Fund Unappropriated Fund Balance for Fiscal Year 2009-10 to the General Fund Operating Appropriation for the purpose of providing additional funding for the estimated costs associated with conducting a Special Election on January 30, 2010 to fill the vacant Place 3 City Council position; amending the budget of the City and Ordinance 2009-9-13, as amended, to reflect the actions taken herein; declaring this action to be a case of public necessity; and providing an effective date. (Consent Agenda Item “O”)

**Ordinance No. 2009-12-7:** To amend Ordinance No. 2007-5-20 relating to City of Plano Retirement Security Plan as restated January 1, 2007 as follows: the last paragraph of Section 2.1(b) "Mortality Assumption" to comply with certain provisions of the Worker, Retiree, and Employee Recovery Act of 2008 ("WRERA") effective January 1, 2009 and the second paragraph of Section 12.3 "Non-Alienation of Benefits" to adopt the provisions of Subchapters A and C of Chapter 804 of the Texas Government Code effective January 1, 2010; authorizing its execution by the City Manager; providing a repealer clause, a severability clause, a savings clause, and an effective date. (Consent Agenda Item "P")

**Ordinance No. 2009-12-8:** To adopt and enact Supplement Number 88 to the Code of Ordinances for the City of Plano; providing for amendment to certain sections of the Code; and providing an effective date. (Consent Agenda Item "Q")

### **END OF CONSENT**

Due to a possible conflict of interest, Council Member Harris stepped down from the bench on the following item.

**Resolution No. 2009-12-9(R):** To approve the terms and conditions of a Real Estate Contract and Lease by and between the Jason Byron Sowell Jr. Trust and the City of Plano for the purchase and lease of approximately 80 acres of land located at the intersection of Spring Creek Parkway and Windhaven Parkway, Plano, Collin County, Texas; authorizing the City Manager to execute such contract; and providing an effective date. (Consent Agenda Item "J")

Upon a motion made by Council Member Callison and seconded by Deputy Mayor Pro Tem Dunlap, the Council voted 5-0 to approve a real estate contract and lease by and between the Jason Byron Sowell Jr. Trust and the City of Plano for the purchase and lease of land located at the intersection of Spring Creek Parkway and Windhaven Parkway; and further to adopt Resolution No. 2009-12-9(R).

Council Member Harris resumed his seat at the bench.

**Public Hearing and adoption of Ordinance No. 2009-12-10 as requested in Zoning Case 2009-19** to amend the Comprehensive Zoning Ordinance of the City, Ordinance No. 2006-4-24, as heretofore amended, granting Specific Use Permit No. 602 so as to allow the additional use of Day Care Center on 3.0± acres of land located on the south side of McDermott Road, 800± feet east of Independence Parkway, in the City of Plano, Collin County, Texas, presently zoned Single-Family Residence-7; directing a change accordingly in the official zoning map of the City; and providing a penalty clause, a repealer clause, a savings clause, a severability clause, and an effective date. Applicant: Northpointe Assembly of God (Regular Agenda Item "1")

Director of Planning Jarrell advised that the request for a day care center in this location requires a specific use permit and that it has direct access to a median opening and meets required parking, loading and unloading specifications. She advised that, while not necessary, the applicant intends to put in a landscape boundary between the site and adjacent residential property and that the Planning and Zoning Commission has recommended approval as submitted.

**Ordinance No. 2009-12-10**

Mayor Dyer opened the Public Hearing. No one spoke either for or against the request. The Public Hearing was closed.

Upon a motion made by Mayor Pro Tem LaRosiliere and seconded by Deputy Mayor Pro Tem Dunlap, the Council voted 6-0 to grant Specific Use Permit No. 602 allowing a day care center at McDermott Road and Independence Parkway as recommended by the Planning and Zoning Commission and as requested in Zoning Case 2009-19; and further to adopt Ordinance No. 2009-12-10.

**Resolution No. 2009-12-11(R):** To approve the terms and conditions of an Economic Development Incentive Agreement by and between the City of Plano, Texas and Allied Solutions, LLC; authorizing its execution by the City Manager and providing an effective date. (Regular Agenda Item “2”)

Director of Finance Tacke advised that Allied Solutions, LLC would occupy no less than 19,500 square feet of commercial space and retain no less than 78 full-time jobs by January 1, 2010. She advised that the terms of the agreement run from January 1, 2010 – December 31, 2014 for a grant in the amount of \$54,600.

Upon a motion made by Council Member Callison and seconded by Council Member Smith, the Council voted 6-0 to approve an Economic Development Incentive Agreement between the City of Plano, Texas and Allied Solutions, LLC. And further to adopt Resolution No. 2009-12-11(R).

**Resolution No. 2009-12-12(R):** A Resolution to approve the terms and conditions of an Economic Development Incentive Agreement by and between the City of Plano, Texas and Tektronix Texas, LLC; authorizing its execution by the City Manager and providing an effective date. (Regular Agenda Item “3”)

Director of Finance Tacke advised that Tektronix Texas, LLC would occupy no less than 125,000 square feet of commercial space and transfer or create up to 450 full-time jobs by August 1, 2010 with the creation or transfer of 25 additional jobs by December 31, 2012. She advised that the terms of the agreement run from August 1, 2010 – December 31, 2022 in the total amount of \$593,750.

Upon a motion made by Council Member Harris and seconded by Council Member Smith, the Council voted 6-0 to approve an Economic Development Incentive Agreement between the City of Plano, Texas and Tektronix Texas, LLC. And further to adopt Resolution No. 2009-12-12(R).

**Public Hearing pursuant to Chapter 26 of the Texas Parks and Wildlife Code** pertaining to the use or taking of a portion of a City of Plano park and known as the Bluebonnet Trail site for a Communications Facilities License Agreement for cellular equipment attached to and at the base of the existing Oncor Electric transmission tower. (Regular Agenda Item “4”)

Assistant City Manager Israelson spoke to the request for a ground lease for Clear Wireless, LLC at Bluebonnet Trail, advising that the request has been approved by the Parks and Recreation Planning Board. Mr. Israelson stated that the project includes all reasonable planning to minimize harm to the land resulting from the use and spoke to there being no feasible and prudent alternative to the use of this land.

Mayor Dyer opened the Public Hearing. No one spoke either for or against the request. The Public Hearing was closed.

**Ordinance No. 2009-12-13:** to approve the use and taking by Clear Wireless, LLC, a Nevada limited liability company, of a portion of City of Plano public park land known as Bluebonnet Trail Park (near Stillwell Road between Brunchberry Lane and Ashington Lane); finding and determining that there is no feasible and prudent alternative to the proposed use or taking of the park land and that the proposed project includes all reasonable planning to minimize harm to the land, the park and the recreation area; and providing an effective date. (Regular Agenda Item "5")

Upon a motion made by Council Member Callison and seconded by Mayor Pro Tem LaRosiliere, the Council voted 6-0 to approve the use and taking by Clear Wireless LLC of a portion of Bluebonnet Trail Park and further to adopt Ordinance No. 2009-12-13.

**Resolution No. 2009-12-14(R):** To approve the terms and conditions of a Communications Facilities License Agreement by and between the City of Plano, Texas, and Clear Wireless, LLC, a Nevada limited liability company, to locate, place, attach, install, and operate, telecommunications ground equipment in certain specific portions of City of Plano public park land, known as the Bluebonnet Trail site, authorizing its execution by the City Manager and providing an effective date. (Regular Agenda Item "6")

Upon a motion made by Mayor Pro Tem LaRosiliere and seconded by Council Member Harris, the Council voted 6-0 to approve an agreement between the City of Plano and Clear Wireless LLC for ground equipment at Bluebonnet Trail and further to adopt Resolution No. 2009-12-14(R).

**Public Hearing pursuant to Chapter 26 of the Texas Parks and Wildlife Code** pertaining to the use or taking of a portion of a City of Plano park and known as the Preston Ridge site for a Communications Facilities License Agreement for cellular equipment attached to and at the base of the existing Oncor Electric transmission tower. (Regular Agenda Item "7")

Assistant City Manager Israelson spoke to the request for a ground lease for Clear Wireless, LLC at Preston Ridge site, advising that the request has been approved by the Parks and Recreation Planning Board. Mr. Israelson stated that the project includes all reasonable planning to minimize harm to the land resulting from the use and spoke to there being no feasible and prudent alternative to the use of this land.

Mayor Dyer opened the Public Hearing. No one spoke either for or against the request. The Public Hearing was closed.

**Ordinance No. 2009-12-15:** An Ordinance to approve the use and taking by Clear Wireless, LLC, a Nevada limited liability company, of a portion of City of Plano public park land known as Preston Ridge Trail Park (near Legacy Drive between Rock Springs Drive and Los Altos Drive); finding and determining that there is no feasible and prudent alternative to the proposed use or taking of the park land and that the proposed project includes all reasonable planning to minimize harm to the land, the park and the recreation area; and providing an effective date. (Regular Agenda Item “8”)

Upon a motion made by Deputy Mayor Pro Tem Dunlap and seconded by Council Member Callison, the Council voted 6-0 to approve the use and taking by Clear Wireless, LLC of a portion of Preston Ridge Trail Park and further to adopt Ordinance No. 2009-12-15.

**Resolution No. 2009-12-16(R):** to approve the terms and conditions of a Communications Facilities License Agreement by and between the City of Plano, Texas, and Clear Wireless, LLC, a Nevada limited liability company, to locate, place, attach, install, and operate, telecommunications ground equipment in certain specific portions of City of Plano public park land, known as the Preston Ridge site, authorizing its execution by the City Manager and providing an effective date. (Regular Agenda Item “9”)

Upon a motion made by Council Member Callison and seconded by Deputy Mayor Pro Tem Dunlap, the Council voted 6-0 to approve an agreement between the City of Plano and Clear Wireless LLC for ground equipment at Preston Ridge Trail Park and further to adopt Resolution No. 2009-12-16(R).

**Resolution No. 2009-12-17(R):** Relating to the giving of notice of intention to issue City of Plano, Texas, Combination Tax and Revenue Certificates of Obligation, Series 2010; and providing an effective date. (Regular Agenda Item “10”)

Upon a motion made by Mayor Pro tem LaRosiliere and seconded by Council Member Smith the Council voted 6-0 to give notice of intention to issue City of Plano Combination Tax and Revenue Certificates of Obligation and further to adopt Resolution No. 2009-12-17(R).

There being no further discussion, Mayor Dyer adjourned the meeting at 7:19 p.m.

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**Phil Dyer, MAYOR**

ATTEST:

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Diane Zucco, City Secretary

**PLANO CITY COUNCIL  
PRELIMINARY OPEN MEETING  
December 22, 2009**

**COUNCIL MEMBERS**

Phil Dyer, Mayor  
Harry LaRosiliere, Mayor Pro Tem  
Lee Dunlap, Deputy Mayor Pro Tem  
Pat Miner  
Ben Harris  
Mabrie Jackson (resigned)  
Lissa Smith  
Jean Callison

**STAFF**

Thomas H. Muehlenbeck, City Manager  
Frank Turner, Deputy City Manager  
Bruce Glasscock, Deputy City Manager  
Rod Hogan, Deputy City Manager  
Mark Israelson, Assistant City Manager  
LaShon Ross, Assistant City Manager  
Diane C. Wetherbee, City Attorney  
Paige Mims, Assistant City Attorney III  
Diane Zucco, City Secretary

Mayor Dyer called the meeting to order at 5:16 p.m., Tuesday, December 22, 2009, in Training Room A of the Municipal Center, 1520 K Avenue. All Council Members were present. Mayor Dyer then stated that the Council would retire into Executive Session in compliance with Chapter 551, Government Code, Vernon's Texas Codes, Annotated, in order to consult with an attorney and receive Legal Advice/Litigation, Section 551.071 and to receive information regarding Economic Development, Section 551.087 for which a certified agenda will be kept in the office of the City Secretary for a period of two years as required.

Mayor Dyer reconvened the meeting back into the Preliminary Open Meeting at 5:52 p.m. in the Council Chambers where the following matters were discussed:

**Consideration and action resulting from Executive Session discussion**

No items were brought forward.

**Personnel Appointments**

**Tax Increment Financing Reinvestment Zone No. 1**

Upon a motion made by Deputy Mayor Pro Tem Dunlap and seconded by Council Member Harris, the Council voted 7-0 to appoint Mayor Pro Tem LaRosiliere as Chair.

## Tax Increment Financing Reinvestment Zone No. 2

Upon a motion made by Mayor Pro Tem LaRosiliere and seconded by Deputy Mayor Pro Tem Dunlap, the Council voted 7-0 to appoint Council Member Miner as Chair.

## **Arts of Collin County Quarterly Report**

Executive Director Mike Simpson presented a virtual-tour video of the Arts of Collin County and spoke to recent activity including \$2.9 million in new donations, an expanded donation program, online donation capability, and brick paver/seat programs. He spoke to over 110 presentations made, the promotion planned for January 2010 through April 2010, and the new website. Mr. Simpson reviewed recent donations, spoke to the "Businesses for the Arts Project" and the level of private funds to date. He provided project status, advising that the master plan and site standards, theater design, construction documents, and surrounding roads are complete. Mr. Simpson spoke to funding over 80% complete and bidding the job in a timely manner to keep costs down. He spoke to the bid opening on December 9, with 265 bidders on more than 30 projects, low pricing, presentations made to cities January-March and a final award by April 2010 with an opening early-summer of 2012.

## **Comprehensive Monthly Financial Report**

Director of Finance Tacke spoke to the General, Water/Sewer and Golf Course funds being down year-to-date as a percentage of the budget. She advised that actual General Fund revenue is down approximately \$1 million overall primarily due to the decrease in sales tax and lower franchise fees. Ms. Tacke spoke to expenditures in the General Fund experiencing increases in contractual and professional services and expenses related to the *Lights at Legacy*. She advised that overall personnel expenses are down due to open positions and are offset by payment of post-retirement benefits. Ms. Tacke spoke to low sales tax receipts in area cities and lowered revenues for the Water/Sewer fund related to increased rains.

City Manager Muehlenbeck spoke to monies deposited into a reserve (\$6 million per year) to fund and pre-fund health care benefits for retirees and possible consideration of future levels of participation. Ms. Tacke spoke to the unknown future of the health care industry, Plano being proactive as related to other communities, and monies impacting the General Fund. Mayor Dyer requested a presentation to the Council regarding reserve funds. Ms. Tacke responded to Mayor Pro Tem LaRosiliere regarding building the fund based on future estimates.

Deputy Mayor Pro Tem Dunlap spoke to the Public Utility Commission's decision regarding franchise fees and the impact on cities. Ms. Tacke advised that the monies collected to date are \$300,000 lower than last year and that collections are based on electrical billings. City Manager Muehlenbeck spoke to the funding of state agencies through fees collected by municipalities such as those for water sampling. Ms. Tacke responded to Deputy Mayor Pro Tem Dunlap regarding the General Fund being made up of ad valorem and sales taxes with other funds (water/sewer and municipal drainage) enterprise funds operating as businesses and able to make a profit.

### **Paperless Agenda Process**

City Secretary Zucco reviewed the development of a paperless agenda, benefits for Council, citizens and Staff in delivery, access and downloading. She advised regarding the savings in resources and more effective routing and creation of packets. Ms. Zucco spoke to introduction to Staff with parallel packets on January 11, 2010 and full conversion on January 25, 2010. Director of Technology Services Stephens provided the Council an overview to the packet highlighting access and the availability of all items related to a Council meeting. He responded to Council Member Harris, advising that the packet will be searchable and Ms. Zucco spoke to cost savings.

### **Council items for discussion/action on future agendas**

No items were discussed.

### **Consent and Regular Agenda**

No items were discussed.

Nothing further was discussed. Mayor Dyer adjourned the Preliminary Meeting at 6:34 p.m.

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**Phil Dyer, Mayor**

ATTEST

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**Diane Zucco, City Secretary**

**PLANO CITY COUNCIL**  
**December 22, 2009**

**COUNCIL MEMBERS**

Phil Dyer, Mayor  
Harry LaRosiliere, Mayor Pro Tem  
Lee Dunlap, Deputy Mayor Pro Tem  
Pat Miner  
Ben Harris  
Mabrie Jackson (resigned)  
Lissa Smith  
Jean Callison

**STAFF**

Thomas H. Muehlenbeck, City Manager  
Frank Turner, Deputy City Manager  
Bruce Glasscock, Deputy City Manager  
Rod Hogan, Deputy City Manager  
Mark Israelson, Assistant City Manager  
LaShon Ross, Assistant City Manager  
Diane C. Wetherbee, City Attorney  
Paige Mims, Assistant City Attorney III  
Diane Zucco, City Secretary

Mayor Dyer convened the Council into the Regular Session on Tuesday, December 22, 2009, at 7:01 p.m. in the Council Chamber of the Plano Municipal Center, 1520 K Avenue. All Council Members were present.

Mayor Dyer requested the audience rise for a moment of silence and the Pledge of Allegiance was led by Cub Scout Pack 280 of Christ United Methodist Church.

Mayor Dyer presented a plaque of appreciation to outgoing Council Member Mabrie Jackson.

**COMMENTS OF PUBLIC INTEREST**

No one appeared to speak.

**CONSENT AGENDA**

Upon a motion made by Council Member Harris and seconded by Council Member Callison, the Council voted 7-0 to approve and adopt all items on the Consent Agenda as recommended and as follows:

### **Approval of Expenditures**

#### **Award/Rejection of Bid/Proposal: (Purchase of products/services through formal procurement process by this agency)**

**Bid No. 2010-7-P** for 2009-2010 Sanitary Sewer Rehab Requirements Contract to Insituform Technologies, Inc. in the amount of \$1,925,970. This project involves the repair and lining of sanitary sewer mains using trenchless technology and the replacement of sanitary sewer laterals to eliminate infiltration and inflow into the City's sewer system, at various locations in the City. This will establish a fixed price requirements contract with two optional renewals. (Consent Agenda Item "A")

**Bid No. 2010-14-B** for 14<sup>th</sup> Street – Avenue K to Ridgewood Drive to McMahon Contracting, L.P. in the amount of \$5,479,272. This project consists of the reconstruction of the sewer main and attached services from Avenue O to Avenue K, the construction of a 12" water main and attached services, from Avenue K to Ridgewood Drive, and the removal and replacement of the concrete paving from Avenue K to Ridgewood Drive, including the intersection at Jupiter Road, approximately 8,700 linear feet (1.6 miles) total. (Consent Agenda Item "B")

#### **Purchase from an Existing Contract**

To authorize maintenance for Sun Storage Area Network and Sun Tape Library, in the amount of \$56,887 from Sigma Solutions, Inc., through a State of Texas Department of Information Resources (DIR) contract, and authorizing the City Manager to execute all necessary documents. This is for a one-year maintenance agreement. (Contract No. DIR-SDD-503) (Consent Agenda Item "C")

To authorize the purchase of maintenance support for our IBM i550 server in the amount of \$60,788 from Sirius, through a TXMAS Contract, and authorizing the City Manager to execute all necessary documents. (TXMAS Contract No. 4-70080) (Consent Agenda Item "D")

To approve to extend the existing Service Agreement between Motorola and the City of Plano for an additional two-month period, for the amount of \$149,814 through an existing contract with the Houston-Galveston Area Council, and authorizing the City Manager to execute all necessary documents. (HGAC Contract No. RA-01-08) (Consent Agenda Item "E")

To authorize an expenditure in the amount of \$663,248 with Dell for a Microsoft Enterprise Agreement renewal and true-up for our server and desktop licenses through a Department of Information Resources (DIR) contract, and authorizing the City Manager to execute all necessary documents. This is the first year of a three year contract. (Contract No. DIR-SDD-1014) (Consent Agenda Item "F")

#### **Approval of Contract: (Purchase of products/services exempt from State of Texas Competitive Bid Laws)**

To approve an Engineering Contract by and between the City of Plano and Lam Consulting Engineering, in the amount of \$60,000 for Drainage Improvements – Briarwood, Liverpool & Stoney Point, and authorizing the City Manager to execute all necessary documents. (Consent Agenda Item "G")

### **Modification of Contract**

To approve a first modification to contract with DataProse, Inc. increasing the annual contract amount by \$71,300 from \$388,700 to \$460,000 to allow other printing options, adding an itemized fee schedule for the new printing options, approving the assignment of contract to CSG Systems, Inc., and authorizing the City Manager to execute all necessary documents. (Consent Agenda Item “H”)

### **Approval of Change Order**

To McMahon Contracting, L.P., increasing the contract by \$246,095 for Preston at Legacy Intersection Improvements, Change Order No. 1. (Original Bid No. 2009-34-B) (Consent Agenda Item “I”)

### **END OF CONSENT**

**Resolution No. 2009-12-18(R):** To approve the terms and conditions of an Agreement by and between Motorola, Inc. and the City of Plano, Texas, the City of Allen, Texas, the City of Wylie, Texas and the City of Murphy, Texas who are parties to an Interlocal Agreement for the purchase of a Radio System, of which Plano’s share will be \$12,271,398; authorizing its execution by the City Manager; and providing an effective date. (Regular Agenda Item “1”)

City Manager Muehlenbeck advised that the current radio system is no longer supported and the project was put out to bid and includes a partnership with the cities of Allen, Wylie and Murphy. Communications Manager Carr spoke to the items on the agenda, the first being a replacement of the existing radio system, the second a resolution to approve the terms of an agreement with other cities for joint purchase and operation and the third a resolution to upgrade and replace the existing microwave system to connect to the radio system. Radio System Manager Goldsmith spoke to the need to move to another system, review of all vendors and notice provided that the current system was no longer serviceable and has been in place since 1991.

Upon a motion made by Council Member Miner and seconded by Council Member Callison, the Council voted 7-0 to approve an Agreement with Motorola, Inc. and the cities of Plano, Allen, Wylie and Murphy, Texas for the purchase of a Radio System and further to adopt Resolution No. 2009-12-18(R).

**Resolution No. 2009-12-19(R):** To approve the terms and conditions of an Interlocal Agreement by and between the City of Plano, Texas and the City of Allen, Texas, the City of Wylie, Texas and the City of Murphy, Texas for Joint Radio Communications System for Municipal Services; authorizing its execution by the City Manager; and providing an effective date. (Regular Agenda Item “2”)

Citizen Mona Tuffer spoke to the importance of communication and cooperation between agencies in the event of a disaster.

**Resolution No. 2009-12-19(R) (cont'd)**

Upon a motion made by Mayor Pro Tem LaRosiliere and seconded by Council Member Callison, the Council voted 7-0 to approve an Interlocal Agreement between the cities of Plano, Allen, Wylie and Murphy, Texas for a Joint Radio Communications System for Municipal Services and further to adopt Resolution No. 2009-12-19(R).

**Resolution No. 2009-12-20(R):** To approve the terms and conditions of an Agreement by and between the City of Plano, Texas, the City of Allen, Texas, the City of Wylie, Texas and the City of Murphy, Texas and Alcatel-Lucent, Inc., a sole source provider, for upgrade and replacement of the existing Microwave Radio System which will connect the new Motorola P-25 Radio System Infrastructure to each of the above cities of which Plano's share will be \$893,732; authorizing its execution by the City Manager; and providing an effective date. (Regular Agenda Item "3")

Upon a motion made by Council Member Miner and seconded by Council Member Smith, the Council voted 7-0 to approve an agreement between the cities of Plano, Allen, Wylie, and Murphy, Texas and Alcatel-Lucent, Inc. for upgrade and replacement of the existing Microwave Radio System and further to adopt Resolution No. 2009-12-20(R).

There being no further discussion, Mayor Dyer adjourned the meeting at 7:16 p.m.

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**Phil Dyer, MAYOR**

ATTEST:

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Diane Zucco, City Secretary



**CITY OF PLANO  
COUNCIL AGENDA ITEM**

<b>CITY SECRETARY'S USE ONLY</b>	
<input type="checkbox"/> Consent <input type="checkbox"/> Regular <input type="checkbox"/> Statutory	
Council Meeting Date:	01/11/10
Department:	Engineering
Department Head	Upchurch
Agenda Coordinator (include phone #):	Irene Pegues (7198)
	<b>Project No. 5518</b>

**CAPTION**

Approval of Bid for Bid No. 2010-31-B for Erosion Control Briarwood - Eight Locations to ARK Contracting Services, LLC in the amount of \$966,155.

**FINANCIAL SUMMARY**

NOT APPLICABLE     OPERATING EXPENSE     REVENUE     CIP

FISCAL YEAR:    2009-10	Prior Year (CIP Only)	Current Year	Future Years	TOTALS
Budget	29,644	1,554,356	0	<b>1,584,000</b>
Encumbered/Expended Amount	-29,644	-38,626	0	<b>-68,270</b>
This Item	0	-966,155	0	<b>-966,155</b>
BALANCE	0	549,575	0	<b>549,575</b>

**FUND(S):    MUNICIPAL DRAINAGE CIP & SEWER CIP**

**COMMENTS:** Funds are included in the 2009-10 Municipal Drainage CIP & Sewer CIP. This item, in the amount of \$966,155, will leave a current year balance of \$549,575 for the Briarwood Erosion Control and Sewer Erosion Control - Newport/Idyllwild projects.

**STRATEGIC PLAN GOAL:** Erosion control relates to the City's Goals of Livable and Sustainable Community.

**SUMMARY OF ITEM**

Staff recommends bid of ARK Contracting Services, LLC, in the amount of \$966,155.40, be accepted as lowest responsible bid conditioned upon timely execution of any necessary contract documents.

The second vendor being recommended is Austin Filter Systems, Inc., in the amount of \$1,275,464.90.

Engineer's estimate was \$1,200,000.00.

The project consists of construction of gabion walls for erosion control at eight (8) locations in creek areas behind the following addresses (locations 1-5, 7 and 8 are funded from the Erosion Control fund and location 6 is funded from the Aerial Crossing Sewer Erosion Control fund\*):

1. Woodpark Townhomes (2932 Tisinger Place)
2. 3200 Rockbrook Drive
3. 3500 Rockbrook Drive
4. 1913 Briarcreek Lane



## CITY OF PLANO COUNCIL AGENDA ITEM

5. 2201 East 18<sup>th</sup> Street
6. 2920 Newport Circle / 1524 Idyllwild Drive (Sewer Erosion Control\*)
7. 2133 Meadowcreek Drive
8. 2017 Greenbriar Lane

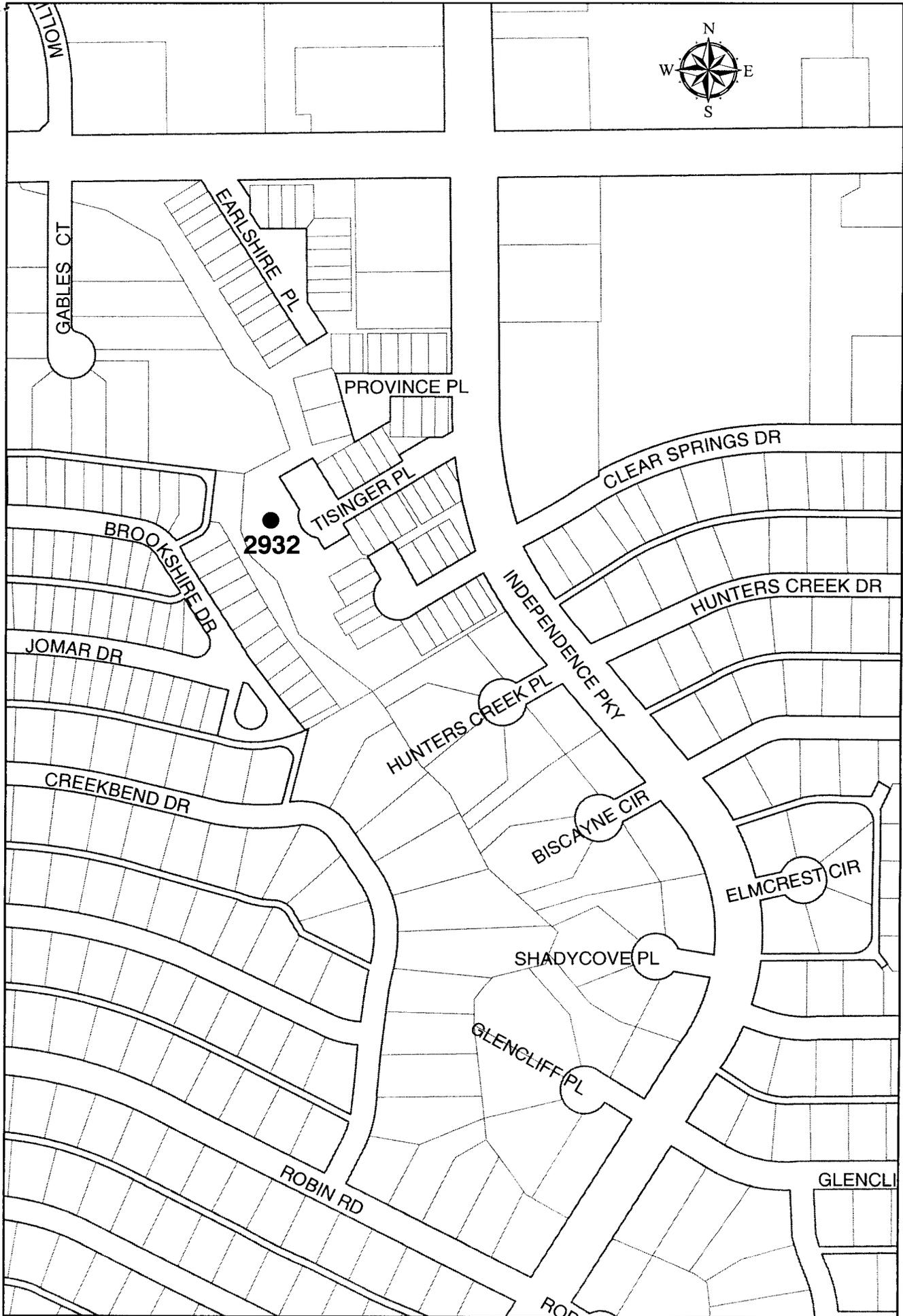
List of Supporting Documents:  
Location Maps, Bid Summary

Other Departments, Boards, Commissions or Agencies  
N/A

# Erosion Control - Briarwood Project No. 5518



**EROSION CONTROL - BRIARWOOD PROJECT NO. 5518**



# EROSION CONTROL - BRIARWOOD PROJECT NO. 5518



**BID SUMMARY**

**EROSION CONTROL  
BRIARWOOD – EIGHT LOCATIONS  
PROJECT NO. 5518**

<b>BID RANK</b>	<b>BIDDER</b>	<b>TOTAL BID</b>
1	ARK Contracting Services, LLC	\$ 966,155.40
2	Austin Filter Systems, Inc.	\$1, 275,464.90
3	DCI Contracting, Inc.	\$1, 415,366.00



## CITY OF PLANO COUNCIL AGENDA ITEM

CITY SECRETARY'S USE ONLY			Initials	Date
<input type="checkbox"/> Consent <input type="checkbox"/> Regular <input type="checkbox"/> Statutory		Purchasing		
Council Meeting Date: 1/11/10		Budget		
Department: Fleet Services Division		Legal		
Department Head: Reid Choate    Mike Ryan		Assistant City Manager		
Dept Signature:		Deputy City Manager		
		City Manager		
Agenda Coordinator (include phone #): <b>Linda M. Robinson ext. 4180</b>				

ACTION REQUESTED:     ORDINANCE     RESOLUTION     CHANGE ORDER     AGREEMENT  
 APPROVAL OF BID     AWARD OF CONTRACT     OTHER PURCHASE OFF EXISTING CONTRACT

### CAPTION

Approval of the purchase of three (3) Rear Loader Bodies and three (3) Automated Side Loader Bodies in the amount of \$517,175.00 from Heil of Texas, through an existing contract/agreement with Texas Association School Buyboard Program, and authorizing the City Manager or his authorized designee to execute all necessary documents. (#280-07)

### FINANCIAL SUMMARY

NOT APPLICABLE     OPERATING EXPENSE     REVENUE     CIP

FISCAL YEAR: <b>2009-10</b>	Prior Year (CIP Only)	Current Year	Future Years	TOTALS
Budget	0	1,145,000	0	<b>1,145,000</b>
Encumbered/Expended Amount	0	0	0	<b>0</b>
This Item	0	-517,175	0	<b>-517,175</b>
BALANCE	0	627,825	0	<b>627,825</b>

FUND(S): **EQUIPMENT REPLACEMENT FUND**

**COMMENTS:** Funds are included in the FY 2009-10 adopted budget to purchase three (3) Heil Rear Loader Bodies and three (3) Automated Bodies through an existing Contract/Agreement with TASB/Buyboard. Remaining balance will be used for other equipment purchases.

**STRATEGIC PLAN GOAL:** Providing equipment purchases relates to the City's goal of a "Financially Strong City with Service Excellence".

### SUMMARY OF ITEM

Fleet Services request the purchase of three (3) Rear Loader Bodies and three (3) Automated Side Loader Bodies through the Texas Association School Buyboard Program, awarded to Heil of Texas. The bodies are scheduled replacements from the FY 08/09 budget and balance of funds will be used toward the purchase of the chassis for these units. The Rear Loader Bodies are to replace units #02900/Dept 751-Special Waste and units #02904 & #02906/Dept 748-Environmental Waste Collections. The Side Loader Bodies are to replace units #03902, #03904 & #03906 all for Dept 748/Environmental Waste Collections.

The City is authorized to purchase from a Local Cooperative Organization pursuant to Chapter 271, Subchapter



## CITY OF PLANO COUNCIL AGENDA ITEM

F of the Texas Local Govt. Code and by doing so satisfies any State law requiring local governments to seek competitive bids for items. (#280-07)

Total purchase price of the chassis including factory inspection trip and buyboard fee is \$517,175.00.

List of Supporting Documents: Agenda Memo	Other Departments, Boards, Commissions or Agencies
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## MEMORANDUM

Date: December 17, 2009

To: Earl Whitaker, Buyer

From: Reid Choate, Fleet Manager

Subject: Request to purchase three (3) Rear Loader Bodies and three (3) Automated Side Loader Bodies through the Texas Association School Buyboard, Contract 280-07 awarded to Heil of Texas.

	<u>3-REAR BODIES</u>	<u>3-SIDE BODIES</u>
Base Price:	\$64,500 x 3 = \$193,500.00	\$85,200 x 3 = \$255,600.00
Published Options:	\$ 9,824 x 3 = \$ 29,472.00	\$21,876 x 3 = \$ 65,628.00
Unpublished Options:	\$ 675 x 3 = \$ 2,025.00	\$ 2,650 x 3 = \$ 7,950.00
Good Customer Discount:	<u>\$ -5,000 x 3 = -\$15,000.00</u>	<u>\$ -8,000 x 3 = -\$24,000.00</u>
<b>PURCHASE PRICE:</b>	<b>\$209,997.00</b>	<b>\$305,178.00</b>

**TOTAL PURCHASE PRICE = \$1,600 + \$400 + \$209,997 + \$305,178 = \$517,175.00**  
**(Including Factory Inspection Trip & Buyboard Fee)**

**BUDGETED AMOUNT: \$1,145,000.00**

**NOTES:** These are scheduled replacements from the FY 08/09 budget as follows:

**Rear Bodies:** #02900/Dept 751-Special Waste; #02904 & #02906/Dept 748-Environmental Waste Collections.

**Side Bodies:** #03902, #03904 & #03906 all for Dept 748-Environmental Waste Collections. Balance of funds will be used toward the purchase of the chassis for this unit.

Please reference CRO No. 378877 .

Feel free to call me if you have any questions at extension 4182.

Cc: Mike Ryan  
David Garza  
Nancy Nevil  
Beck Morales  
Diane Palmer



**CITY OF PLANO  
COUNCIL AGENDA ITEM**

<b>CITY SECRETARY'S USE ONLY</b>			<b>Initials</b>	<b>Date</b>
<input type="checkbox"/> Consent <input type="checkbox"/> Regular <input type="checkbox"/> Statutory		Purchasing		
Council Meeting Date:	1/11/10	Budget		
Department:	Fleet Services Division	Legal		
Department Head	Reid Choate      Mike Ryan	Assistant City Manager		
Dept Signature:		Deputy City Manager		
		City Manager		
Agenda Coordinator (include phone #): <b>Linda M. Robinson ext. 4180</b>				

**ACTION REQUESTED:**     ORDINANCE     RESOLUTION     CHANGE ORDER     AGREEMENT  
 APPROVAL OF BID     AWARD OF CONTRACT     OTHER PURCHASE OFF EXISTING CONTRACT

**CAPTION**

Approval of the purchase of three (3) Rear Loader Chassis and three (3) Automated Side Loader Chassis in the amount of \$869,527.00 from Bond Equipment Company, through an existing contract/agreement with Texas Association School Buyboard Program, and authorizing the City Manager or his authorized designee to execute all necessary documents. (#281-07)

**FINANCIAL SUMMARY**

NOT APPLICABLE     OPERATING EXPENSE     REVENUE     CIP

FISCAL YEAR: <b>2009-10</b>	Prior Year (CIP Only)	Current Year	Future Years	TOTALS
Budget	0	1,145,000	0	<b>1,145,000</b>
Encumbered/Expended Amount	0	0	0	<b>0</b>
This Item	0	-869,527	0	<b>-869,527</b>
BALANCE	<b>0</b>	275,473	0	<b>275,473</b>

**FUND(S):    EQUIPMENT REPLACEMENT FUND**

**COMMENTS:** Funds are included in the FY 2009-10 adopted budget to purchase three (3) Crane Carrier Rear Loader Chassis and three (3) Automated Chassis through an existing Contract/Agreement with TASB/Buyboard. Remaining balance will be used for other equipment purchases.

**STRATEGIC PLAN GOAL:** Providing equipment purchases relates to the City's goal of a "Financially Strong City with Service Excellence".

**SUMMARY OF ITEM**

Fleet Services request the purchase of three (3) Rear Loader Chassis and three (3) Automated Side Loader Chassis through the Texas Association School Buyboard Program, awarded to Bond Equipment Company. The chassis' are scheduled replacements from the FY 08/09 budget and balance of funds will be used toward the purchase of the bodies for this units. The Rear Loader Chassis are to replace units #02900/Dept 751-Special Waste and units #02904 & #02906/Dept 748-Environmental Waste Collections. The Side Loader Chassis are to replace units #03902, #03904 & #03906 all for Dept 748/Environmental Waste Collections.

The City is authorized to purchase from a Local Cooperative Organization pursuant to Chapter 271, Subchapter



## CITY OF PLANO COUNCIL AGENDA ITEM

F of the Texas Local Govt. Code and by doing so satisfies any State law requiring local governments to seek competitive bids for items. (#281-07)

Total purchase price of the chassis including buyboard fee is \$869,527.00.

List of Supporting Documents: Agenda Memo	Other Departments, Boards, Commissions or Agencies
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## MEMORANDUM

Date: December 17, 2009

To: Earl Whitaker, Buyer

From: Reid Choate, Fleet Manager

Subject: Request to purchase three (3) Rear Loader Chassis and three (3) Automated Side Loader Chassis through the Texas Association School Buyboard, Contract 281-07 awarded to Bond Equipment Co.

	<u>3-REAR CHASSIS</u>	<u>3-SIDE CHASSIS</u>
Base Price:	\$102,461 x 3 = \$307,383.00	\$102,461 x 3 = \$307,383.00
Published Options:	\$ 25,834 x 3 = \$ 77,502.00	\$ 18,964 x 3 = \$ 56,892.00
Unpublished Options:	<u>\$ 20,139 x 3 = \$ 60,417.00</u>	<u>\$ 19,850 x 3 + \$ 59,550.00</u>
<b>PURCHASE PRICE:</b>	<b>\$445,302.00</b>	<b>\$423,825.00</b>

**TOTAL PURCHASE PRICE = \$400.00 + \$445,302.00 + \$423,825.00 = \$869,527.00**  
(including Buyboard Fee)

**BUDGETED AMOUNT: \$1,145,000.00**

**NOTES:** These are scheduled replacements from the FY 08/09 budget as follows:

**Rear Chassis:** #02900/Dept 751-Special Waste; #02904 & #02906/Dept 748-Environmental Waste Collections.

**Side Chassis:** #03902, #03904 & #03906 all for Dept 748-Environmental Waste Collections. Balance of funds will be used toward the purchase of the body for this unit.

Please reference CRO No. 378874.

Feel free to call me if you have any questions at extension 4182.

Cc: Mike Ryan  
David Garza  
Nancy Nevil  
Beck Morales  
Diane Palmer



## CITY OF PLANO COUNCIL AGENDA ITEM

CITY SECRETARY'S USE ONLY			Initials	Date
<input type="checkbox"/> Consent <input type="checkbox"/> Regular <input type="checkbox"/> Statutory		Purchasing		
Council Meeting Date:	01/11/10	Budget		
Department:	Purchasing	Legal		
Department Head	Mike Ryan	Assistant City Manager		
Dept Signature:		Deputy City Manager		
		City Manager		
Agenda Coordinator (include phone #): <b>Glenna Hayes x 7539</b>				
ACTION REQUESTED: <input type="checkbox"/> ORDINANCE <input checked="" type="checkbox"/> RESOLUTION <input type="checkbox"/> CHANGE ORDER <input type="checkbox"/> AGREEMENT <input type="checkbox"/> APPROVAL OF BID <input type="checkbox"/> AWARD OF CONTRACT <input type="checkbox"/> OTHER				
<b>CAPTION</b>				
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PLANO, TEXAS, APPROVING THE TERMS AND CONDITIONS OF A PROFESSIONAL SERVICES AGREEMENT BY AND BETWEEN ALTERNATIVE SERVICE CONCEPTS, LLC, AND THE CITY OF PLANO; AUTHORIZING ITS EXECUTION OF ALL NECESSARY DOCUMENTS BY THE CITY MANAGER, OR HIS DESIGNEE; AND PROVIDING AN EFFECTIVE DATE.				
<b>FINANCIAL SUMMARY</b>				
<input type="checkbox"/> NOT APPLICABLE <input checked="" type="checkbox"/> OPERATING EXPENSE <input type="checkbox"/> REVENUE <input type="checkbox"/> CIP				
FISCAL YEAR: 2009-10; 2010-11	<b>Prior Year (CIP Only)</b>	<b>Current Year</b>	<b>Future Years</b>	<b>TOTALS</b>
Budget	0	342,382	83,465	<b>425,847</b>
Encumbered/Expended Amount	0	-167,455	0	<b>-167,455</b>
This Item	0	-250,395	-83,465	<b>-333,860</b>
BALANCE	0	<b>-75,468</b>	<b>0</b>	<b>-75,468</b>
<b>FUND(S):    PROPERTY/LIABILITY LOSS FUND</b>				
<b>COMMENTS:</b> Funds are included in the FY 2009-10 Self Insurance Department Budget. This item, in the estimated amount of \$333,860, will provide for the continuation of professional services for third party claims administration for the purposes of evaluating the program and rebidding. The estimated annual amount to be spent in FY 2009-10, is \$250,395. The estimated future annual amount is \$83,465 which will be made within approved budget appropriations. Funds are available in other Property/Liability Fund accounts to cover the overage in FY 2009-10.				
<b>STRATEGIC PLAN GOAL:</b> Providing professional services for third party claims administration relates to a "Financially Strong City with Service Excellence."				
<b>SUMMARY OF ITEM</b>				
Staff recommends the acceptance of an agreement between Alternative Services Concepts, LLC and the City, continuing professional services for third party claims administration for the purposes of evaluating the program and rebidding. The term of the agreement is for a period of 12 months from date of execution of any necessary contract documents, in an estimated expenditure of \$356,507.22. 2010-43-C				
List of Supporting Documents: Resolution; contract		Other Departments, Boards, Commissions or Agencies N/A		

RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PLANO, TEXAS, APPROVING THE TERMS AND CONDITIONS OF A PROFESSIONAL SERVICES AGREEMENT BY AND BETWEEN ALTERNATIVE SERVICE CONCEPTS, LLC, AND THE CITY OF PLANO; AUTHORIZING ITS EXECUTION BY THE CITY MANAGER, OR HIS DESIGNEE; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, the City Council has been presented a proposed professional services agreement for third party claims administration services between Alternative Service Concepts, LLC., and the City of Plano, a substantial copy of which is attached hereto as Exhibit "A" and incorporated herein by reference (hereinafter called "Agreement"); and,

**WHEREAS**, the City has elected to continue such services while reviewing the current program and developing a new competitive proposal; and

**WHEREAS**, upon full review and consideration of the Agreement (2010-43-C), and all matters attendant and related thereto, the City Council is of the opinion that the terms and conditions thereof should be approved, and that the City Manager, or his designee, shall be authorized to execute it on behalf of the City of Plano.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PLANO, TEXAS, THAT:**

**Section I.** The terms and conditions of the Agreement, having been reviewed by the City Council of the City of Plano and found to be acceptable and in the best interests of the City of Plano and its citizens, are hereby in all things approved.

**Section II.** The City Manager, or his designee, is hereby authorized to execute the Agreement and all other documents in connection therewith on behalf of the City of Plano, substantially according to the terms and conditions set forth in the Agreement.

**Section III.** This Resolution shall become effective immediately upon its passage.

**DULY PASSED AND APPROVED** this, the \_\_\_\_ day of \_\_\_\_\_, 2010.

\_\_\_\_\_  
Phil Dyer, MAYOR

ATTEST:

\_\_\_\_\_  
Diane Zucco, CITY SECRETARY

APPROVED AS TO FORM:

\_\_\_\_\_  
Diane C. Wetherbee, CITY ATTORNEY

**PROFESSIONAL SERVICES AGREEMENT  
BY AND BETWEEN THE CITY OF PLANO, TEXAS AND  
ALTERNATIVE SERVICE CONCEPTS, LLC  
FOR CLAIMS SERVICE CONTRACT NO. 2010-43-B**

**THIS AGREEMENT** is made and entered by and between the **CITY OF PLANO, TEXAS**, a Home-Rule Municipal Corporation, hereinafter referred to as "City," and **ALTERNATIVE SERVICE CONCEPTS, LLC**, incorporated in the State of Delaware, hereinafter referred to as "Professional" to be effective from and after the date as provided herein.

**WITNESSETH:**

**WHEREAS**, the City desires to engage the services of Professional to process claims related to risk management, hereinafter referred to as the "Project"; and

**WHEREAS**, Professional desires to render such services for the City upon the terms and conditions provided herein.

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

**I. Engagement**

The City hereby agrees to retain Professional to perform professional services in connection with processing claims related to risk management, and Professional agrees to perform such services in accordance with the terms and conditions of this Agreement.

**II. Scope of Services**

The parties agree that Professional shall perform such services as are further described in the Scope of Services attached hereto and incorporated herein as Exhibit "A". The parties understand and agree that deviations or modifications in the Scope of Services may be authorized from time to time by the City, but said authorization must be made in writing.

**III. Term of Contract**

The term of this Contract will be for a period of twelve (12) months from date of execution.

**IV. Compensation/Expenses**

Compensation and expenses during the term of this contract shall be as set forth in the Fee Schedule, attached hereto and incorporated herein as Exhibit "B"

**V. Insurance**

Professional agrees to meet all insurance requirements, and to require all consultants who perform work for Professional to meet all insurance requirements, as set forth in Exhibit "C", which is attached hereto and thereby made a part of this Agreement.

## **VI. Reimbursement MMSEA Fines**

Professional shall promptly reimburse City for any fines, penalties or costs incurred by City pursuant to the Medicare, Medicaid and SCHIP Extension Act of 2007 (MMMSEA) arising out of Professional's negligence or failure to perform in strict conformance with the provisions contained in the herein contract. Professional shall reimburse City within 30 days of receiving notice from City that MMSEA fines, penalties or costs have been incurred.

## **VII. Indemnity**

### **1. GENERAL INDEMNITY**

PROFESSIONAL SHALL RELEASE, DEFEND, INDEMNIFY AND HOLD THE CITY AND ITS OFFICERS, AGENTS AND EMPLOYEES HARMLESS FROM AND AGAINST ALL DAMAGES, INJURIES (INCLUDING DEATH), CLAIMS, PROPERTY DAMAGES (INCLUDING LOSS OF USE), LOSSES, DEMANDS, SUITS, JUDGMENTS, FINES INCLUDING REASONABLE ATTORNEY'S FEES AND EXPENSES, CAUSED BY THE NEGLIGENT ACT OR OMISSION OR INTENTIONAL WRONGFUL ACT OR OMISSION OF PROFESSIONAL ITS OFFICERS, AGENTS, EMPLOYEES, SUBCONTRACTORS, LICENSEES, INVITEES OR ANY OTHER THIRD PARTIES FOR WHOM PROFESSIONAL IS LEGALLY RESPONSIBLE (HEREINAFTER "CLAIMS"). PROFESSIONAL IS EXPRESSLY REQUIRED TO DEFEND CITY AGAINST ALL SUCH CLAIMS.

IN ITS SOLE DISCRETION, CITY SHALL HAVE THE RIGHT TO SELECT OR TO APPROVE DEFENSE COUNSEL TO BE RETAINED BY PROFESSIONAL IN FULFILLING ITS OBLIGATION HEREUNDER TO DEFEND AND INDEMNIFY CITY, UNLESS SUCH RIGHT IS EXPRESSLY WAIVED BY CITY IN WRITING. CITY RESERVES THE RIGHT TO PROVIDE A PORTION OR ALL OF ITS OWN DEFENSE; HOWEVER, CITY IS UNDER NO OBLIGATION TO DO SO. ANY SUCH ACTION BY CITY IS NOT TO BE CONSTRUED AS A WAIVER OF PROFESSIONAL'S OBLIGATION TO DEFEND CITY OR AS A WAIVER OF PROFESSIONAL'S OBLIGATION TO INDEMNIFY CITY PURSUANT TO THIS AGREEMENT. PROFESSIONAL SHALL RETAIN DEFENSE COUNSEL WITHIN SEVEN (7) BUSINESS DAYS OF CITY'S WRITTEN NOTICE THAT CITY IS INVOKING ITS RIGHT TO INDEMNIFICATION UNDER THIS AGREEMENT. IF PROFESSIONAL FAILS TO RETAIN COUNSEL WITHIN SUCH TIME PERIOD, CITY SHALL HAVE THE RIGHT TO RETAIN DEFENSE COUNSEL ON ITS OWN BEHALF, AND PROFESSIONAL SHALL BE LIABLE FOR ALL COSTS INCURRED BY CITY.

### **2. PATENT AND COPYRIGHT INFRINGEMENT INDEMNITY AND REMEDY**

2.1 PROFESSIONAL WILL DEFEND, INDEMNIFY AND HOLD HARMLESS AT ITS EXPENSE ANY CLAIM/SUIT BROUGHT AGAINST THE CITY TO THE EXTENT IT IS BASED ON AN INFRINGEMENT CLAIM, AND PROFESSIONAL WILL INDEMNIFY THE CITY FOR THOSE COSTS AND DAMAGES FINALLY AWARDED AGAINST THE CITY FOR AN INFRINGEMENT CLAIM ARISING FROM PROFESSIONAL'S PERFORMANCE UNDER THIS CONTRACT. PROFESSIONAL'S DUTIES TO DEFEND AND INDEMNIFY ARE CONDITIONED UPON: THE CITY PROMPTLY NOTIFYING PROFESSIONAL IN WRITING OF THE INFRINGEMENT CLAIM; PROFESSIONAL HAVING SOLE CONTROL OF THE DEFENSE OF THE CLAIM/SUIT AND ALL NEGOTIATIONS FOR ITS SETTLEMENT OR

COMPROMISE; AND THE CITY PROVIDING TO PROFESSIONAL COOPERATION AND, IF REQUESTED BY PROFESSIONAL, REASONABLE ASSISTANCE IN THE DEFENSE OF THE INFRINGEMENT CLAIM. IN ADDITION TO PROFESSIONAL'S OBLIGATION TO DEFEND, AND SUBJECT TO THE SAME CONDITIONS, PROFESSIONAL WILL PAY ALL DAMAGES FINALLY AWARDED AGAINST THE CITY BY A COURT OF COMPETENT JURISDICTION FOR AN INFRINGEMENT CLAIM OR AGREED TO, IN WRITING, BY PROFESSIONAL IN SETTLEMENT OF AN INFRINGEMENT CLAIM.

2.2. IF AN INFRINGEMENT CLAIM OCCURS, OR IN PROFESSIONAL'S OPINION IS LIKELY TO OCCUR, PROFESSIONAL SHALL, AT ITS EXPENSE: (A) PROCURE FOR THE CITY THE RIGHT TO CONTINUE USING THE PRODUCT; (B) REPLACE OR MODIFY THE PRODUCT SO THAT IT BECOMES NON-INFRINGEMENT WHILE PROVIDING FUNCTIONALLY EQUIVALENT PERFORMANCE; OR (C) ACCEPT THE RETURN OF THE PRODUCT AND GRANT THE CITY A CREDIT FOR THE PRODUCT, LESS A REASONABLE CHARGE FOR DEPRECIATION. THE DEPRECIATION AMOUNT WILL BE CALCULATED BASED UPON GENERALLY ACCEPTED ACCOUNTING STANDARDS. PROFESSIONAL WILL PROCEED UNDER SUBSECTION (C) ABOVE ONLY IF SUBSECTIONS (A) AND (B) PROVE TO BE COMMERCIALY UNREASONABLE.

#### **VIII. Independent Contractor**

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

#### **IX. Assignment and Subletting**

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

#### **X. Audits and Records**

Professional agrees that at any time during normal business hours and as often as City may deem necessary, with reasonable notice in writing, Professional shall make available to representatives of the City for examination all of its records with respect to all matters covered by this Agreement, and will permit such representatives of the City to audit, examine, copy and make excerpts or transcripts from such records, and to make audits of all contracts, invoices, materials, payrolls, records of personnel, conditions of employment and other data relating to all matters covered by this Agreement, all for a period of three (3) years from the date of City's acceptance of the final Project, or for such other or longer period, if any, as may be required by applicable statute or other lawful requirement.

#### **XI. Prohibited Interest**

Professional agrees that it is aware of the prohibited interest requirements of the City Charter and Code of Conduct and will abide by the same. Further, a lawful representative of Professional shall execute the affidavit shown in Exhibit "D". Professional understands and agrees that the existence of a prohibited interest during the term of this Agreement will render the Agreement voidable.

#### **XII. Contract Termination**

The parties agree that City shall have the right to terminate this Agreement with or without cause upon sixty (60) days written notice to Professional. In the event of such termination, Professional shall deliver to City all finished or unfinished documents, data, studies, surveys, drawings, maps, models, reports, photographs or other items prepared by Professional in connection with this Agreement. Professional shall be entitled to compensation for any and all work completed to the reasonable satisfaction of City in accordance with the provisions of this Agreement prior to termination.

#### **XIII. Ownership of Documents**

Upon termination of this Agreement, Professional shall transfer, assign and make available to City, or its representatives, all property and materials in its possession or control belonging to the City and paid for by the City. In the event that the material, which is the subject of this Agreement, is copyrightable subject matter, Professional and City agree that for the purposes of this order the material shall be a work made for hire and the property of the City. In the event that the material which is the subject of this Agreement is not copyrightable subject matter, or for any reason is determined not to be a work made for hire, then and in such event Professional hereby assigns all right, title and interest to said material to City for the fees specified herein.

#### **XIV. Trade Secrets**

In conducting business and in anticipation of conducting business with Professional it may be necessary for the City to share trade secrets and/or other confidential and/or proprietary information or matter with Professional. The parties agree that such information and the materials referenced in the Agreement, the results and developments there from are confidential and/or proprietary information belonging to the City. Professional agrees not to disclose to any third party any such trade secrets and/or confidential or proprietary information for its own separate benefit. Professional will be responsible for its employees or agents complying with the provisions of this Agreement.

#### **XV. Complete Agreement**

This Agreement, including the Exhibits lettered "A" through "D", constitute the entire agreement by and between the parties regarding the subject matter hereof and supersedes all prior or contemporaneous written or oral understandings. This Agreement may only be amended, supplemented, modified or canceled by a duly executed written instrument.

**XVI. Mailing of Notices**

Unless instructed otherwise in writing, Professional agrees that all notices or communications to City permitted or required under this Agreement shall be addressed to City at the following address:

City of Plano, Texas  
Risk Management Department  
Attn: Darrell Edwards  
P.O. Box 860358  
Plano, TX 75086-0358

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

Alternative Service Concepts, LLC  
Attn: Tommie Biggers  
5601 NW 72<sup>nd</sup> Street, Suite 100  
Oklahoma City, OK 73132

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

**XVII. Miscellaneous**

A. Paragraph Headings:

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

B. Agreement Interpretation:

This is a negotiated Agreement, should any part be in dispute, the parties agree that the terms of the Agreement shall not be construed more favorably for either party.

C. Venue/Governing Law:

The parties agree that the laws of the State of Texas shall govern this Agreement, and that it is performable in Collin County Texas. Exclusive venue shall lie in Collin County, Texas.

D. Successors and Assigns:

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

E. Severability:

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

F. Effective Date:

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

**SIGNED** on the date indicated below.

**ALTERNATIVE SERVICE CONCEPTS,  
LLC.**

DATE: \_\_\_\_\_

BY: \_\_\_\_\_  
NAME: \_\_\_\_\_  
TITLE: \_\_\_\_\_

**CITY OF PLANO, TEXAS**

DATE: \_\_\_\_\_

BY: \_\_\_\_\_  
Thomas H. Muehlenbeck  
CITY MANAGER

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Diane C. Wetherbee, City Attorney

ACKNOWLEDGMENTS

STATE OF \_\_\_\_\_ §  
COUNTY OF \_\_\_\_\_ §

This instrument was acknowledged before me on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by \_\_\_\_\_ of **ALTERNATIVE SERVICE CONCEPTS, LLC.**, incorporated in the State of Delaware, on behalf of said Alternative Service Concepts, LLC.

\_\_\_\_\_  
Notary Public, State of \_\_\_\_\_

STATE OF TEXAS §  
COUNTY OF COLLIN §

This instrument was acknowledged before me on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by **THOMAS H. MUEHLENBECK**, City Manager, of the **CITY OF PLANO, TEXAS**, a Home-Rule Municipal Corporation, on behalf of said municipal corporation.

\_\_\_\_\_  
Notary Public, State of Texas

## SCOPE OF SERVICES FOR CLAIMS ADMINISTRATION

### **“ASC” AGREES:**

1. (a) To review all claims and/or losses reported during the term of this Contract which involve Workers Compensation, Property & Casualty claims against “Client”.
- (b) To investigate, adjust, settle or resist all such losses and/or claims within the agreed discretionary settlement authority limit of Two Thousand Five Hundred Dollars (\$2,500.00) and in accordance with the client’s claims handling procedures a copy of which is attached to this contract (Attachment 2).
- (c) To investigate, adjust, settle or resist all such losses and/or claims as are in excess of the agreed discretionary settlement authority limit of Two Thousand Five Hundred Dollars (\$2,500.00) only with specific prior approval of “Client”.
- (d) To report excess claims to “Client’s” excess carrier only if “Client” fulfills its obligations under “Client Agrees” Section, 4c.
- (e) To comply with all state and federal reporting mandates on behalf of “Client”.
2. To furnish all claim forms necessary for proper claims administration.
3. To establish claim and/or loss files, paper files and database files, for each reported claim and/or loss. Such files shall be the exclusive property of “Client”. Such files are available for review by “Client” at any reasonable time, with notice.
4. To maintain adequate Automobile Liability, Errors and Omissions, Fidelity, General Liability, and Workers’ Compensation insurance coverage in accordance with currently published City of Plano Risk Department requirements.
5. To indemnify, defend and hold harmless “Client” with respect to any claims asserted as a result of any errors, omissions, torts, intentional torts or other negligence on the part of “ASC” and/or its employees, unless the complained of actions of “ASC” were taken at the specific direction of “Client”.
6. To provide access to the STARS claims system for six (6) users at no additional cost. (Attachment 1)

**"CLIENT" AGREES:**

1. To make funds available for payment of claims and/or loss payments and for associated allocated expense within the discretionary settlement authority limit of Two Thousand Five Hundred Dollars (\$2,500.00) and for claim and/or loss payments in excess of the discretionary settlement authority limit of Two Thousand Five Hundred Dollars (\$2,500.00) with the prior approval of "Client".
2. To pay "ASC" fees in accordance with the "Fee Schedule" contained in Exhibit B attached to this Contract.
3. To pay "ASC" in accordance with the Texas Prompt Payment Law.
4. (a) To pay all Allocated Loss Expenses in addition to the claim service fee to be paid to "ASC" as prescribed in this Contract.  
(b) "Allocated Loss Expenses" shall include but not be limited to attorneys' fees; experts' fees (i.e. engineering, physicians, chemists, etc.); fees for independent medical examinations; witnesses' fees; witnesses' travel expenses; court reporters' fees; transcript fees; the cost of obtaining public records; commercial photographers' fees; automobile appraisal or property appraisal fees; medical cost containment services, such as utilization review, provider bill audit, preadmission authorization, hospital bill audit, and medical case management; all outside expense items; extraordinary travel expenses incurred by "ASC" at the request of "Client"; and any other similar fees, cost or expenses associated with the investigation, negotiation, settlement or defense of any claim hereunder or as required for the collection of subrogation on behalf of "Client".  
(c) To provide "ASC" with complete copies of all excess policies which apply to the claims reported during the Contract period.
5. To relinquish authority to "ASC" in all matters relating to claims service within the agreed discretionary settlement authority limit of Two Thousand Five Hundred Dollars (\$2,500.00).

6. (a) In the event, "ASC", acting at the specific direction of "Client", becomes liable to any third party, "Client" agrees to indemnify, defend and hold "ASC" and/or its employees harmless.
- (b) If "ASC" or any of its employees are named as defendant in any action (i) where the plaintiff's cause of action involves a claim hereunder and (ii) where there are not allegations of errors, omissions, torts, intentional torts or other negligence on the part of "ASC", "Client" will assume the defense of the action on behalf of "ASC" and/or its employees and indemnify and hold "ASC" and/or its employees harmless from any judgment rendered as a result of such action.

**"ASC" AND "CLIENT" MUTUALLY AGREE AS FOLLOWS:**

1. The Contract term is 12 months from date of contract execution. This Contract may be terminated by either "ASC" or "Client" with cause by providing sixty (60) days' prior written notice by certified mail.
  - (a) In the event that this Contract terminates or expires for any reason:
    - i. ASC will provide "Client" with a delimited text file of all tables in the STARS Systems no later than the end of the 60 day notice required in this section. The required medium shall be at the sole discretion of the "Client".
    - ii. "Client" shall have the option to have ASC handle open files which have been reported for an additional fee at the then prevailing rates, or to have ASC return the files to the client.
2. This Contract covers Claim Service for "Client" in the United States of America.
3. Gross receipts tax or assessments in those states or jurisdictions where levied shall be in addition to the service fee.
4. In the event any one or more of the provisions of this Contract shall be determined to be invalid or unenforceable by any court or other appropriate authority, the remainder of this Contract shall continue in full force and effect, as if said invalid and unenforceable portion had not been included in this Contract.

5. This Contract shall be construed and interpreted in accordance with the laws of the state of Texas.
6. This Contract represents the entire understanding of "ASC" and "Client" and supersedes all prior oral and written communications between "ASC" and "Client" as to the subject matter. Neither this Contract nor any provisions of it may be amended, modified or waived except in writing signed by a duly authorized representative of "ASC" and "Client".
7. The failure or delay of either "ASC" or "Client" to take action with respect to any failure of the other party to observe or perform any of the terms or provisions of this Contract, or with respect to any default hereunder by such other party, shall not be construed as a waiver or operate as a waiver of any rights or remedies of either "ASC" or "Client" or operate to deprive either "ASC" or "Client" of its right to institute and maintain any action or proceeding which it may deem necessary to protect, assert or enforce any such rights or remedies.
8. To not employ a person who has been employed by the other party at any time during the term of this Contract, unless the person to be employed shall not have been employed by the other party during the immediately preceding six (6) months or unless the hiring party shall have the other party's prior written consent.
9. "Client" reserves the right of final approval of all staff assigned to the City under this contract. In the event that the performance of any such staff is not satisfactory, the City will submit a written statement to the ASC Account Manager requesting appropriate corrective action up to and including replacement. Upon request of replacement, ASC will have 30 days to comply in providing a staff member of similar skills, experience and capabilities, at the same fee structure.
10. During the term of this Contract, "Client" will store, at its expense, all claim files.

## ATTACHMENT 1

### STARS – CLAIM SYSTEM

#### System Access

ASC will provide the City of Plano read only access to STARSWeb for reporting/claim review. ASC will provide the City with 6 user IDs at no cost. Any additional IDs will be invoiced at \$30/per additional user/per month.

#### Input Capabilities

City of Plano would also like the ability for designated employees to report claims through our online reporting setup with QRM. ASC will have the City of Plano's custom loss reports available for use by their employees designated to report claims.

A URL link to our QRM (24/7 reporting tool) will be added to the STARSWeb home page. This will trigger a series of alerts and allow for proper claim protocol/handling procedures. ASC can also place a secured (logon required) link on the City's website.

#### Report Recreation

The STARSWeb claims system offers internet-based reporting via STARSWeb. STARSWeb users will have access to over 80 templates in the reports manager. The City of Plano will have the ability to add customized conditions, sorts, filters, alerts, define their output (i.e., download to Excel or other software), create graphs, etc.

Note: If the City would like ASC to re-create current Riskmaster reports that are not part of our standard reporting offering an hourly personnel rate may apply.

#### System Alerts

ASC will set up the proper ID security and new claim alerts through the My STARS home page. These notifications will be set up per id.

#### Time Needed

ASC shall complete the conversion no later than 120 days from date of execution.

Summary of Expected Costs - See Exhibit "B" Fee Schedule, Item #8

On-Line Check Register Data:

EXHIBIT A  
PAGE 5 OF 20

ASC AGREES:

1. To create a comma delimited file that, at a minimum, includes the file claim number, check date, department, payee, and amount.
2. That for workers' compensation claims, the payee name will be left blank.
3. To generate a transaction identification number for each file.
4. To transfer the files relating to the checks and the on-line check register from ASC to the City of Plano over a mutually agreed secure method.

Designated Printer for Check Printing:

ASC AGREES:

1. To provide a printer for printing checks and absorb the costs for the printer, its installation, printing supplies (ink, etc.) all support and maintenance associated with ensuring the City of Plano maintains the capacity to print checks from the STARS System.
2. To remedy any problems associated with the inability of the City of Plano to print from the supplied printer within 24 hours of notice of problem or malfunction.

Associate Accounting Procedures

ASC AGREES:

1. To prepare 1099s and the responsibility of remedying any 1099 errors, questioned items and to absorb the cost of penalties associated with 1099 reporting. ASC is not responsible for 1099's on transactions occurring prior to the effective date of this agreement.
2. To mail the City of Plano copies of all 1099s reported to the Internal Revenue Service and any other correspondence related to the City of Plano's account.

STARS System Training

ASC AGREES:

1. To provide, at no additional cost to the City of Plano, up to 8 hours of training to be conducted onsite at a facility designated by the City of Plano.
2. To provide, at no additional cost to the City of Plano, up to 12 hours of web-based training to be lead by a facilitator technically proficient in the use and functionality of the STARS System.
3. To provide unlimited telephonic support of the STARS System over the life of the contract.

ATTACHMENT 2

CITY OF PLANO

SPECIAL CLAIM HANDLING INSTRUCTIONS

Description of Business: Municipality - City

Policy Information

Excess Workers' Compensation – Midwest Employers - \$1,000,000 SIR  
Excess Liability – St. Paul Fire & Marine - \$1,000,000 SIR  
EMT Professional Liability – Western World Ins. - \$500 Deductible  
Underground Storage Tank Liability – Illinois Insurance - \$10,000 Deductible

Contacts

City of Plano

Darrell Edwards, Risk Manager  
P. O. Box 860358  
Plano, TX 75086-0358  
Office (972) 941-7303

Jim Miller, Risk Program Manager  
P. O. Box 860358  
Plano, TX 75086-0358  
Office (972) 941-7129

Elsa Gonzales, Claims Coordinator  
P. O. Box 860358  
Plano, TX 75086-0358  
Office (972) 941-7306

Arthur J. Gallagher

Nancy Sylvester, Vice President  
235 Highlandia Dr, Suite 200  
Baton Rouge, LA 70810  
Office (225) 906-1219  
nancy\_sylvester@aig.com

Midwest Employers, Excess Carrier

Dan Sulzner, Client Manager  
14755 North Outer Forty Drive  
Suite 300  
Chesterfield, MO 63017  
Office (636) 449-7157  
dsulzner@mwecc.com

Illinois Union Insurance  
580 Walnut Street  
Cincinnati, OH 45202  
Office (513) 369-5000

Western World Insurance  
400 Parson's Pond Dr.  
Franklin Lakes, NA 07417

St. Paul Fire & Marine Insurance

2700 NE Loop 410 Ste. 105  
San Antonio, TX 78265

## SECTION 1 – WORKERS COMPENSATION

### I. Reporting Losses

First Reports of Injury (DWC-1) will be provided by the City's Claim Rep, directly to the claims adjuster. Claim files will be set up before the end of the next business day following receipt of the Employer's First Report of Injury by the TPA's claims assistant. If all information is not available, the City Claims Rep will submit the available information and follow-up with the department for the additional information. This information will then be forwarded to the TPA.

### II. Claim Investigation, Set Up and Processing

- a. Initial claim investigations will be performed in accordance with Industry's Best Practices, and in compliance with provisions as specified in the Contract and applicable supplements (including on-site investigations) to provide the complete and necessary information to reserve and adjust all claims. The adjuster will respond to the hospital if an employee is in the ER or admitted for any injury, exposure or condition regardless of the status of the claim.
- b. The City's Claims Rep will track and verify all claims assignments to the TPA. A weekly assignment log will be maintained by the TPA.
- c. All files will be created within one (1) working day, and reserved within two (2) working days, of receipt of the Employer's First Report of Injury (DWC 1). All reports will be set up as claims and classified under the following claim types:

**Medical Only** – minor treatment not to exceed \$2,500.00 total incurred.

**Indemnity** – more than 7 days of lost time and treatment that generates bills and/or medical incurred costs that exceed \$2,500.00.

- d. The adjuster will answer all questions related to the particular claim that the employee may have and then document the file notes with all questions and answers provided.
- e. Diaries will be established, monitored, and maintained, so that every open claim is reviewed, and claimant contact is made at least once every 30 days by the adjuster. Confirmation of every Adjuster's claim review and claimant contact must be documented in the claim file's "Adjuster's Notes" section/notepad. All notes will be maintained and addressed on the same business day or within 24 hours of receipt, with the exception of weekends. Claims occurring over a weekend or long holiday must be documented on the first scheduled workday. Claims that remain open for medical maintenance benefits only may be set on a diary not to exceed 90 days. If active medical treatment resumes, the diary span will return to 30 days.

A Supervisory file review will occur at least once every 30 days on all open indemnity claims, claims open for more than 60 days and 25% of all other claims, and will document the review of reserves, benefit management, medical and/or case management (telephonic or field), and the Adjuster's action plan. Supervisory claim reviews will be clearly documented in the claim file's Adjuster Notes (notepad) section, identifying the supervisor, comments, and or instructions to the Adjuster. Supervisor will also review all vendor reports authorizing surgical procedures.

- f. Payments will be made promptly.
- Uncontroverted Indemnity – as required by law.
  - Uncontroverted Medical – within forty-five (45) days of receipt.
- g. All medical treatment and hospital bills/charges are to be reviewed by the Adjuster for verification of relation to the originally reported injury. Following the Adjuster's review, the claims coordinator will make copies of the bills for files and mail all original bills/records to be audited to:

MCMC  
P.O. Box 291587  
Nashville, TN 37217

Once MCMC has audited the bill, they will return the bill and Explanation of Review to the ASC office for payment.

Requests for Pre-Authorization or Pre-Certification, are to be sent directly to:

**Speciality Health**  
**330 E. Liberty Street, Suite 200**  
**Reno, NV 889501-2221**  
**P (775) 329-6200**  
**F (775) 329-6221**

- h. Copies of correspondence between the Adjuster and doctors, claimants, attorneys, rehabilitation counselors, case managers, investigators, and state agencies, must be documented immediately in the Adjuster's Notes/notepad, and hard copies kept in the claim file. Immediate shall mean all notes will be maintained and addressed on the same business day or within 24 hours of receipt, with the exception of weekends & holidays. Claims occurring over a weekend or holiday must be documented on the first scheduled workday.
- i. Every claim should be immediately evaluated for possible subrogation potential. All claims involving potential subrogation should be brought to the attention of the Claims Coordinator, and cc'd to Risk Manager. **No subrogation recovery less than 100% of the loss should be accepted without express authority from the City of Plano's Risk Manager or designee.** All claims will be reviewed for possible subrogation.

- j. Prior to the assignment of surveillance or other outside investigators, the Adjuster shall seek **express authority from** City of Plano's Claims Coordinator which will in turn get authorization from the Risk Manager before surveillance is approved.
- k. Refer all WC cases to Brandi Prejean with Thornton, Biechlin, Segrato, Reynolds & Guerra (DWC Rep) at (512) 329-6666 and ensure that each claim is brought to the attention of Paige Mims, Assistant City Attorney (972) 941-5235.
- l. The City's WC Adjuster and a City of Plano representative will attend all BRC's and CCH's and other proceedings. The Adjuster will arrive with the entire claim file and all pertinent information. The Adjuster will notify the Claims Coordinator and the Risk Manager of all hearings. A summary report will also be provided to the Claims Coordinator and Risk Manager.
- m. Upon written notice of claim, a three-point contact must be made and a complete investigation of **all** claims must be initiated within **24** hours. All conversations must be documented and summarized in the Adjuster's Notes/notepad immediately. The three points of contact will include contact with the Claims Coordinator, the Claimant and the doctor's office. The investigation will include a site visit, documentation and pictures if applicable.
- n. Initial phone contact with an injured employee or claimant will be accomplished or attempted within 24 hours of receipt of notification of the claim. This will include any notification received after hours by a City of Plano staff member. Employee nonparticipation with initial contact will not impede follow through of the claims process to ensure compliance of the DWC law. The adjuster must document in the file notes all attempts to make contact. If the adjuster continues to have a problem making contact the employees' supervisor or the Claims Coordinator, should be contacted for assistance.
- o. Upon contact with the claimant, the Adjuster will document the description of injury as provided by the employee or claimant, and obtain appropriate past medical history.
- p. All attempts to contact the injured employee or claimant will be documented in the Adjuster's Notes/notepad section of the electronic claim file record.
- q. Initial claimant contact should include, but not be limited to the following:
- A description of the Adjuster's function
  - Confirmation of the accident/injury function
  - Securing of information relative to prior injuries, accidents, or related medical conditions involving the same body parts
  - Confirmation of alternative contact phone numbers and/or addresses for the claimant
  - Any information which may be relative to the liability of a third party
- r. Audio recorded statements of the injured employee or claimant must be secured on all claims, to memorialize accident facts and affected body parts on all

indemnity and major or questionable medical claims. Written statements will be secured on all other claims. Incident only claims do not require a recorded statement unless they subsequently result in medical treatment.

- s. City's Workers' Compensation Adjuster must maintain telephone or personal contact with all temporarily disabled employees, their supervisor, or other designated persons, no less frequently than once a week, to maintain rapport, monitor medical progress, and keep abreast of the employee's return to work status and/or modified duties. Confirmation of the weekly contacts must be reflected in the Adjuster's claim file notes at all times.
- t. An Injured Employee, prior to and immediately following Surgical/Hospitalization, will be contacted upon the Claims Adjuster receiving knowledge of the procedure.
- u. **All** claims must be indexed with the Central Index Bureau when the claim is initially set-up, and **every year thereafter (until closure)**, or more frequently if facts of the claim warrant. A copy of every index filing will be kept in the claim file, and documented in the Adjuster's Notes/notepad..

### III. File Documentation/Claim File Notes

All indemnity files will contain reserve worksheets, which explain how the current reserves are calculated. A copy of the reserve worksheet will be placed in the file. Reserve worksheets are mandatory on any reportable claim, or request for authority.

All file activity, including telephone conversations and/or personal meetings, and diary reviews will be immediately and clearly documented in the claim file Adjuster's Notes/notepad. This documentation will include a minimum of the individuals involved, dates, content of discussions, and the Adjuster's plan of action.

Supervisory review of every open claim file should be clearly noted in the file notes/notepad at least once every 30 days.

Specific direction on the investigation and handling of all indemnity claims will be established within three **(3) working days** of receipt of the initial report and clearly documented in the file notepad.

The Adjuster's basis for acceptance or denial of compensability will be clearly documented in the Adjuster's Notes/notepad. The Claims Coordinator and Risk Manager must be notified immediately, prior to employee notification, upon the decision to deny a claim or treatment. The adjuster must contact the employee by phone to notify the employee about a denial of a claim or treatment.

The TPA will conduct annual internal audits, or quality control procedures, these audits will be continuously maintained in a central file set up specifically for internal audit results.

Claims adjuster can request a Peer Review, RME, or DD anytime.

Claims adjuster will secure a DWC 69 (Maximum Medical Improvement form) on all claims except minimal first aid claims.

#### IV. Claim Denial/Delay

Delays will be sent in accordance with State regulations.

A hard copy of any PLN forms must be forwarded to the Claims Coordinator at the time of creation and filing. Forwarding via email or electronic medium is acceptable. A copy of the first and the final draft/check for indemnity payments will be sent to the Claims Coordinator.

#### V. Claim Administration

Each file will contain a complete written chronology of all actions taken within the Adjuster's Notes/notepad section of the electronic claim record of any City Claim.

This shall include full documentation of information gained during the three-point contact, initial investigation, and documentation of settlement or other authority extended by the City or any other information pertaining to this claim.

Documentation in the Adjuster's Notes/notepad shall also include notes and actions taken regarding hearings, conversations with attorneys, and summaries of medical reports.

The Adjuster must closely monitor and record all litigation activity and maintain litigation files using the Riskmaster Litigation Module.

The Adjuster will administer, monitor, and control, within the jurisdiction of the Labor Code, all cost containment programs established, or approved by the City.

#### VI. Reserving

The Adjuster will advise the City immediately of any claim requiring an aggregate reserve of **\$25,000 or more** on Workers Compensation, via e-mail, with documentation entered in the Adjuster's Notes/notepad.

The Adjuster will advise the Risk Manager of any claim requiring a subsequent aggregate reserve of **\$50,000 or more (on any claim)** via email, with documentation entered in the Adjuster's Notes/notepad.

The Adjuster will advise the Risk Manager of any change in reserves for all indemnity claims with a total incurred in excess of \$25,000.00.

Reserves will be estimated and maintained on the basis of most probable final cost.

With the exception of Medical Only claims, reserve worksheets will be completed for all initial and revised incurred loss estimates, and a copy sent to the Risk Manager.

Reserve worksheets will be standardized among all City WC claim files, and will contain separate categories for indemnity, medical, and allocated expenses. Major subcategories of each shall be included. All worksheets must explain how current reserves were calculated.

Reserves must be evaluated at least once every 60 days, and documented in the Adjuster's Notes/notepad. If reserves are adjusted, a reserve worksheet will be completed and filed.

**VII. Settlement Authority/Liability**

Settlement Authority: For authority in excess of **\$2,500**, the Adjuster will submit a written Request for Authority to the City of Plano, explaining the request and include copies of any pertinent medical and/or legal documents. The City must be notified of any payment of \$25,000 or more prior to payment.

**VIII. Claim Payments**

City of Plano will issue all checks.

Stop Pay Procedure:

The Adjuster must contact the City of Plano Claims Coordinator and request the stop pay. The Claims Coordinator will send the Adjuster a confirmation of the stop pay. Once the Adjuster receives the confirmation, they must then void the check in the claim system.

**IX. Vendors**

The City reserves the right to require and designate any attorneys, medical groups, vocational rehabilitation vendors and other professionals and experts.

**X. Claim Reporting to the insured**

All claims must be reported via Captioned Report when the incurred reserve reaches 50% of the City's SIR/deductible. (Reference Section I)

Claims involving the following injuries must be reported to the City's Broker, Arthur J. Gallagher and City Risk Manager immediately following notice of claim required by excess carrier (Exhibit A)

- Spinal cord injury
- Amputations
- Brain damage
- Blindness
- Head injuries requiring hospitalization
- Serious burns

- Multiple fractures involving more than 1 limb or non union, brachial plexus nerve damage (nerve damage causing paralysis and loss of sensation in arm and hand)
- Massive internal injuries affecting body organs
- Fatalities
- Suits naming the City, City staff, or TPA as a defendant
- Any suit involving Punitive Damage or Bad Coverage Questions
- Any claim at or expected to exceed 50% of the retention (\$150,000 or above)
- Any disability which might exceed more than one year

#### **XI. Claim Reviews**

The City of Plano will audit any or all open files on a minimum of a quarterly basis.

Where possible, the City will provide advance notice to the TPA and a list of the claim files that will be audited.

#### **XII. Report of Special Contact**

If any governmental agency, broker, attorney, or agent, contacts the TPA/Adjuster for any reason, with respect to any claim, except for ordinary, customary contact, not in the nature of a complaint; the TPA/Adjuster must notify the City of Plano's Risk Manager. The City will then notify the Public Information department and any other City officials.

#### **XIII. Allocated Loss Expense**

The City reserves the right to monitor and/or audit all allocated expense fund usage. Each allocated expense will be designated to a specific allocation listed below. The following shall be paid as allocated loss expense except where specifically precluded by the Labor Code or State Regulations:

- Medical-Legal examinations of claimants, including transportation
- Reports from attending or examining physicians on disputed medical claims
- Attorneys' fees and disbursements
- Court Reporter Services and Transcripts
- Witness Fees
- Court Costs
- Appeal Bonds
- Printing Costs related to Trials & Appeals
- Testimony, opinions, appraisals, reports surveys & analyses of Professionals and Experts
- Trial and Hearing Attendance Fees
- Reports from Government Agencies or Branches
- Credit Bureau Reports

- Central Index Bureau
- Private Investigators
- Photographs
- Medical Cost Containment Services, including Utilization Review, Pre-Admission authorization, hospital bill audits, provider bill audit and medical case management, in each case incurred at the request of the City
- Extraordinary claim investigation and/or travel expense incurred at the request of the insurer
- Any similar service related to the investigation and defense of a particular claim
- Photocopy Services

**XIV. Charges for Allocated Loss Expenses**

Allocated loss expense shall not exceed the usual and customary local charges, and no payments for any such expenses shall be made to the TPA, or any of its affiliates, without prior authority from the City. With the exception of recurring monthly administrative charges, no allocated expenses, by category or vendor, shall individually or collectively exceed \$2,500 without the express consent of the Risk Manager.

**XV. Computer Reports**

The adjuster must complete all applicable fields in any claim administration software system approved by the City of Plano so that useful reports can be run. The TPA will obtain monthly reports from any allocated expense provider, as required by the City for any work performed by them.

**XVIII. IRS Reporting**

The City of Plano will furnish all 1099 payments required by IRS.

**XIX. Forms, Data and Reporting**

TPA agrees to furnish claim forms, posting notices, and data as may be necessary for proper claims administration, and index bureau and state reporting, as set forth in the Contract.

**XX. Education and Training**

TPA will provide to the City of Plano, pertinent information pertaining to developments in the Workers' Compensation field, including legislative updates and statutory developments/changes, as same occur, or become effective.

Additionally, TPA will participate in the education and training for the City of Plano's Risk Management staff as needed. Training is generally tailored for a specific need in terms of format and can include topics such as:

- Reporting Requirements
- Stress Claims
- Legal Claims
- Fraud
- Supervisor Reporting
- Medical Management
- Integrated Disability Management

## **XXII. Penalties**

The TPA will be held responsible for any and all penalties assessed to the City or the TPA directly if the penalties occur due to the claims handling process. The TPA will also be held responsible for any loss the City has due to overpayment or excessive treatment due to a lack of Claims Management.

## **XXIII. Medical Management**

The City of Plano will utilize designated vendors for bill review, pre-authorization, and/or medical case management services. Any other referrals will be handled on a case-by-case basis, and require the prior approval of the City.

All claims involving; soft tissue injuries still actively treating in excess of 12 weeks, occupational illness/disease, serious injuries, hospitalizations exceeding 48 hours, and/or questionable or potential for denial claims, should be reported to a City designated specialist for their review and/or recommendation. Any concerns on the part of the Adjuster as to which claims for review, should be directed to the Claims Coordinator or Risk Manager.

## **XXIV. Return To Work Program**

All City of Plano locations participate in a return to work program. The City's Claim Coordinator will provide written bona-fide offers of light or modified duty to the City employee, with a copy to the WC Adjuster.

The Adjuster is responsible for documenting such offers in the Adjuster's Notes/notepad section of the electronic claim record, in addition to reporting on future activity relating to return to work, and subsequent status reports.

## **XXV. Data Integrity**

The Adjuster/TPA is responsible for completing all fields in the Riskmaster system. They are to continually monitor and update the records as information becomes available if not in the initial claim report.

Adjuster/TPA will respond in writing before the end of the next business day, to any written notice from the City, or any City designee, regarding errors discovered in the electronic claim record; including coding, content, facts, and/or financial or reserve records.

The Adjuster/TPA will advise in writing as to the date by which such reported errors will be investigated, and subsequently corrected, modified, or deleted, as necessary.

## SECTION 2 – LIABILITY SECTION

All Workers Compensation Guidelines also apply to Liability unless otherwise specified below or in the event that the guideline is not applicable.

### I. Claim Investigation, Set Up and Processing

Initial claim investigations will be performed in accordance with Industry's Best Practices, and in compliance with provisions as specified in the Contract and applicable supplements (including on-site investigations) to provide the complete and necessary information to reserve and adjust all claims.

A daily assignment log will be maintained by both the TPA and verified by the Claims Rep.

All files will be created before the end of the next working day, and reserved within two (2) working days.

Diaries will be established, monitored, and maintained. All claimant contact must be documented in the file accordingly.

A Supervisory file review will occur at least once every 30 days and will document the review

Payments will be made promptly.

Copies of correspondence between the Adjuster and doctors, claimants, attorneys, rehabilitation counselors, case managers, investigators, and state agencies, must be documented immediately in the Adjuster's Notes/notepad, and hard copies kept in the claim file. Immediate shall mean all notes will be maintained and addressed on the same business day or within 24 hours of receipt.

Every claim should be immediately evaluated for possible subrogation potential. All claims involving potential subrogation should be brought to the attention of the Adjuster, and cc'd to Claims Coordinator and Risk Manager. **No subrogation recovery less than 100% of the loss should be accepted without express authority from the City of Plano's Risk Manager or designee.** All claims will be reviewed for possible subrogation and the reasoning will be documented.

All claims requiring a referral to defense counsel will be submitted to the Claims Coordinator for forwarding to the City Attorney's Office.

All attempts to contact the claimant will be documented in the Adjuster's Notes/notepad section of the electronic claim file record.

Initial claimant contact should include, but not be limited to the following:

- A description of the Adjuster's function
- Confirmation of alternative contact phone numbers and/or addresses for the claimant
- Any information which may be relative to the liability of a third party

The adjuster will attend all appeals for denial of a claim or other claim related issues before the COP Risk Management Steering committee. The adjuster will be responsible for preparing and presenting a formal presentation to the committee.

## II. File Documentation/Claim File Notes

All files will contain reserve worksheets, which explain how the current reserves are calculated. A copy of the reserve worksheet will be placed in the file. Reserve worksheets are mandatory on any reportable claim, or request for authority.

All file activity, including telephone conversations and/or personal meetings, and diary reviews will be immediately and clearly documented in the claim file Adjuster's Notes/notepad. This documentation will include a minimum of the individuals involved, dates, content of discussions, and the Adjuster's plan of action.

Supervisory review of every open claim file should be clearly noted in the file notes/notepad at least once every 30 days.

Specific direction on the investigation and handling of all claims will be established within three (3) working days of receipt of the initial report and clearly documented in the file notepad.

The TPA will conduct quarterly internal audits, or quality control procedures, these audits will be continuously maintained in a central file set up specifically for internal audit results.

## III. Reserving

The Adjuster will advise the Risk Manager of any claim requiring a subsequent aggregate reserve of **\$50,000 or more** via email, with documentation entered in the Adjuster's Notes/notepad.

## IV. Settlement Authority/Liability

Settlement Authority: For Auto & General Liability in excess of **\$2,500**, the Adjuster will submit a written Request for Authority to the Risk Manager, explaining the request and include copies of any pertinent medical and/or legal documents. The City must be notified of any payment of \$25,000 or more prior to payment.

No checks will be issued to the claimant without a full release signed, notarized and dated by the claimant, unless specifically approved by the Risk Manager.

There will be no third party payments made to vendors. All payments will be made directly to the claimant unless approved by the Risk Manager.

#### **V. Claim Reporting to the insured**

On all Liability claims with reserves in excess of \$5,000.00, a Claims Status Report (CSR) will be sent to the Risk Manager by the 10<sup>th</sup> of each month.

Copies of Claim Status Reports must be maintained in the original claim file.

All claims must be reported via Captioned Report when the incurred reserve reaches 50% of the City's SIR/deductible. (Reference Section I)

Claims involving the following injuries must be reported to the City's current Broker of Record and City Risk Manager immediately following notice of claim required by excess carrier (Exhibit A)

See section XII of the Workers Compensation section for the injuries.

#### **VI. Subrogation Claims**

- a. The department supervisor or manager completes a Risk Management Report of Incident (Risk Report) and emails to "riskreports@plano.gov (original sent interoffice)
- b. TPA's claims assistant will enter into the Riskmaster system. All fields that can be filled out must be completed.
- c. TPA's claims assistan will forward claim to adjuster for further handling
- d. The adjuster must determine at this point if an investigation is needed. All potential subrogation claims or personal property liability claims must be investigated. The extent of the investigation may vary depending on the type of claim.
- e. If subrogation is an option, the insurance company needs to be put on notice of a claim immediately upon determining that a 3<sup>rd</sup> party is responsible for the damage.
- f. If subrogation is an option, then a demand letter must be sent within 2 business days from receiving the subrogation amount.
- g. If within 30 days of the receipt of the original Risk Report, the adjuster has not received cost of damages from department (for Property Damage claims), the adjuster will contact the appropriate department manager or supervisor, and request the information.
- h. The assigned adjuster will follow-up with the department again, if the cost information for a Property Damage claim has not been received within 45 days.
- i. The assigned adjuster will advise the Claims Rep when cost information for a Property Damage claim has not been received within 60 days, and the Claims Rep will take the necessary steps in order to secure the required information from the department head, manager, or supervisor.
- j. When final costs are determined, the assigned adjuster will immediately issue a demand letter to the responsible third party, or their insurance carrier, and diary their file for a 30-day follow-up.
- k. Assigned adjuster will request a loss fund transfer from the Claims Coordinator

- l. Adjuster will give Claims Coordinator loss fund transfers to review and approve.
- m. If recovery is still outstanding at the 30-day mark from the first demand letter, the assigned adjuster will send a second demand letter, and diary their file for another 30-day follow-up.
- n. After the second letter to the responsible third party, with no response, the assigned adjuster will review file with the Claims Rep. Any file under \$500 will be reviewed by Risk Manager before referring the file to the City's Legal Department (property only).
- o. When Claims Rep receives a recovery check from the third party, a receipt will be processed, with the white copy and copy of check going to the assigned adjuster
- p. Claims Rep will enter the collection in Riskmaster and the pink copy with the original check attached will be forwarded to Accounting.
- q. The Claims Coordinator and the assigned adjuster will follow-up with Legal on a quarterly basis, until final resolution of the referred file is known, and appropriate entries have been made into the claim database records.

**EXHIBIT B**  
**FEE SCHEDULE**  
**CITY OF PLANO, TEXAS**  
**Twelve Month Period**  
**From date of Contract Execution**

Total Claim Service Fee.....	\$333,860.00
System Conversion One-Time Fee .....	20,000.00
MMSEA Reporting One-Time Setup Fee .....	727.22
MMSEA Reporting Annual Fee.....	<u>1,920.00</u>
Total.....	\$356,507.22

“Client” agrees to pay ASC:

**1) Total Claim Service Fee:** a flat fee of Three Hundred Fifty-six Thousand, Five Hundred and Seven Dollars, and twenty-two cents (\$356,507.22) for the administration of the Workers’ Compensation, Property & Casualty claims that are reported to “ASC” for the period of twelve months from date of contract execution; payment to be made in quarterly installments in arrears. ASC will provide one claims supervisor and one claims adjuster, both licensed to adjust all lines of insurance claims in the State of Texas and one claims assistant residing at “Client’s” office to administer Workers’ Compensation, and Property & Casualty claims in accordance with “Client’s” claim handling instructions.

<u>Position</u>	<u>Percentage of Time</u>
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One (1) Claims Supervisor	100%
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- minimum of 10 years experience handling Texas claims;
- current multi-line Texas adjuster license

One (1) Claims Adjuster	100%
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- minimum of 3 years experience handling Texas Workers’ Compensation Claims
- current multi-line Texas Adjuster license, or the ability to obtain such license within six (6) months of assignment to “Client’s” account.

One (1) Claims Assistant	100%
--------------------------	------

- minimum of 3 years experience in the clerical field

One (1) Account Manager (Assistant Vice President) 25%

- minimum of 15 years experience in the insurance claims industry including supervisor and management experience

2) **System Conversion One-Time Fee**: a one-time fee of Twenty Thousand Dollars (\$20,000.00) for the conversion of City of Plano data from their current claim system to STARS;

3) **MMSEA Reporting One-Time Setup Fee**: a one-time fee of Seven Hundred and Twenty-Seven Dollars, and twenty-two cents (\$727.22) for setup of City of Plano claims in preparation for reporting to the Centers for Medicare and Medicaid Services under the Section 111 of the Medicare, Medicaid & SCHIP Extensions Act (MMSEA);

4) **MMSEA Reporting Annual Fee**: an annual reporting fee (MMSEA) of One Thousand Nine Hundred Twenty Dollars (\$1,920.00).

ASC will administer litigated claims (caseload not to exceed 25 claims) as needed from the Oklahoma City office. ASC will pay mileage reimbursement to one adjuster in the form of a monthly car allowance, and ASC will pay for reasonable ASC travel expenses. ASC will provide said service for the fees listed above, based on the following assumptions:

5) **Miscellaneous Expenses – Paid by City of Plano:**

- Rent & Utilities
- Storage
- Basic Phone
- Long Distance
- Network Communications
- Mail/Courier
- Customary Office Supplies
- Office Furnishings (desk, computer, cell phone)
- Printing
- Copier/Fax/

**6) Allocated Loss Expenses:**

Allocated expenses will be charged to the claim file, payable as invoices are received, include fees for:

- Legal services
- State-mandated EDI
- Court reporters
- Expert witness statements
- Official documents and transcripts
- Experts' / rehabilitation services
- Subrogation collection cost payable to third party
- Medical records
- IMEs, MRIs, etc.
- Managed care
- Medical bill review
- Index Bureau Reporting
- Surveillance
- Any other expense requiring client approval

**7) Medical Cost Management<sup>1</sup>**

Fee Scheduling .....	\$15.00 Per Bill
PPO Usage and other Non-Fee Schedule Savings .....	28% of Savings
Field Medical Case Management .....	\$75 Per Hour

**8) STARS Costs:**

STARS Web Additional User Access (6 included no charge) .....	\$30.00 Per User
.....	Per month
One-time data conversion to STARS .....	\$see above
Report Recreation .....	\$125.00 per hour

**Disclosure of Third Party Agreements:**

<sup>1</sup>Medical Bill Review Services – MCMC,LLC (medical bill review services)  
Claims System – CS Stars  
EDI Transmission to the State of Texas on FROI/SROI – Peak Performance

<sup>1</sup> Pricing for additional managed care services is available from ASC upon request.

**City of Plano**  
**Contractor Insurance Requirements and Agreement**  
**Requirements**

Contractors performing work on City property or public right-of-way for the City of Plano shall provide the City a certificate of insurance evidencing the coverages and coverage provisions identified herein. Contractors shall provide the City evidence that all subcontractors performing work on the project have the same types and amounts of coverages as required herein or that the subcontractors are included under the contractor's policy. The City, at its own discretion, may require a certified copy of the policy.

**All insurance companies and coverages must be authorized by the Texas Department of Insurance to transact business in the State of Texas and must be acceptable to the City of Plano.**

Listed below are the types and amounts of insurance required. The City reserves the right to amend or require additional types and amounts of coverages or provisions depending on the nature of the work.

Type of Insurance	Amount of Insurance	Provisions
1. Commercial General (Public) Liability to include coverage for: a) Premises/Operations b) Products/Completed Operations c) Independent Contractors d) Personal Injury e) Contractual Liability	\$500,000 each occurrence, \$1,000,000 general aggregate;  Or  \$1,000,000 combined single limits	City to be listed as additional insured and provided 30-day notice of cancellation or material change in coverage.  City prefers that insurer be rated B+VI or higher by A.M.Best or A or higher by Standard & Pools
2. Business Auto Liability	As required by State of Texas	
3. Workers' Compensation & Employers' Liability	Statutory Limits \$100,000 each accident	City to be provided a waiver of subrogation

**Questions regarding this insurance should be directed to the City of Plano Purchasing Department (972) 941-7557.**

*This form must be signed and returned with your quotation to verify that you can and will meet the insurance requirements listed herein should you be selected to perform work for the City, and will provide the certificates of insurance acceptable to the City. A PURCHASE ORDER WILL NOT BE ISSUED WITHOUT EVIDENCE OF INSURANCE.*

**AGREEMENT**

I agree to provide the above-described insurance coverages if selected to perform work for the City of Plano. I also agree to provide the City evidence of insurance coverage on any and all subcontractors performing work on the project.

Project/Bid #: \_\_\_\_\_  
Company: \_\_\_\_\_  
Printed Name: \_\_\_\_\_ Vendor # (if applicable) \_\_\_\_\_  
Signature: \_\_\_\_\_ Date: \_\_\_\_\_  
Return Signed Form to: \_\_\_\_\_



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
09/18/2009

Page 1 of 3

<b>PRODUCER</b> 877-945-7378  Willis of Tennessee, Inc. 26 Century Blvd. P. O. Box 305191 Nashville, TN 37230-5191	THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.	
	<b>INSURERS AFFORDING COVERAGE</b>	<b>NAIC#</b>
<b>INSURED</b> Alternative Service Concepts LLC 2501 McGavock Pike Suite 802 Nashville, TN 37214	INSURERA: Hartford Underwriters Insurance Company	30104-003
	INSURERB: Sentinel Insurance Company, Ltd.	11000-001
	INSURERC: Hartford Casualty Insurance Company	29424-000
	INSURERD: Hartford Insurance Companies	29424-076
	INSURERE: American International Specialty Lines In	26883-003

## COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR ADD'L LTR INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YYYY)	POLICY EXPIRATION DATE (MM/DD/YYYY)	LIMITS	
A	GENERAL LIABILITY	20UUNPN2024	3/10/2009	3/10/2010	EACH OCCURRENCE	\$ 1,000,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY				DAMAGE TO RENTED PREMISES (Ea occurrence)	\$ 500,000
	<input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR				MED EXP (Any one person)	\$ 10,000
	GEN'L AGGREGATE LIMIT APPLIES PER:				PERSONAL & ADV INJURY	\$ 1,000,000
	<input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC				GENERAL AGGREGATE	\$ 2,000,000
					PRODUCTS - COMP/OP AGG	\$ 2,000,000
B	AUTOMOBILE LIABILITY	20UUNPN2024 0	3/10/2009	3/10/2010	COMBINED SINGLE LIMIT (Ea accident)	\$ 1,000,000
	<input type="checkbox"/> ANY AUTO				BODILY INJURY (Per person)	\$
	<input type="checkbox"/> ALL OWNED AUTOS				BODILY INJURY (Per accident)	\$
	<input type="checkbox"/> SCHEDULED AUTOS				PROPERTY DAMAGE (Per accident)	\$
	<input checked="" type="checkbox"/> HIRED AUTOS				AUTO ONLY - EA ACCIDENT	\$
	<input checked="" type="checkbox"/> NON-OWNED AUTOS				OTHER THAN AUTO ONLY: EA ACC	\$
					AGG	\$
	GARAGE LIABILITY					
	<input type="checkbox"/> ANY AUTO					
C	EXCESS / UMBRELLA LIABILITY	20HHUNW8054	3/10/2009	3/10/2010	EACH OCCURRENCE	\$ 10,000,000
	<input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE				AGGREGATE	\$ 10,000,000
	DEDUCTIBLE					\$
	<input checked="" type="checkbox"/> RETENTION \$ 10,000					\$
D	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under SPECIAL PROVISIONS below	20WEP00162	3/10/2009	3/10/2010	<input checked="" type="checkbox"/> WC STATU-TORY LIMITS	OTH-ER
	Y/N <input type="checkbox"/> N				E.L. EACH ACCIDENT	\$ 1,000,000
					E.L. DISEASE - EA EMPLOYEE	\$ 1,000,000
					E.L. DISEASE - POLICY LIMIT	\$ 1,000,000
E	OTHER Errors & Omissions Misc Professional Liab 3rd Party Administrators	016196753	3/10/2009	3/10/2010	Claims Made	\$ 10,000,000 Per Wrongful Act
						\$ 10,000,000 Aggregate
						\$ 100,000 Retention

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS  
See Attached

## CERTIFICATE HOLDER

## CANCELLATION

City of Plano  
1520 Avenue K  
Plano, TX 75074

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ~~BY FAX OR BY MAIL~~ MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT ~~WHOSE NAME AND ADDRESS ARE LISTED ON THIS CERTIFICATE~~  
AUTHORIZED REPRESENTATIVE

EXHIBIT

C

PAGE 3 OF 5

PRODUCER 877-945-7378

Willis of Tennessee, Inc.  
26 Century Blvd.  
P. O. Box 305191  
Nashville, TN 37230-5191

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURERS AFFORDING COVERAGE

NAIC#

INSURED Alternative Service Concepts LLC  
2501 McGavock Pike  
Suite 802  
Nashville, TN 37214

INSURERA: Hartford Underwriters Insurance Company	30104-003
INSURERB: Sentinel Insurance Company, Ltd.	11000-001
INSURERC: Hartford Casualty Insurance Company	29424-000
INSURERD: Hartford Insurance Companies	29424-076
INSURERE: American International Specialty Lines In	26883-003

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS

Crime Coverage  
Carrier: Navigators Insurance Company  
NAIC: 42307  
Policy Number: NY09CCCN00500NV  
Effective Dates: 3/10/2009 - 03/10/2010  
\$250,000 Limit  
\$ 25,000 Deductible Per Loss

City of Plano is included as an Additional Insured as respects the General Liability policy as required by written contract. Waiver of Subrogation in favor of the Certificate Holder is included on the Workers Compensation policy.

EXHIBIT C

PAGE 4 OF 5

## IMPORTANT

If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

## DISCLAIMER

This Certificate of Insurance does not constitute a contract between the issuing insurer(s), authorized representative or producer, and the certificate holder, nor does it affirmatively or negatively amend, extend or alter the coverage afforded by the policies listed thereon.





**CITY OF PLANO  
COUNCIL AGENDA ITEM**

<b>CITY SECRETARY'S USE ONLY</b>				
<input checked="" type="checkbox"/> Consent <input type="checkbox"/> Regular <input type="checkbox"/> Statutory				
Council Meeting Date:		1/11/2010		
Department:		Accounting		
Department Head		Denise Tacke		
Agenda Coordinator (include phone #): <b>Allison Friloux x5225</b>				
<b>CAPTION</b>				
A Resolution of the City Council of the City of Plano, Texas, accepting the findings and opinions of the Annual Audit; authorizing the City Manager, or in his absence the Director of Finance, to publish the results thereof; and providing an effective date.				
<b>FINANCIAL SUMMARY</b>				
<input checked="" type="checkbox"/> NOT APPLICABLE <input type="checkbox"/> OPERATING EXPENSE <input type="checkbox"/> REVENUE <input type="checkbox"/> CIP				
FISCAL YEAR:	<b>Prior Year (CIP Only)</b>	<b>Current Year</b>	<b>Future Years</b>	<b>TOTALS</b>
Budget	0	0	0	0
Encumbered/Expended Amount	0	0	0	0
This Item	0	0	0	0
<b>BALANCE</b>	0	0	0	0
<b>FUND(S):</b>				
<b>COMMENTS:</b> This item has no fiscal impact.				
<b>SUMMARY OF ITEM</b>				
It is recommended that the City Council formally accept the Comprehensive Annual Financial Report and that authorization be given for publication of a summary of the 2008-09 financial audit in the City's official newspaper as required by Section 3.14 of the City Charter.				
List of Supporting Documents:			Other Departments, Boards, Commissions or Agencies	
Comprehensive Annual Financial Report				

**A Resolution of the City Council of the City of Plano, Texas, accepting the findings and opinions of the Annual Audit; authorizing the City Manager, or in his absence the Director of Finance, to publish the results thereof; and providing an effective date.**

**WHEREAS**, Section 3.14 of the City Charter requires that "At the close of each fiscal year a complete audit shall be made by a duly licensed Public Accountant . . ."; and

**WHEREAS**, the City Council has been presented the Comprehensive Annual Financial Report (CAFR) for Fiscal Year 2008-09, a copy of which has been filed with the City Secretary, available for public inspection, and incorporated herein by reference (hereinafter called "CAFR"); and

**WHEREAS**, upon full review and consideration of the CAFR, and the included opinion of the City's duly appointed auditors, Grant Thornton LLP, the City Council is of the opinion that the requirements of the Charter have been satisfied.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PLANO, TEXAS, THAT:**

**Section I.** The findings and opinions of the CAFR have been reviewed by the City Council of the City of Plano, and are hereby in all things accepted.

**Section II.** The City Manager, or in his absence, the Director of Finance, is hereby instructed to publish the results of the CAFR and all other documents in connection therewith on behalf of the City of Plano, as provided in Section 3.14 of the City Charter.

**Section III.** This Resolution shall become effective from and after its passage.

**DULY PASSED AND APPROVED** this the 11<sup>th</sup> day of January, 2010.

\_\_\_\_\_  
Phil Dyer, MAYOR

ATTEST:

\_\_\_\_\_  
Diane Zucco, CITY SECRETARY

APPROVED AS TO FORM:

\_\_\_\_\_  
Diane C. Wetherbee, CITY ATTORNEY

**CITY OF PLANO, TEXAS**

**Comprehensive Annual Financial Report**

**FOR FISCAL YEAR ENDED SEPTEMBER 30, 2009**

**Prepared By:**

**Accounting Division**

**Director of Finance – Denise Tacke  
Controller – Mary Reese**

**Wendy Badgett  
Dianne Bell  
Jonathan Davis  
Diane Dunbar  
Jillyann Eastham  
Allison Friloux  
Pam Hanks  
Debbie Hartwell  
Tara Lopez  
Denise McCord  
Orsheka Moore  
Elsa Pasanen  
Rebecca Sides  
Crystal Swiere  
Valerie Tidwell**



**CITY OF PLANO, TEXAS  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009  
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**Phil Dyer**  
Mayor

December 31, 2009

**Harry LaRosiliere**  
Mayor Pro Tem

To the Honorable Mayor, Members of the City Council  
and Citizens of the City of Plano, Texas:

**Lee Dunlap**  
Deputy Mayor Pro Tem

**Pat Miner**  
Place 1

The Comprehensive Annual Financial Report (CAFR) of the City of Plano, Texas (the City), for the year ended September 30, 2009, is submitted in accordance with Section 3.14 in the City Charter.

**Ben Harris**  
Place 2

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

**Vacant**  
Place 3

**Lissa Smith**  
Place 4

Grant Thornton LLP has issued an unqualified ("clean") opinion on the City of Plano's financial statements for the year ended September 30, 2009. The independent auditors' report is located in the beginning of the financial section of the CAFR.

**Jean Callison**  
Place 7

This letter of transmittal is designed to compliment Management's Discussion and Analysis (MD&A) and should be read in conjunction with it. The City's MD&A can be found immediately following the independent auditors' report and provides a narrative introduction, overview and analysis of the basic financial statements.

**Thomas H. Muehlenbeck**  
City Manager

### ***City of Plano Profile***

The City of Plano is the largest city in Collin County, located in the southwest corner of the county, approximately 20 miles north of downtown Dallas. There are currently 72.2 square miles of land in the City's corporate boundary.

The City was incorporated on June 2, 1873, under the provisions of H.B. 901 of the Texas Legislature. It was subsequently chartered on June 10, 1961, and operates under a Council-Manager form of government. The City Council is comprised of a Mayor and seven members and is responsible for enacting ordinances, resolutions, and regulations governing the City, as well as appointing the members of various statutory and advisory boards, the City Manager, City Attorney, and a Municipal Judge. The City Manager is the chief administrative officer of the government and is responsible for the enforcement of laws and ordinances, the appointment and supervision of the executive directors, and heads of departments, and the performance of functions within the municipal organization.

The financial reporting entity (the government) includes all the funds of the primary government (i.e., the City of Plano as legally defined), as well as all of its component units. Component units are legally separate entities for which the primary government is financially accountable. The government provides a full range of services including police and fire protection; environmental health; sanitation services; community development; building inspection; traffic control; parks and libraries; the construction and operation of water, sewer, drainage, environmental waste services, streets and infrastructure; convention and tourism activities and cultural events.

Discretely presented component units are legally separate entities and not part of the primary government's operations. Accordingly, the Plano Economic Development Board and the two Tax Increment Financing units are reported discretely using proprietary fund accounting. The Plano Housing Authority, a related organization, is not a part of this report, as the City's accountability does not extend beyond appointing the Board.

### ***Local Economy***

Plano is a community that offers exceptional housing, award-winning schools and a dynamic business climate, all of which are strong factors in the success of the City's economy. The City also continues to benefit from other favorable conditions associated with Plano, including a stable, diverse economic base and a desirable location for work, destination and living.

Plano, a 1994 All-American City, was named the 9th fastest growing city in the United States of cities with populations of 100,000 or larger from 2000 to 2008 based on the 2008 American Community Survey and 2000 Census. Since 1990, Plano's population has grown an estimated 105.3% to 264,250 in 2009. Estimates for residential population are projected at 264,900 in 2010 and 278,500 in 2020.

In August 2008, Salary.com named Plano as the number one place to build personal wealth, based on job availability, industry diversity, population education level, salary level, cost of living, work commute time, poverty level and proximity to educational institutes on their Salary Value Index.

The Census Bureau released a report in fall 2008 presenting Plano as the most affluent city in the nation with a 2007 median income of \$84,492. The city had the highest income and lowest poverty level for cities with populations of more than 250,000.

"*Forbes*" magazine packaged Plano with the Dallas Metropolitan area, giving it a 5<sup>th</sup> place rating as one of big "Best Cities for Jobs" and 32<sup>nd</sup> of the 336 cities compared in April 2009.

Plano has held an "AAA" Bond Rating since fiscal year 2000 by three of the nation's top bond rating companies, attesting to its strong tax base and financial management. Attracting and retaining some of the nation's top Corporate 500 companies and the best small businesses in the region has become the "norm."

Given Plano's continued pro-business attitude and enthusiastic accommodation of industry, the City continues to prosper economically. The following categories represent key factors that impact Plano's economic and financial success:

### **Sales Tax Revenues**

The General Fund's second largest revenue source is sales tax generated from a variety of businesses operating in the City of Plano. Sales tax receipts resulted in revenue of \$56.1 million in fiscal year 2008-09, a 9.75% decrease from the prior year. The sales tax collections are produced primarily from Plano's sizeable retail base, including two major shopping malls, hundreds of specialty shops and boutiques and major retailers throughout the City.

## Employment

A strong business atmosphere, coupled with a highly-educated and motivated workforce, continues to draw diverse companies to relocate to Plano. As a world headquarters for HP Enterprise Services, JCPenney, Perot Systems, Dr Pepper Snapple Group, CROSSMARK, Rent-A-Center, and PepsiCo's Frito-Lay North America division, Plano has built a reputation for being a great place to grow business. An array of national and international corporations also have significant operations in Plano including Alcatel-Lucent, Capital One, Bank of America Home Loans, Ericsson, Flextronics, McAfee, CIGNA, Intuit, St. Jude Medical Neuromodulation Division, PepsiCo and Texas Instruments. This type of environment creates a broad range of employment opportunities for Plano residents and creates a significant business component to the local tax base.

## Job Growth

The following businesses relocating and expanding into Plano have increased the number and scope of job opportunities and brought much needed services to the community. Alliance Data Systems Corporation leased 84,262 square feet to relocate its corporate headquarters. It provides private-label credit card programs, consumer database marketing and analytics and customer loyalty consulting and services. Alliance employs 7,000 associates in 50 locations worldwide and plans to bring 215 to 265 employees to Plano. Huawei Technologies (USA), a China-based global provider of next-generation, fixed mobile convergence and end-to-end wireless technology, leased 103,148 square feet for its U.S. and Sales and Marketing headquarters. It plans to employ 375 full-time associates. Georgia-based MedAssets leased 100,000 square feet to consolidate its regional operations. MedAssets partners with over 125 health systems, 3,300 hospitals and 30,000 non-acute healthcare providers to develop cash-flow management products and services that enhance financial strength and improve operating margins. MedAssets relocated 245 employees and plans to relocate an additional 205. PepsiCo, Inc. leased 93,787 square feet to relocate over 350 employees from its Frito-Lay headquarters. PepsiCo will then relocate 100 full-time employees from Chicago to the Frito-Lay headquarters. The combined expansions also include adding up to 150 new positions. PepsiCo offers over 18 different consumer product lines focused on convenient foods and beverages that generate more than \$1 billion in annual retail sales. The company employs over 3,000 people in Plano and 198,000 worldwide. Publicis plans to relocate its regional office into 58,940 square feet in Plano. With worldwide revenues of \$4.8 billion, it is among the fastest-growing communications companies in the world. Publicis plans to relocate about 110 people to the new office. St. Jude Medical Neuromodulation Division expanded into 44,800 square feet to house administrative offices for about 200 people. Its corporate headquarters occupy more than 175,000 square feet in Plano. The company has purchased an additional 15 acres adjacent to its headquarters to build a second 200,000 square feet building to house labs and offices in the next two to five years. Recent successes of St. Jude Medical's devices have led to this expansion. Most of the new jobs created in 2009 consisted of engineers, scientists, clinical and other administrative staff. St. Jude Medical's Neuromodulation Division had sales of \$254 million in 2008. Telmar Network Technology relocated its corporate headquarters from Irvine, California, into a 144,000 square foot facility in Plano based on the desire to be near the dozens of communications companies, manufacturers and service providers in North Texas. Telmar is a provider of communications products and services to original equipment manufacturers (OEMs), enterprise and network service providers worldwide and plans to employ 170 people. The Planet, a Houston-based web hosting and collocation company, opened a large data center in east Plano. It renovated an existing warehouse and converted 106,000 square feet into a modern tier II data center, a boost to Plano's tax rolls. It expects to invest up to \$50 million in real and business property improvements in the form of extensive additions to the building's infrastructure and IT equipment. The Planet hosts nearly 18 million websites and about 2% of the global Internet traffic runs through its network.

The three largest job sectors are retail and wholesale trade, services and manufacturing. The unemployment rate for 2000 was recorded at 2.2%, which was the lowest rate in the last ten years. In 2009, the unemployment rate reached 7.6%, the highest rate in ten years, as provided by the Texas Workforce Commission.

## ***Long-Term Financial Planning***

The City's responsiveness to emerging economic challenges and its long-term planning have been key factors in its fiscal health. Although economic forecasts for Plano and the region remain favorable, residential build-out and the controlled economic recovery continue to affect the City. The City has established a program to address the challenges and opportunities that Plano will face as it transitions from a growing to a maturing community.

The City-wide 2009-10 combined budget reflects a decrease of \$4.0 million, or 1.0%, under prior year's final budget. The 2009-10 budget for total General Fund revenues is approximately \$1.5 million higher than the 2009 final budget. The 2009-10 budget for total General Fund expenditures is approximately \$8.1 million lower than the 2009 final budget. Funding for Capital Reserve will be accomplished by transferring \$1.2 million from the Water and Sewer Fund along with \$10.5 million from the General Fund. These increases along with no decline in service levels are funded with ad valorem property tax revenues. (\$.3284 General Fund and \$.1602 Debt Service.)

Of the \$53.66 million budgeted for capital expenditures in 2010, \$3.98 million pertains to municipal facilities, \$14.6 million for parks and recreation and \$35.09 million for street improvements and enhancements. The estimated expenditures for municipal facilities include remodeling and additions to the Fire facilities and equipment along with other various municipal facilities and parking improvements. Projects pertaining to parks and recreation include expansion of the Carpenter Park Recreation Center including facilities for a Senior Center, 2009 land acquisitions, various trail connections, 2009 Aquatic Center renovation and various park improvements. The City plans on spending \$35.1 million on street enhancements and improvements that include construction and expansion of roadways.

## ***Relevant Financial Policies***

Financial Policies. During fiscal year 1990-91, the City Council Finance Subcommittee developed written policies detailing financial goals and guidelines for the City. These included policies for accounting, budgeting, capital improvements, asset management, revenue management, risk management, and fund balance/reserve levels. The City Council adopted these policies in July 1991. During fiscal year 2000, the financial policies were reviewed and updated with the revised financial policies being adopted by City Council in November 2000.

Accounting Procedures and Budgetary Controls. The City's accounting records for general governmental activities are maintained on a modified accrual basis, with revenues being recorded when available and measurable, and expenditures being recorded when the services or goods are received and the liabilities are incurred. Accounting records for the City's water and sewer utility and other proprietary activities are maintained on the accrual basis.

Budgetary control is maintained at the fund level, and encumbrances are entered at the time a purchase order is issued. Open encumbrances are recorded as reservations of fund balance as of September 30 of each year, and the subsequent year's budget is increased to reflect these encumbrances. Unspent and unencumbered appropriations lapse at the end of the fiscal year.

The budgetary process begins each year with the preparation of both current and proposed year revenue estimates by the City's financial management staff, and expenditure estimates by each City department. Budgets are reviewed by the Director of Budget & Research. The City Manager makes final decisions and submits a recommended budget, or "Program of Service," to the City Council. The proposed budget is reviewed extensively by the City Council, a process which includes a Charter-mandated public hearing, in addition to work sessions which are open to the public. The City Charter requires adoption of the City budget by no later than September 15.

While the budget is developed and controlled at the departmental level, appropriations are made at the fund level. An ordinance establishes the budget for operating expenditures, debt service payments, and interfund transfers, while a separate ordinance establishes the property tax rate.

As part of each year's budget development process, departments are required to update expenditure estimates for the current fiscal year. These estimates are reviewed by the Director of Budget & Research, the City Manager, and the City Council concurrent with review of the proposed budget. (The "re-estimated" current year budget is used as a working budget for the last half of the current fiscal year.) This re-estimated budget may require a supplemental appropriation and, if so, such supplemental appropriation is approved by ordinance adopted by the City Council prior to the end of the current fiscal year.

During the course of the fiscal year, expenditure controls are maintained by each department head with overall review exercised by the Director of Budget & Research and the City Manager. Monthly departmental expenditure reports are generated by an automated management accounting system and provide expenditure totals and encumbrances at the line-item level for the most recently completed month, as well as a year-to-date total, and an actual versus planned rate of expenditure. Major expenditure requests are reviewed by the Budget & Research Department prior to the encumbrance of funds.

Constant review of revenue and expenditure trends is maintained with specific responsibility assigned to the Director of Budget & Research. Recommendations for corrective action are made to the City Manager (and to the City Council, if appropriate) as needed to ensure the integrity of the adopted budget.

The City's Finance Department publishes a Comprehensive Monthly Finance Report (CMFR) directed at providing internal and external users with the general awareness of the City's financial positions and economic activity. The CMFR includes a Financial Summary section reporting the performances of the major operating funds and a status report of the City's capital projects; an Economic Analysis section summarizing key economic indicators and an in-depth review with graphic illustrations; and an Investment Report section describing investment activity, interest earnings and the City's portfolio. The highlights of each month's CMFR are presented to the City Council.

With the recognition of increased need for internal control, an internal audit program has been in place since 1988. An Internal Audit Committee provides oversight and an Internal Auditor conducts the program. This program serves to enhance controls, which are currently in place to safeguard the City's assets and provide a reasonable assurance of proper recording of financial transactions, which, due to the changing complexity of the organization, requires greater attention.

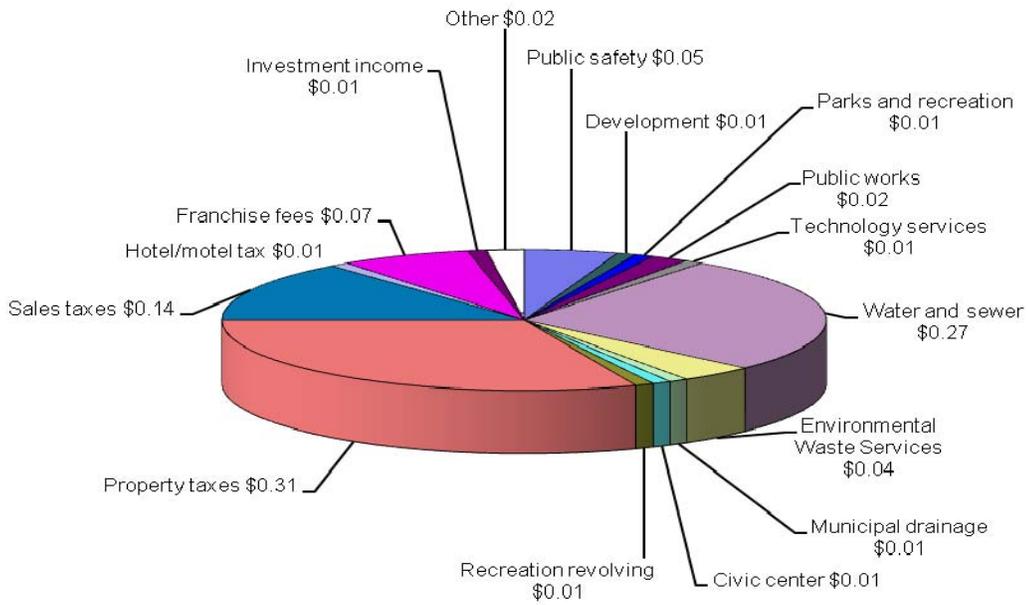
### ***Major Initiatives***

The City of Plano's fiscal year 2008-09 budget reflected continuing strength in the City's economy. Community Investment Program projects included additional facility and building services for the Emergency Operations Center, Fire Station #12, Tom Muehlenbeck Recreation Center and the Warehouse Logistics Facility. Budgeted personnel for the Community Investment Program projects include job upgrades to three existing full-time positions.

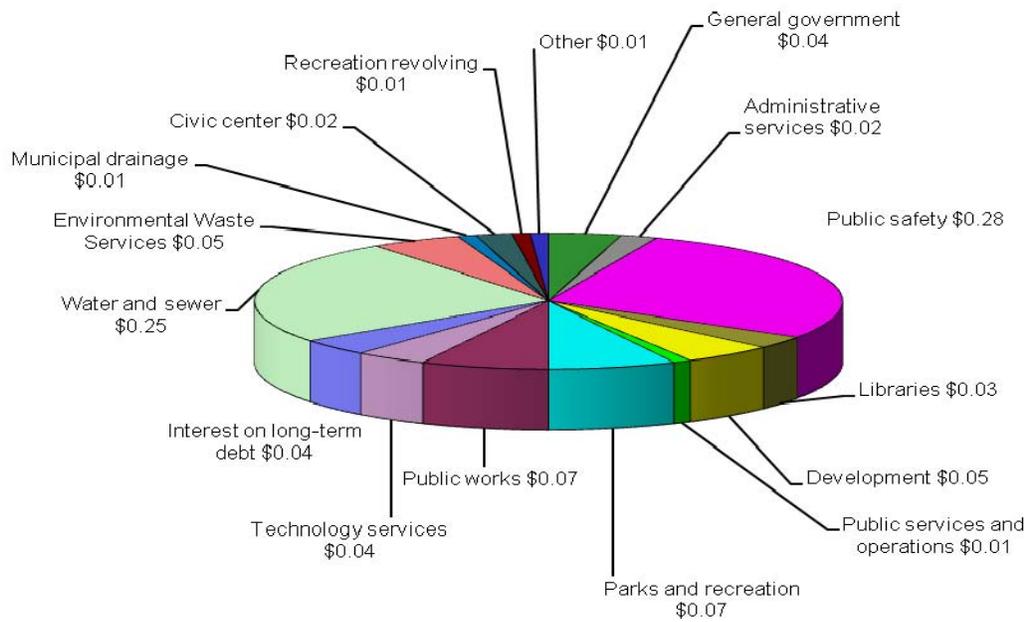
The fiscal year 2009 budget included the elimination of forty-three vacant full-time positions and seven part-time positions in an effort to minimize the forecasted deficit position resulting in a total estimated salary and benefits savings of \$3.2 million. The 2009 budget also included the addition of one full-time position in the Sustainability & Environmental Services Fund. The 2008-09 budget for total General Fund revenues was projected \$7.3 million above the 2008 final budget. Funding for Capital Reserve was accomplished by transferring \$1.2 million from the Water and Sewer Fund along with \$10.5 million from the General Fund. Employee salary and benefits were budgeted to increase approximately \$7.9 million. There are no salary increases budgeted in fiscal year 2010. The City budgeted \$5.2 million for economic development incentives in order to remain competitive with surrounding neighboring cities. Fiscal year 2009 was the third year that two-cents of the property tax rate was dedicated for these incentives. The fiscal year 2009 tax rate remained consistent to prior year at 47.35 cents (\$.3268 General Fund and \$.1467 Debt Service).

The following chart depicts the sources and uses of the City's financial breakout as of fiscal year end 2009:

### Where the Money Comes From Revenues per \$1



### Where the Money Goes Cost per \$1



### **Awards and Acknowledgements**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Plano for its CAFR for the Fiscal Year ended September 30, 2008. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized CAFR whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. The City of Plano has received a Certificate of Achievement for the last twenty-eight consecutive years (Fiscal Years ended 1981-2008). We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

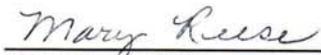
Many persons are responsible for the preparation of this report, and for the maintenance of records upon which it is based. Appreciation is expressed to the City employees throughout the organization, especially those employees of the Accounting Department who were instrumental in the successful completion of this report. Certain individuals worked many extra hours and exhibited extraordinary effort in ensuring the accuracy and timeliness of this report, and their contribution to this effort is greatly appreciated.

Our appreciation is also extended to the Mayor and members of the City Council for providing the resources necessary to maintain the integrity of the City's financial affairs.

Respectfully submitted,

  
Thomas H. Muehlenbeck  
CITY MANAGER

  
Denise Tacke, CPA  
DIRECTOR OF FINANCE

  
Mary Reese, CPA  
CONTROLLER



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Plano  
Texas

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
September 30, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

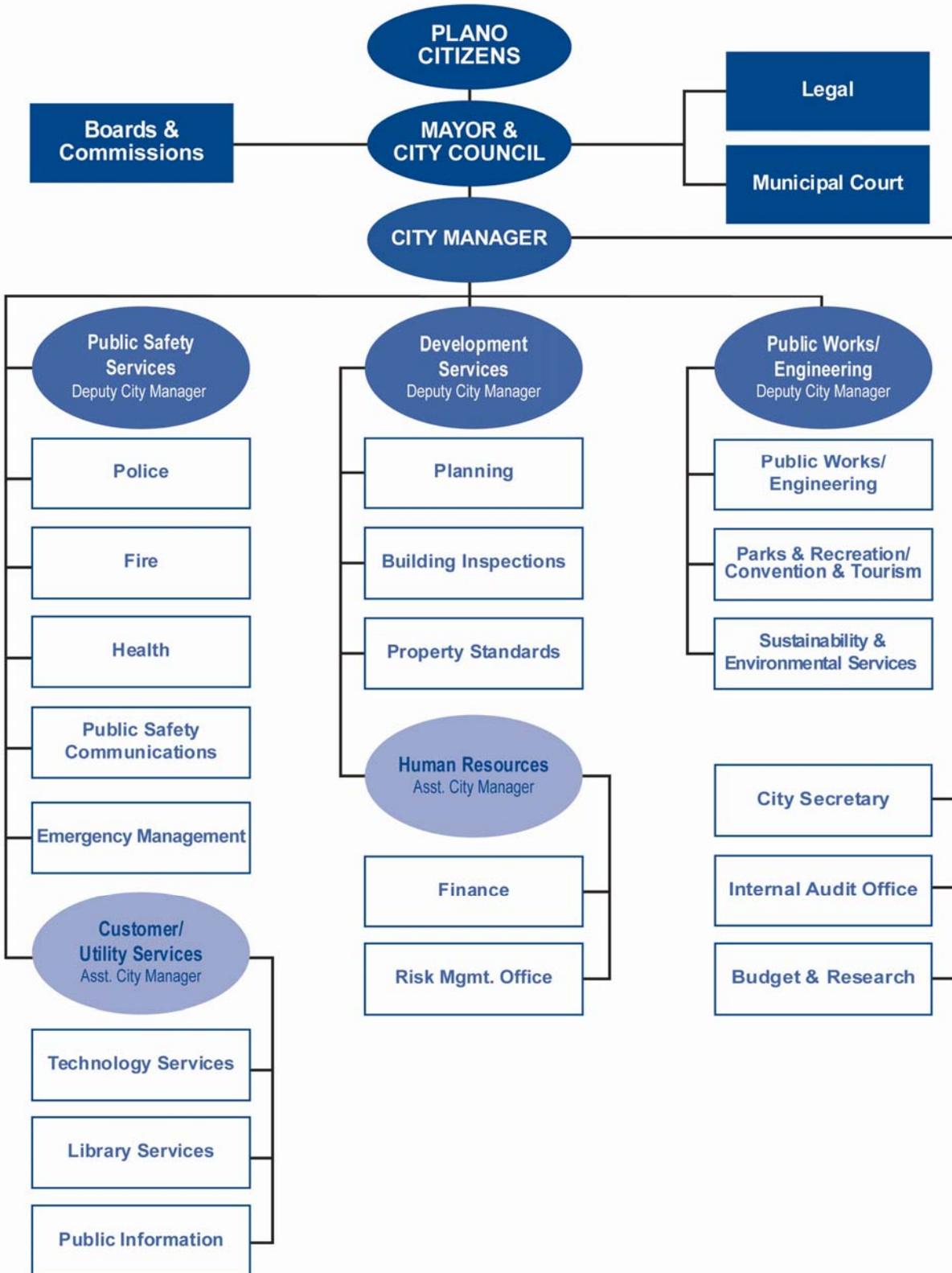


President

Executive Director



# City of Plano Organizational Chart



**CITY OF PLANO, TEXAS**  
**ELECTED OFFICIALS AND ADMINISTRATIVE OFFICERS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

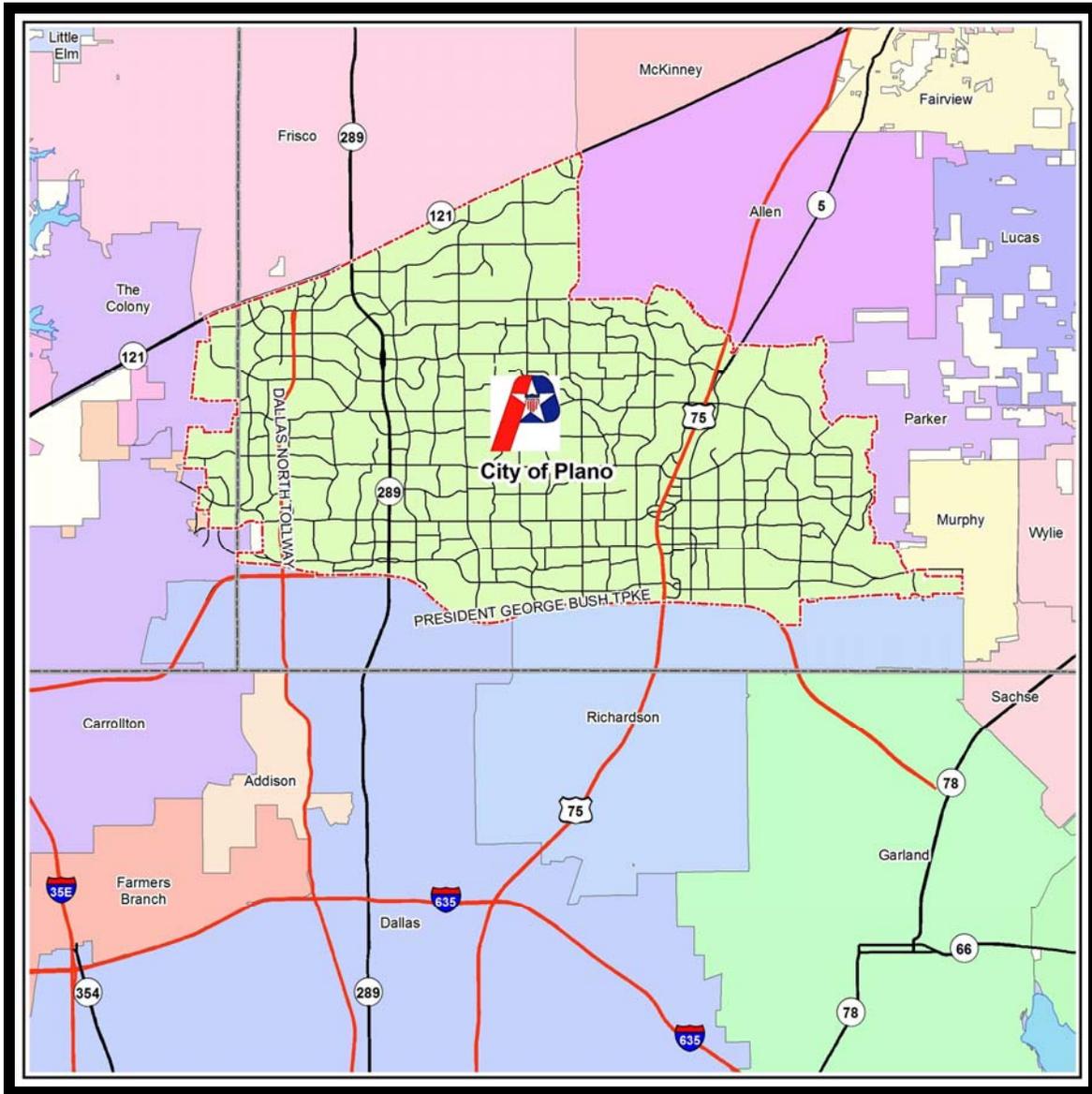
**Elected Officials**

<u>City Council</u>	<u>Term Expires</u>
Phil Dyer Mayor Place 6	May, 2012
Harry LaRosiliere Mayor Pro Tem Place 5	May, 2011
Lee Dunlap Deputy Mayor Pro Tem Place 8	May, 2012
Pat Miner Place 1	May, 2011
Ben Harris Place 2	May, 2012
Mabrie Jackson Place 3	May, 2011
Lissa Smith Place 4	May, 2012
Jean Callison Place 7	May, 2011

**Administrative Officers**

<u>Name</u>	<u>Position</u>
Thomas H. Muehlenbeck	City Manager
Denise Tacke, CPA	Director of Finance
Mary Reese, CPA	Controller

# The City of Plano and Surrounding Areas







## Independent Auditor's Report

The Honorable Mayor and Members of the City Council  
The City of Plano, Texas

Audit • Tax • Advisory

**Grant Thornton LLP**  
1717 Main Street, Suite 1500  
Dallas, TX 75201-4667

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[www.GrantThornton.com](http://www.GrantThornton.com)

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Plano, Texas (the "City"), as of and for the year ended September 30, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Plano's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America as established by the American Institute of Certified Public Accountants and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Plano, Texas, as of September 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2009 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 3 through 14, the Schedule of Pension Trust – Texas Municipal Retirement System Funding Progress and Contributions, the Schedule of Pension Trust – Retirement Security Plano Funding Progress and Contributions and the Schedule of Pension Trust – Postemployment Benefits 115 Trust Funding Progress and Contributions on page 67 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying supplementary information listed in the table of contents, including the Schedule of Expenditures of Federal and State Awards that is required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-profit Organizations* and the State of Texas Single Audit Circular, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining fund financial statements, individual nonmajor fund financial statements, individual fund budgetary comparison schedules, and Schedule of Expenditures of Federal and State Awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section, capital assets used in the operation of governmental funds schedules, and statistical section, as listed in the table of contents, have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Grant Thornton LLP

Dallas, Texas  
December 31, 2009

**CITY OF PLANO, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2009**

Our discussion and analysis of the City of Plano's financial performance provides an overview and analysis of the City's financial activities for the fiscal year ended September 30, 2009. Please read it in conjunction with the accompanying transmittal letter and the accompanying basic financial statements. All amounts, unless otherwise indicated, are expressed in millions of dollars.

**FINANCIAL HIGHLIGHTS**

- The City's net assets of governmental activities increased by \$19.7 million or 2.5 percent as a result of this year's operations, primarily due to an increase in the City's capital assets of approximately \$25.0 million. Net assets of the City's business type activities increased as a result of this year's operations by \$4.8 million or 1.2 percent.
- The City of Plano's total net assets increased by \$24.7 million, or 2.1 percent, during the current fiscal year. In addition to the increase in capital assets, ad valorem tax revenue increased over the prior year by \$4.2 million. This is attributable to a slight increase in taxable property values and new property coming on-line. Investment income and sales tax revenue are lower than the prior year by \$6.9 and \$6.1 million, respectively. Decreases are due to lower interest rates, a slowing economy, and increased competition from surrounding communities.
- As of September 30, 2009, the City of Plano's governmental funds reported combined ending fund balances of \$189.4 million, a decrease of \$6.8 million in comparison with the prior fiscal year.
- At the end of the current fiscal year, the unreserved and undesignated fund balance for the general fund decreased \$3.7 million to \$31.7 million. This amount is approximately 15.7 percent of total general fund expenditures.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

Management's discussion and analysis is intended to serve as an introduction to the City of Plano's basic financial statements. The City of Plano's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of the City of Plano's finances, in a manner similar to private-sector business. The statement of net assets presents information on all of the City of Plano's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City of Plano is improving or deteriorating. The statement of net assets combines and consolidates governmental funds current financial resources (short-term spendable resources) with capital assets and long-term obligations. In order to assess the overall health or financial condition of the City, other non-financial factors should also be taken into consideration. These include changes in the City's property tax base and the condition of the City's infrastructure (i.e. roads, drainage improvements, storm and sewer lines, etc.).

**City of Plano, Texas  
Management's Discussion and Analysis (continued)  
September 30, 2009**

The statement of activities presents information showing how the City's net assets changed during the most recent fiscal year. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but not used vacation leave). Both the statement of net assets and the statement of activities are prepared utilizing the accrual basis of accounting as opposed to the modified accrual basis used in prior reporting models.

In the Statement of Net Assets and the Statement of Activities, the City is divided into three kinds of activities:

- Governmental activities – Most of the City's basic services are reported here, including the police, fire, libraries, development, public services and operations, parks and recreation, public works, technology services and general administration. Property taxes, sales taxes and franchise fees finance most of these activities.
- Business-type activities – The City charges a fee to customers to help it cover all or most of the cost of certain services it provides. The City's water and sewer system, environmental waste system, municipal drainage system, civic center, municipal golf course, property management activity, recreation revolving activities and downtown center development activity are reported here.
- Component units – The City includes three separate legal entities in its report – the economic development fund, TIF (tax incremental financing unit) mall and TIF east side. Although legally separate, these "component units" are important because the City is financially accountable for them.

## **Reporting the City's Most Significant Funds**

### **Fund Financial Statements**

The fund financial statements provide detailed information about the most significant funds – not the City as a whole. Some funds are required to be established by state law and by bond covenants. However, the City Council establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money. The City's two kinds of funds – governmental and proprietary – utilize different accounting approaches.

- Governmental funds – The majority of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method identified as the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. By comparing information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements, readers may better understand the long-term impact of the government's near-term financing decisions. The relationships or differences between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is detailed in a reconciliation following the fund financial statements.

The City of Plano maintains twenty individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the general fund, debt service fund, capital reserve fund, municipal facilities fund, street improvements fund and park improvements fund, all of which are considered to be major funds. Data from the other fourteen governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

- Proprietary funds – The City charges customers for the services it provides, whether to outside customers or to other units within the City. These services are generally reported in proprietary funds. Proprietary funds are reported in the same way all activities are reported in the Statement of Net Assets and the Statement of Activities. In fact, the City's enterprise funds (a component of proprietary funds) are identical to the business-type activities reported in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds. The internal service funds (the other component of proprietary funds) are utilized to report activities that provide supplies and services for the City's other programs and activities, such as the City's municipal warehouse, the City's self insurance funds and equipment maintenance function. Because these services benefit governmental and business type functions, they have been included in both the governmental and business-type activities in the government-wide financial statements.

The City of Plano maintains eight individual enterprise funds. The City uses enterprise funds to account for its water and sewer, environmental waste, civic center, municipal drainage, municipal golf course, property management, downtown center development, and recreation revolving activities. The proprietary fund financial statements provide separate information for the water and sewer, environmental waste services and municipal drainage functions. All are considered major funds of the City. Data from the remaining five enterprise funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor business-type funds is provided in the form of combining statements elsewhere in this report.

## **The City as Trustee**

### **Reporting the City's Fiduciary Responsibilities**

The City is the trustee, or fiduciary, for its employee's pension plan and post-employment retiree health benefits as well as certain amounts held on behalf of developers, property owners and others. All of the City's fiduciary activities are reported in separate Statements of Fiduciary Net Assets and Changes in Fiduciary Net Assets. Activities of these funds are excluded from the City's other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purpose.

### **Other Information**

In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension and health benefits to the employees.

### **THE CITY AS A WHOLE – Government-Wide Financial Analysis**

The City's combined net assets were \$1.2 billion as of September 30, 2009. Analyzing the net assets and net expenses of governmental and business-type activities separately, the business type activities net assets are \$413.1 million. This analysis focuses on the net assets (table 1) and changes in general revenues (table 2) and changes in net assets (table 3) of the City's governmental and business-type activities.

By far the largest portion of the City's net assets (91.4 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets cannot be used to liquidate these liabilities.

City of Plano, Texas  
Management's Discussion and Analysis (continued)  
September 30, 2009

**Table 1  
Net Assets  
(In Millions)**

	Governmental Activities		Business-type Activities		Total Primary Government	
	2009	2008	2009	2008	2009	2008
Current and other assets	\$ 292	\$ 281	\$ 70	\$ 66	\$ 362	\$ 347
Capital assets	933	909	384	383	1,317	1,292
Total assets	1,225	1,190	454	449	1,679	1,639
Long-term debt outstanding	384	378	31	31	415	409
Other liabilities	37	27	10	10	47	37
Total liabilities	421	405	41	41	462	446
Net assets:						
Invested in capital assets, net of related debt	729	701	383	377	1,112	1,078
Restricted	3	5	4	6	7	11
Unrestricted	72	79	26	25	98	104
Total net assets	\$ 804	\$ 785	\$ 413	\$ 408	\$ 1,217	\$ 1,193

**Governmental Activities**

The City's general revenues decreased when compared to the prior year by \$7.2 million or 3.3 percent. The primary reason for this decrease was lower sales tax revenues of \$6.1 million, the result of a downturn in the economy and increased competition from surrounding communities. Additionally, a decrease of \$6.1 million in investment income occurred in the current year due to lower interest rates as a result of the slowing economy. Property tax revenue increased \$4.2 million over the prior year and is attributable to higher property valuations and addition of new property throughout the City. The assessed value of the property in the City increased by \$1.3 billion, or 5.2 percent, as compared to the prior year. The overall decreases in the City's general revenues are detailed below (Table 2).

**Table 2  
General Revenues  
(in Thousands)**

	2009	2008	Increase (decrease)
Property taxes	\$ 127,265	\$ 123,055	\$ 4,210
Sales taxes	56,065	62,122	(6,057)
Mixed drink taxes	997	1,004	(7)
Other taxes	119	360	(241)
Franchise fees	23,995	23,022	973
Investment Income	4,633	10,683	(6,050)
Total general revenues	\$ 213,074	\$ 220,246	\$ (7,172)

**City of Plano, Texas**  
**Management's Discussion and Analysis (continued)**  
**September 30, 2009**

Governmental and Business-type activities increased the City's net assets by \$24.5 million in 2009. The key elements of this increase are as follows:

**Table 3**  
**Changes in Net Assets**  
**(in Thousands)**

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Revenues:						
Program revenues:						
Charges for services	\$ 32,374	\$ 31,046	\$134,896	\$126,579	\$167,270	\$ 157,625
Operating grants and contributions	7,431	4,774	340	61	7,771	4,835
Capital grants and contributions	10,939	9,654	5,128	7,354	16,067	17,008
General revenues:						
Property taxes	127,265	123,055	-	-	127,265	123,055
Sales taxes	56,065	62,122	-	-	56,065	62,122
Other taxes	25,111	24,386	10,151	11,631	35,262	36,017
Investment income	4,633	10,683	604	1,411	5,237	12,094
Total revenues	263,818	265,720	151,119	147,036	414,937	412,756
Expenses:						
General government	14,360	9,052	-	-	14,360	9,052
Administrative services	8,294	8,424	-	-	8,294	8,424
Police	65,225	68,433	-	-	65,225	68,433
Fire	44,280	44,201	-	-	44,280	44,201
Libraries	11,105	11,765	-	-	11,105	11,765
Development	19,929	20,447	-	-	19,929	20,447
Public services and operations	5,646	5,402	-	-	5,646	5,402
Parks and recreation	26,170	26,135	-	-	26,170	26,135
Public works	28,025	27,944	-	-	28,025	27,944
Technology services	14,009	13,686	-	-	14,009	13,686
Other	5,579	7,504	-	-	5,579	7,504
Interest on long-term debt	14,640	14,625	-	-	14,640	14,625
Water and sewer	-	-	96,353	83,264	96,353	83,264
Environmental waste services	-	-	21,355	21,864	21,355	21,864
Municipal drainage	-	-	3,843	3,530	3,843	3,530
Civic center	-	-	7,331	7,312	7,331	7,312
Municipal golf course	-	-	870	1,000	870	1,000
Property management	-	-	32	39	32	39
Recreation revolving	-	-	3,192	3,096	3,192	3,096
Downtown center development	-	-	48	46	48	46
Total expenses	257,262	257,618	133,024	120,151	390,286	377,769
Increase in net assets before transfers	6,556	8,102	18,095	26,885	24,651	34,987
Transfers	13,307	13,217	(13,307)	(13,217)	-	-
Increase in net assets	19,863	21,319	4,788	13,668	24,651	34,987
Net assets – October 1	784,594	763,275	408,275	394,607	1,192,869	1,157,882
Net assets – September 30	\$804,457	\$784,594	\$413,063	\$408,275	\$1,217,520	\$1,192,869

**City of Plano, Texas  
Management's Discussion and Analysis (continued)  
September 30, 2009**

The most significant governmental expense for the City was for police activity. Of a total \$65.2 million spent, personnel costs were \$54.9 million, an increase over the prior year by \$2.2 million. The largest increase in governmental activities expense can be noted in general government expenses and pertains to General Fund contributions to the City's 115 Trust of \$4.3 million. Operating grants and contributions increased \$2.7 million. The increase is primarily due to the reimbursement of \$2.1 million from the Tax Increment Financing-East Side fund for initial costs contributed by the City for the Courtyard Theater Project in fiscal year 2001. Additionally, the City received reimbursement of \$1.4 million related to an interlocal agreement with Collin County. Charges for services in the police functions increased \$2.4 million as a result of increased court fines, red light camera fees and alarm permit revenues of \$1.1 million, \$0.6 million and \$0.5 million, respectively.

**Business-type Activities**

Revenues of the City's business-type activities were \$151.1 million for the fiscal year ended September 30, 2009. Revenues increased approximately \$4.1 million or 2.8 percent as compared to the prior fiscal year. Expenses for the City's business-type activities increased \$12.9 million or 10.7 percent. The decrease in net revenues is the result of several factors, including the following:

- The City's water and sewer system recorded charges for services of \$108.1 million, an increase of \$8.0 million or 8.0 percent from the prior year primarily due to increased consumption. Expenses increased over the prior year by \$13.1 million or 15.7 percent. This was primarily due to increases in payments for water and wastewater services in the amount of \$6.8 million. In addition, expenses and encumbrances for fixed meter reading network increased \$2.6 million. Fiscal year 2008 expenses and encumbrances were primarily made for equipment set-up, testing and software implementation while actual installation began in fiscal year 2009.
- The City's environmental waste services activities operated with program expenses exceeding charges for services by \$6.3 million. Residential solid waste revenues are \$1.0 million higher than the prior year primarily due to a \$1.25 rate increase for use of 95-gallon carts. Commercial franchise fee revenues decreased \$0.5 million due to a downturn in the economy. These revenues are based upon commercial tonnage disposed. In addition, recycling revenues are down \$1.2 million as a result of a decline in the recycling market. Environmental waste services expenses decreased \$0.5 million over the prior year.
- The City's municipal drainage activity operated with charges for services exceeding expenses by \$1.2 million, compared to \$1.5 million in the prior year. Personal services increased \$0.1 million over the prior year due to increased salary and benefit related costs and funding of the City's Sections 115 Trust. Costs for maintenance parts and supplies in the Municipal Drainage Operations department increased \$0.1 million due to an increase in volume of concrete drainage structures repairs in the current year. The municipal drainage system recorded charges for services of \$5.05 million, a 1.1 percent increase from the prior year.
- The City's civic center activity operated with expenses exceeding charges for services by \$4.9 million as compared to \$4.6 million in the prior fiscal year. Charges for services are reported at \$2.4 million which is a decrease of \$0.3 million from the prior fiscal year. Hotel/motel tax revenue decreased \$1.0 million as a result of an increase in hotel/motel tax exemptions and a decline in travel related to the downturn in the economy.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

At the end of the fiscal year 2009, the City had \$1.3 billion invested in a broad range of capital assets, including police and fire equipment, buildings, park facilities, roads, bridges, and water and sewer lines. (See Table 4.) This amount represents a net increase (including additions and deductions) of \$25.0 million over the prior fiscal year.

**Table 4**  
**Capital Assets at Year-end**  
**(Net of Depreciation, in Thousands)**

	Governmental Activities		Business-type Activities		Totals	
	2009	2008	2009	2008	2009	2008
Land	\$ 107,127	\$ 106,991	\$ 9,267	\$ 9,252	\$ 116,394	\$ 116,243
Buildings and improvements	104,133	73,135	309,418	304,575	413,551	377,710
Equipment	45,579	46,186	4,185	5,402	49,764	51,588
Construction in progress	175,665	180,710	42,481	47,987	218,146	228,697
Public Art	1,697	1,649	-	-	1,697	1,649
Infrastructure	498,946	499,863	-	-	498,946	499,863
Drainage improvements	-	-	18,494	16,235	18,494	16,235
<b>Totals</b>	<b>\$933,147</b>	<b>\$ 908,534</b>	<b>\$383,845</b>	<b>\$ 383,451</b>	<b>\$1,316,992</b>	<b>\$1,291,985</b>

This year's major additions included (in millions):

Development of nature preserve at Oak Point Park	\$ 6.3
Implementation of Moto Mesh Wireless Phase III	5.8
Widening Alma Drive-Spicewood Drive to Tatum Drive	1.0
Widening Independence Parkway-McDermott Road to S.H. 121	1.2
Reconstruction & widening of Parker-K Avenue to Raton	1.2
Widening Parkwood Boulevard-Park Boulevard to Windhaven Parkway	1.6
Linking recreational trails throughout the City	1.9
Reconstruction of street and sidewalks of Springbrook-Janwood to Quill	1.5
Widening Communications Parkway-Parker Road to Windhaven Parkway and Windhaven Parkway to Spring Creek Parkway	1.9
Replacement of various street and alley pavement	2.4
Replacement of concrete pavement	2.1
Arterial joint sealing program	<u>1.8</u>
<b>Total</b>	<b>\$ <u>28.7</u></b>

The City's fiscal year 2010 capital budget includes \$53.7 million for capital projects, principally for three major categories: municipal facilities, parks and recreation, and street improvements and enhancements. Estimated expenditures for municipal facilities are \$4.0 million including \$3.0 million for plans to construct a new fire station and expand Fire Station No. 4. Also included in the budget is \$1.0 million for construction of a new Technology Services facility. Estimated expenditures for parks and recreation facilities are \$14.6 million including \$5.8 million for expansion and renovation of Carpenter Park Recreation Center, including senior facilities. An additional \$4.0 million is planned for 2009 land acquisitions. The remaining funds for park improvements and recreation centers are for a variety of projects. The City plans to spend \$35.1 million on street improvements and enhancements including \$5.2 million to reconstruct 14<sup>th</sup> Street from Avenue K to Ridgewood Drive, \$2.3 million to widen McDermott Road from Coit to Ohio, \$1.6 million to widen Communications from Parker Road to Spring Creek, \$1.8 million for intersection improvements at Preston and Legacy, \$1.4 million to construct Chaparral from K Avenue to East City Limit, \$2.3 million to expand Razor from Ohio to SH 121, \$1.7 million to

**City of Plano, Texas  
Management's Discussion and Analysis (continued)  
September 30, 2009**

construct the Douglas walkway, \$1.5 million to repave Meadows Addition Phase I streets and sidewalks, \$1.0 million to widen Plano Parkway from Midway to West City Limit, \$1.1 million to repave Westwood from 15<sup>th</sup> Street to Janwood, \$1.2 million for reconstruction of R Avenue to 17<sup>th</sup> Street, \$1.0 million to widen Windhaven from City Limit to Spring Creek, \$2.6 million to reconstruct Communications Parkway from Spring Creek Parkway to Tennyson, and \$5.5 million for various street improvements. The remaining street improvements and enhancements are for a variety of projects. An additional \$16.8 million will be required to support the entire 2009-10 general obligation capital improvement program.

More detailed information about the City's capital asset activity is presented in Note 4 to the financial statements.

**Debt**

At year-end, the City had \$368.9 million in bonds and tax anticipation notes outstanding as compared to \$367.0 million at the end of the prior fiscal year, an increase of 0.5 percent – as shown in Table 5.

**Table 5  
Outstanding Debt, at Year-end  
(in Thousands)**

	Governmental Activities		Business-type Activities		Totals	
	2009	2008	2009	2008	2009	2008
General obligation bonds (backed by the City)	\$ 312,578	\$ 310,024	\$ -	\$ -	\$ 312,578	\$ 310,024
Tax anticipation notes (backed by the City)	29,014	28,075	-	-	29,014	28,075
Revenue bonds (backed by fee revenues)	-	-	27,338	28,900	27,338	28,900
<b>Totals</b>	<b>\$ 341,592</b>	<b>\$ 338,099</b>	<b>\$ 27,338</b>	<b>\$ 28,900</b>	<b>\$ 368,930</b>	<b>\$ 366,999</b>

During the current fiscal year, the City issued \$35.3 million in general obligation bonds, \$6.4 million in tax anticipation notes and \$4.8 million in municipal drainage revenue bonds.

The City's general obligation bonds and tax notes continue to carry a triple A rating, the highest rating possible. This rating has been assigned to the City's tax-supported debt since February 2000, by Moody's Investors Service, Inc., Standard & Poor's and Fitch, Inc. The City's drainage revenue bonds carry an A1 and AA- ratings, as assigned by two of the national rating agencies. The City is permitted by Article XI, Section 5, of the State of Texas Constitution to levy taxes up to \$2.50 per \$100 of assessed valuation for general governmental services including the payment of principal and interest on general obligation long-term debt. The current ratio of tax-supported debt to assessed value of all taxable property is 1.33 percent.

The City maintains a self-insurance program for general liability, public officials' errors and omission, police professional liability, property loss and workers' compensation. Claims for property loss over \$100,000 per occurrence and for workers' compensation over \$500,000 per occurrence are covered by private insurance companies. The City has claims and judgments of \$7.7 million outstanding at year-end compared with \$7.5 million at the end of the prior fiscal year. Other obligations include accrued vacation pay and sick leave. More detailed information about the City's long-term liabilities is presented in Note 6 to the financial statements.

## **THE CITY'S FUNDS**

At the close of the City's fiscal year on September 30, 2009, the governmental funds of the City reported a combined fund balance of \$189.4 million and the enterprise funds of the City reported combined net assets of \$404.7 million. Included in this year's total change in fund balance is a \$2.0 million decrease in the City's General Fund due to an increase in expenditures of \$4.3 million. In addition, other changes in fund balances should be noted:

- The City's Debt Service fund balance of \$3.3 million decreased from the prior year fund balance by \$2.2 million. Since fiscal year 2007-08, the allocation to the Debt Service portion of the ad valorem tax rate has decreased to \$0.1467 from \$0.1525, a \$0.0058 decrease.
- The City spent \$13.6 million in capital outlay in the capital reserve fund as compared to \$14.2 million in the prior fiscal year. Investment income decreases of \$0.9 million are attributable to lower interest rates as a result of the slowing economy.
- The City's water and sewer fund net assets of \$373.1 million increased by \$5.5 million over the prior year. In the current fiscal year, revenues increased by \$7.5 million due to increased consumption.
- The City's environmental waste services fund net assets were \$1.7 million, unchanged from the prior fiscal year
- The City's municipal drainage fund net assets increased by \$0.5 million to \$19.1 million representing an increase of 2.9 percent over the prior fiscal year.

### **General Fund Budgetary Highlights**

With adjustments made during FY 2008-09, the actual on a budgetary basis expenditures were \$206.7 million compared to the re-estimated budget amount of \$217.2 million. Actual expenditures were \$11.8 million lower than the original budget implemented for fiscal year 2008-09 and \$14.5 million lower as compared to the re-estimate. Decreases were due to reductions by City departments in anticipation of budget shortfalls.

For FY 2008-09, the actual on a budgetary basis revenues were \$200.2 million as compared to the re-estimated budget amount and original budget amount of \$197.5 million and \$200.9 million, respectively. Contributing to the variance was higher than anticipated franchise revenue increasing \$0.6 million over the re-estimated budget. Sales tax revenues were higher than the final budget by \$0.7 million. However, property tax revenues came in lower than re-estimated by \$0.6 million. Intergovernmental revenues include \$2.1 million from TIF East Side as reimbursement for initial costs contributed by the City for the Courtyard Theater Project in fiscal year 2001.

The City of Plano has an actual on a budgetary basis General Fund balance of \$38.4 million as of the fiscal year end, compared to the re-estimated budget fund balance and original budget fund balance of \$25.2 million and \$30.3 million respectively. The variance in fund balance is due to expenditure reductions by City departments in anticipation of budget shortfalls.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

Although the economy is a primary factor, City elected and appointed officials addressed many considerations when setting the fiscal year 2010 Budget, tax rates, and business-type activity fee structures. Financial forecasts in March 2007 projected a \$16 million General Fund budget deficit beginning in fiscal year 2009. In response, fees were increased for certain services and (43) full-time positions and (7) part-time positions were eliminated from the fiscal year 2009 Budget. A Core Business Matrix process, implemented in October, 2008, prioritized core businesses, services and programs offered by the City and evaluated service level impacts and the amount of expenditures and revenues assigned to each core business.

The financial forecast presented to the City Council in March 2009 projected a \$13.7 million General Fund budget deficit for fiscal year 2010. Budget reductions of \$10.5 million were identified from the fiscal year 2010 budget including the elimination of a number of positions.

A tax rate increase of 1.51 cents (to 48.86 cents per \$100 of assessed property value) was approved by the City Council in September 2009 to address the remaining \$3.2 million budget shortfall in the General Fund.

The increase includes a 1.35 cent increase for debt service to 16.02 cents and a 0.16 cent increase for operation and maintenance (O&M) to 32.84 cents. The increase in O&M is directly due to the projected loss of property value from the City's tax base. The debt service rate increase also results from the reduced tax base, as well as the increased debt costs from the issuance of tax notes for public safety projects and new general obligation debt. Of the 48.86 cent tax rate, two-cents is solely dedicated to the Economic Development Incentive Program (EDIP), implemented by the City Council in fiscal year 2006-2007. The City continues to work to entice commercial entities to Plano and to provide economic development programs and redevelopment for all areas of the City.

Public safety, health, value and quality of life are foremost in administrative decisions. Visionary planning, community involvement, and dedication and resolve by staff combine to maintain and improve the quality of life and economic opportunities for citizens. Plano's current population is 264,250 and is anticipated to be approximately 278,500 in 2020.

Retail and wholesale trade, services and manufacturing are the City's three largest job sectors. The business atmosphere ranges from start-ups to international corporate powerhouses. Growth in the region continues to concentrate on health care and small business, rather than technology. Redevelopment of mature commercial centers and infill projects continue.

Businesses grow and prosper in Plano with tax incentives and abatements, low tax rates, high bond ratings and a superior quality of life. City tax abatement agreements and reinvestment zones have helped create more than 50,000 jobs. The City works diligently with corporations on relocation incentives in order to attract new and existing companies. In addition, reasonable costs of living and affordable home prices continue to make Plano an attractive area for new business locations.

The 2009-10 combined budget appropriation totals \$402.3 million for ten operating funds. This represents a decrease of \$4.0 million or 1.0 percent under the 2008-09 re-estimated budget. Ad valorem tax revenue is determined by two major factors: the total assessed values established by both the central Appraisal District of Collin and Denton Counties and the tax rate established by the Plano City Council.

A primary reason for the budget deficit is a decrease of property values from our City's tax base for fiscal year 2010. According to the Collin County and the Denton County Central Appraisal Districts (CAD), total assessed property value for 2009-10 equals \$25.5 billion and includes \$380.4 million of new property coming on-line. Additionally, existing property values are expected to decrease by \$658.5 million or 2.55%. This represents the largest existing property value loss experienced in the City of Plano since 1993. The total change in value for fiscal year 2010 equals a decrease of \$278.0 million or 1.08%. The average home value as reported by the

**City of Plano, Texas  
Management's Discussion and Analysis (continued)  
September 30, 2009**

Collin County CAD is \$249,679, down from \$251,733. The City of Plano offers Homestead, Disability and Over 65 exemptions, and an ad valorem tax freeze on the residential homestead of citizens over 65 and disabled. Total exemptions account for \$5.1 billion in assessed property value, which equates to \$24.5 million in lost property tax revenue. Of this amount, \$765.6 thousand is lost due to the over 65 tax freeze.

The City will continue to focus on protecting and expanding its revenue base. Like most Texas cities, Plano relies on local sales tax collections to provide revenues necessary to meet citizen's expectations for service. Since January 2008, the City has experienced significant sales tax declines due to an economic downturn in the economy and growing competition from surrounding cities for sales tax dollars. Sales tax revenues of \$56.1 in fiscal year 2009 decreased from the prior year by \$6.1 million including a \$1.4 million negative sales tax adjustment. Sales tax projections of \$57.8 million in fiscal year 2010 do not include approximately \$1.5 million in EDIP Section 380 grants. Sales tax projections continue to be impacted by changes in the national economy, fuel prices, weather conditions, loss of market share to surrounding communities, the annual Texas legislative initiated "Back-To-School" sales tax holiday and impending legislation.

General Fund expenditures in fiscal year 2009-10 are expected to decrease \$8.1 million, or 3.6% from the 2008-09 re-estimated budget. Estimated salary and benefit savings of \$3.6 million is anticipated from the reduction of (45) full-time and (10) part-time positions. The budget also includes a 3.5% attrition allowance and does not include a merit increase. Budget increases include \$2.0 million in health insurance for nominal medical service increases and to provide additional funding for GASB 45 requirements for post-employment benefits. Expected retiree payouts in 2009-10 are budgeted at \$3.0 million. Contribution rates for the Texas Municipal Retirement System (TMRS) will increase on January 1, 2010 from 14.06% to 15.72%. The Retirement Security Plan (RSP) contribution rate will remain 3.13%. Included in the 2009-10 General Fund Budget is \$221,141 for capital improvement projects.

If estimates are realized, the City's budgetary General Fund balance is expected to decrease from the re-estimated 2008-09 Budget by approximately \$9.3 million.

The Water and Sewer fund is of concern in the City's business type activities. In fiscal year 2009, the City did not meet its 26.7 billion gallon water usage requirement as part of the take or pay contract with the North Texas Municipal Water District (NTMWD). The resulting cost impact for undelivered water was \$2.5 million. Lower revenues and increased charges from NTMWD caused the City to increase water and sewer rates, the sixth increase since October 2006. The following rate decisions were made regarding the City's business type activities:

- Revenue projections in 2009-10 increase water income by \$5.3 million, or 9.6 percent over the 2008-09 re-estimate. The water income revenue increase covers a 10% rate increase effective October 1, 2009 and reflects the water district's take-or-pay contracted purchase amount of 26.7 billion gallons. Using 3-year winter quarter averages for water and an October 1, 2009 rate increase of 4.0%, the 2009-10 Sewer revenues are projected to increase \$4.1 million over the 2008-09 re-estimate.
- Total Sustainability & Environmental Services revenues for 2009-10 are projected at \$22.3 million. Total 2008-09 revenues were \$1.2 below the original budget and \$0.7 below the re-estimate. Of this amount recycling was \$0.7 below the original budget and \$0.03 greater than the re-estimate. No rate adjustment will be required in 2009-10.
- A municipal drainage rate adjustment will not be required in 2009-10. Drainage rates for an average homeowner will continue to be \$3.30 per month, and non-residential rates will stay at .056 cents per 100 square feet of impervious area.
- Hotel/Motel tax receipts are projected to be \$4.5 million in fiscal year 2009-10. This represents a 9.5% decrease from the 2008-09 original budget and a 1.5% increase from the 2008-09 re-estimate. Reduction in revenue from original projections is related to the economic downturn. Although hotel occupancy rates have remained fairly stable, average room rates have decreased considerably. Civic

**City of Plano, Texas  
Management's Discussion and Analysis (continued)  
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Center fees are projected to be approximately \$2.6 million for 2009-10, a 3.4% decrease from the 2008-09 original budget and a 1.5 % increase from the re-estimated budget.

- Golf Fees are projected to be \$0.9 million in 2009-10, a 0.1% increase from the 2008-09 re-estimate.

**CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City Controller's Office, at City of Plano, 1520 Avenue K, Suite 370, Plano, TX 75074.

**CITY OF PLANO, TEXAS  
STATEMENT OF NET ASSETS  
AS OF SEPTEMBER 30, 2009**

	<b>Primary Government</b>			<b>Component Units</b>
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	
<b>ASSETS</b>				
Cash and cash equivalents	\$ 33,455,891	\$ 1,471,059	\$ 34,926,950	\$ 2,648,235
Investments	217,821,375	9,244,326	227,065,701	17,281,402
Receivables (net of allowance for doubtful accounts)	23,603,575	18,747,713	42,351,288	64,185
Internal balances	(7,698,377)	7,698,377	-	-
Due from other governments	743,029	-	743,029	-
Inventories	942,782	-	942,782	-
Prepays and other assets	19,739,251	1,877,535	21,616,786	-
Restricted assets:				
Cash and cash equivalents	418,400	4,072,050	4,490,450	-
Investments	2,726,414	26,534,615	29,261,029	-
Receivables	14,261	694,741	709,002	-
Capital assets:				
Non-depreciable	284,488,874	51,747,713	336,236,587	110,629
Depreciable (net)	648,658,620	332,097,101	980,755,721	3,897,311
<b>Total Assets</b>	<b>1,224,914,095</b>	<b>454,185,230</b>	<b>1,679,099,325</b>	<b>24,001,762</b>
<b>LIABILITIES</b>				
Accounts payable	4,412,927	4,806,943	9,219,870	16,282
Accrued liabilities	9,892,175	984,562	10,876,737	21,145
Accrued interest payable	1,196,909	373,358	1,570,267	-
Contracts payable	7,092,636	315,156	7,407,792	-
Customer deposits	-	2,444,290	2,444,290	-
Unearned revenue	11,438,342	697,363	12,135,705	-
Due to other governments	1,141,096	-	1,141,096	403
Retainage payable	1,583,471	330,685	1,914,156	-
Seized assets payable	146,232	-	146,232	-
Non-current liabilities				
Due within one year:				
Compensated absences	4,591,749	409,605	5,001,354	992
Notes payable	-	-	-	6,397,476
Bonds payable	23,026,560	3,600,000	26,626,560	-
Tax anticipation notes payable	4,919,818	-	4,919,818	-
Liability for insurance claims	6,190,932	-	6,190,932	-
Due in more than one year:				
Compensated absences	29,680,598	3,421,603	33,102,201	144,761
Bonds payable	289,551,105	23,738,423	313,289,528	-
Tax anticipation notes payable	24,094,160	-	24,094,160	-
Liability for insurance claims	1,498,104	-	1,498,104	-
<b>Total Liabilities</b>	<b>420,456,814</b>	<b>41,121,988</b>	<b>461,578,802</b>	<b>6,581,059</b>
<b>NET ASSETS</b>				
Invested in capital assets (net of related debt)	728,662,561	383,531,217	1,112,193,778	4,007,940
Restricted for:				
Debt service	3,270,626	3,911,737	7,182,363	-
Unrestricted	72,524,094	25,620,288	98,144,382	13,412,763
<b>Total Net Assets</b>	<b>\$ 804,457,281</b>	<b>\$ 413,063,242</b>	<b>\$ 1,217,520,523</b>	<b>\$ 17,420,703</b>

The notes to the financial statements are an integral part of this statement.

CITY OF PLANO, TEXAS  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2009

Function/Program Activities	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government:</b>				
Governmental Activities:				
General government	\$ 14,360,212	\$ 994,964	\$ 3,670,414	\$ 1,236,441
Administrative services	8,294,111	-	109	-
Police	65,225,173	15,344,518	1,236,792	238,425
Fire	44,279,959	4,161,383	331,602	-
Libraries	11,104,945	545,755	268,121	-
Development	19,929,365	3,175,176	1,492,995	-
Public services and operations	5,645,771	1,277,357	148,254	-
Parks and recreation	26,170,315	3,952,244	180,345	1,040,000
Public works	28,025,006	40,592	102,105	8,424,232
Technology services	14,008,840	2,882,354	-	-
Other	5,480,962	-	-	-
Interest on Long-Term Debt	14,640,081	-	-	-
Unallocated Depreciation	96,934	-	-	-
<b>Total governmental activities</b>	<b>257,261,674</b>	<b>32,374,343</b>	<b>7,430,737</b>	<b>10,939,098</b>
Business-type Activities:				
Water and sewer	96,352,987	108,076,125	-	5,128,295
Environmental waste services	21,354,795	15,101,758	339,804	-
Municipal drainage	3,843,011	5,050,406	-	-
Civic center	7,331,173	2,439,129	-	-
Municipal golf course	870,436	792,753	-	-
Property management	32,053	42,309	-	-
Recreation revolving	3,191,594	3,325,754	-	-
Downtown center development	47,917	68,127	-	-
<b>Total business-type activities</b>	<b>133,023,966</b>	<b>134,896,361</b>	<b>339,804</b>	<b>5,128,295</b>
<b>Total primary government</b>	<b>\$ 390,285,640</b>	<b>\$ 167,270,704</b>	<b>\$ 7,770,541</b>	<b>\$ 16,067,393</b>
<b>Component units:</b>				
Economic Development	\$ 4,552,750	\$ 6,144,234	\$ -	\$ -
TIF Mall	5,181,377	-	-	-
TIF East Side	3,314,280	-	-	-
<b>Total component units</b>	<b>\$ 13,048,407</b>	<b>\$ 6,144,234</b>	<b>\$ -</b>	<b>\$ -</b>

General revenues:  
Property taxes  
Sales taxes  
Mixed drink taxes  
Hotel/Motel tax  
Other taxes  
Franchise fees  
Investment income  
Transfers  
Total general revenues and transfers  
Change in net assets  
Net assets - beginning  
Net assets - ending

The notes to the financial statements are an integral part of this statement.

**Net (Expense) Revenue and Changes in Net Assets**

<b>Primary Government</b>			
<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	<b>Component Units</b>
\$ (8,458,393)		\$ (8,458,393)	
(8,294,002)		(8,294,002)	
(48,405,438)		(48,405,438)	
(39,786,974)		(39,786,974)	
(10,291,069)		(10,291,069)	
(15,261,194)		(15,261,194)	
(4,220,160)		(4,220,160)	
(20,997,726)		(20,997,726)	
(19,458,077)		(19,458,077)	
(11,126,486)		(11,126,486)	
(5,480,962)		(5,480,962)	
(14,640,081)		(14,640,081)	
(96,934)		(96,934)	
<u>(206,517,496)</u>		<u>(206,517,496)</u>	
	\$ 16,851,433	16,851,433	
	(5,913,233)	(5,913,233)	
	1,207,395	1,207,395	
	(4,892,044)	(4,892,044)	
	(77,683)	(77,683)	
	10,256	10,256	
	134,160	134,160	
	20,210	20,210	
	<u>7,340,494</u>	<u>7,340,494</u>	
<u>-</u>	<u>7,340,494</u>	<u>(199,177,002)</u>	
			\$ 1,591,484
			(5,181,377)
			<u>(3,314,280)</u>
			<u>(6,904,173)</u>
127,265,332	-	127,265,332	8,045,461
56,064,538	-	56,064,538	-
997,051	-	997,051	-
-	3,951,890	3,951,890	-
118,580	-	118,580	-
23,995,388	6,198,973	30,194,361	-
4,632,949	604,201	5,237,150	199,383
13,307,004	(13,307,004)	-	-
<u>226,380,842</u>	<u>(2,551,940)</u>	<u>223,828,902</u>	<u>8,244,844</u>
19,863,346	4,788,554	24,651,900	1,340,671
784,593,935	408,274,688	1,192,868,623	16,080,032
<u>\$ 804,457,281</u>	<u>\$ 413,063,242</u>	<u>\$ 1,217,520,523</u>	<u>\$ 17,420,703</u>

**CITY OF PLANO, TEXAS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
AS OF SEPTEMBER 30, 2009**

	<u>General</u>	<u>Debt Service</u>	<u>Capital Reserve</u>	<u>Municipal Facilities</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 5,313,839	\$ 435,139	\$ 5,280,657	\$ 5,052,143
Investments	34,443,606	2,835,487	34,409,932	32,921,170
Receivables (net of allowance for uncollectibles)				
Taxes	10,925,563	467,807	-	-
Accounts	1,583,050	-	-	-
Notes	6,397,476	-	-	-
Accrued interest	180,199	14,831	180,023	172,189
Assessments	-	-	-	-
Other	-	-	-	225
Due from other funds	1,253,351	-	-	-
Due from other governments	57,572	10,821	-	-
Prepaid items and other assets	579,041	-	-	-
<b>Total Assets</b>	<u>60,733,697</u>	<u>3,764,085</u>	<u>39,870,612</u>	<u>38,145,727</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	2,648,498	46,152	-	-
Accrued liabilities	8,691,386	-	-	-
Contracts payable	-	-	832,858	3,050,655
Deferred revenue	6,598,476	467,807	-	-
Due to other funds	51,207	-	-	-
Due to other governments	-	-	-	-
Retainage payable	-	-	129,840	537,043
Seized assets payable	-	-	-	-
<b>Total Liabilities</b>	<u>17,989,567</u>	<u>513,959</u>	<u>962,698</u>	<u>3,587,698</u>
Fund Balance:				
Reserved for encumbrances in:				
General fund	4,055,302	-	-	-
Capital reserve fund	-	-	4,671,496	-
Municipal facilities	-	-	-	5,417,852
Street improvements	-	-	-	-
Park improvements	-	-	-	-
Capital project funds	-	-	-	-
Reserved for:				
Prepaid items and other assets	579,041	-	-	-
Notes receivable	6,397,476	-	-	-
Debt service	-	3,250,126	-	-
Capital reserve	-	-	34,236,418	-
Municipal facilities	-	-	-	29,140,177
Street improvements	-	-	-	-
Park improvements	-	-	-	-
Capital projects	-	-	-	-
Unreserved, designated in:				
Special revenue funds	-	-	-	-
Unreserved, undesignated in:				
General fund	31,712,311	-	-	-
Special revenue funds	-	-	-	-
Capital project funds	-	-	-	-
<b>Total Fund Balance</b>	<u>42,744,130</u>	<u>3,250,126</u>	<u>38,907,914</u>	<u>34,558,029</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$ 60,733,697</u>	<u>\$ 3,764,085</u>	<u>\$ 39,870,612</u>	<u>\$ 38,145,727</u>

The notes to the financial statements are an integral part of this statement.

<b>Street Improvements</b>	<b>Park Improvements</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 3,029,892	\$ 4,591,586	\$ 3,803,314	\$ 27,506,570
19,743,624	29,920,055	24,782,845	179,056,719
-	-	-	11,393,370
-	-	355,985	1,939,035
-	-	-	6,397,476
103,266	156,492	129,622	936,622
1,540,186	-	-	1,540,186
-	-	955,228	955,453
-	-	1,265	1,254,616
-	-	674,202	742,595
-	-	2,680	581,721
<u>24,416,968</u>	<u>34,668,133</u>	<u>30,705,141</u>	<u>232,304,363</u>
-	-	280,982	2,975,632
-	-	740,187	9,431,573
2,798,485	407,638	3,000	7,092,636
11,726,936	-	1,198,793	19,992,012
-	-	508,380	559,587
-	-	1,141,096	1,141,096
624,700	289,653	2,235	1,583,471
-	-	146,232	146,232
<u>15,150,121</u>	<u>697,291</u>	<u>4,020,905</u>	<u>42,922,239</u>
-	-	-	4,055,302
-	-	-	4,671,496
-	-	-	5,417,852
8,179,183	-	-	8,179,183
-	2,542,880	-	2,542,880
-	-	1,001,091	1,001,091
-	-	2,680	581,721
-	-	-	6,397,476
-	-	-	3,250,126
-	-	-	34,236,418
-	-	-	29,140,177
1,087,664	-	-	1,087,664
-	31,427,962	-	31,427,962
-	-	5,275,074	5,275,074
-	-	828,561	828,561
-	-	-	31,712,311
-	-	19,434,821	19,434,821
-	-	142,009	142,009
<u>9,266,847</u>	<u>33,970,842</u>	<u>26,684,236</u>	<u>189,382,124</u>
<u>\$ 24,416,968</u>	<u>\$ 34,668,133</u>	<u>\$ 30,705,141</u>	<u>\$ 232,304,363</u>

**CITY OF PLANO, TEXAS  
 RECONCILIATION OF THE STATEMENT OF NET ASSETS  
 OF GOVERNMENTAL FUNDS  
 TO THE BALANCE SHEET  
 AS OF SEPTEMBER 30, 2009**

Amounts reported for governmental activities in the statement of net assets are different because:

Total fund balance per balance sheet	\$ 189,382,124
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	902,853,308
Other long-term assets are not available to pay for current-period expenditures, and, therefore, are deferred in the funds	27,495,609
Internal service funds are used by management to charge the costs of fleet management, property liability loss, health claims, office services and municipal warehouse to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	68,454,352
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(383,728,112)
Net assets of governmental activities	<u>\$ 804,457,281</u>

The notes to the financial statements are an integral part of this statement.



**CITY OF PLANO, TEXAS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2009**

	<u>General</u>	<u>Debt Service</u>	<u>Capital Reserve</u>	<u>Municipal Facilities</u>
<b>REVENUES</b>				
Taxes-				
Property taxes	\$ 82,515,968	\$ 37,052,595	\$ -	\$ -
Other taxes	57,577,341	-	-	-
Franchise fees	23,586,443	-	-	-
Fines and forfeitures	8,317,559	-	-	-
Contributions	-	-	1,404,847	143,192
Rollback taxes	-	-	263,577	-
Licenses and permits	4,786,291	-	-	-
Intragovernmental	7,739,588	-	-	-
Intergovernmental	2,915,576	-	-	-
Fees for services	10,967,653	-	-	-
Assessments	-	-	-	-
Investment income	1,270,999	368,791	584,348	567,385
Miscellaneous	794,039	238,425	1,099,749	2,700
Total revenues	<u>200,471,457</u>	<u>37,659,811</u>	<u>3,352,521</u>	<u>713,277</u>
<b>EXPENDITURES</b>				
Current operating:				
General government	524,727	-	-	-
Administrative services	8,239,334	-	-	-
Police	60,909,188	-	-	-
Fire	42,796,277	-	-	-
Libraries	10,199,643	-	-	-
Development	18,651,935	-	-	-
Public services and operations	4,793,842	-	-	-
Parks and recreation	21,407,832	-	-	-
Environmental waste services	-	-	-	-
Public works	5,840,246	-	-	-
Other	27,609,726	-	-	-
Capital outlay	1,636,365	-	13,590,729	14,173,007
Debt service:				
Principal retirement	-	25,645,000	-	-
Interest and fiscal charges	-	15,037,063	-	-
Total expenditures	<u>202,609,115</u>	<u>40,682,063</u>	<u>13,590,729</u>	<u>14,173,007</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,137,658)</u>	<u>(3,022,252)</u>	<u>(10,238,208)</u>	<u>(13,459,730)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of debt	-	-	-	14,300,000
Bond proceeds - refunding	-	12,370,000	-	-
Escrow payment - refunding	-	(12,428,331)	-	-
Premium on sale of bonds	-	4,616	-	145,722
Transfers in	10,774,011	834,120	11,700,000	1,200,000
Transfers out	(10,633,769)	-	-	-
Total other financing sources	<u>140,242</u>	<u>780,405</u>	<u>11,700,000</u>	<u>15,645,722</u>
Net change in fund balances	(1,997,416)	(2,241,847)	1,461,792	2,185,992
Fund balances-beginning	44,741,546	5,491,973	37,446,122	32,372,037
Fund balances-ending	<u>\$ 42,744,130</u>	<u>\$ 3,250,126</u>	<u>\$ 38,907,914</u>	<u>\$ 34,558,029</u>

The notes to the financial statements are an integral part of this statement.

<u>Street Improvements</u>	<u>Park Improvements</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ -	\$ -	\$ 119,568,563
-	-	-	57,577,341
-	-	-	23,586,443
-	-	2,665,057	10,982,616
3,538,635	-	120,204	5,206,878
-	-	-	263,577
-	-	-	4,786,291
-	-	-	7,739,588
737,411	1,040,000	2,425,458	7,118,445
-	-	2,841,024	13,808,677
10,094	-	-	10,094
304,477	475,155	416,936	3,988,091
800	-	320,906	2,456,619
<u>4,591,417</u>	<u>1,515,155</u>	<u>8,789,585</u>	<u>257,093,223</u>
-	-	88,925	613,652
-	-	-	8,239,334
-	-	3,078,095	63,987,283
-	-	284,164	43,080,441
-	-	114,925	10,314,568
-	-	1,272,509	19,924,444
-	-	963,302	5,757,144
-	-	-	21,407,832
-	-	300,339	300,339
-	-	-	5,840,246
-	-	-	27,609,726
18,299,800	11,505,518	1,156,598	60,362,017
-	-	-	25,645,000
-	-	-	15,037,063
<u>18,299,800</u>	<u>11,505,518</u>	<u>7,258,857</u>	<u>308,119,089</u>
<u>(13,708,383)</u>	<u>(9,990,363)</u>	<u>1,530,728</u>	<u>(51,025,866)</u>
2,175,000	12,840,000	-	29,315,000
-	-	-	12,370,000
-	-	-	(12,428,331)
14,487	85,525	-	250,350
-	-	882,642	25,390,773
-	-	-	(10,633,769)
<u>2,189,487</u>	<u>12,925,525</u>	<u>882,642</u>	<u>44,264,023</u>
(11,518,896)	2,935,162	2,413,370	(6,761,843)
20,785,743	31,035,680	24,270,866	196,143,967
<u>\$ 9,266,847</u>	<u>\$ 33,970,842</u>	<u>\$ 26,684,236</u>	<u>\$ 189,382,124</u>

**CITY OF PLANO, TEXAS  
RECONCILIATION OF THE STATEMENT OF REVENUES  
EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balance - total governmental funds	\$ (6,761,843)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	23,591,826
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	3,409,001
The issuance of long-term debt (e.g. bonds, tax anticipation notes) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(3,856,179)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	236,903
Internal service funds are used by management to charge the costs of fleet management, property liability loss, health claims, office services and municipal warehouse to individual funds. The net expenses of certain activities of internal service funds is reported within governmental activities.	3,283,103
Grant revenue included in the special revenue funds which are used for the benefit of business-type activities. The net expenses of certain activities are reported within the business-type activities.	(39,465)
Change in net assets of governmental activities	<u>\$ 19,863,346</u>

The notes to the financial statements are an integral part of this statement.

CITY OF PLANO, TEXAS  
**GENERAL FUND - STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE-BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

	Budgeted Amounts		Actual	Adjustments- Budgetary Basis	Actual on a Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
<b>REVENUES:</b>						
Taxes-						
Property taxes	\$ 83,068,770	\$ 82,840,550	\$ 82,515,968	\$ (263,577)	\$ 82,252,391	\$ (588,159)
Other taxes	58,561,925	56,907,458	57,577,341	-	57,577,341	669,883
Franchise fees	21,745,842	23,013,814	23,586,443	-	23,586,443	572,629
Fines and forfeitures	8,150,500	8,284,957	8,317,559	-	8,317,559	32,602
Licenses and permits	5,325,630	4,610,786	4,786,291	-	4,786,291	175,505
Intragovernmental	7,739,588	7,739,588	7,739,588	-	7,739,588	-
Intergovernmental	713,646	809,330	2,915,576	-	2,915,576	2,106,246
Fees for services	11,201,894	11,081,523	10,967,653	-	10,967,653	(113,870)
Investment income	3,182,198	1,150,000	1,270,999	-	1,270,999	120,999
Miscellaneous	1,257,960	1,019,868	794,039	-	794,039	(225,829)
<b>Total Revenues</b>	<b>200,947,953</b>	<b>197,457,874</b>	<b>200,471,457</b>	<b>(263,577)</b>	<b>200,207,880</b>	<b>2,750,006</b>
<b>EXPENDITURES:</b>						
General government	805,389	855,824	524,727	84,514	609,241	246,583
Administrative services	8,397,977	8,874,439	8,239,334	64,272	8,303,606	570,833
Police	62,867,477	63,325,613	60,909,188	284,940	61,194,128	2,131,485
Fire	42,622,564	43,757,828	42,796,277	382,676	43,178,953	578,875
Libraries	10,510,741	10,586,666	10,199,643	89,740	10,289,383	297,283
Development	21,220,316	21,420,367	18,651,935	584,064	19,235,999	2,184,368
Public services and operations	4,882,798	5,057,996	4,793,842	72,938	4,866,780	191,216
Parks and Recreation	22,817,261	23,289,094	21,407,832	301,981	21,709,813	1,579,281
Public works	5,941,532	6,187,297	5,840,246	21,205	5,861,451	325,846
Other	31,879,575	30,437,568	27,609,726	576,159	28,185,885	2,251,683
Capital outlay	2,505,307	3,361,842	1,636,365	1,592,813	3,229,178	132,664
<b>Total Expenditures</b>	<b>214,450,937</b>	<b>217,154,534</b>	<b>202,609,115</b>	<b>4,055,302</b>	<b>206,664,417</b>	<b>10,490,117</b>
Excess (Deficiency) Of Revenues Over Expenditures	(13,502,984)	(19,696,660)	(2,137,658)	(4,318,879)	(6,456,537)	13,240,123
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers in	9,907,420	10,774,011	10,774,011	-	10,774,011	-
Transfers out	(10,809,587)	(10,633,769)	(10,633,769)	-	(10,633,769)	-
<b>Total Other Financing Sources (Uses)</b>	<b>(902,167)</b>	<b>140,242</b>	<b>140,242</b>	<b>-</b>	<b>140,242</b>	<b>-</b>
Excess (Deficiency) Of Revenues And Other Sources Over Expenditures And Other Uses	(14,405,151)	(19,556,418)	(1,997,416)	(4,318,879)	(6,316,295)	13,240,123
<b>FUND BALANCE, October 1</b>	<b>44,741,546</b>	<b>44,741,546</b>	<b>44,741,546</b>	<b>-</b>	<b>44,741,546</b>	<b>-</b>
<b>FUND BALANCE, September 30</b>	<b>\$ 30,336,395</b>	<b>\$ 25,185,128</b>	<b>\$ 42,744,130</b>	<b>\$ (4,318,879)</b>	<b>\$ 38,425,251</b>	<b>\$ 13,240,123</b>

The notes to the financial statements are an integral part of this statement.

**CITY OF PLANO, TEXAS  
 ADJUSTMENTS TO REVENUES, EXPENDITURES AND OTHER  
 FINANCING USES FROM GAAP BASIS TO BUDGETARY BASIS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2009**

	Deficiency of Revenues and Other Sources Under Expenditures and Other Uses General Fund
GAAP basis	\$ (1,997,416)
Revenues:	
Decrease due to rolled back taxes	(263,577)
Expenditures:	
Increase due to encumbrances	(4,055,302)
Budgetary basis	\$ (6,316,295)

The notes to the financial statements are an integral part of this statement.



CITY OF PLANO, TEXAS  
STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
AS OF SEPTEMBER 30, 2009

Business-type Activities  
Enterprise Funds

	Water and Sewer	Environmental Waste Services	Municipal Drainage	Other Enterprise Funds	Total	Governmental Activities- Internal Service Funds
<b>ASSETS</b>						
Current assets:						
Cash and cash equivalents	\$ 215,246	\$ 34,937	\$ 563,900	\$ 656,976	\$ 1,471,059	\$ 5,949,321
Investments	1,386,471	-	3,607,190	4,250,665	9,244,326	38,764,656
Receivables (net of allowance for uncollectibles)						
Accounts	15,202,788	1,932,830	613,501	390,809	18,139,928	142,904
115 trust	-	-	-	-	-	93,878
Accrued interest	7,252	-	18,867	22,233	48,352	202,753
Other	1,553	554,077	-	3,803	559,433	1,898
Due from other funds	2,004	1,099	-	-	3,103	4,795,838
Due from other governments	-	-	-	-	-	434
Inventories	-	-	-	-	-	942,782
Prepaid expenses & other assets	739,105	1,089,755	-	48,675	1,877,535	215,591
Restricted assets:						
Revenue bond debt service-						
Cash and cash equivalents	43,547	-	444,505	-	488,052	-
Investments	283,760	-	1,559,958	-	1,843,718	-
Accrued interest receivable	1,484	-	15,150	-	16,634	-
Revenue bond reserve fund-						
Investments	-	-	1,563,333	-	1,563,333	-
Revenue bond construction fund-						
Cash and cash equivalents	2,815,778	-	768,220	-	3,583,998	418,400
Investments	18,348,400	-	4,779,164	-	23,127,564	2,726,414
Accounts receivable	555,957	-	-	-	555,957	-
Accrued interest receivable	95,968	-	26,182	-	122,150	14,261
Total current assets	<u>39,699,313</u>	<u>3,612,698</u>	<u>13,959,970</u>	<u>5,373,161</u>	<u>62,645,142</u>	<u>54,269,130</u>
Capital assets:						
Land	4,887,483	-	53,572	4,325,479	9,266,534	62,522
Buildings	1,491,712	8,581	52,921	13,953,990	15,507,204	5,753,870
Improvements other than buildings	478,717,006	-	-	2,053,248	480,770,254	-
Equipment	12,924,968	7,045,346	257,707	2,197,462	22,425,483	40,753,542
Furniture and fixtures	208,759	53,028	8,124	466,460	736,371	126,436
Rolling equipment	114,195	136,694	-	-	250,889	56,292,557
Drainage improvements	-	-	21,901,497	-	21,901,497	-
Construction in progress	31,931,533	-	10,549,646	-	42,481,179	-
Less accumulated depreciation	<u>(183,601,693)</u>	<u>(6,881,090)</u>	<u>(3,682,371)</u>	<u>(15,329,443)</u>	<u>(209,494,597)</u>	<u>(72,694,741)</u>
Total capital assets (net of accumulated depreciation)	<u>346,673,963</u>	<u>362,559</u>	<u>29,141,096</u>	<u>7,667,196</u>	<u>383,844,814</u>	<u>30,294,186</u>
Total noncurrent assets	<u>346,673,963</u>	<u>362,559</u>	<u>29,141,096</u>	<u>7,667,196</u>	<u>383,844,814</u>	<u>30,294,186</u>
Total assets	<u>\$ 386,373,276</u>	<u>\$ 3,975,257</u>	<u>\$ 43,101,066</u>	<u>\$ 13,040,357</u>	<u>446,489,956</u>	<u>\$ 84,563,316</u>

The notes to the financial statements are an integral part of this statement.

(continued)

CITY OF PLANO, TEXAS  
STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
AS OF SEPTEMBER 30, 2009  
(continued)

Business-type Activities  
Enterprise Funds

	Water and Sewer	Environmental Waste Services	Municipal Drainage	Other Enterprise Funds	Total	Governmental Activities- Internal Service Funds
<b>LIABILITIES</b>						
Current liabilities:						
Accounts payable	\$ 4,232,574	\$ 166,589	\$ 85,167	\$ 322,613	\$ 4,806,943	\$ 1,437,295
Accrued liabilities	307,103	379,026	41,362	257,071	984,562	460,602
Deferred revenue	-	10,000	-	687,363	697,363	-
Due to other funds	1,422	634,960	-	1,710	638,092	4,855,878
Accrued interest payable	-	1,517	-	-	1,517	-
Customer deposits	2,234,016	-	-	210,274	2,444,290	-
Liability for compensated absences	-	117,170	-	117,171	234,341	134,805
Liability for insurance claims	-	-	-	-	-	6,190,932
Total current liabilities	<u>6,775,115</u>	<u>1,309,262</u>	<u>126,529</u>	<u>1,596,202</u>	<u>9,807,108</u>	<u>13,079,512</u>
Current liabilities payable from restricted assets:						
Contracts payable	315,156	-	-	-	315,156	-
Current portion of long-term debt	1,940,000	-	1,660,000	-	3,600,000	-
Liability for compensated absences	148,891	-	26,373	-	175,264	-
Accrued interest payable	14,338	-	357,503	-	371,841	-
Retainage payable	330,685	-	-	-	330,685	-
Total current liabilities payable from restricted assets	<u>2,749,070</u>	<u>-</u>	<u>2,043,876</u>	<u>-</u>	<u>4,792,946</u>	<u>-</u>
Total current liabilities	<u>9,524,185</u>	<u>1,309,262</u>	<u>2,170,405</u>	<u>1,596,202</u>	<u>14,600,054</u>	<u>13,079,512</u>
Noncurrent liabilities:						
Bonds payable	2,131,420	-	21,607,003	-	23,738,423	-
Liability for compensated absences	1,613,598	988,871	176,626	642,508	3,421,603	887,018
Liability for insurance claims	-	-	-	-	-	1,498,104
Total noncurrent liabilities	<u>3,745,018</u>	<u>988,871</u>	<u>21,783,629</u>	<u>642,508</u>	<u>27,160,026</u>	<u>2,385,122</u>
Total liabilities	<u>13,269,203</u>	<u>2,298,133</u>	<u>23,954,034</u>	<u>2,238,710</u>	<u>41,760,080</u>	<u>15,464,634</u>
<b>NET ASSETS</b>						
Invested in capital assets (net of related debt)	364,073,715	362,559	11,447,659	7,647,284	383,531,217	33,192,272
Restricted for:						
Debt service	328,791	-	3,582,946	-	3,911,737	-
Unrestricted	<u>8,701,567</u>	<u>1,314,565</u>	<u>4,116,427</u>	<u>3,154,363</u>	<u>17,286,922</u>	<u>35,906,410</u>
Total Net Assets	<u>\$ 373,104,073</u>	<u>\$ 1,677,124</u>	<u>\$ 19,147,032</u>	<u>\$ 10,801,647</u>	<u>\$ 404,729,876</u>	<u>\$ 69,098,682</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF PLANO, TEXAS  
 RECONCILIATION OF THE STATEMENT OF NET ASSETS  
 OF PROPRIETARY FUNDS  
 TO THE GOVERNMENT-WIDE STATEMENT OF NET ASSETS  
 AS OF SEPTEMBER 30, 2009**

Amounts reported for business type activities in the statement of net assets are different because:

Total net assets of proprietary funds	\$ 404,729,876
Internal service funds are used by management to charge the costs of fleet management and management information systems to individual funds.	
The net receivable due from activities of the internal service funds which are reported within business-type activities.	8,333,366
Net assets of business type activities	<u>\$ 413,063,242</u>

The notes to the financial statements are an integral part of this statement.

CITY OF PLANO, TEXAS  
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS  
 PROPRIETARY FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2009

	Business-type Activities Enterprise Funds					Governmental Activities- Internal Service Funds
	Water and Sewer	Environmental Waste Services	Municipal Drainage	Other Enterprise Funds	Total	
Operating revenues:						
Charges for sales and services:						
Service charges	\$ 105,210,732	\$ 12,804,857	\$ 5,049,706	\$ 6,613,979	\$ 129,679,274	\$ 66,176,753
Franchise fees	-	6,198,973	-	-	6,198,973	-
Sale of trash bags	-	1,039,012	-	-	1,039,012	-
Penalties	1,416,547	-	-	-	1,416,547	-
Taps and meters	210,023	-	-	-	210,023	-
Construction water	237,597	-	-	-	237,597	-
Contributions	-	216,351	-	-	216,351	-
Miscellaneous charges	313,958	913,952	700	48,822	1,277,432	106,791
Total operating revenues	<u>107,388,857</u>	<u>21,173,145</u>	<u>5,050,406</u>	<u>6,662,801</u>	<u>140,275,209</u>	<u>66,283,544</u>
Operating expenses:						
Personal services	9,345,858	5,838,637	1,485,305	4,561,773	21,231,573	8,833,531
Contractual services	7,760,665	6,927,506	705,100	4,836,728	20,229,999	12,019,976
Supplies	7,328,577	403,556	243,892	1,285,660	9,261,685	6,854,760
Claims expense	-	-	-	-	-	20,615,470
Depreciation	12,620,471	319,344	413,450	772,207	14,125,472	7,297,258
Landfill services	-	6,883,746	-	-	6,883,746	-
Wastewater treatment	22,531,004	-	-	-	22,531,004	-
Charges in lieu of taxes	6,853,212	886,376	-	-	7,739,588	-
Water supply	29,491,382	-	-	-	29,491,382	-
Other post employment benefits	-	-	-	-	-	6,031,883
Miscellaneous	764,696	145,867	9,804	118,463	1,038,830	44,307
Total operating expenses	<u>96,695,865</u>	<u>21,405,032</u>	<u>2,857,551</u>	<u>11,574,831</u>	<u>132,533,279</u>	<u>61,697,185</u>
Operating income (loss)	<u>10,692,992</u>	<u>(231,887)</u>	<u>2,192,855</u>	<u>(4,912,030)</u>	<u>7,741,930</u>	<u>4,586,359</u>
Nonoperating revenues (expenses):						
Investment income	323,383	-	199,702	81,116	604,201	645,581
Gain (loss) on property disposition	-	(74)	-	-	(74)	502,663
Interest and fiscal charges	(184,457)	(8,792)	(989,966)	-	(1,183,215)	-
Auction proceeds	47,904	-	-	-	47,904	-
Hotel/motel tax	-	-	-	3,951,890	3,951,890	-
Intergovernmental revenues	-	-	-	-	-	1,538
Miscellaneous	639,364	127,586	(19,582)	5,271	752,639	9,488
Total nonoperating revenue (expenses)	<u>826,194</u>	<u>118,720</u>	<u>(809,846)</u>	<u>4,038,277</u>	<u>4,173,345</u>	<u>1,159,270</u>
Income (loss) before contributions and transfers	11,519,186	(113,167)	1,383,009	(873,753)	11,915,275	5,745,629
Contributions from developers	5,128,295	-	-	-	5,128,295	-
Transfers in	-	100,000	-	-	100,000	-
Transfers out	(11,170,761)	-	(848,881)	(1,387,362)	(13,407,004)	(1,450,000)
Change in net assets	5,476,720	(13,167)	534,128	(2,261,115)	3,736,566	4,295,629
Total net assets-beginning	367,627,353	1,690,291	18,612,904	13,062,762	400,993,310	64,803,053
Total net assets-ending	<u>\$ 373,104,073</u>	<u>\$ 1,677,124</u>	<u>\$ 19,147,032</u>	<u>\$ 10,801,647</u>	<u>\$ 404,729,876</u>	<u>\$ 69,098,682</u>

The notes to the financial statements are an integral part of this statement.



**CITY OF PLANO, TEXAS  
RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENSES AND CHANGES IN NET ASSETS OF PROPRIETARY FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

Amounts reported for business-type activities in the statement of activities are different because:

Net change in net assets - total proprietary funds	\$ 3,736,566
Internal service funds are used by management to charge the costs of fleet management, property liability loss, health claims, office services and municipal warehouse to individual funds.	
The net revenues of certain activities of internal service funds is reported within business-type activities.	1,012,523
The net expenses of grant activities of special revenue funds is reported within business-type activities	39,465
Change in net assets of business-type activities	<u><u>\$ 4,788,554</u></u>

The notes to the financial statements are an integral part of this statement.

CITY OF PLANO, TEXAS  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	Business-type Activities Enterprise Funds					Governmental Activities- Internal Service Funds
	Water and Sewer	Environmental Waste Services	Municipal Drainage	Other Enterprise Funds	Total	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Cash received from customers	\$ 106,332,625	\$ 14,931,293	\$ 5,041,741	\$ 6,889,310	\$ 133,194,969	\$ 66,123,789
Franchise fees	-	6,198,973	-	-	6,198,973	-
Charges in lieu of taxes	(6,853,212)	(886,376)	-	-	(7,739,588)	-
Cash payments to suppliers for goods and services	(67,076,024)	(15,508,613)	(1,262,844)	(6,309,603)	(90,157,084)	(45,943,781)
Cash payments to employees for services	(9,185,374)	(5,683,589)	(1,448,002)	(4,532,109)	(20,849,074)	(8,744,288)
Net cash provided (used) by operating activities	23,218,015	(948,312)	2,330,895	(3,952,402)	20,648,196	11,435,720
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Advances from other funds	414,710	(132,396)	-	-	282,314	114,420
Repayments to other funds	(2,004)	126,836	-	1,710	126,542	(50,896)
Hotel/motel tax	-	-	-	3,951,890	3,951,890	-
Transfers (to) from other funds	(11,170,761)	100,000	(848,881)	(1,387,362)	(13,307,004)	(1,450,000)
Grant receipts	-	-	-	-	-	1,538
Net cash provided (used) by noncapital financing activities	(10,758,055)	94,440	(848,881)	2,566,238	(8,946,258)	(1,384,938)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Acquisition and construction of capital assets	(8,861,085)	-	(718,784)	(132,318)	(9,712,187)	(4,201,647)
Bond proceeds	-	-	1,858,017	-	1,858,017	-
Bond issuance costs paid	-	-	(63,926)	-	(63,926)	-
Proceeds from sale of equipment	-	-	-	-	-	533,582
Principal paid on long-term debt	(1,855,000)	-	(1,515,000)	-	(3,370,000)	-
Interest and fees paid on long-term debt	(239,293)	(8,792)	(1,007,144)	-	(1,255,229)	-
Reimbursement from other governments	555,957	-	-	-	555,957	-
Contributions by developers	528,445	-	-	-	528,445	-
Proceeds from insurance damages	83,157	127,586	4,502	5,271	220,516	9,488
Proceeds from sale of equipment	47,904	-	-	-	47,904	-
Proceeds from sale of maps	250	-	-	-	250	-
Net cash provided (used) by capital and related financing activities	(9,739,665)	118,794	(1,442,335)	(127,047)	(11,190,253)	(3,658,577)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Purchase of investment securities	(20,018,631)	-	(11,509,645)	(4,250,665)	(35,778,941)	(41,491,070)
Proceeds from sale and maturities of investment securities	2,898,562	101,216	1,879,895	910,433	5,790,106	5,903,146
Interest on investments	233,897	1,890	152,236	67,623	455,646	459,130
Net cash provided (used) by investing activities	(16,886,172)	103,106	(9,477,514)	(3,272,609)	(29,533,189)	(35,128,794)
<b>Net decrease in cash and cash equivalents</b>	(14,165,877)	(631,972)	(9,437,835)	(4,785,820)	(29,021,504)	(28,736,589)
<b>Cash and cash equivalents, October 1</b>	17,240,448	666,909	11,214,460	5,442,796	34,564,613	35,104,310
<b>Cash and cash equivalents, September 30</b>	\$ 3,074,571	\$ 34,937	\$ 1,776,625	\$ 656,976	\$ 5,543,109	\$ 6,367,721
<b>Classified as:</b>						
Current assets	\$ 215,246	\$ 34,937	\$ 563,900	\$ 656,976	\$ 1,471,059	\$ 5,949,321
Restricted assets	2,859,325	-	1,212,725	-	4,072,050	418,400
<b>Total</b>	<u>\$ 3,074,571</u>	<u>\$ 34,937</u>	<u>\$ 1,776,625</u>	<u>\$ 656,976</u>	<u>\$ 5,543,109</u>	<u>\$ 6,367,721</u>
<b>Non-cash disclosure:</b>						
Developers contributions	\$ 4,599,850	\$ -	\$ -	\$ -	\$ 4,599,850	\$ -
Loss on property disposition	-	(74)	-	-	(74)	(30,920)
Increase (decrease) in fair value of investments	25,306	(456)	13,587	4,043	42,480	51,965
Transfer in (out) of capital assets	-	(191,759)	(38,506)	-	(230,265)	65,707

The notes to the financial statements are an integral part of this statement.

(continued)

CITY OF PLANO, TEXAS  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2009  
(continued)

	Business-type Activities Enterprise Funds				Total	Governmental Activities- Internal Service Funds
	Water and Sewer	Environmental Waste Services	Municipal Drainage	Other Enterprise Funds		
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>						
Operating income (loss)	\$ 10,692,992	\$ (231,887)	\$ 2,192,855	\$ (4,912,030)	\$ 7,741,930	\$ 4,586,359
<b>Adjustments to reconcile operating income to net cash provided (used) by operating activities:</b>						
Depreciation	12,620,471	319,344	413,450	772,207	14,125,472	7,297,258
<b>Change in assets and liabilities:</b>						
(Increase) decrease in-						
Accounts receivable	(933,711)	(87,127)	(8,665)	208,488	(821,015)	(104,970)
Other accounts receivable	2,401	34,248	-	(301)	36,348	-
Due from other funds	-	-	-	-	-	(55,838)
Due from other governments	-	-	-	-	-	(405)
Prepaid expenses & other assets	(223,218)	(1,089,080)	-	(20,514)	(1,332,812)	(54,904)
Inventories	-	-	-	-	-	110,280
Increase (decrease) in-						
Accounts payable	1,023,518	(58,858)	(304,048)	(47,937)	612,675	(579,324)
Accrued liabilities	35,533	158,996	6,880	23,871	225,280	19,376
Due to other funds	-	-	-	-	-	1,458
Liability for compensated absences	124,951	(3,948)	30,423	6,540	157,966	69,867
Customer deposits	(124,922)	-	-	4,377	(120,545)	-
Deferred revenue	-	10,000	-	12,897	22,897	-
Liability for insurance claims	-	-	-	-	-	146,563
<b>Total adjustments</b>	<b>12,525,023</b>	<b>(716,425)</b>	<b>138,040</b>	<b>959,628</b>	<b>12,906,266</b>	<b>6,849,361</b>
<b>Net cash provided (used) by operating activities</b>	<b>\$ 23,218,015</b>	<b>\$ (948,312)</b>	<b>\$ 2,330,895</b>	<b>\$ (3,952,402)</b>	<b>\$ 20,648,196</b>	<b>\$ 11,435,720</b>

The notes to the financial statements are an integral part of this statement.



**CITY OF PLANO, TEXAS  
STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
AS OF SEPTEMBER 30, 2009**

	<u>Pension Trust Fund</u>	<u>Postemployment Benefits Trust Fund</u>	<u>Agency Funds</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 3,145,752	\$ 1,783,010	\$ 334,045
Investment pool	-	-	2,176,731
Other U.S. government obligations	4,234,219	7,099,346	-
Corporate bonds	14,089,495	3,301,864	-
Common stocks	35,442,510	14,700,980	-
Foreign equities	3,276,850	-	-
Mutual funds	4,811,519	771,844	-
Real estate investment trusts	458,160	-	-
Accrued interest	279,031	91,934	11,385
Pending trades accrued interest	-	592,904	-
<b>Total Assets</b>	<u>65,737,536</u>	<u>28,341,882</u>	<u>2,522,161</u>
<b>LIABILITIES</b>			
Accounts payable	34,572	13,432	-
Payable from pending trades	-	1,085,070	-
Retiree claims payable to health claims fund	-	93,878	-
Developers' escrow liability	-	-	2,463,818
Unclaimed property payable	-	-	58,343
<b>Total Liabilities</b>	<u>34,572</u>	<u>1,192,380</u>	<u>2,522,161</u>
<b>NET ASSETS</b>			
Held in trust for pension benefits	65,702,964	-	
Held in trust for other postemployment benefits	-	27,149,502	
<b>Total Net Assets</b>	<u>\$ 65,702,964</u>	<u>\$ 27,149,502</u>	

The notes to the financial statements are an integral part of this statement.

**CITY OF PLANO, TEXAS  
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

	<u>Pension Trust Fund</u>	<u>Postemployment Benefits Trust Fund</u>
<b>ADDITIONS</b>		
Contributions:		
From employers	\$ 3,479,512	\$ 5,910,958
From retirees	-	619,458
Total contributions	<u>3,479,512</u>	<u>6,530,416</u>
Investment return:		
Net increase in fair value of investments	475,302	917,585
Interest	974,701	348,899
Dividends	989,584	231,287
Mutual funds	-	5,735
Miscellaneous	9,073	-
Total investment return	<u>2,448,660</u>	<u>1,503,506</u>
Less investment expenses:		
Trustee fees	33,799	47,998
Advisory fees	123,126	86,514
Audit fee	29,680	15,900
Actuary fee	16,960	16,500
Total investment expenses	<u>203,565</u>	<u>166,912</u>
Net investment income	<u>2,245,095</u>	<u>1,336,594</u>
Total additions, net	<u>5,724,607</u>	<u>7,867,010</u>
<b>DEDUCTIONS</b>		
Benefits	1,853,844	2,074,211
Miscellaneous expenses	578	89
Total deductions	<u>1,854,422</u>	<u>2,074,300</u>
<b>Net increase</b>	3,870,185	5,792,710
<b>Net assets held in trust - beginning of year</b>	<u>61,832,779</u>	<u>21,356,792</u>
<b>Net assets held in trust - end of year</b>	<u>\$ 65,702,964</u>	<u>\$ 27,149,502</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF PLANO, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2009**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

The City of Plano, Texas, ("City") was originally incorporated in 1873 and chartered on June 10, 1961, and is a municipal corporation incorporated under provisions of H.B. 901 of the Texas Legislature. The City operates under a Council-Manager form of government and provides such services as authorized by its charter to advance the welfare, health, comfort, safety and convenience of the City and its inhabitants.

The financial statements of the City have been prepared to conform to generally accepted accounting principles (GAAP) as applicable to state and local governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance. The more significant accounting and reporting policies and practices used by the City are described below.

**A. Financial Statement Presentation**

The basic financial statements are prepared in conformity with GASB Statement No. 34, as amended, which requires the government-wide financial statements to be prepared using the accrual basis of accounting and the economic resources measurement focus. Government-wide financial statements do not provide information by fund, but distinguish between the City's governmental activities, business-type activities and activities of its discretely presented component units on the statement of net assets and statement of activities. Significantly, the City's statement of net assets includes both noncurrent assets and noncurrent liabilities of the City. In addition, the government-wide statement of activities reflects depreciation expense on the City's capital assets, including infrastructure.

In addition to the government-wide financial statements, the City has prepared fund financial statements, which use the modified accrual basis of accounting and the current financial resources measurement focus for the governmental funds. The accrual basis of accounting is utilized by proprietary fund types and the pension trust and postemployment benefits trust funds. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Management's Discussion and Analysis provides an analytical overview of the City's financial activities. In addition, a budgetary comparison statement is presented that compares the original adopted and final amended General Fund budget with actual results.

**B. Reporting Entity**

The City is governed by an elected mayor and seven-member council. As required by GAAP, these financial statements present the City (the primary government) and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate

**CITY OF PLANO, TX**  
**NOTES TO BASIC FINANCIAL STATEMENTS (continued)**  
**SEPTEMBER 30, 2009**

entities are, in substance, part of the City's operations and data from these units are combined with data of the primary government. A discretely presented component unit, on the other hand, is reported in a separate column in the combined financial statements to emphasize it is legally separate from the City.

**Discretely Presented Component Units.** The Plano Economic Development Board (Board) is legally separate from the City and the City does not appoint a majority of its governing board; however, the City Manager is a designated position on the Board and City Council appoints one member who must be a Council Member to serve on the Board. The City Council contracts with the Board to provide marketing and economic development services to the City and the City provides for custody and investment of the Board's assets, various administrative/personnel/legal services and the majority of funding for the Board's budget. The Board is reported as an enterprise fund. There are no separately issued financial statements of the Board. The Board is presented as a discrete component unit.

**Tax Increment Financing Units.** The City has established two tax increment financing units (TIF) for project improvements within the City. The first is an agreement by and between the City of Plano and the Taubman Realty Group Limited Partnership for the development of a regional mall. The second relates to financing for public improvements associated with the future development of East Plano. Both projects were approved by the City Council in fiscal year 1999. The Tax Increment Financing Units are legally separate from the City and the City does not appoint a majority of its governing board for the first TIF and does appoint a majority of its governing board for the second TIF; however, the entities are fiscally dependent on the City. These projects had limited activity during fiscal year 2009 and are presented as discrete component units as the City has determined it would be misleading to exclude them. Separate financial statements for these entities are not available.

**Related Organization.** The City's mayor appoints the board of the Plano Housing Authority, but the City's accountability for this organization does not extend beyond making the appointments.

The financial statements are formatted to allow the user to clearly distinguish between primary government and its discretely presented component units.

**C. Government-wide and Fund Financial Statements**

The basic financial statements include both government-wide (based on the City as a whole) and fund financial statements, the focus is either the City as a whole or major individual funds (within the fund financial statements). The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of inter-fund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The government-wide statement of activities demonstrates the degree to which the direct expenses of a functional category (Police, Fire, Public Works, etc.) or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, 2) grants and contributions that are restricted to meeting the operational requirements of a particular function or segment and 3) grants and contributions that are restricted to meeting the capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The net cost (by function or business-type activity) is normally covered by general revenue (property, sales and franchise taxes, and interest income).

**CITY OF PLANO, TX**  
**NOTES TO BASIC FINANCIAL STATEMENTS (continued)**  
**SEPTEMBER 30, 2009**

Separate fund financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The major governmental funds are the general fund, debt service fund, capital reserve fund, municipal facilities fund, street improvements fund and park improvements fund. The major enterprise funds are the water and sewer fund, environmental waste services fund and municipal drainage fund. GASB Statement No. 34 sets forth minimum criteria (percentage of assets, liabilities, revenues or expenditures/expenses of either fund category for the governmental and enterprise combined) for the determination of major funds. The non-major funds are combined in a separate column in the fund financial statements.

Internal Service Funds, which traditionally provide services primarily to other funds of the government, are presented in the summary form as part of the proprietary fund financial statements. Because the principal users of the internal services are the City's governmental activities, financial statements of internal service funds are consolidated into the governmental column when presented at the government wide level. To the extent possible, the cost of these services are reflected in the appropriate functional activity (Police, Fire, Public Works, etc.). The City's Internal Service Funds consist of the equipment maintenance, office services, municipal warehouse, technology services, property liability loss and health claims funds.

The City's Fiduciary Funds are presented in the fund financial statements by type. Since by definition these assets are being held for the benefit of a third party (other local governments, individuals, pension participants, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements. The City's Fiduciary Funds consist of funds that account for the pension trust, postemployment benefits trust, developer's escrow and unclaimed property.

The government-wide focus is more on the sustainability of the City as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. The focus of the fund financial statements is on the major individual funds of the governmental and proprietary categories, as well as the fiduciary funds, (by category). Each presentation provides valuable information that can be analyzed and compared to enhance the usefulness of the information.

**D. Measurement Focus and Basis of Accounting**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Government fund level financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 30 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when the obligation has matured and is due and payable shortly after year end as required by GASB Interpretation No. 6.

Ad valorem, franchise and sales tax revenues recorded in the General Fund and ad valorem tax revenues recorded in the Debt Service Fund are recognized under the susceptible to accrual concept. Licenses and permits, charges for services, fines and forfeitures, contributions, and miscellaneous revenues are recorded as revenues when received in cash, as the resulting receivable is not measurable. Investment earnings are recorded as earned since they are measurable and available. In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs

**CITY OF PLANO, TX**  
**NOTES TO BASIC FINANCIAL STATEMENTS (continued)**  
**SEPTEMBER 30, 2009**

are used as guidance. Intergovernmental grant revenues are recognized when all eligibility requirements have been met. Additionally, funds received in advance for which all eligibility requirements have not been met are considered deferred revenue.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, and then unrestricted resources as needed.

Paving assessments in the governmental funds-Street Improvements are recorded as revenues when cash is received. The assessments are due in annual installments, including interest, over a four- to eight-year period. The assessments are measurable when assessed but are generally not available for use when assessed. Unallocated assessments are recorded as deferred revenue.

Business type activities and all proprietary funds, and the pension trust and postemployment benefits trust funds, are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's water and sewer, environmental waste services, municipal drainage, civic center, municipal golf course, property management and recreation revolving funds are charges to customers for sales and services. Operating expenses for the enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The following major funds are used by the City:

1. Governmental Funds:

The focus of Governmental Fund measurement (in the Fund Financial Statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the major Governmental Funds of the City:

- a. General Fund accounts for several of the City's primary services (Police, Fire, Public Works, Libraries, Parks and Recreation, etc.) and is the primary operating unit of the City.
- b. Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.
- c. Capital reserve fund accounts for the financing of betterments and renewals to the City's infrastructure and for public improvements not requiring general obligation bond financing.
- d. Municipal Facilities fund accounts for the financing and construction of various City facilities. Funds are provided primarily through bond sales and interest earnings.
- e. Street improvements fund accounts for the financing and acquisition of right of way and construction of streets, storm sewers and alleys. Funds are provided primarily through bond sales, paving assessments and interest earnings.
- f. Park improvements fund accounts for the financing, acquisition and construction of park sites and related assets. Funds are provided primarily through bond sales and interest earnings.
- g. Other Governmental Funds is a summarization of all of the non-major governmental funds.

**CITY OF PLANO, TX**  
**NOTES TO BASIC FINANCIAL STATEMENTS (continued)**  
**SEPTEMBER 30, 2009**

2. Enterprise Funds:

The focus of proprietary funds measurement is upon determination of operating income, changes in net assets, financial position, and cash flows, which is similar to businesses. The following is a description of the major Enterprise Funds of the City:

- a. Water and Sewer Fund accounts for the operation of the City's water and sewer utility. Activities of the fund include administration, operation and maintenance of the water and sewer system and billing and collection activities. This fund also accounts for the accumulation of resources for, and the payment of, long-term debt principal and interest for revenue bonds and obligations under capital leases when due throughout the year. All costs are financed through charges made to utility customers with rates reviewed regularly and adjusted if necessary to ensure integrity of the Fund.
- b. Environmental Waste Services Fund accounts for the provision of solid waste collection and disposal services to customers who are billed monthly at a rate sufficient to cover the cost of providing such services.
- c. Municipal Drainage Fund accounts for the City's storm water management program.
- d. Other Enterprise Funds is a summarization of all of the non-major enterprise funds.

3. Other Fund Types:

The City additionally reports for the following Fund types:

- a. Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governmental units, generally on a cost reimbursement basis.
- b. Agency Funds are used to account for assets held by the City in an agency capacity for individuals, local law enforcement agencies or developers. Agency funds record only assets and liabilities and therefore have no measurement focus.
- c. Trust Funds are used to account for the accumulation of resources to be used for the retirement benefit payments to employees of the City and for postemployment health benefits.

E. Cash, Cash Equivalents and Investments

Cash and cash equivalents include cash on hand, demand deposits, escrow cash with fiscal agent and short-term investments with original maturities of three months or less from the date of acquisition.

Cash in all funds, excluding the City's payroll account, is combined into one bank account in order to maximize investment opportunities. Although individual funds may experience temporary overdraft liabilities, a positive balance is maintained in combined cash.

All investments are recorded at fair value based on quoted market prices. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties.

F. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "interfund advances or interfund receivable/payable". All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances

**CITY OF PLANO, TX**  
**NOTES TO BASIC FINANCIAL STATEMENTS (continued)**  
**SEPTEMBER 30, 2009**

outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”.

**G. Inventories and Prepaid Items**

Inventories of supplies are maintained at the City warehouse for use by all the City funds and are accounted for by the consumption method. They are valued at the lower of moving average (i.e., perpetual inventory) cost or market. Unit prices are adjusted as new inventory is added, thus the moving average cost closely represents the cost of goods sold. Other inventories are stated at the lower of cost (first-in, first-out method) or market.

Prepaid items are for payments made by the City in the current year to provide services occurring in the subsequent fiscal year. A reserve for prepaid items is recognized in the governmental funds in the fund level financial statements to signify that a portion of fund balance is not available for other subsequent expenditures.

**H. Interfund Transactions and Receivables and Payables**

Short-term advances between funds are accounted for in the appropriate interfund receivable and payable accounts. Long-term advances between funds are accounted for in the appropriate interfund receivable and payable accounts and fund balance is reserved for these amounts. All legally authorized transfers are appropriately treated as transfers and are included in the results of operations of both governmental and proprietary funds. Nonrecurring or non-routine transfers of equity between funds – for example, contribution of capital assets to a proprietary fund or transfers of residual balances of discontinued funds to other funds – are accounted for as transfers.

**I. Capital Assets**

Property, plant and equipment purchased or acquired is carried at historical cost or estimated historical cost. Contributed capital assets are recorded at estimated fair market value at the time received. Public domain (infrastructure) capital assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems have been recorded at estimated historical cost. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. For fiscal year 2009, \$18,666 of such interest costs were capitalized in the Municipal Drainage Fund.

Property, plant, and equipment of the primary government and business-type activities, as well as the component units, are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	15 – 40
Improvements other than buildings	20 – 50
Equipment	2 – 20
Furniture and fixtures	5 – 15
Drainage improvements	50
Meters	10
Streets	30 – 50
Alleys	25
Storm/sanitary sewer	50
System infrastructure	50

**CITY OF PLANO, TX**  
**NOTES TO BASIC FINANCIAL STATEMENTS (continued)**  
**SEPTEMBER 30, 2009**

J. Compensated Absences

City employees are granted vacation and sick leave in varying amounts. Upon termination, an employee is reimbursed for accumulated vacation. Police and firemen are reimbursed upon termination up to a maximum of 90 days accumulated sick leave as required by State Civil Service law. All other full time City employees with five or more years of service are reimbursed up to 90 days accumulated sick leave upon termination. Sick leave in excess of 90 days is not paid upon termination, but will be paid only upon illness while in the employ of the City. Accumulated vacation and sick leave is accrued when incurred in the government-wide and proprietary financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements in accordance with GASB Interpretation No. 6.

K. Federal and State Grants

Grants and shared revenues are generally accounted for within the fund financed. Federal grants include American Recovery and Reinvestment Act Grant, Community Development Block Grant funds, Department of Homeland Security Grant and several police grants, which are accounted for within the Grant Fund (Special Revenue). Various state grants are included in the Grant Funds, General Fund and Capital Projects Funds (Street Improvements). Grant revenues received for purposes normally financed through the general government are accounted for within the General Fund and those for specific purposes in the proprietary fund.

L. Long-Term Debt

General Obligation Bonds issued for general government capital projects that are to be repaid from tax revenues of the City are recorded in the government-wide statement of net assets. Revenue Bonds issued for Proprietary Fund assets that are to be repaid by the Proprietary Fund are recorded in the Proprietary Funds.

Revenue Bonds have been issued to fund capital projects of Proprietary Funds. Such bonds are to be repaid from the net revenues of the applicable Proprietary Fund. To date, Revenue Bonds have been issued for water and wastewater purposes and for municipal drainage improvements. Tax Anticipation Notes have been issued to fund permanent public improvements related to public safety communications and network infrastructure in Internal Service Funds. Such notes are to be repaid from tax revenues of the City and are recorded in the government-wide Statement of Net Assets.

Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method in the government-wide financial statements. Bonds payable are reported net of the applicable bond premium or discount. Deferred gains and losses are amortized as a component of interest expense in a systematic and rational manner over the remaining life of the old debt or the life of the new debt, whichever is shorter. In the fund financial statements, issuance costs, as well as bond premiums and discounts are recognized when incurred.

M. Retirement Plans

The City has two separate retirement plans covering substantially all employees. It is the City's policy to record the cost for such plans on the accrual basis (See Note 5).

**CITY OF PLANO, TX**  
**NOTES TO BASIC FINANCIAL STATEMENTS (continued)**  
**SEPTEMBER 30, 2009**

**II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net assets – governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$383,728,112 difference are as follows:

Bonds payable and certificates of obligation	\$311,790,000
Tax anticipation notes	28,860,000
Less: Issuance discount (to be amortized as interest expense)	(53,001)
Add: Issuance premium (to be amortized as interest expense)	7,481,792
Less: Deferred charges from refunding and bond issuance costs	(6,487,148)
Accrued interest payable	1,196,909
Claims and judgments	7,689,036
Compensated absences	<u>33,250,524</u>
 Net adjustment to reduce fund balance – total governmental funds	
To arrive at net assets – governmental activities	<u><u>\$383,728,112</u></u>

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of the reconciliation explains, “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is capitalized and allocated over their estimated useful lives and reported as depreciation expense.” The details of the \$23,591,826 difference are as follows:

Capital outlay	\$ 60,362,017
Depreciation expense	(36,089,408)
Other capital related transactions	<u>(680,783)</u>
 Net adjustment to increase net changes in fund balances- total governmental funds to arrive at changes in net assets of governmental activities	<u><u>\$23,591,826</u></u>

**CITY OF PLANO, TX**  
**NOTES TO BASIC FINANCIAL STATEMENTS (continued)**  
**SEPTEMBER 30, 2009**

Another element of the reconciliation states “The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this \$(3,856,179) difference are as follows:

Debt issued or incurred:	
Issuance of general obligation bonds	\$ (22,960,000)
General obligation bonds refunded	(12,370,000)
Issuance of tax anticipation notes	(6,355,000)
Payment to escrow	12,428,331
Add: premium	(250,351)
Less: refunding write-off	5,841
Principal repayments:	
General obligation debt	<u>25,645,000</u>
Net adjustment to decrease net changes in fund balances – total governmental funds to arrive at changes in net assets of governmental activities	<u><u>\$ (3,856,179)</u></u>

The reconciliation also states “Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.” The details of this \$236,903 difference are as follows:

Changes in:	
Compensated absences	\$(973,208)
Accrued interest	27,965
Amortization of bond discount / deferred charge on refunding	(734,828)
Amortization of bond premium	1,098,004
Record change in net pension asset	<u>818,970</u>
Net adjustment to decrease net changes in fund balances – total governmental funds to arrive at changes in net assets of governmental activities	<u><u>\$ 236,903</u></u>

**III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. Budgetary Data**

The City Charter contains the following requirements, which are adhered to by the City Council, regarding preparation of the annual budget:

- The City Manager, between 60 and 90 days prior to October 1 of each fiscal year, shall submit to the Council a proposed budget. Such budget shall provide a complete financial plan for the fiscal year.
- At the meeting of the City Council at which the budget is submitted, the City Council shall fix the time and place of a public hearing on the budget and shall cause to be published in the official newspaper of the City of Plano, a notice of the hearing setting forth the time and place thereof at least five days before the date of such hearing.

**CITY OF PLANO, TX**  
**NOTES TO BASIC FINANCIAL STATEMENTS (continued)**  
**SEPTEMBER 30, 2009**

- The budget shall be finally adopted no later than 15 days prior to the beginning of the fiscal year and should the City Council fail to so adopt a budget, the then existing budget together with its tax-levying ordinance and its appropriation ordinance, shall be deemed adopted for the ensuing fiscal year.

The City Council approves annual appropriations for operations and interfund transfers for all operating and debt service funds. The City Manager has the authority to transfer unexpended balances between departmental budgets within appropriated funds. The City Council, however, must approve any increase in fund appropriations. The legal level of budgetary control is the fund level. During the year, there were \$263,610 in appropriation increases for the General Fund. Funds with operating appropriations and interfund transfers set by ordinance include the General Fund and Debt Service Fund. During the year, appropriations are adjusted as a result of re-estimates by the departments. For budgetary purposes, unencumbered appropriations lapse at fiscal year-end.

The Budgetary Comparison Statement, included in the basic financial statements presents a comparison of budgetary data to actual results of operations for the General Fund, for which an annual operating budget is legally adopted. This fund utilizes the same basis of accounting for both budgetary purposes and actual results, with the following exceptions:

The portion of ad valorem tax revenues in the General Fund from “rolled back” tax payments (those taxes, up to five years back, on properties previously taxed at special use exemption values and currently changed to full values) are excluded from the budgetary basis tax revenues and from the general governmental expenditures.

The General Fund encumbrances are added to the actual expenditures for budgetary comparison.

**B. Fund Deficits and Budget Compliance:**

The Office Services net deficit of \$(132,758) will require adjustments to the billing rate. The TIF Mall Discretely Presented Component Unit deficit of \$(6,397,476) will be funded from future ad-valorem taxes received from the creation of reinvestment zones and the establishment of tax increment financing agreements with the City of Plano, Plano Independent School District, Collin County and Collin County Community College District.

**CITY OF PLANO, TX  
NOTES TO BASIC FINANCIAL STATEMENTS (continued)  
SEPTEMBER 30, 2009**

**IV. DETAILED NOTES ON ALL FUNDS**

**1. DEPOSITS AND INVESTMENTS:**

Deposits

Pursuant to provisions of both the Texas Public Funds Investment Act and the Public Funds Investment Policy of the City of Plano, Texas (City), all deposits of the City that exceed the federal depository insurance coverage level are collateralized with an irrevocable letter of credit at 100%. Or, by securities held by a third party custodian and pledged to the City in an amount not less than 102% (on a market value basis) of the City's deposit of public funds and any accrued interest.

At September 30, 2009 the carrying amount of the City's demand deposits was \$20,842,765, which includes component unit deposits of \$1,304,224. The bank balance was \$22,570,345. At September 30, 2009 the City's cash on hand totaled \$81,141. At September 30, 2009, the carrying value and the bank balance of the City's non-negotiable certificates of deposit (CD's) was \$80,199,000. At September 30, 2009 the carrying value of cash held in trust by a bank trust department for the City's Pension Trust Fund and Postemployment Benefit Trust Fund was \$4,928,762.

Investments

At September 30, 2009 the City's investment balances were as follows:

Investment type	Fair Value		Total	Weighted Avg Maturity (Years) <sup>a</sup>
	Primary Government	Component Units		
U.S. Agencies	\$183,321,204	\$12,264,659	\$195,585,863	0.67
Texas Local Government Investment Pools	20,131,964	1,343,810	21,475,774	.00019
Total	\$203,453,168	\$13,608,469	\$217,061,637	.67019
Investment Trust Funds				
Retirement Security Plan:				
Government Agency Obligations			4,234,219	3.94
Corporate Bonds			14,089,495	5.44
Equities:				
Common Stocks			35,442,510	N/A
Foreign Equities			3,276,850	N/A
CTF/Mutual Funds			4,811,519	N/A
Real Estate Investment Trusts			458,160	N/A
Postemployment Benefit:				
Government Agencies			7,099,346	1.79
Corporate Obligations			2,700,477	3.60
Global Bond			601,387	7.20
Equities:				
Common Stocks			14,700,980	N/A
Mutual Funds			771,844	N/A
Total Investment Trust Funds:			88,186,787	
Total Investments			\$305,248,424	

<sup>a</sup> Fair value basis

**CITY OF PLANO, TX**  
**NOTES TO BASIC FINANCIAL STATEMENTS (continued)**  
**SEPTEMBER 30, 2009**

Investments in the Retirement Security Plan, the City's Pension Trust Fund, are held by a bank trust department. Investments in the Postemployment Benefit Trust Fund are held by a bank trust department.

*Interest Rate Risk.* As a means of limiting its exposure to fair value losses arising from increasing interest rates, the City's investment policy establishes the portfolio's maximum average dollar-weighted maturity of no more than one year. By policy, the City will not directly invest in securities maturing more than five years from the date of purchase.

*Credit Risk.* The City's investment policy, in conjunction with state law, specifies the type of credit rating of all authorized investments. The City's investments in U.S. Agency securities (FHLB, FNMA, FHLMC, and FFCB) are rated AAA by Standard & Poor's and Aaa by Moody's Investors Service. The investments in the Texas Local Government Pools (TexPool and Texas Daily) carried a credit rating of AAAM by Standard & Poor's as of September 30, 2009.

*Concentration of Credit Risk.* With the exception of U.S. Treasury securities, the City's investment policy limits the amount that may be invested in any one issuer to 50% of the total investment portfolio. As of September 30, 2009 5% or more of the City's total investments are in: Federal Home Loan Bank securities (37.90%), Certificates of Deposits (25.15%), Home Loan Mortgage Corporation securities (18.93%), and Investment Pools (6.73%) on a fair value basis.

**2. PROPERTY TAXES:**

The City's property tax is levied each October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in the City. The property taxes attach as an enforceable lien on property as of January 1. Appraised values are established by the Central Appraisal Districts of Collin and Denton Counties at 100% of estimated market value and certified by the Appraisal Review Boards. The assessed value for the tax roll of January 1, 2008 upon which the original 2009 levy was based, was \$25,170,802,674. Subsequent adjustments increased this value to \$25,646,043,083.

Taxes are due October 1 and become delinquent after the following January 31. Penalty and interest is charged at 7% on delinquent taxes beginning February 1, and increases each month to 18% on July 1.

Property taxes at the fund level are recorded as receivables and deferred revenues at the time the tax levy is billed. Current year revenues recognized are those ad valorem taxes collected within the current period or soon enough thereafter to pay current liabilities, generally thirty days after year-end. Current tax collections for the year ended September 30, 2009, were 99.4% of the tax levy.

The City is permitted by Article XI, Section 5, of the State of Texas Constitution to levy taxes up to \$2.50 per \$100 of assessed valuation for general governmental services including the payment of principal and interest on general obligation long-term debt. The tax rate to finance general governmental services, including debt service, for the year ended September 30, 2009, was \$0.4735 (\$0.3268 for general government and \$0.1467 for debt service) per \$100 of assessed valuation. Thus, the City has a tax margin of approximately \$2.0265 per \$100 and could have levied up to approximately \$519,717,063 in additional taxes from the present assessed valuation.

In Texas, countywide central appraisal districts are required to assess all property within the appraisal district on the basis of 100% of its appraised value and are prohibited from applying any assessment ratios. The value of property within the appraisal district must be reviewed every five years; however, the City, at its own expense, requires annual reviews of appraised values. The City may challenge appraised values established by the appraisal district through various appeals, and, if necessary, legal action. Under this system, the City sets tax rates on City property. However, if the effective tax rate, excluding tax rates for bonds and other contractual obligations, adjusted for new improvements, exceeds the rate for the previous year by more than 8%, qualified voters of the City may petition for an election to determine whether to limit the tax rate to no more than 8% above the tax rate of the previous year.

**CITY OF PLANO, TX  
NOTES TO BASIC FINANCIAL STATEMENTS (continued)  
SEPTEMBER 30, 2009**

**3. RECEIVABLES:**

Receivables at September 30, 2009 for the government's individual major funds and non-major, internal service, and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, consist of the following:

	General	Debt Service	Municipal Facilities	Park Improve ments	Street Improve ments	Capital Reserve	Water & Sewer	Environ- mental Waste	Municipal Drainage	Aggregate Remaining Funds	Total
Receivables:											
Property Taxes	\$1,607,091	\$ 793,799	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,400,890
Sales Taxes	9,615,992	-	-	-	-	-	-	-	-	-	9,615,992
Mixed Drink Taxes	267,448	-	-	-	-	-	-	-	-	-	267,448
Accounts	1,583,050	-	-	-	-	-	15,929,378	1,947,043	621,659	903,959	20,985,089
Accrued Interest	180,199	14,831	172,189	156,492	103,266	180,023	104,704	-	60,199	354,608	1,326,511
Assessments	-	-	-	-	1,633,885	-	-	-	-	-	1,540,186
115 Trust	-	-	-	-	-	-	-	-	-	93,878	93,878
Notes	6,397,476	-	-	-	-	-	-	-	-	-	6,397,476
Other	-	-	225	-	-	-	1,553	554,077	-	960,929	1,516,784
Gross Receivables	19,651,256	808,630	172,414	156,492	1,737,151	180,023	16,035,635	2,501,120	681,858	2,313,374	44,144,254
Less: Allowance for Uncollectibles	(564,968)	(325,992)	-	-	(93,699)	-	(170,633)	(14,213)	(8,158)	-	(1,083,964)
Net total Receivables	19,086,288	482,638	172,414	156,492	1,643,452	180,023	15,865,002	2,486,907	673,700	2,313,374	43,060,290

The Enterprise Fund accounts receivable includes unbilled charges for services (\$7,320,918) rendered at September 30, 2009.

**CITY OF PLANO, TX**  
**NOTES TO BASIC FINANCIAL STATEMENTS (continued)**  
**SEPTEMBER 30, 2009**

**4. CAPITAL ASSETS:**

Capital asset activity for the year ended September 30, 2009 was as follows:

**Primary Government**

	Balance at Beginning Of Year	Additions And Transfers	Retirements And Transfers	Balance at End Of Year
<b>Government activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 106,991,008	295,507	(159,938)	107,126,577
Construction in progress	180,710,351	57,910,751	(62,955,545)	175,665,557
Public art	1,648,740	48,000	-	1,696,740
Total capital assets, not being depreciated	<u>289,350,099</u>	<u>58,254,258</u>	<u>(63,115,483)</u>	<u>284,488,874</u>
Capital assets, being depreciated:				
Buildings	101,808,055	28,591,171	-	130,399,226
Improvements other than buildings	85,244,071	11,328,880	-	96,572,951
Equipment	177,939,212	12,940,620	(6,072,883)	184,806,949
Infrastructure	879,883,057	20,552,467	-	900,435,524
Total capital assets being depreciated	<u>1,244,874,395</u>	<u>73,413,138</u>	<u>(6,072,883)</u>	<u>1,312,214,650</u>
Less accumulated depreciation for:				
Buildings	(63,163,391)	(5,703,201)	-	(68,866,592)
Improvements other than buildings	(50,753,383)	(3,219,098)	-	(53,972,481)
Equipment	(131,753,311)	(12,995,317)	5,521,118	(139,227,510)
Infrastructure	(380,020,397)	(21,469,050)	-	(401,489,447)
Total accumulated depreciation	<u>(625,690,482)</u>	<u>(43,386,666)</u>	<u>5,521,118</u>	<u>(663,556,030)</u>
Total capital assets, being depreciated, net	<u>619,183,913</u>	<u>30,026,472</u>	<u>(551,765)</u>	<u>648,658,620</u>
Governmental activities capital assets, net	<u>\$ 908,534,012</u>	<u>88,280,730</u>	<u>(63,667,248)</u>	<u>933,147,494</u>

**CITY OF PLANO, TX**  
**NOTES TO BASIC FINANCIAL STATEMENTS (continued)**  
**SEPTEMBER 30, 2009**

	Balance at Beginning Of Year	Additions And Transfers	Retirements And Transfers	Balance at End Of Year
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 9,251,703	14,831	-	9,266,534
Construction in progress	47,987,409	9,624,020	(15,130,250)	42,481,179
Total capital assets, not being depreciated	57,239,112	9,638,851	(15,130,250)	51,747,713
Capital assets, being depreciated:				
Buildings	15,250,987	256,217	-	15,507,204
Improvements other than buildings	463,725,408	17,044,846	-	480,770,254
Drainage improvements	19,232,552	2,668,945	-	21,901,497
Equipment	23,376,737	270,993	(234,987)	23,412,743
Total capital assets being depreciated	521,585,684	20,241,001	(234,987)	541,591,698
Less accumulated depreciation for:				
Buildings	(12,583,743)	(749,047)	-	(13,332,790)
Improvements other than buildings	(161,817,683)	(11,708,644)	-	(173,526,327)
Drainage improvements	(2,997,524)	(410,488)	-	(3,408,012)
Equipment	(17,974,823)	(1,257,293)	4,648	(19,227,468)
Total accumulated depreciation	(195,373,773)	(14,125,472)	4,648	(209,494,597)
Total capital assets, being depreciated, net	326,211,911	6,115,529	(230,339)	332,097,101
Business-type activities capital assets, net	\$ 383,451,023	15,754,380	(15,360,589)	383,844,814

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	\$ 6,888,089
Administrative services	33,919
Police	838,039
Fire	404,545
Libraries	986,728
Development	138,601
Public services and operations	71,201
Parks and recreation	4,768,137
Public works	21,863,215
Technology Services	1,472,836
Unallocated	96,934
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	5,824,422
Total depreciation expense – governmental activities	<u>\$ 43,386,666</u>

**CITY OF PLANO, TX**  
**NOTES TO BASIC FINANCIAL STATEMENTS (continued)**  
**SEPTEMBER 30, 2009**

Business-type activities:		
Water and sewer	\$	12,620,471
Environmental waste services		319,344
Municipal drainage		413,450
Nonmajor		772,207
Total depreciation expense – business-type activities	\$	<u>14,125,472</u>

Future expenditures for capital projects will be funded from unexpended bond proceeds and additional general obligation or revenue bonds and operating revenues. In May 1998, \$80,351,000 of various purpose General Obligation Bonds were authorized and \$66,159,000 of the 1998 bonds have been issued. In May 2001, \$112,415,000 various purpose General Obligation Bonds were authorized and \$108,915,000 of the 2001 bonds have been issued. In May 2005, \$144,802,000 of various purpose General Obligation Bonds were authorized and \$114,822,000 of the 2005 bonds have been issued.

**Discretely presented component units**

	Balance at Beginning Of Year	Additions And Transfers	Retirements And Transfers	Balance at End Of Year
<b>Economic development activities:</b>				
Capital assets, being depreciated:				
Equipment	\$ 57,115	-	-	57,115
Total capital assets being depreciated	57,115	-	-	57,115
Less accumulated depreciation for:				
Equipment	(51,908)	(3,133)	-	(55,041)
Total accumulated depreciation	(51,908)	(3,133)	-	(55,041)
Economic development activities capital assets, net	\$ 5,207	(3,133)	-	2,074

**CITY OF PLANO, TX  
NOTES TO BASIC FINANCIAL STATEMENTS (continued)  
SEPTEMBER 30, 2009**

	Balance at Beginning Of Year	Additions And Transfers	Retirements And Transfers	Balance at End Of Year
<b>TIF East side activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 110,629	-	-	110,629
Total capital assets, not being depreciated	110,629	-	-	110,629
Capital assets, being depreciated:				
Buildings	6,661,087	-	-	6,661,087
Improvements other than buildings	6,008	-	-	6,008
Equipment	25,809	-	-	25,809
Total capital assets being depreciated	6,692,904	-	-	6,692,904
Less accumulated depreciation for:				
Buildings	(2,440,019)	(333,328)	-	(2,773,347)
Improvements other than buildings	(2,472)	(288)	-	(2,760)
Equipment	(20,017)	(1,543)	-	(21,560)
Total accumulated depreciation	(2,462,508)	(335,159)	-	(2,797,667)
Total capital assets, being depreciated, net	4,230,396	(335,159)	-	3,895,237
TIF East side activities capital assets, net	\$ 4,341,025	(335,159)	-	4,005,866

Component units:	
Economic development	\$ 3,133
TIF east side	335,159
Total depreciation expense – component units	<u>\$ 338,292</u>

**5. EMPLOYEE BENEFIT PLANS:**

Texas Municipal Retirement System Plan

Plan Description-

The City provides pension benefits for all of its full-time employees through a nontraditional, joint contributory, hybrid defined benefit plan in the state-wide Texas Municipal Retirement System (TMRS), one of 833 currently administered by TMRS, an agent multiple-employer public employee retirement system. TMRS annually issues a stand-alone financial report. These reports are available from offices of TMRS.

Benefits depend upon the sum of the employee's contributions to the plan, with interest, and the City-financed monetary credits, with interest. At the date the plan began, the City granted monetary credits for service rendered before the plan began of a theoretical amount equal to two times what would have been contributed by the employee, with interest, prior to establishment of the plan. Monetary credits for service since the plan began are a percent (100%, 150% or 200%) of the employee's accumulated contributions. In addition, the City can grant, as often as annually, another type of monetary credit referred to as an updated

**CITY OF PLANO, TX**  
**NOTES TO BASIC FINANCIAL STATEMENTS (continued)**  
**SEPTEMBER 30, 2009**

service credit which is a theoretical amount which, when added to the employee's accumulated contributions and the monetary credits for service since the plan began, would be the total monetary credits and employee contributions accumulated with interest if the current employee contribution rate and City matching percent had always been in existence and if the employee's salary had always been the average of his salary in the last three years that are one year before the effective date. At retirement, the benefit is calculated as if the sum of the employee's accumulated contributions with interest and the employer-financed monetary credits with interest were used to purchase an annuity.

The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS. Plan provisions for the City were as follows (as of December 2008):

Deposit Rate:	7%
Matching Ratio (City to Employee):	2 – 1
A member is vested after	5 years

Members can retire at certain ages, based on the years of service with the City. The Service Retirement Eligibilities for the City are: 5 years/age 60, 20 years/any age.

**Contributions and Funding Policy-**

Under the state law governing TMRS, the actuary annually determines the City contribution rate. This rate consists of normal cost contribution rate and the prior service contribution rate, both of which are calculated to be a level percent of payroll from year to year. The normal cost contribution rate finances the currently accruing monetary credits due to the City matching percent, which are the obligation of the City as of an employee's retirement date, not at the time the employee's contributions are made. The normal cost contribution rate is the actuarially determined percent of payroll necessary to satisfy the obligation of the City to each employee at the time his/her retirement becomes effective. The prior service contribution rate amortizes the unfunded actuarial liability over the remainder of the plan's 25-year amortization period. The unit credit actuarial cost method is used for determining the City contribution rate. Both the employees and the City make contributions monthly. Since the City needs to know its contribution rate in advance for budgetary purposes, there is a one-year delay between the actuarial valuation that is the basis for the rate and the calendar year when the rate goes into effect. (i.e. December 31, 2007 valuation is effective for rates beginning January 2009)

Contributions by the City were \$18,687,379 or 14.9% of the covered payroll of \$125,448,071 as required by the actuarial valuation. The total fiscal year 2009 payroll was \$128,213,619. Annual City TMRS pension cost and related information for the last three years is as follows:

	2008	2007	2006
Annual pension cost	\$ 18,687,379	16,450,528	15,387,911
Contributions made	18,687,379	16,450,528	15,387,911
Contributions as % of			
Annual pension cost	100%	100%	100%
Net Pension Obligation (NPO)			
At end of year	-	-	-
Actuarial valuation date	12/31/08	12/31/07	12/31/06
Actuarial cost method	Projected Unit Credit	Projected Unit Credit	Unit Credit
Amortization method	Level %	Level %	Level %
Asset valuation method	Amortized Cost	Amortized Cost	Amortized Cost
Amortization period	29 years- Closed	30 years- Closed	25 years- Open
Actuarial assumptions:			
Investment rate of return	7.5%	7%	7%
Inflation rate	3.0%	3.0%	3.5%
Projected salary increases	N/A	N/A	N/A

**CITY OF PLANO, TX**  
**NOTES TO BASIC FINANCIAL STATEMENTS (continued)**  
**SEPTEMBER 30, 2009**

The City's net pension obligation (NPO) for TMRS at December 31, 2008, 2007 and 2006 is calculated as follows:

	2008	2007	2006
Annual required contribution (ARC)	\$ 18,687,379	16,450,528	15,387,911
Annual pension cost	18,687,379	16,450,528	15,387,911
Contribution made	(18,687,379)	(16,450,528)	(15,387,911)
Change in NPO	-	-	-
NPO, beginning of year	-	-	-
NPO, end of year	\$ -	-	-

All annual required contributions have been paid; therefore there is no net pension obligation.

Retirement Security Plan

Plan Description-

On January 1, 1983, the City withdrew from the Federal Social Security system and created the Retirement Security Plan (RSP), a single-employer, defined benefit pension trust fund, to provide retirement benefits for all full-time employees of the City. The plan is created by City ordinance and administered by a committee of five, which meets four times a year. Professional investment management is used and a custodial bank retains the assets and provides for administration of benefit payments. The plan issues a separate publicly available financial report that includes financial statements and required supplementary information. The financial report may be obtained by request to the City's Human Resources Department, 1520 Avenue K, Suite 130, Plano, TX 75074. As of the December 31, 2007 biennial actuarial valuation, there were 2,064 active members of whom 1,359 were vested and 705 were non-vested. There are 339 terminated participants receiving benefits.

Normal retirement benefits are paid upon attaining age 65 with 5 years of service. Early retirement benefits are paid upon completion of 20 years of vesting service (TMRS credited service) or upon attaining age 60 with 5 years of vesting service. At least 5 years must be with the City.

For normal retirement the monthly benefit payment is calculated as follows:

.007 X City of Plano credited service since January 1, 1983 (not to exceed 25 years) X average compensation (highest 3 years of last 10).

Benefits are paid as a monthly life annuity to the participant, with a guarantee that should the participant die prior to receiving 60 monthly payments, the payments will continue to a beneficiary for the balance of the 60-month period.

For early retirement the monthly benefit payment is calculated as follows:

.007 X City of Plano credited service since January 1, 1983 (not to exceed 25 years) X average compensation (highest 3 years of last 10) X a reduction factor based on the number of years which the benefit start date precedes the normal retirement date. The benefit amount is reduced by one-fifteenth (1/15) for each of the first five years and one-thirtieth (1/30) for each of the next five years (and on an Actuarial Equivalent basis thereafter) by which the starting date of payments precedes the employee's normal retirement date.

**CITY OF PLANO, TX  
NOTES TO BASIC FINANCIAL STATEMENTS (continued)  
SEPTEMBER 30, 2009**

The benefits are paid monthly the same as for the normal retirement.

A participant that has completed at least 5 years of City of Plano service, and either retires or terminates his employment is eligible for a monthly benefit at the time the participant turns age 60. The benefit is calculated as follows:

.007 X City of Plano credited service since January 1, 1983 (not to exceed 25 years) X average compensation (highest 3 years of last 10) X a reduction factor based on the number of years which the benefit start date precedes the normal retirement date. The benefit amount is reduced by one-fifteenth (1/15) for each of the first five years and one-thirtieth (1/30) for each of the next five years (and on an Actuarial Equivalent basis thereafter) by which the starting date of payments precedes the employee's normal retirement date.

There is no reduction factor if the participant waits until age 65 to begin drawing a monthly benefit.

A lump sum payment option is available and the lump sum value of a participant's RSP benefit is always calculated. Lump sum payments follow these guidelines:

When lump sum value is less than \$5,000, the benefit must be in form of a single lump sum payment.

When lump sum value is \$5,000 - \$12,000, participant has choice of single lump sum payment or monthly annuity payments.

When lump sum value exceeds \$12,000, the participant must receive monthly annuity payments.

Joint and survivor options are available. Total and permanent disability retirement benefits are provided. Each April 1, retirement benefits which have been paid for at least 12 months are adjusted to reflect changes in the U.S. Consumer Price Index (not to exceed 4%). This adjustment is applied to only the participant's benefits; spouses or beneficiaries are excluded.

**Summary of Significant Accounting Policies-**

The plan is presented on the accrual basis of accounting. City contributions are recognized when due and benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Investments of the plan are reported at fair value. Short-term investments are reported at cost, which approximates fair value.

At September 30, 2009, there were no individual investments that constituted more than 5% of the plan net assets available for benefits. In addition, the plan did not have any investment transactions with related parties during the year.

**Contributions and Funding Policy-**

Contributions by the City are established as part of the City budget process. No employee contributions are required by the plan. The City contributed \$3,479,512 or 3.13% of the covered payroll for the year ended September 30, 2009, as compared to the December 31, 2007 biennial actuarial requirement of 3.12%.

**CITY OF PLANO, TX**  
**NOTES TO BASIC FINANCIAL STATEMENTS (continued)**  
**SEPTEMBER 30, 2009**

The covered payroll was \$111,166,521 and the City's total payroll was \$128,213,619 for the year ended September 30, 2009. The contribution amount is a 30-year level percentage of pay funding with a 4% payroll growth assumption. This funding approach produces a contribution pattern that is intended to increase in amount from year to year but remain relatively constant as a percent of payroll. Administrative costs, including investment, custodial trustee, and actuarial services are charged to the plan.

The City's annual pension cost and related information for the plan for the last three years is as follows:

	2009	2008	2007
Annual pension cost	\$ 3,429,700	3,427,360	2,951,185
Contributions made	3,479,512	3,420,947	3,121,295
Contributions as % of			
Annual pension cost	101%	100%	106%
Net Pension Asset (NPA)			
At end of year	(270,110)	(220,298)	(226,711)
Actuarial valuation date	12/31/07	12/31/07	12/31/05
Actuarial cost method	Entry Age	Entry Age	Entry Age
	Normal	Normal	Normal
Amortization method	Level %	Level %	Level %
Asset valuation method	5- Year	5- Year	5- Year
	Smoothed	Smoothed	Smoothed
	Market	Market	Market
Amortization period	30 years- Open	30 years- Open	30 years- Open
Actuarial assumptions:			
Investment rate or return	8%	8%	8%
Inflation rate	4%	4%	4%
Projected salary increases	4%-9.43%	4%-9.43%	4%

The City's net pension asset (NPA) for the Retirement Security Plan (RSP) at September 30, 2009, 2008 and 2007 is calculated as follows:

	2009	2008	2007
Annual required contribution (ARC)	\$ 3,447,764	3,447,764	2,953,619
Interest on NPA	(17,623)	(18,137)	(4,528)
Adjustment to the ARC	(441)	(2,267)	2,094
Annual pension cost	3,429,700	3,427,360	2,951,185
Contribution made	(3,479,512)	(3,420,947)	(3,121,295)
Change in NPA	(49,812)	6,413	(170,110)
NPA, beginning of year	(220,298)	(226,711)	(56,601)
NPA, end of year	\$ (270,110)	(220,298)	(226,711)

In all years, the NPA has an asset (negative) balance and therefore the interest adjustment is deducted and the ARC adjustment added to determine the annual pension cost. The net pension asset has been recorded in prepaid and other assets in the government-wide financial statements.

Deferred Compensation Plan

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salary

**CITY OF PLANO, TX**  
**NOTES TO BASIC FINANCIAL STATEMENTS (continued)**  
**SEPTEMBER 30, 2009**

until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with such amounts, and all income attributable to such amounts, property or rights are held in trust or under one or more annuity contracts described in Internal Revenue Code Section 401(f). Except as may otherwise be permitted or required by law, no assets or income of the Plan shall be used for, or diverted to, purposes other than for the exclusive purpose of providing benefits for Participants and their Beneficiaries or defraying reasonable expenses of administration of the Plan. Accordingly, the assets of the Plan are not reported in the City's basic financial statements.

Postemployment Benefits

The City offers its retired employees under age 65 health insurance coverage under the same plan as the active employees and Medicare supplementary insurance for retirees 65 and older. The number of retired participants receiving health insurance coverage for 2009 was 325 of which 217 were on the same plan as the active employees and 108 on Medicare supplementary insurance. Premiums are paid by the retired employees and claims are processed by the City's agent and paid through the Health Claims Fund. Expenditures for postretirement health care benefits are recognized as retirees report claims. Claims paid for retired employees for 2009 were \$2,074,211.

Postemployment Benefits Trust Fund - Section 115 Trust

Plan Description-

On March 1, 2008, the City established a Section 115 Trust (the Trust) to comply with the requirements of Governmental Accounting Standards Board Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits other than Pensions (OPEB), for the purpose of funding and providing certain benefits to its eligible retirees. The plan is created by City ordinance and administered by the Risk Pool Trustees who meet four times a year. The Risk Pool Trustees consist of three City employees who are appointed by the City pursuant to the Plano Welfare Benefit Plan. Professional investment management is used and a custodial bank retains the assets of the Trust. The Trust issued a separate publicly available financial report that includes financial statements and required supplementary information at the Trust's fiscal year end which is December 31. Those financial reports may be obtained by request to the City's Human Resources Department, 1520 Avenue K, Suite 130, Plano, TX 75074.

Receipt of Contributions-

The City delivers to the Section 115 Trustee the amounts of money that are contributed to the Trust Fund by the City and, if applicable, by participants. Contributions by the City are established as part of the City budget process and are based on amounts determined in the actuarial study prepared biennially. For fiscal year ending September 30, 2009 the City contributed \$5.9 million to the Trust which represents approximately 101% of the annual required contribution of the employer (ARC). In addition, retirees contributed \$0.6 million to the Trust.

Annual OPEB Cost and Net OPEB Obligation-

The City's annual other postemployment benefit (OPEB) cost is calculated based on the City's ARC, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC

**CITY OF PLANO, TX**  
**NOTES TO BASIC FINANCIAL STATEMENTS (continued)**  
**SEPTEMBER 30, 2009**

represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost for the year, the amount annually contributed to the Trust, and the changes in the City's net OPEB asset to the Trust.

	2009	2008
Annual required contribution	\$ 6,031,883	6,031,883
Interest on net OPEB asset	(1,253,187)	-
Adjustment to the ARC	982,562	-
Annual OPEB cost	5,761,258	6,031,883
Contributions made	(6,530,416)	(23,934,554)
Increase in net OPEB asset	(769,158)	(17,902,671)
Net OPEB asset beginning of year	(17,902,671)	-
Net OPEB asset end of year	<u>\$(18,671,829)</u>	<u>(17,902,671)</u>

The net pension asset has been recorded in prepaid and other assets in the government-wide financial statements.

The following table shows the assumed annual OPEB cost and net OPEB asset for the prior three years (7% discount and level percent of pay amortization):

Fiscal Year Ended	Discount Rate	Annual OPEB Cost	Percentage of OPEB Cost Contributed	Net OPEB Asset
9/30/2007	N/A	N/A	N/A	N/A
9/30/2008	7%	\$6,031,883	396.8%	\$(17,902,671)
9/30/2009	7%	6,031,883	100.9%	(18,671,829)

**Funding Status and Funding Progress –**

As of October 1, 2007, the most recent actuarial valuation date, the Trust was not funded. The actuarial accrued liability for benefits was \$55,831,704, and there was not an actuarial value of net assets. During the fiscal year contributions to the plan were \$6,530,416, resulting in an unfunded actuarial accrued liability (UAAL) of \$25,366,734. The covered payroll was \$111,166,521, and the ratio of the UAAL to the covered payroll was 22.8%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the Trust and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

**Actuarial Methods and Assumptions –**

In the October 1, 2007, actuarial valuation, the unit credit actuarial cost method was used. The actuarial assumptions included a 7.0% investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on the Trust assets and on the employer's own investments calculated based on the funded level of the Trust at the valuation date, and an annual healthcare trend rate of 7.3% initially, reduced by decrements each year. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at October 1, 2007, was thirty years.

**CITY OF PLANO, TX  
NOTES TO BASIC FINANCIAL STATEMENTS (continued)  
SEPTEMBER 30, 2009**

**6. LONG-TERM DEBT:**

A summary of long-term debt transactions, including current portion, for the year ended September 30, 2009, is as follows (in thousands of dollars):

	Balance Beginning Of Year	Increase	Decrease	Balance End of Year	Due Within One Year
<b>Governmental Activities:</b>					
General obligation bonds & certificates of obligation	\$ 310,580	35,330	(34,120)	311,790	20,990
Tax anticipation notes	26,405	6,355	(3,900)	28,860	6,660
Deferred amounts:					
For issuance (discounts) / premiums / deferred charge on refunding	1,114	1,016	(1,188)	942	296
Total bonds payable	338,099	42,701	(39,208)	341,592	27,946
Compensated absences	32,277	6,887	(4,892)	34,272	4,592
Liability for insurance claims	7,542	20,615	(20,468)	7,689	6,191
Governmental activity Long-term debt	\$ 377,918	70,203	(64,568)	383,553	38,729

The compensated absences liability attributable to the governmental activities will be liquidated by several of the City's governmental and internal service funds. Approximately 95.3% has been paid by the General Fund, 0.6% by Special Revenue Funds and 4.1% by Internal Service Funds.

The liability for insurance claims will be liquidated through a variety of funds. The General Fund bears approximately 87.0% of the claims and judgments liability. The Enterprise Funds bear approximately 9.1% of the claims and judgment liability, while the Internal Service and Special Revenue Funds bear approximately 3.6% and 0.3%, respectively.

	Balance Beginning Of Year	Increase	Decrease	Balance End of Year	Due Within One Year
<b>Business Type Activities:</b>					
Water & Sewer Revenue bonds	\$ 5,750	-	(1,855)	3,895	1,940
Municipal Drainage Revenue bonds	23,170	4,790	(4,470)	23,490	1,660
Deferred amounts:					
For issuance (discounts) / premiums/ (deferred charges)	(20)	-	(27)	(47)	-
Total bonds payable	28,900	4,790	(6,352)	27,338	3,600
Compensated absences	3,673	609	(451)	3,831	410
Business-type activity Long-term debt	\$ 32,573	5,399	(6,803)	31,169	4,010

**CITY OF PLANO, TX**  
**NOTES TO BASIC FINANCIAL STATEMENTS (continued)**  
**SEPTEMBER 30, 2009**

	Balance Beginning Of Year	Increase	Decrease	Balance End of Year	Due Within One Year
<b>Discretely Presented Component Units:</b>					
TIF Mall note payable	\$ 5,743	654	-	6,397	-
TIF East Side note payable	776	-	(776)	-	-
Total note payable	\$ 6,519	654	(776)	6,397	-

Long-term debt at September 30, 2009, includes the following individual issues (not including the unamortized discount of \$53,001, the unamortized premium of \$7,481,792, and the unamortized deferred charge of \$6,487,148 of the General Obligation Bonds, the unamortized premium of \$322,880 and deferred charges of \$146,460 of the Water & Sewer Revenue Bonds and the unamortized premium of \$344,830 and unamortized discount of \$269,491 and unamortized deferred charges of \$298,336 of the Municipal Drainage Revenue Bonds):

	Interest Rate (%)	Issue Date	Maturity Date	Original Issue	Net Retirement	Outstanding
<b>General Obligation Bonds:</b>						
1999 Various purpose	3.50 – 5.00	01-15-99	09-01-19	25,160,000	22,630,000	2,530,000
2000 Various purpose	5.125 – 5.875	02-15-00	09-01-20	24,330,000	23,180,000	1,150,000
2001 Various purpose	4.50 – 5.00	02-01-01	09-01-20	20,315,000	15,960,000	4,355,000
2001-A Various purpose	4.00 – 5.00	09-15-01	09-01-21	18,195,000	5,280,000	12,915,000
2002 Refunding and Improvements	3.25 – 5.25	08-01-02	09-01-22	56,130,000	40,505,000	15,625,000
2003 Refunding and Improvements	2.00 – 5.00	05-01-03	09-01-23	41,370,000	17,975,000	23,395,000
2004 Refunding	2.00 – 5.00	10-15-04	09-01-17	30,690,000	7,160,000	23,530,000
2005 Refunding and Improvements	3.50 – 5.00	05-15-05	09-01-25	84,880,000	5,270,000	79,610,000
2006 Various purpose	4.00 – 5.00	02-01-06	09-01-26	40,925,000	4,210,000	36,715,000
2007 Various purpose	4.25 – 5.25	05-01-07	09-01-27	35,675,000	2,375,000	33,300,000
2008 Various purpose	3.50 – 5.00	01-15-08	09-01-28	41,295,000	1,350,000	39,945,000
2009 Refunding and Improvements	2.25 – 4.75	01-15-09	09-01-29	35,330,000	-	35,330,000
				<u>454,295,000</u>	<u>145,895,000</u>	<u>308,400,000</u>
<b>Tax Anticipation Notes:</b>						
2007 Tax anticipation notes	4.00 – 4.00	05-01-07	09-01-13	11,000,000	3,400,000	7,600,000
2008 Tax anticipation notes	3.00 – 3.25	01-15-08	09-01-15	17,075,000	2,170,000	14,905,000
2009 Tax anticipation notes	2.25 – 3.00	01-15-09	09-01-16	6,355,000	-	6,355,000
				<u>34,430,000</u>	<u>5,570,000</u>	<u>28,860,000</u>
<b>Certificates of Obligation:</b>						
2006 Various purpose	4.25 – 4.50	02-01-06	09-01-26	3,765,000	375,000	3,390,000
<b>Water &amp; Sewer Revenue Bonds:</b>						
2003 General Obligation Refunding	2.00 – 5.00	05-01-03	09-01-13	16,825,000	12,930,000	3,895,000
<b>Municipal Drainage Revenue Bonds:</b>						
2001 Improvements	4.20 – 5.10	09-15-01	05-15-21	4,530,000	4,125,000	405,000
2003 Improvements	2.50 – 4.50	05-01-03	05-15-23	3,675,000	765,000	2,910,000
2005 Refunding and Improvements	3.00 – 5.00	05-15-05	05-15-25	11,610,000	1,450,000	10,160,000
2006 Improvements	4.00 – 5.00	02-01-06	05-15-26	1,455,000	125,000	1,330,000
2007 Improvements	4.00 – 5.50	05-01-07	05-15-27	2,000,000	125,000	1,875,000
2008 Improvements	4.00 – 4.50	01-15-08	05-15-28	2,085,000	40,000	2,045,000
2009 Refunding and Improvements	3.00 – 3.50	01-15-09	05-15-29	4,790,000	25,000	4,765,000
				<u>\$ 30,145,000</u>	<u>6,655,000</u>	<u>23,490,000</u>

**CITY OF PLANO, TX**  
**NOTES TO BASIC FINANCIAL STATEMENTS (continued)**  
**SEPTEMBER 30, 2009**

The annual requirements to amortize debt outstanding as of September 30, 2009, including interest payments of \$125,562 follow. Due to the nature of the obligation for compensated absences, annual requirements to amortize such obligations are not determinable and have not been included in the following summary (in thousands of dollars):

Year Ended September 30,	General Obligation, Tax Anticipation Notes & Certificates of Obligation		Proprietary Fund Types			
			Water and Sewer		Municipal Drainage	
	Principal	Interest	Principal	Interest	Principal	Interest
2010	\$ 27,650	14,320	1,940	172	1,660	953
2011	27,185	13,184	1,260	75	1,740	892
2012	26,935	12,186	330	28	1,800	831
2013	27,355	11,162	365	15	1,875	764
2014	24,650	10,072	-	-	1,945	694
2015-2019	102,830	36,148	-	-	7,700	2,345
2020-2024	68,355	16,779	-	-	4,740	1,028
2025-2029	35,690	3,695	-	-	2,030	219
<b>Total</b>	<b>\$ 340,650</b>	<b>117,546</b>	<b>3,895</b>	<b>290</b>	<b>23,490</b>	<b>7,726</b>

The City intends to retire all of its general long-term liabilities, plus interest, from ad valorem taxes and other current revenues. The proprietary fund type long-term debt will be repaid, plus interest, from the operating revenues of the Water and Sewer Fund and the Municipal Drainage Fund.

The discretely held component unit TIF Mall had notes payable as of September 30, 2009 of \$6,397,476. These notes are for amounts loaned by the City for projects and construction relating to the TIF Mall and will be repaid when funding is available from the TIF Mall. The interest rate on the note payable is 6.0%. Until repayment can be made on the note, interest is capitalized. The City made full repayment in Fiscal year 2009 to Taubman Realty Group Limited Partnership for construction of a parking garage, land and roadway improvements. Repayment from the TIF Mall to the City is estimated to be complete in fiscal year 2011.

The discretely held component unit TIF East Side paid the remaining \$776,433 installment of notes payable in fiscal year 2009. These notes were for amounts loaned by the City for construction of the Courtyard Theater on the East side of Plano. Additionally, the TIF East Side reimbursed the City's General Fund \$2,113,806 for expenses paid for the Courtyard Theatre in fiscal year 2001.

**A. General Obligation Bonds and Certificates**

The City is required by ordinance to create from ad valorem tax revenues a sinking fund sufficient to pay the current interest and principal installments as they become due. The Debt Service Fund has \$3,250,126 available to service the general obligation debt after all debt due in the current fiscal year has been paid.

There are a number of limitations and restrictions contained in the various general obligation bond and certificate indentures. Management of the City believes it is in compliance with the significant limitations and restrictions at September 30, 2009.

**CITY OF PLANO, TX**  
**NOTES TO BASIC FINANCIAL STATEMENTS (continued)**  
**SEPTEMBER 30, 2009**

Arbitrage provisions of the Internal Revenue Tax Act of 1986 require the City to rebate excess arbitrage earnings from bond proceeds to the federal government. Beginning in 1992, the City paid required five-year rebates. Future rebates are estimated to be \$962,072 at September 30, 2009. As provided for by the bond indentures, this amount has been recorded as "Due to other governments" in a special revenue fund (the Rebate Fund) for the benefit of the federal government and will be paid as required by applicable regulations.

In January of 2009, the City issued \$35,330,000 in General Obligation refunding and improvement bonds, with interest ranging from 2.25% to 4.75%. The portion of the debt that represents refunded bonds were 1998 series general obligation bonds totaling \$12,370,000 and carried interest rates ranging from 4.75% to 5.15% with maturity dates in 2010 through 2018. Refunded bonds were considered a current refunding and resulted in a net present value benefit to the City of \$1,217,719.

Also in January of 2009, the City issued \$6,355,000 of Tax Notes, with interest ranging from 2.25% to 3.0% for the acquisition, implementation and installation of radio system infrastructure as well as for payment of professional services of attorneys, financial advisors and other professionals in connection with the project.

In prior years, the City defeased certain outstanding general obligation bonds by placing the proceeds of the new bonds in irrevocable trusts pledged to pay all future debt service payments of the refunded bonds. Accordingly, the trust accounts and the defeased bonds are not included in the City's financial statement. At September 30, 2009, \$25,655,000 of the defeased bonds are still outstanding.

B. Water and Sewer Revenue Bonds

The Water and Sewer Revenue Bonds are secured by the net revenues of the Water and Sewer Fund as defined in the respective bond indentures.

The City is required by the applicable revenue bond indentures to pledge the net revenues of the Water and Sewer Fund for the retirement of its outstanding revenue bonds, including interest thereon, and is required to maintain debt service funds and bond reserve funds for all such bonds outstanding.

The debt service funds, aggregating \$328,791 at September 30, 2009, are restricted within the Water and Sewer Fund. The respective bond indentures require the City to make equal monthly installments to the debt service funds which will accumulate to pay the annual principal and semiannual interest requirements as they become due.

Bond proceeds since 1988 are covered by the arbitrage provisions of the Internal Revenue Tax Act of 1986. Accordingly, there were no excess arbitrage earnings estimated at September 30, 2009. The City is in compliance with all requirements of the bond ordinances for the year ended September 30, 2009.

Restricted assets of the Water and Sewer Fund at September 30, 2009 are as follows:

Cash and cash equivalents	\$	2,859,325
Investments		18,632,160
Accrued interest receivable		97,452
Accounts receivable		555,957
		<u>555,957</u>
	\$	<u>22,144,894</u>

C. Municipal Drainage Revenue Bonds

These bonds are secured by a first lien on and pledge of the revenues of the Municipal Drainage Fund in accordance with the provisions of the bond indenture.

**CITY OF PLANO, TX**  
**NOTES TO BASIC FINANCIAL STATEMENTS (continued)**  
**SEPTEMBER 30, 2009**

The bond indenture requires the City to make equal monthly installments to a debt service fund to pay principal and interest requirement as they become due. At September 30, 2009 \$2,019,613 is restricted within the Municipal Drainage Fund for debt service requirements.

In addition, the bond indenture requires a reserve equal to the average annual debt services requirement be maintained in order to pay any bond principal and interest should the debt service funds be insufficient. At September 30, 2009 the reserve required and restricted within the Municipal Drainage Fund is \$1,563,333.

In January of 2009, the City issued \$4,790,000 in Municipal Drainage revenue and improvement bonds, with interest ranging from 3.00% to 3.50%. The portion of the debt that represents refunded bonds were 1998 series municipal drainage revenue bonds totaling \$2,955,000 and carried interest rates ranging from 4.75% to 5.05% with maturity dates in 2010 through 2018. Refunded bonds were considered a current refunding and resulted in a net present value benefit to the City of \$245,304.

In fiscal year 2005, the City defeased certain outstanding Municipal Drainage Bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments of refunded bonds. Accordingly, the trust account and the defeased bonds are not included in the City's financial statement. At September 30, 2009, \$2,780,000 of the defeased bonds are still outstanding.

Municipal Drainage revenue bonds are covered by the arbitrage provisions of the Internal Revenue Tax Act of 1986 and accordingly, excess arbitrage earnings of \$24,898 were estimated at September 30, 2009. This amount is included in the Special Revenue Rebate fund "Due to other governments." The City is in compliance with all requirements of the bond ordinance for the year ended September 30, 2009.

Restricted assets of the Municipal Drainage Fund at September 30, 2009 are as follows:

Cash and cash equivalents	\$	1,212,725
Investments		7,902,455
Accrued interest receivable		41,332
		<u>9,156,512</u>

**7. INTERFUND TRANSACTIONS:**

A summary of interfund receivables and payables at September 30, 2009 is as follows:

	Due To						Total
	General Fund	Nonmajor Governmental Funds	Internal Service	Water & Sewer	Environmental Waste Service	Nonmajor Enterprise Funds	
<b>Due From</b>							
General Fund	\$ -	506,281	113,416	-	633,654	-	\$1,253,351
Nonmajor Governmental Funds	756	-	-	-	509	-	1,265
Internal Service	50,451	-	4,741,458	1,422	797	1,710	4,795,838
Water and Sewer	-	1,000	1,004	-	-	-	2,004
Environmental Waste Services	-	1,099	-	-	-	-	1,099
<b>Total</b>	<u>\$51,207</u>	<u>508,380</u>	<u>4,855,878</u>	<u>1,422</u>	<u>634,960</u>	<u>1,710</u>	<u>\$6,053,557</u>

Due to and due from entries are primarily used to account for administrative transactions.

**CITY OF PLANO, TX  
NOTES TO BASIC FINANCIAL STATEMENTS (continued)  
SEPTEMBER 30, 2009**

The City performs a complex calculation to determine the value of the charges in lieu of taxes to be paid to the General Fund. This calculation is reasonably equivalent to the value of the services provided to the Water and Sewer and Environmental Waste Services funds and is therefore appropriately reported as an expense as opposed to a transfer. During fiscal year 2009, charges in lieu of taxes were \$7,739,588.

Transfers between funds during the year were as follows:

	<b>Transfers In</b>						Total
	General Fund	Debt Service	Capital Reserve	Municipal Facilities	Nonmajor Governmental Funds	Environmental Waste Services	
<b>Transfers Out</b>							
General Fund	\$ -	-	10,500,000	-	133,769	-	\$10,633,769
Internal Service	-	-	-	1,200,000	250,000	-	1,450,000
Water and Sewer	9,870,761	-	1,200,000	-	-	100,000	11,170,761
Municipal Drainage	350,008	-	-	-	498,873	-	848,881
Nonmajor Enterprise Funds	553,242	834,120	-	-	-	-	1,387,362
<b>Total</b>	<b>\$10,774,011</b>	<b>834,120</b>	<b>11,700,000</b>	<b>1,200,000</b>	<b>882,642</b>	<b>100,000</b>	<b>\$25,490,773</b>

The City performs a cost allocation to determine the portion of indirect expenses that will be reimbursed by the respective business-type activities to the General Fund. The City funds the Capital Reserve fund by transferring amounts from the General Fund and Water and Sewer fund each year based on a portion of depreciation.

Transfers are primarily used to move funds to finance various programs in accordance with budgetary authorizations.

**8. REGIONAL SYSTEMS FOR WATER SUPPLY, WASTEWATER TREATMENT, AND SOLID WASTE DISPOSAL:**

The City of Plano secures its water supply and sewer services from the North Texas Municipal Water District ("District"), a district authorized by the Texas Constitution, Article XVI, Section 59; created by the Texas Legislature, Article 8280-141; and authorized to act by the confirming vote of the majority of the qualified voters in each of the cities comprising the District. The District has police, taxation and eminent domain powers and is authorized to issue revenue and/or tax bonds upon approval by the Attorney General of the State of Texas and functions as a political subdivision of the State of Texas independent of the City. The District is governed by a 17-member board (the "Board"), the City of Plano being authorized by statute to appoint two of those members. The Board has full power and discretion to establish its budget and to set the rates for the services it provides by contracts with its member cities and customers. The Board is empowered by statute and contract, or otherwise permitted by law, to discontinue a facility or service in order to prevent an abuse or to enforce payment of an unpaid charge, fee or rental due to the District. A portion of the outstanding bonds of the District are contract revenue bonds based on contracts with certain member cities of the District. The City of Plano provides for the payment of its contractual obligations with the District from revenues generated by its waterworks and sewer systems. Such contractual payments provide for the payment of the principal and interest requirements, and the premium payment, if any, on specified indebtedness and associated operation and maintenance expenses of the District. Because of the factors mentioned above, the District is not included in the City's basic financial statements.

**CITY OF PLANO, TX  
NOTES TO BASIC FINANCIAL STATEMENTS (continued)  
SEPTEMBER 30, 2009**

Water Supply

On December 12, 1953, the City entered into a contract with the District whereby the District agreed to provide water for the benefit of the City. In return for this service, the City agreed to pay the District at a rate per 1,000 gallon basis, subject to minimum annual payments. The City's annual payment for the year ended September 30, 2009, was \$29,491,382. The City has also contracted for water transmission facility improvements and pays the District for debt service for bonds issued to fund the improvements. For fiscal year 2009 this payment was \$856,957. Future years' payments to debt service are as follows:

2010	\$	861,488
2011		869,232
2012		869,898
2013		873,695
2014		880,325
2015 – 2018		2,939,762

Wastewater Treatment

On October 1, 1975, the City entered into a contract for wastewater treatment services with the District. The District has been designated by the Texas Water Quality Board as the regional agency to provide and develop a Regional System for Wastewater Treatment in the general area of the East Fork of the Trinity River, which includes the City of Plano and other cities located in Collin, Dallas, Kaufman and Rockwall Counties, Texas. Relative thereto, the City of Plano and other cities have entered into wastewater system contracts with the District, which provide for the establishment, operation and maintenance of a Regional Wastewater System for the purpose of providing facilities to adequately receive, transport, treat and dispose of wastewater for the cities. In order to provide said services, the contract provides that (a) the District will acquire, design, construct and complete the system, repair, replace and/or extend the system to provide service to the cities; (b) in consideration of payments to be made under the contract, each of the cities shall have the right to discharge all its wastewater from its sewage system into the District's system, subject to certain quality requirements set forth in the contract; (c) the District will issue its bonds, in amounts and at times determined by the District, to provide for the wastewater treatment facilities; (d) each city agrees to pay its proportionate share of the annual requirement sufficient to pay or provide for the payment of an "Operation and Maintenance Component" and a "Bond Service Component;" (e) each city's proportionate share of the annual requirement shall be a percentage obtained by dividing such city's estimated contributing flow to the system by the total estimated contributing flow to the system by all cities during such fiscal year. No city will exercise oversight responsibility for the District and no city is liable for the District's debt. The City of Plano's payment for the year ended September 30, 2009 was \$22,531,004 net of payments to the City for facilities usage.

Solid Waste Disposal

On November 29, 1979, the City entered into a contract for services with the District, whereby the District agreed to provide a solid waste disposal system for the benefit of the City of Plano and other cities. Each city agreed to pay its share of an annual requirement for the operating expenses and debt service of the District to be calculated in the same manner as the wastewater contract. The City's annual payment for the year ended September 30, 2009 was \$6,883,746.

**CITY OF PLANO, TX  
NOTES TO BASIC FINANCIAL STATEMENTS (continued)  
SEPTEMBER 30, 2009**

**9. COMMITMENTS AND CONTINGENCIES:**

The City has contractual commitments of \$21,812,502 in the Capital Projects Funds, \$6,544,915 in the Water and Sewer Fund, and \$456,890 in the Municipal Drainage Fund. These commitments are for construction of various projects and will be funded primarily from general obligation bond proceeds in the Capital Projects Funds, operating revenues in the Water and Sewer Fund and revenue bond proceeds in the Municipal Drainage Fund.

Various claims and lawsuits are pending in which the City is involved. Included among the various actions are those for which the discovery process is currently underway or which have yet to proceed to trial. Outside of those claims accrued by the City; it is the opinion of City management that the ultimate outcome of all other lawsuits will not have a material adverse effect on the City's financial position.

The City participates in a number of federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

**10. SELF INSURANCE:**

The City is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees, and natural disasters. The City maintains a self-insurance program for general liability, public officials' errors and omission, police professional liability, property loss and workers' compensation. The Property/Liability Loss Internal Service Fund has been established to pay identified claims and judgments, maintain loss reserves and purchase insurance coverage as required. Claims for property loss over \$100,000 per occurrence and for workers' compensation over \$500,000 per occurrence are covered by private insurance companies. There were no significant reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage in each of the past three fiscal years.

Group medical benefits are paid from the Health Claims Internal Service Fund, which has an annually negotiated stop loss provision. Revenues are recognized from payroll deductions for employee dependent coverage and from City contributions for employee coverage.

The liabilities for insurance claims reported in each of the funds are based on Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. These liabilities include an estimate for incurred but not reported claims. Change in each fund's claims liability amount in fiscal 2009 and 2008 were:

Fund	Liability Beginning Of Year	Current Year Claims And Changes in Estimates	Claim Payments	Liability End of Year
<b>2009:</b>				
Property/Liability Loss	\$ 3,464,051	2,820,016	2,571,093	3,712,974
Health Claims	4,078,422	17,795,454	17,897,814	3,976,062
Total	<u>\$ 7,542,473</u>	<u>20,615,470</u>	<u>20,468,907</u>	<u>7,689,036</u>
<b>2008:</b>				
Property/Liability Loss	\$ 3,546,073	2,158,070	2,240,092	3,464,051
Health Claims	3,165,083	18,333,342	17,420,003	4,078,422
Total	<u>\$ 6,711,156</u>	<u>20,491,412</u>	<u>19,660,095</u>	<u>7,542,473</u>

**CITY OF PLANO, TX**  
**NOTES TO BASIC FINANCIAL STATEMENTS (continued)**  
**SEPTEMBER 30, 2009**

**11. NEW ACCOUNTING PRONOUNCEMENTS:**

In June 2008, GASB issued Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, which establishes accounting and financial recognition, measurement and disclosure reporting requirements for derivative instruments to provide transparency to those transactions. This statement is effective for the City's financial statements for periods beginning after June 15, 2009. The adoption of this statement has no impact on the City's financial statements.

In March 2009, GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which establishes accounting and financial reporting requirements to improve the usefulness of information about fund balance by providing clearer, more structured fund balance classifications and clarifying the definitions of existing governmental fund types. Fund balance amounts will be reported in the following classifications: restricted, committed, assigned and unassigned. This statement is effective for financial statements for periods beginning after June 15, 2010. The City is in the process of reviewing and evaluating this statement and it's potential impact on the City's financial statements.

In April 2009, GASB issued Statement No. 56, *Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards*. This statement incorporates into GASB authoritative literature accounting and financial reporting guidance on related party transactions, going concern considerations and subsequent events previously only contained in the American Institute of Certified Public Accountants (AICPA) auditing literature. The requirements of this statement are effective upon issuance and have no impact on the City's financial statements.

CITY OF PLANO, TEXAS  
REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF PENSION TRUST - TMRS FUNDING PROGRESS AND CONTRIBUTIONS  
LAST SIX FISCAL YEARS (Unaudited)

Fiscal Year	Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) -Unit Credit	Unfunded Actuarial Accrued Liability UAAL	Funded Percent	Covered Payroll	UAAAL as Percent of Covered Payroll	Annual Required Contributions	Actual Contributions	Percent Contributed
2004	12/31/03	237,335,980	293,597,459	(56,261,479)	80.84%	93,999,206	-59.85%	11,840,053	11,840,053	100.00%
2005	12/31/04	262,169,460	317,019,786	(54,850,326)	82.70%	101,569,594	-54.00%	13,144,945	13,144,945	100.00%
2006	12/31/05	280,298,567	340,897,795	(60,599,228)	82.22%	102,734,170	-58.99%	14,892,443	14,892,443	100.00%
2007	12/31/06	296,863,771	369,388,605	(72,524,834)	80.37%	111,407,362	-65.10%	15,387,911	15,387,911	100.00%
2008	12/31/07	311,729,835	447,870,971	(136,141,136)	69.60%	117,372,866	-115.99%	16,450,528	16,450,528	100.00%
2009	12/31/08	330,874,531	478,126,778	(147,252,247)	69.20%	125,137,265	-117.67%	18,687,379	18,687,379	100.00%

SCHEDULE OF PENSION TRUST - RETIREMENT SECURITY PLAN FUNDING PROGRESS AND CONTRIBUTIONS  
LAST SIX FISCAL YEARS (Unaudited)

Fiscal Year	Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) -Entry Age	Excess of Assets over/(under) AAL	Funded Percent	Covered Payroll	Excess as Percent of Covered Payroll	Annual Required Contributions	Actual Contributions	Percent Contributed
2004	12/31/03	48,894,642	44,115,875	4,778,767	110.83%	89,847,588	5.32%	2,589,895	2,396,201	92.52%
2005	12/31/03	48,894,642	44,115,875	4,778,767	110.83%	89,847,588	5.32%	2,589,895	2,570,626	99.26%
2006	12/31/05	56,579,886	55,987,030	592,856	101.06%	97,020,196	0.61%	2,953,619	2,788,179	94.40%
2007	12/31/05	56,579,886	55,987,030	592,856	101.06%	97,020,196	0.61%	2,953,619	3,121,295	105.68%
2008	12/31/07	69,211,789	68,647,366	564,423	100.82%	109,334,429	0.52%	3,447,764	3,420,947	99.22%
2009	12/31/07	69,211,789	68,647,366	564,423	100.82%	109,334,429	0.52%	3,447,764	3,479,512	100.92%

SCHEDULE OF PENSION TRUST - POSTEMPLOYMENT BENEFITS 115 TRUST FUNDING PROGRESS AND CONTRIBUTIONS  
LAST SIX FISCAL YEARS (Unaudited)

Fiscal Year	Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) -Entry Age	Excess of Assets over/(under) AAL	Funded Percent	Covered Payroll	Excess as Percent of Covered Payroll	Annual Required Contributions	Actual Contributions	Percent Contributed
2008	10/1/07	-	55,831,704	(55,831,704)	0.00%	109,295,425	-51.08%	6,031,883	23,934,554	396.80%
2009	10/1/07	-	55,831,704	(55,831,704)	0.00%	109,295,425	-51.08%	6,031,883	6,530,416	108.26%

See accompanying independent auditors' report.



## NONMAJOR GOVERNMENTAL FUNDS

### SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

**CRIMINAL INVESTIGATION FUND-** to account for any monies taken into police custody as a result of police investigation. These monies are to be spent only on law enforcement activities as provided by state statute.

**GRANT FUND-** to account for monies received from other governmental agencies.

**CATV FUND-** to account for monies received for local access programming, under conditions contained within the franchise agreement with AT&T Broadband.

**INDUSTRIAL REVENUE BOND AUTHORITY-** to account for the fees for issuance of Industrial Revenue Bonds.

**PUBLIC SAFETY COMMUNICATIONS-** to account for 9-1-1 reserve fund monies received from wireless communication fees to be used for related 9-1-1 services; and intergovernmental radio fund fees collected under an interlocal agreement for a joint communication system between the cities of Plano, Allen and Frisco, the fees are used to pay maintenance expenses of the system; and wireline fees and reporting for 9-1-1 expenditures.

**MUNICIPAL COURT –** to account for building security fund monies received from conviction of misdemeanor fees to be used to provide for the security and housing of municipal courts; teen court fees collected from teens requesting teen court, these monies are used to cover the costs of administering teen court; municipal court technology state fees collected with each citation that has resulted from a conviction; and judicial efficiency state fees collected for payment on any part of a judgment on or after the 31<sup>st</sup> date on which a judgment is entered where one-half is remitted to the state, four-tenths is retained locally with no restriction, while one-tenth is used for the purpose of improving judicial efficiency.

**REBATE FUND-** to account for excess arbitrage earnings of the City's bond proceeds.

**MEMORIAL LIBRARY FUND-** to account for monies received in support of the City's library.

**SEIZED ASSETS FUND-** to account for the seizure and disposition of assets confiscated by local law enforcement agencies.

**LIBRARIES–** to account for library training lab monies received from the Bill and Melinda Gates Foundation for the establishment of a library training lab; and Sproles library fund monies received in support of the City's library.

**ANIMAL SHELTER DONATIONS-** to account for donations to assist the animal shelter.

## **CAPITAL PROJECTS FUNDS**

The Capital Projects Funds account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary type funds).

The City's nonmajor Capital Projects Funds are as follows:

**DART-** to account for the financing and construction of street modifications necessary to accommodate the public transportation system. Funds are provided through the DART Local Assistance Program.

**SPRING CREEKWALK-** to account for the financing and construction of the Spring Creekwalk project. Funds are provided primarily through contributions by participating citizens.

**PARK SERVICES-** to account for building permit fees exclusively for the acquisition and development of new neighborhood and parks.



CITY OF PLANO, TEXAS  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 AS OF SEPTEMBER 30, 2009

Special Revenue

	Criminal Investigation	Grant	CATV	Industrial Revenue Bond Auth.	Public Safety Communications
<b>ASSETS</b>					
Cash and cash equivalents	\$ 177,646	\$ 194,937	\$ 39,261	\$ 2,420	\$ 1,339,366
Investments	1,157,593	1,269,644	255,837	15,771	8,727,684
Receivables (net of allowance for uncollectible)					
Accounts	-	1,219	14,230	-	-
Accrued interest	6,055	6,641	1,338	82	45,649
Other	-	955,228	-	-	-
Due from other funds	-	1,265	-	-	-
Due from other governments	4,180	570,201	-	-	95,030
Prepaid items and other assets	-	2,465	215	-	-
<b>Total Assets</b>	<b>1,345,474</b>	<b>3,001,600</b>	<b>310,881</b>	<b>18,273</b>	<b>10,207,729</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	1,041	30,797	31,632	-	15,463
Accrued liabilities	31	355	24,871	-	-
Contracts payable	-	-	-	-	-
Deferred revenue	-	1,198,793	-	-	-
Due to other funds	-	508,380	-	-	-
Due to other governments	-	-	-	-	179,024
Retainage payable	-	-	-	-	-
Seized assets payable	-	-	-	-	-
<b>Total Liabilities</b>	<b>1,072</b>	<b>1,738,325</b>	<b>56,503</b>	<b>-</b>	<b>194,487</b>
<b>Fund Balances:</b>					
Reserved for encumbrances	-	-	-	-	-
Reserved for prepaid items and other assets	-	2,465	215	-	-
Reserved for capital projects	-	-	-	-	-
Unreserved, designated for special revenue funds	-	-	-	-	-
Unreserved, undesignated	1,344,402	1,260,810	254,163	18,273	10,013,242
<b>Total fund balances</b>	<b>1,344,402</b>	<b>1,263,275</b>	<b>254,378</b>	<b>18,273</b>	<b>10,013,242</b>
Total Liabilities and Fund Balance	\$ 1,345,474	\$ 3,001,600	\$ 310,881	\$ 18,273	\$ 10,207,729

<b>Municipal Court</b>	<b>Rebate</b>	<b>Memorial Library</b>	<b>Seized Assets</b>	<b>Libraries</b>	<b>Animal Shelter Donations</b>
\$ 883,236	\$ 197,637	\$ 46,120	\$ 19,367	\$ 25,044	\$ 27,538
5,755,412	1,287,859	300,533	126,205	163,193	179,442
340,536	-	-	-	-	-
30,103	6,736	1,572	660	853	938
-	-	-	-	-	-
-	-	-	-	-	-
4,791	-	-	-	-	-
-	-	-	-	-	-
<u>7,014,078</u>	<u>1,492,232</u>	<u>348,225</u>	<u>146,232</u>	<u>189,090</u>	<u>207,918</u>
152,225	42,165	7,659	-	-	-
714,930	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	962,072	-	-	-	-
-	-	-	-	-	-
-	-	-	146,232	-	-
<u>867,155</u>	<u>1,004,237</u>	<u>7,659</u>	<u>146,232</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	487,995	340,566	-	-	-
<u>6,146,923</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>189,090</u>	<u>207,918</u>
<u>6,146,923</u>	<u>487,995</u>	<u>340,566</u>	<u>-</u>	<u>189,090</u>	<u>207,918</u>
<u>\$ 7,014,078</u>	<u>\$ 1,492,232</u>	<u>\$ 348,225</u>	<u>\$ 146,232</u>	<u>\$ 189,090</u>	<u>\$ 207,918</u>

(continued)

CITY OF PLANO, TEXAS  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 AS OF SEPTEMBER 30, 2009  
 (continued)

	<u>Capital Projects</u>			<b>Total Nonmajor Governmental Funds</b>
	<u>DART</u>	<u>Spring Creekwalk</u>	<u>Park Services</u>	
<b>ASSETS</b>				
Cash and cash equivalents	\$ 102,321	\$ 3,150	\$ 745,271	\$ 3,803,314
Investments	666,754	20,524	4,856,394	24,782,845
Receivables (net of allowance for uncollectible)				
Accounts	-	-	-	355,985
Accrued interest	3,487	107	25,401	129,622
Other	-	-	-	955,228
Due from other funds	-	-	-	1,265
Due from other governments	-	-	-	674,202
Prepaid items and other assets	-	-	-	2,680
<b>Total Assets</b>	<u>772,562</u>	<u>23,781</u>	<u>5,627,066</u>	<u>30,705,141</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	-	-	-	280,982
Accrued liabilities	-	-	-	740,187
Contracts payable	-	-	3,000	3,000
Deferred revenue	-	-	-	1,198,793
Due to other funds	-	-	-	508,380
Due to other governments	-	-	-	1,141,096
Retainage payable	-	-	2,235	2,235
Seized assets payable	-	-	-	146,232
<b>Total Liabilities</b>	<u>-</u>	<u>-</u>	<u>5,235</u>	<u>4,020,905</u>
<b>Fund Balances:</b>				
Reserved for encumbrances	630,553	-	370,538	1,001,091
Reserved for prepaid items and other assets	-	-	-	2,680
Reserved for capital projects	-	23,781	5,251,293	5,275,074
Unreserved, designated for special revenue funds	-	-	-	828,561
Unreserved, undesignated	142,009	-	-	19,576,830
<b>Total fund balances</b>	<u>772,562</u>	<u>23,781</u>	<u>5,621,831</u>	<u>26,684,236</u>
Total Liabilities and Fund Balance	<u>\$ 772,562</u>	<u>\$ 23,781</u>	<u>\$ 5,627,066</u>	<u>\$ 30,705,141</u>



CITY OF PLANO, TEXAS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	Special Revenue				
	Criminal Investigation	Grant	CATV	Industrial Revenue Bond Auth.	Public Safety Communications
<b>REVENUES</b>					
Fines and forfeitures	\$ 260,469	\$ -	\$ -	\$ -	\$ -
Contributions	-	-	-	-	-
Intergovernmental	27,478	2,319,855	-	-	78,125
Fees for services	-	-	421,647	-	1,298,579
Investment income	17,404	19,014	5,853	280	151,020
Miscellaneous	58,569	259,285	7	-	-
Total revenues	<u>363,920</u>	<u>2,598,154</u>	<u>427,507</u>	<u>280</u>	<u>1,527,724</u>
<b>EXPENDITURES</b>					
General government	-	-	-	-	-
Police	27,478	328,239	-	-	187,190
Fire	-	268,658	-	-	15,506
Libraries	-	110,491	-	-	-
Development	-	1,272,509	-	-	-
Public services and operations	-	-	897,315	-	22,907
Sustainability & environmental services	-	300,339	-	-	-
Capital outlay	-	364,118	(1,942)	-	350,452
Total expenditures	<u>27,478</u>	<u>2,644,354</u>	<u>895,373</u>	<u>-</u>	<u>576,055</u>
Excess (deficiency) of revenues over (under) expenditures	<u>336,442</u>	<u>(46,200)</u>	<u>(467,866)</u>	<u>280</u>	<u>951,669</u>
<b>OTHER FINANCING SOURCES</b>					
Transfers in	-	-	383,769	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>383,769</u>	<u>-</u>	<u>-</u>
Net change in fund balances	336,442	(46,200)	(84,097)	280	951,669
Fund balances-beginning	1,007,960	1,309,475	338,475	17,993	9,061,573
Fund balances-ending	<u>\$ 1,344,402</u>	<u>\$ 1,263,275</u>	<u>\$ 254,378</u>	<u>\$ 18,273</u>	<u>\$ 10,013,242</u>

<u>Municipal Court</u>	<u>Rebate</u>	<u>Memorial Library</u>	<u>Libraries</u>	<u>Animal Shelter Donations</u>
\$ 2,404,588	-	-	-	-
-	-	51,091	1,575	67,538
-	-	-	-	-
1,045,532	-	-	-	-
90,804	20,244	5,953	2,947	3,227
-	3,045	-	-	-
<u>3,540,924</u>	<u>23,289</u>	<u>57,044</u>	<u>4,522</u>	<u>70,765</u>
-	88,925	-	-	-
2,535,188	-	-	-	-
-	-	-	-	-
-	-	-	4,434	-
-	-	-	-	-
-	-	-	-	43,080
-	-	-	-	-
7,982	-	92,991	1,300	-
<u>2,543,170</u>	<u>88,925</u>	<u>92,991</u>	<u>5,734</u>	<u>43,080</u>
997,754	(65,636)	(35,947)	(1,212)	27,685
-	498,873	-	-	-
-	498,873	-	-	-
997,754	433,237	(35,947)	(1,212)	27,685
5,149,169	54,758	376,513	190,302	180,233
<u>\$ 6,146,923</u>	<u>\$ 487,995</u>	<u>\$ 340,566</u>	<u>\$ 189,090</u>	<u>\$ 207,918</u>

(continued)

CITY OF PLANO, TEXAS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2009  
(continued)

	<u>Capital Projects</u>			<b>Total Nonmajor Governmental Funds</b>
	<u>DART</u>	<u>Spring Creekwalk</u>	<u>Park Services</u>	
<b>REVENUES</b>				
Fines and forfeitures	\$ -	\$ -	\$ -	\$ 2,665,057
Contributions	-	-	-	120,204
Intergovernmental	-	-	-	2,425,458
Fees for services	-	-	75,266	2,841,024
Investment income	11,855	366	87,969	416,936
Miscellaneous	-	-	-	320,906
Total revenues	<u>11,855</u>	<u>366</u>	<u>163,235</u>	<u>8,789,585</u>
<b>EXPENDITURES</b>				
General government	-	-	-	88,925
Police	-	-	-	3,078,095
Fire	-	-	-	284,164
Libraries	-	-	-	114,925
Development	-	-	-	1,272,509
Public services and operations	-	-	-	963,302
Environmental waste services	-	-	-	300,339
Capital outlay	-	-	341,697	1,156,598
Total expenditures	<u>-</u>	<u>-</u>	<u>341,697</u>	<u>7,258,857</u>
Excess (deficiency) of revenues over (under) expenditures	<u>11,855</u>	<u>366</u>	<u>(178,462)</u>	<u>1,530,728</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	-	-	-	882,642
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>882,642</u>
Net change in fund balances	11,855	366	(178,462)	2,413,370
Fund balances-beginning	760,707	23,415	5,800,293	24,270,866
Fund balances-ending	<u>\$ 772,562</u>	<u>\$ 23,781</u>	<u>\$ 5,621,831</u>	<u>\$ 26,684,236</u>





**CITY OF PLANO, TEXAS  
 BUDGETARY COMPARISON SCHEDULE-GAAP BASIS  
 DEBT SERVICE FUND  
 FOR THE YEAR ENDED SEPTEMBER 30, 2009**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Property taxes	\$ 36,956,430	\$ 36,956,430	\$ 37,052,595	\$ 96,165
Investment income	600,000	425,000	368,791	(56,209)
Miscellaneous	73,736	238,425	238,425	-
<b>Total Revenues</b>	<b>37,630,166</b>	<b>37,619,855</b>	<b>37,659,811</b>	<b>39,956</b>
<b>EXPENDITURES:</b>				
Principal retirement	25,645,000	25,645,000	25,645,000	-
Interest and fiscal charges	15,971,305	15,216,886	15,037,063	179,823
<b>Total Expenditures</b>	<b>41,616,305</b>	<b>40,861,886</b>	<b>40,682,063</b>	<b>179,823</b>
Deficiency Of Revenues Under Expenditures	(3,986,139)	(3,242,031)	(3,022,252)	219,779
<b>OTHER FINANCING SOURCES:</b>				
Bond proceeds-refunding	-	-	12,370,000	-
Escrow payment-refunding	-	-	(12,428,331)	-
Premium from sale of bonds	-	-	4,616	4,616
Transfers in	834,120	834,120	834,120	-
<b>Total Other Financing Sources:</b>	<b>834,120</b>	<b>834,120</b>	<b>780,405</b>	<b>4,616</b>
Deficiency Of Revenues And Other Sources Under Expenditures	(3,152,019)	(2,407,911)	(2,241,847)	224,395
<b>FUND BALANCE, October 1</b>	<b>5,491,973</b>	<b>5,491,973</b>	<b>5,491,973</b>	<b>-</b>
<b>FUND BALANCE, September 30</b>	<b>\$ 2,339,954</b>	<b>\$ 3,084,062</b>	<b>\$ 3,250,126</b>	<b>\$ 224,395</b>



## **NONMAJOR ENTERPRISE FUNDS**

Following are the nonmajor Enterprise Funds:

**CIVIC CENTER FUND-** to account for the convention and tourism activities of the City's Civic Center.

**MUNICIPAL GOLF COURSE FUND-** to account for operation of the City's golf course, including administration, operation and maintenance. All costs are financed through fees charged to patrons.

**PROPERTY MANAGEMENT FUND-** to account for the rental properties of the Downtown Center projects.

**DOWNTOWN CENTER DEVELOPMENT FUND-** to account for the construction of a multi-use project in the City's downtown area.

**RECREATION REVOLVING FUND-** to account for recreational programs and activities which are offered to groups and individuals on a fee basis. Fees are adjusted periodically to cover the cost of providing each program.

CITY OF PLANO, TEXAS  
STATEMENT OF NET ASSETS  
NONMAJOR ENTERPRISE FUNDS  
AS OF SEPTEMBER 30, 2009

	Business-type Activities Enterprise Funds					Total Nonmajor Enterprise Funds
	Civic Center	Municipal Golf Course	Property Management	Downtown Center Development	Recreation Revolving	
<b>ASSETS</b>						
Cash and cash equivalents	\$ 375,144	\$ 16,778	\$ 62,260	\$ 18,720	\$ 184,074	\$ 656,976
Investments	2,416,456	109,328	405,703	121,982	1,197,196	4,250,665
Receivables -						
Accounts	375,066	4,335	-	-	11,408	390,809
Accrued Interest	12,639	572	2,122	638	6,262	22,233
Other	-	-	1,551	-	2,252	3,803
Prepaid expenses & other assets	32,568	-	-	-	16,107	48,675
Capital assets:						
Land	2,359,859	595,296	1,333,325	36,999	-	4,325,479
Buildings	11,354,841	2,427,383	171,766	-	-	13,953,990
Improvements other than buildings	790,021	1,247,352	15,875	-	-	2,053,248
Equipment	1,587,828	159,037	-	-	450,597	2,197,462
Furniture and fixtures	312,206	80,381	-	-	73,873	466,460
Less accumulated depreciation	(12,672,866)	(1,963,062)	(176,529)	-	(516,986)	(15,329,443)
Total capital assets (net of accumulated depreciation)	3,731,889	2,546,387	1,344,437	36,999	7,484	7,667,196
Total assets	6,943,762	2,677,400	1,816,073	178,339	1,424,783	13,040,357
<b>LIABILITIES</b>						
Current liabilities:						
Accounts payable	246,088	9,171	10,990	-	56,364	322,613
Accrued liabilities	186,484	13,111	-	-	57,476	257,071
Deferred revenue	182,612	-	-	-	504,751	687,363
Due to other funds	1,501	-	-	-	209	1,710
Customer deposits	-	9,112	10,467	-	190,695	210,274
Liability for compensated absences	58,106	17,100	-	-	41,965	117,171
Total current liabilities	674,791	48,494	21,457	-	851,460	1,596,202
Noncurrent liabilities:						
Liability for compensated absences	418,783	77,398	-	-	146,327	642,508
Total noncurrent liabilities	418,783	77,398	-	-	146,327	642,508
Total liabilities	1,093,574	125,892	21,457	-	997,787	2,238,710
<b>NET ASSETS</b>						
Invested in capital assets (net of related debt)	3,711,977	2,546,387	1,344,437	36,999	7,484	7,647,284
Unrestricted	2,138,211	5,121	450,179	141,340	419,512	3,154,363
<b>Total Net Assets</b>	<b>\$ 5,850,188</b>	<b>\$ 2,551,508</b>	<b>\$ 1,794,616</b>	<b>\$ 178,339</b>	<b>\$ 426,996</b>	<b>\$ 10,801,647</b>

CITY OF PLANO, TEXAS  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS  
NONMAJOR ENTERPRISE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	Business-type Activities					Total Nonmajor Enterprise Funds
	Enterprise Funds					
	Civic Center	Municipal Golf Course	Property Management	Downtown Center Development	Recreation Revolving	
Operating revenues:						
Charges for sales and services:						
Service charges	\$ 2,430,881	\$ 792,753	\$ 42,309	\$ 68,127	\$ 3,279,909	\$ 6,613,979
Miscellaneous charges	2,977	-	-	-	45,845	48,822
Total operating revenues	2,433,858	792,753	42,309	68,127	3,325,754	6,662,801
Operating expenses:						
Personal services	2,723,779	465,981	-	-	1,372,013	4,561,773
Contractual services	2,987,044	198,661	30,944	47,917	1,572,162	4,836,728
Supplies	993,009	60,002	315	-	232,334	1,285,660
Depreciation	606,769	160,537	794	-	4,107	772,207
Miscellaneous	89,860	1,594	-	-	27,009	118,463
Total operating expenses	7,400,461	886,775	32,053	47,917	3,207,625	11,574,831
Operating income (loss)	(4,966,603)	(94,022)	10,256	20,210	118,129	(4,912,030)
Nonoperating revenues (expenses):						
Investment income	52,196	708	7,048	1,873	19,291	81,116
Hotel/motel tax	3,951,890	-	-	-	-	3,951,890
Miscellaneous	5,271	-	-	-	-	5,271
Total nonoperating revenue	4,009,357	708	7,048	1,873	19,291	4,038,277
Income (loss) before transfers	(957,246)	(93,314)	17,304	22,083	137,420	(873,753)
Transfers out	(1,187,288)	(44,550)	-	-	(155,524)	(1,387,362)
Change in net assets	(2,144,534)	(137,864)	17,304	22,083	(18,104)	(2,261,115)
Total net assets-beginning	7,994,722	2,689,372	1,777,312	156,256	445,100	13,062,762
Total net assets-ending	\$ 5,850,188	\$ 2,551,508	\$ 1,794,616	\$ 178,339	\$ 426,996	\$ 10,801,647

CITY OF PLANO, TEXAS  
STATEMENT OF CASH FLOWS  
NONMAJOR ENTERPRISE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	Business-type Activities Enterprise Funds					Total Nonmajor Enterprise Funds
	Civic Center	Municipal Golf Course	Property Management	Downtown Center Development	Recreation Revolving	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Cash received from customers	\$ 2,637,107	\$ 795,947	\$ 44,634	\$ 68,127	\$ 3,343,495	\$ 6,889,310
Cash payments to suppliers for goods and services	(4,059,033)	(274,070)	(21,110)	(47,917)	(1,907,473)	(6,309,603)
Cash payments to employees for services	(2,717,413)	(490,301)	-	-	(1,324,395)	(4,532,109)
Net cash provided (used) by operating activities	(4,139,339)	31,576	23,524	20,210	111,627	(3,952,402)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Hotel/motel tax	3,951,890	-	-	-	-	3,951,890
Transfers to other funds	(1,187,288)	(44,550)	-	-	(155,524)	(1,387,362)
Repayments to other funds	1,501	-	-	-	209	1,710
Net cash provided (used) by noncapital financing activities	2,766,103	(44,550)	-	-	(155,315)	2,566,238
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Acquisition and construction of capital assets	(132,318)	-	-	-	-	(132,318)
Proceeds from insurance damages	5,271	-	-	-	-	5,271
Net cash used by capital and related financing activities	(127,047)	-	-	-	-	(127,047)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Purchase of investment securities	(2,416,456)	(109,328)	(405,703)	(121,982)	(1,197,196)	(4,250,665)
Proceeds from sale and maturities of investment securities	607,537	19,931	63,159	17,160	202,646	910,433
Interest on investments	46,206	294	5,317	1,319	14,487	67,623
Net cash used by investing activities	(1,762,713)	(89,103)	(337,227)	(103,503)	(980,063)	(3,272,609)
<b>Net decrease in cash and cash equivalents</b>	<b>(3,262,996)</b>	<b>(102,077)</b>	<b>(313,703)</b>	<b>(83,293)</b>	<b>(1,023,751)</b>	<b>(4,785,820)</b>
<b>Cash and cash equivalents, October 1</b>	<b>3,638,140</b>	<b>118,855</b>	<b>375,963</b>	<b>102,013</b>	<b>1,207,825</b>	<b>5,442,796</b>
<b>Cash and cash equivalents, September 30</b>	<b>\$ 375,144</b>	<b>\$ 16,778</b>	<b>\$ 62,260</b>	<b>\$ 18,720</b>	<b>\$ 184,074</b>	<b>\$ 656,976</b>

Non-cash disclosure:

Increase in fair value of investments	1,893	\$ 120	\$ 493	\$ 156	\$ 1,381	\$ 4,043
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CITY OF PLANO, TEXAS  
STATEMENT OF CASH FLOWS  
NONMAJOR ENTERPRISE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2009  
(continued)

Business-type Activities  
Enterprise Funds

	Civic Center	Municipal Golf Course	Property Management	Downtown Center Development	Recreation Revolving	Total Nonmajor Enterprise Funds
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>						
Operating income (loss)	\$ (4,966,603)	\$ (94,022)	\$ 10,256	\$ 20,210	\$ 118,129	\$ (4,912,030)
<b>Adjustments to reconcile operating income to net cash provided by operating activities:</b>						
Depreciation	606,769	160,537	794	-	4,107	772,207
<b>Change in assets and liabilities:</b>						
(Increase) decrease in-						
Accounts receivable	197,736	3,194	2,325	-	5,233	208,488
Other receivable	-	-	-	-	(301)	(301)
Prepaid expenses & other assets	(7,198)	-	-	-	(13,316)	(20,514)
Increase (decrease) in-						
Accounts payable	18,078	(13,813)	10,149	-	(62,351)	(47,937)
Accrued liabilities	14,666	(2,764)	-	-	11,969	23,871
Liability for compensated absences	(8,300)	(21,556)	-	-	36,396	6,540
Customer deposits	-	-	-	-	4,377	4,377
Deferred revenue	5,513	-	-	-	7,384	12,897
<b>Total adjustments</b>	<u>827,264</u>	<u>125,598</u>	<u>13,268</u>	<u>-</u>	<u>(6,502)</u>	<u>959,628</u>
<b>Net cash provided (used) by operating activities</b>	<u>\$ (4,139,339)</u>	<u>\$ 31,576</u>	<u>\$ 23,524</u>	<u>\$ 20,210</u>	<u>\$ 111,627</u>	<u>\$ (3,952,402)</u>



## INTERNAL SERVICE FUNDS

Internal Service Funds accounts for the financing of goods or services provided by one department for another.

The City has six Internal Service Funds as follows:

**EQUIPMENT MAINTENANCE FUND-** to account for the cost of operating and maintaining automotive and other equipment used by City departments. Service charges are billed to departments on a monthly basis to cover all expenses of the fund, including depreciation of furniture and fixtures, machinery and equipment necessary to provide maintenance services and for replacement of the fleet.

**OFFICE SERVICES FUND-**to account for the cost of operating a centralized print shop, which performs printing and copying services, as well as interoffice mail delivery and other services, for City departments. Monthly charges are billed to departments to cover costs, including depreciation of furniture and equipment necessary to provide services.

**MUNICIPAL WAREHOUSE FUND-** to account for the operation of a central warehouse facility which provides the capability of storing and distributing in volume supplies and materials used by City departments. An overhead charge is applied to the purchase price of all materials handled to cover the operating costs, including the cost of goods sold.

**TECHNOLOGY SERVICES FUND-** to account for the data processing and information systems. Charges for software, hardware and maintenance of the systems are billed to the user funds.

**PROPERTY/LIABILITY LOSS FUND-** to account for the operation of a self-insurance program for general liability, public officials errors and omission, police professional liability, property loss and worker's compensation.

**HEALTH CLAIMS FUND-** to account for the self-insurance operation of group accident and health insurance coverage for all City employees. In addition to the basic insurance coverage provided, employees may purchase dependent coverage through payroll deductions. Coverage is financed by billings to the departments and through employee payroll deductions.

**CITY OF PLANO, TEXAS  
COMBINING STATEMENT OF NET ASSETS  
INTERNAL SERVICE FUNDS  
AS OF SEPTEMBER 30, 2009**

	<u>Equipment Maintenance</u>	<u>Office Services</u>	<u>Municipal Warehouse</u>
<b>ASSETS</b>			
Cash & cash equivalents	\$ 2,212,300	\$ 125	\$ 19,202
Investments	14,414,658	-	124,472
Receivables			
Accounts	-	868	136,322
115 trust	-	-	-
Accrued interest	75,394	-	651
Other	-	-	-
Due from other funds	-	55,838	-
Due from other governments	31	403	-
Inventories	99,859	9,303	833,620
Prepaid items	1,477	-	-
Restricted assets:			
Cash & cash equivalents	-	-	-
Investments	-	-	-
Accrued interest receivable	-	-	-
Capital assets:			
Land	51,515	-	-
Buildings	5,264,915	-	-
Equipment	8,686,327	297,069	117,782
Furniture & fixtures	42,662	449	11,200
Rolling equipment	56,292,557	-	-
Less accumulated depreciation	(51,061,019)	(251,358)	(124,452)
Total capital assets (net of accumulated depreciation)	19,276,957	46,160	4,530
Total Assets	<u>36,080,676</u>	<u>112,697</u>	<u>1,118,797</u>
<b>LIABILITIES:</b>			
<b>CURRENT LIABILITIES:</b>			
Accounts payable	476,798	119,650	268,709
Accrued liabilities	80,714	7,892	14,960
Due to other funds	4,740,099	105,051	418
Compensated absences	37,374	1,443	19,430
Liability for insurance claims	-	-	-
Total current liabilities	5,334,985	234,036	303,517
<b>NONCURRENT LIABILITIES:</b>			
Compensated absences	68,282	11,419	17,719
Liability for insurance claims	-	-	-
Total Liabilities	<u>5,403,267</u>	<u>245,455</u>	<u>321,236</u>
<b>NET ASSETS (DEFICIT)</b>			
Invested in capital assets	19,176,390	46,160	4,530
Unrestricted (deficit)	11,501,019	(178,918)	793,031
Total net assets (deficit)	<u>\$ 30,677,409</u>	<u>\$ (132,758)</u>	<u>\$ 797,561</u>

<b>Technology Services</b>	<b>Property/ Liability Loss</b>	<b>Health Claims</b>	<b>Total</b>
\$ 1,653,592	\$ 587,363	\$ 1,476,739	\$ 5,949,321
10,775,265	3,827,419	9,622,842	38,764,656
-	2,980	2,734	142,904
-	-	93,878	93,878
56,358	20,019	50,331	202,753
1,898	-	-	1,898
4,740,000	-	-	4,795,838
-	-	-	434
-	-	-	942,782
12,265	1,350	200,499	215,591
418,400	-	-	418,400
2,726,414	-	-	2,726,414
14,261	-	-	14,261
11,007	-	-	62,522
488,955	-	-	5,753,870
31,103,804	548,560	-	40,753,542
65,390	6,735	-	126,436
-	-	-	56,292,557
(20,702,617)	(555,295)	-	(72,694,741)
10,966,539	-	-	30,294,186
31,364,992	4,439,131	11,447,023	84,563,316
425,751	50,409	95,978	1,437,295
186,516	170,520	-	460,602
538	9,772	-	4,855,878
56,011	20,547	-	134,805
-	2,214,870	3,976,062	6,190,932
668,816	2,466,118	4,072,040	13,079,512
779,968	9,630	-	887,018
-	1,498,104	-	1,498,104
1,448,784	3,973,852	4,072,040	15,464,634
13,965,192	-	-	33,192,272
15,951,016	465,279	7,374,983	35,906,410
\$ 29,916,208	\$ 465,279	\$ 7,374,983	\$ 69,098,682

**CITY OF PLANO, TEXAS  
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

	<b>Equipment Maintenance</b>	<b>Office Services</b>	<b>Municipal Warehouse</b>
<b>REVENUES:</b>			
Charges for services	\$ 13,817,437	\$ 1,002,698	\$ 3,688,169
Miscellaneous	91	9,843	16,150
Total operating revenues	<u>13,817,528</u>	<u>1,012,541</u>	<u>3,704,319</u>
<b>EXPENSES:</b>			
Personal services	2,430,972	245,213	563,883
Contractual services	872,908	292,646	36,580
Supplies	2,442,283	311,825	3,189,411
Claims expense	-	-	-
Depreciation	5,820,562	3,255	605
Other post employment benefits	-	-	-
Miscellaneous	9,313	917	29,894
Total operating expenses	<u>11,576,038</u>	<u>853,856</u>	<u>3,820,373</u>
<b>Operating income (loss)</b>	<u>2,241,490</u>	<u>158,685</u>	<u>(116,054)</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>			
Investment income	170,908	-	421
Gain (loss) on capital asset disposal	460,811	-	50,770
Intergovernmental revenues	1,538	-	-
Miscellaneous	288	-	-
Total nonoperating revenues	<u>633,545</u>	<u>-</u>	<u>51,191</u>
<b>Income (loss) before transfers</b>	<u>2,875,035</u>	<u>158,685</u>	<u>(64,863)</u>
<b>Transfers out</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Change in net assets</b>	<u>2,875,035</u>	<u>158,685</u>	<u>(64,863)</u>
<b>Total net assets (deficit)-beginning</b>	<u>27,802,374</u>	<u>(291,443)</u>	<u>862,424</u>
<b>Total net assets (deficit)-ending</b>	<u>\$ 30,677,409</u>	<u>\$ (132,758)</u>	<u>\$ 797,561</u>

<b>Technology Services</b>	<b>Property/ Liability Loss</b>	<b>Health Claims</b>	<b>Total</b>
\$ 14,266,227	\$ 3,746,443	\$ 29,655,779	\$66,176,753
5,733	74,974	-	106,791
<u>14,271,960</u>	<u>3,821,417</u>	<u>29,655,779</u>	<u>66,283,544</u>
5,136,403	457,060	-	8,833,531
6,430,974	1,817,675	2,569,193	12,019,976
893,144	18,097	-	6,854,760
-	2,820,016	17,795,454	20,615,470
1,472,836	-	-	7,297,258
-	-	6,031,883	6,031,883
2,366	1,817	-	44,307
<u>13,935,723</u>	<u>5,114,665</u>	<u>26,396,530</u>	<u>61,697,185</u>
<u>336,237</u>	<u>(1,293,248)</u>	<u>3,259,249</u>	<u>4,586,359</u>
270,553	67,805	135,894	645,581
(8,918)	-	-	502,663
-	-	-	1,538
9,200	-	-	9,488
<u>270,835</u>	<u>67,805</u>	<u>135,894</u>	<u>1,159,270</u>
607,072	(1,225,443)	3,395,143	5,745,629
(1,450,000)	-	-	(1,450,000)
<u>(842,928)</u>	<u>(1,225,443)</u>	<u>3,395,143</u>	<u>4,295,629</u>
30,759,136	1,690,722	3,979,840	64,803,053
<u>\$ 29,916,208</u>	<u>\$ 465,279</u>	<u>\$ 7,374,983</u>	<u>\$69,098,682</u>

**CITY OF PLANO, TEXAS  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

	<b>Equipment Maintenance</b>	<b>Office Services</b>	<b>Municipal Warehouse</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Cash received from customers	\$ 13,817,625	\$ 955,506	\$ 3,573,384
Cash payments to suppliers for goods and services	(3,649,362)	(540,105)	(3,145,544)
Cash payments to employees for services	(2,429,402)	(243,423)	(572,344)
Net cash provided (used) by operating activities	<u>7,738,861</u>	<u>171,978</u>	<u>(144,504)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
Due (to) from other funds	4,740,000	105,051	-
Repayments (to) from other other funds	226,133	(277,029)	-
Transfers (to) from other funds	-	-	-
Grant receipts	1,538	-	-
Net cash provided (used) by noncapital financing activities	<u>4,967,671</u>	<u>(171,978)</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Acquisition and construction of capital assets	(2,708,549)	-	-
Proceeds on sale of equipment	482,812	-	50,770
Proceeds from insurance damages	288	-	-
Net cash provided (used) by capital and related financing activities	<u>(2,225,449)</u>	<u>-</u>	<u>50,770</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Purchase of investment securities	(14,414,658)	-	(124,472)
Proceeds from sales and maturities of investment securities	886,274	-	33,954
Interest on investments	84,045	-	162
Net cash used by investing activities	<u>(13,444,339)</u>	<u>-</u>	<u>(90,356)</u>
Net decrease in cash and cash equivalents	(2,963,256)	-	(184,090)
<b>Cash and cash equivalents, October 1</b>	<u>5,175,556</u>	<u>125</u>	<u>203,292</u>
<b>Cash and cash equivalents, September 30</b>	<u><u>\$ 2,212,300</u></u>	<u><u>\$ 125</u></u>	<u><u>\$ 19,202</u></u>
Non-cash disclosure:			
Increase in fair value of investments	\$ 23,636	\$ -	\$ 86
Transfer in of capital assets	-	-	-

<b>Technology Services</b>	<b>Property/ Liability Loss</b>	<b>Health Claims</b>	<b>Total</b>
\$ 14,277,638	\$ 3,938,071	\$ 29,561,565	\$ 66,123,789
(7,381,546)	(4,736,241)	(26,490,983)	(45,943,781)
(5,030,451)	(468,668)	-	(8,744,288)
<u>1,865,641</u>	<u>(1,266,838)</u>	<u>3,070,582</u>	<u>11,435,720</u>
(4,740,000)	9,369	-	114,420
-	-	-	(50,896)
(1,450,000)	-	-	(1,450,000)
-	-	-	1,538
<u>(6,190,000)</u>	<u>9,369</u>	<u>-</u>	<u>(1,384,938)</u>
(1,493,098)	-	-	(4,201,647)
-	-	-	533,582
9,200	-	-	9,488
<u>(1,483,898)</u>	<u>-</u>	<u>-</u>	<u>(3,658,577)</u>
(13,501,679)	(3,827,419)	(9,622,842)	(41,491,070)
3,031,409	805,646	1,145,863	5,903,146
231,273	55,393	88,257	459,130
<u>(10,238,997)</u>	<u>(2,966,380)</u>	<u>(8,388,722)</u>	<u>(35,128,794)</u>
(16,047,254)	(4,223,849)	(5,318,140)	(28,736,589)
<u>18,119,246</u>	<u>4,811,212</u>	<u>6,794,879</u>	<u>35,104,310</u>
<u>\$ 2,071,992</u>	<u>\$ 587,363</u>	<u>\$ 1,476,739</u>	<u>\$ 6,367,721</u>
\$ 11,259	\$ 3,704	\$ 13,280	\$ 51,965
65,707	-	-	65,707

(continued)

**CITY OF PLANO, TEXAS  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2009  
(continued)**

	<u>Equipment Maintenance</u>	<u>Office Services</u>	<u>Municipal Warehouse</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>			
Operating income (loss)	<u>\$ 2,241,490</u>	<u>\$ 158,685</u>	<u>\$ (116,054)</u>
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation expenses	5,820,562	3,255	605
Changes in assets and liabilities-			
(Increase) decrease in			
Accounts receivable	-	(794)	(131,353)
Due from other funds	-	(55,838)	-
Due from other governments	(2)	(403)	-
Prepaid items	(486)	215	-
Inventories	39,659	5,705	64,916
Increase (decrease) in			
Accounts payable	(364,031)	59,363	45,425
Accrued liabilities	3,971	764	(1,374)
Due to other funds	99	-	418
Compensated absences	(2,401)	1,026	(7,087)
Liability for insurance claims	-	-	-
Total adjustments	<u>5,497,371</u>	<u>13,293</u>	<u>(28,450)</u>
Net cash provided (used) by operating activities	<u><u>\$ 7,738,861</u></u>	<u><u>\$ 171,978</u></u>	<u><u>\$ (144,504)</u></u>

<b>Technology Services</b>	<b>Property/ Liability Loss</b>	<b>Health Claims</b>	<b>Total</b>
<u>\$ 336,237</u>	<u>\$(1,293,248)</u>	<u>\$ 3,259,249</u>	<u>\$ 4,586,359</u>
1,472,836	-	-	7,297,258
5,140	116,251	(94,214)	(104,970)
-	-	-	(55,838)
-	-	-	(405)
10,736	(995)	(64,374)	(54,904)
-	-	-	110,280
(65,798)	(326,564)	72,281	(579,324)
15,452	563	-	19,376
538	403	-	1,458
90,500	(12,171)	-	69,867
-	248,923	(102,360)	146,563
<u>1,529,404</u>	<u>26,410</u>	<u>(188,667)</u>	<u>6,849,361</u>
<u><u>\$ 1,865,641</u></u>	<u><u>\$(1,266,838)</u></u>	<u><u>\$ 3,070,582</u></u>	<u><u>\$ 11,435,720</u></u>



## **AGENCY FUNDS**

**DEVELOPERS' ESCROW FUND-** to account for escrow received from developers. The escrow will be used for construction of improvements to be made by the City.

**UNCLAIMED PROPERTY FUND-** to account for assets under \$100, which have been issued by the City but remain unclaimed. Disposition is made upon claim by rightful owners.

**CITY OF PLANO, TEXAS  
 COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
 FIDUCIARY FUNDS  
 AS OF SEPTEMBER 30, 2009**

	<u>Agency Funds</u>		<u>Total Agency Funds</u>
	<u>Developers' Escrow</u>	<u>Unclaimed Property</u>	
<b>ASSETS</b>			
Cash and cash equivalents	\$ 326,318	\$ 7,727	\$ 334,045
Investments	2,126,378	50,353	2,176,731
Accrued interest	11,122	263	11,385
<b>Total Assets</b>	<u>2,463,818</u>	<u>58,343</u>	<u>2,522,161</u>
<b>LIABILITIES</b>			
Developers' escrow liability	2,463,818	-	2,463,818
Unclaimed property payable	-	58,343	58,343
<b>Total Liabilities</b>	<u>\$ 2,463,818</u>	<u>\$ 58,343</u>	<u>\$ 2,522,161</u>

CITY OF PLANO, TEXAS  
STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	<u>Balance</u> <u>September 30, 2008</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>September 30, 2009</u>
<b>Developers' Escrow Fund</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 3,579,498	\$ -	\$ 3,253,180	\$ 326,318
Investments	596,637	1,529,741	-	2,126,378
Accrued interest receivable	8,415	2,707	-	11,122
<b>Total assets</b>	<u>\$ 4,184,550</u>	<u>\$ 1,532,448</u>	<u>\$ 3,253,180</u>	<u>\$ 2,463,818</u>
<b>LIABILITIES</b>				
Developers' escrow liability	4,184,550	-	1,720,732	2,463,818
<b>Total liabilities</b>	<u>\$ 4,184,550</u>	<u>\$ -</u>	<u>\$ 1,720,732</u>	<u>\$ 2,463,818</u>
<b>Unclaimed Property Fund</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 48,503	\$ -	\$ 40,776	\$ 7,727
Investments	8,084	42,269	-	50,353
Accrued interest receivable	114	149	-	263
<b>Total assets</b>	<u>\$ 56,701</u>	<u>\$ 42,418</u>	<u>\$ 40,776</u>	<u>\$ 58,343</u>
<b>LIABILITIES</b>				
Unclaimed property payable	56,701	1,642	-	58,343
<b>Total liabilities</b>	<u>\$ 56,701</u>	<u>\$ 1,642</u>	<u>\$ -</u>	<u>\$ 58,343</u>
<b>Total Fiduciary Funds</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 3,628,001	\$ -	\$ 3,293,956	\$ 334,045
Investments	604,721	1,572,010	-	2,176,731
Accrued interest receivable	8,529	2,856	-	11,385
<b>Total assets</b>	<u>\$ 4,241,251</u>	<u>\$ 1,574,866</u>	<u>\$ 3,293,956</u>	<u>\$ 2,522,161</u>
<b>LIABILITIES</b>				
Developers' escrow liability	4,184,550	-	1,720,732	2,463,818
Unclaimed property payable	56,701	1,642	-	58,343
<b>Total liabilities</b>	<u>\$ 4,241,251</u>	<u>\$ 1,642</u>	<u>\$ 1,720,732</u>	<u>\$ 2,522,161</u>



## **COMPONENT UNITS**

**ECONOMIC DEVELOPMENT BOARD-** organized to account for various financial and administrative services and a majority of funding provided to the Board by the City. The Board is legally separate from the City and does not appoint a majority of its governing board; however, the City Manager is a designated position on the Board and City Council appoints one member who must be a City Council Member to serve on the Board.

**TIF MALL-** organized to account for a tax increment financing unit for project improvements within the City. The City and Taubman Realty Group Limited Partnership entered into an agreement for the development of a regional mall.

**TIF EAST SIDE-** organized to account for a tax increment financing unit for improvements related to the future development of East Plano.

**CITY OF PLANO, TEXAS  
COMBINING STATEMENT OF FUND NET ASSETS  
DISCRETELY PRESENTED COMPONENT UNITS  
AS OF SEPTEMBER 30, 2009**

	<u>Economic Development</u>	<u>TIF Mall</u>	<u>TIF East Side</u>	<u>Total</u>
<b>ASSETS</b>				
Current:				
Cash and cash equivalents	\$ 1,883,424	\$ -	\$ 764,811	2,648,235
Investments	12,271,614	-	5,009,788	17,281,402
Receivables:				
Accrued interest	64,185	-	-	64,185
Noncurrent:				
Capital assets, net	2,074	-	4,005,866	4,007,940
<b>Total Assets</b>	<u>14,221,297</u>	<u>-</u>	<u>9,780,465</u>	<u>24,001,762</u>
<b>LIABILITIES</b>				
Current:				
Accounts payable	7,552	-	8,730	16,282
Accrued liabilities	21,145	-	-	21,145
Due to other governments	403	-	-	403
Compensated absences	992	-	-	992
Long-term:				
Notes payable	-	6,397,476	-	6,397,476
Compensated absences	144,761	-	-	144,761
<b>Total Liabilities</b>	<u>174,853</u>	<u>6,397,476</u>	<u>8,730</u>	<u>6,581,059</u>
<b>NET ASSETS (DEFICIT)</b>				
Invested in capital assets (net of related debt)	2,074	-	4,005,866	4,007,940
Unrestricted	14,044,370	(6,397,476)	5,765,869	13,412,763
<b>Total Net Assets (Deficit)</b>	<u>\$ 14,046,444</u>	<u>\$ (6,397,476)</u>	<u>\$ 9,771,735</u>	<u>\$ 17,420,703</u>

**CITY OF PLANO, TEXAS  
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS  
DISCRETELY PRESENTED COMPONENT UNITS  
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

	<b>Economic Development</b>	<b>TIF Mall</b>	<b>TIF East Side</b>	<b>Total</b>
<b>REVENUES</b>				
Charges for services	\$ 6,144,218	\$ -	\$ -	\$ 6,144,218
Miscellaneous	16	-	-	16
Total revenues	<u>6,144,234</u>	<u>-</u>	<u>-</u>	<u>6,144,234</u>
<b>EXPENSES</b>				
Personal services	592,986	-	-	592,986
Contractual services	3,756,967	4,740,878	2,932,535	11,430,380
Supplies	22,250	-	-	22,250
Depreciation	3,133	-	335,159	338,292
Miscellaneous	177,414	-	-	177,414
Total operating expenses	<u>4,552,750</u>	<u>4,740,878</u>	<u>3,267,694</u>	<u>12,561,322</u>
Operating income (loss)	1,591,484	(4,740,878)	(3,267,694)	(6,417,088)
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Property taxes	-	4,526,434	3,519,027	8,045,461
Investment income	199,383	-	-	199,383
Interest expense	-	(440,499)	(46,586)	(487,085)
Total nonoperating revenues	<u>199,383</u>	<u>4,085,935</u>	<u>3,472,441</u>	<u>7,757,759</u>
Change in net assets	1,790,867	(654,943)	204,747	1,340,671
Total net assets (deficit)-beginning	12,255,577	(5,742,533)	9,566,988	16,080,032
Total net assets (deficit)-ending	<u>\$ 14,046,444</u>	<u>\$ (6,397,476)</u>	<u>\$ 9,771,735</u>	<u>\$ 17,420,703</u>

**CITY OF PLANO, TEXAS  
COMBINING STATEMENT OF CASH FLOWS  
DISCRETELY PRESENTED COMPONENT UNITS  
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

	<u>Economic Development</u>	<u>TIF Mall</u>	<u>TIF East Side</u>	<u>Total</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Cash received from customers	\$ 6,144,234	\$ -	\$ -	\$ 6,144,234
Cash payments to suppliers for goods and services	(3,958,809)	(4,085,935)	(3,700,238)	(11,744,982)
Cash payments to employees for services	(576,188)	-	-	(576,188)
Net cash provided (used) by operating activities	<u>1,609,237</u>	<u>(4,085,935)</u>	<u>(3,700,238)</u>	<u>(6,176,936)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
Property taxes	-	4,526,434	3,519,027	8,045,461
Net cash provided by noncapital financing activities	<u>-</u>	<u>4,526,434</u>	<u>3,519,027</u>	<u>8,045,461</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Interest expense	-	(440,499)	(46,586)	(487,085)
Net cash used for operating and related financing activities	<u>-</u>	<u>(440,499)</u>	<u>(46,586)</u>	<u>(487,085)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Purchase of investment securities	(12,271,614)	-	(5,009,788)	(17,281,402)
Proceeds from sales and maturities of investment securities	1,784,964	-	867,899	2,652,863
Interest on investments	144,679	-	-	144,679
Net cash used by investing activities	<u>(10,341,971)</u>	<u>-</u>	<u>(4,141,889)</u>	<u>(14,483,860)</u>
Net decrease in cash and cash equivalents	(8,732,734)	-	(4,369,686)	(13,102,420)
<b>Cash and cash equivalents, October 1</b>	<u>10,616,158</u>	<u>-</u>	<u>5,134,497</u>	<u>15,750,655</u>
<b>Cash and cash equivalents, September 30</b>	<u>\$ 1,883,424</u>	<u>\$ -</u>	<u>\$ 764,811</u>	<u>\$ 2,648,235</u>
Non-cash disclosure:				
Capitalize interest on note payable	\$ -	\$ 440,499	\$ 46,586	\$ 487,085

**CITY OF PLANO, TEXAS  
COMBINING STATEMENT OF CASH FLOWS  
DISCRETELY PRESENTED COMPONENT UNITS  
FOR THE YEAR ENDED SEPTEMBER 30, 2009  
(continued)**

	<u>Economic Development</u>	<u>TIF Mall</u>	<u>TIF East Side</u>	<u>Total</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>				
Operating income (loss)	<u>\$ 1,591,484</u>	<u>\$(4,740,878)</u>	<u>\$(3,267,694)</u>	<u>\$ (6,417,088)</u>
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation expense	3,133	-	335,159	338,292
Changes in assets and liabilities-				
(Increase) decrease in				
Prepaid expenses	5,257	-	-	5,257
Increase (decrease) in				
Accounts payable	(7,838)	-	8,730	892
Notes payable	-	654,943	(776,433)	(121,490)
Accrued liabilities	16,798	-	-	16,798
Due to other governments	403	-	-	403
Total adjustments	<u>17,753</u>	<u>654,943</u>	<u>(432,544)</u>	<u>240,152</u>
Net cash provided (used) by operating activities	<u><u>\$ 1,609,237</u></u>	<u><u>\$(4,085,935)</u></u>	<u><u>\$(3,700,238)</u></u>	<u><u>\$ (6,176,936)</u></u>



**CITY OF PLANO, TEXAS**  
**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**  
**COMPARATIVE SCHEDULES BY SOURCE<sup>1</sup>**  
**AS OF SEPTEMBER 30, 2009 (unaudited)**

Governmental activities capital assets:	2009	2008
Land	\$ 107,064,055	\$ 106,928,486
Construction in progress	175,665,557	180,710,351
Buildings	124,645,356	96,054,185
Improvements other than buildings	96,572,951	85,244,071
Equipment	87,634,414	79,626,177
Public art	1,696,740	1,648,740
Infrastructure	900,435,524	879,883,057
Total governmental funds capital assets	\$ 1,493,714,597	\$ 1,430,095,067
Investments in governmental activities capital assets by source:		
General fund	\$ 320,177,663	\$ 283,018,384
Park improvements fund	96,572,951	85,244,071
Special revenue fund	814,902	968,464
Capital projects fund	1,076,149,081	1,060,864,148
	\$ 1,493,714,597	\$ 1,430,095,067

<sup>1</sup>This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

**CITY OF PLANO, TEXAS**  
**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**  
**SCHEDULE BY FUNCTION AND ACTIVITY<sup>1</sup>**  
**AS OF SEPTEMBER 30, 2009 (unaudited)**

Function and Activity	Land	Construction in Progress	Buildings	Improvements Other Than Buildings	Equipment	Public Art	Infrastructure	Total
<b>Administrative Services:</b>								
City Council	\$ -	\$ -	\$ -	\$ -	\$ 4,301	\$ -	\$ -	\$ 4,301
Administration	-	-	-	-	78,044	-	-	78,044
Legal	-	-	-	-	119,781	-	-	119,781
City Secretary	-	-	-	-	43,804	-	-	43,804
Internal Audit	-	-	-	-	11,944	-	-	11,944
Finance	-	-	-	-	26,238	-	-	26,238
Financial Systems Administration	-	-	-	-	10,148	-	-	10,148
Accounting	-	-	-	-	122,723	-	-	122,723
Budget	-	-	-	-	117,558	-	-	117,558
Administrative Services	-	-	-	-	12,636	-	-	12,636
Purchasing	-	-	-	-	50,998	-	-	50,998
Human Resources	-	-	-	-	119,789	-	-	119,789
	-	-	-	-	717,964	-	-	717,964
<b>Police:</b>								
Municipal Court Judge	2,780,978	-	6,178,741	-	43,209	-	-	9,002,928
Municipal Court Administration	-	-	782	-	474,392	-	-	475,174
Public Safety Administration	-	-	-	-	2,144,719	-	-	2,144,719
Community Response	-	-	-	-	17,446	-	-	17,446
Police	4,592,859	-	14,762,324	-	9,708,043	-	-	29,063,226
Emergency 911	-	-	368,383	-	5,315,345	-	-	5,683,728
	7,373,837	-	21,310,230	-	17,703,154	-	-	46,387,221
<b>Fire:</b>								
Fire	7,909,347	-	17,512,646	-	8,445,624	-	-	33,867,617
Fire-Civilian	-	-	-	-	24,254	-	-	24,254
Fire Marshal	-	-	-	-	76,262	-	-	76,262
	7,909,347	-	17,512,646	-	8,546,140	-	-	33,968,133
<b>Libraries:</b>								
Library Administration	-	-	3,052	-	3,040,211	-	-	3,043,263
Technical Services	-	-	-	-	15,119,037	-	-	15,119,037
Harrington Library	1,244,216	-	2,759,632	-	684,063	-	-	4,687,911
Schimeipfenig Library	1,445,885	-	3,199,362	-	247,977	-	-	4,893,224
Haggard Library	1,551,303	-	3,436,684	-	1,625,905	-	-	6,613,892
Davis Library	2,046,883	-	4,513,662	-	125,855	-	-	6,686,400
Parr Library	1,757,104	-	3,867,355	-	-	-	-	5,624,459
	8,045,391	-	17,779,747	-	20,843,048	-	-	46,668,186
<b>Development:</b>								
Building Administration	79,989	-	51,782	-	-	-	-	131,771
Building Maintenance	-	-	-	-	46,009	-	-	46,009
Building Maintenance	-	-	287,304	-	676,665	-	-	963,969
Custodial Services	-	-	-	-	3,251	-	-	3,251
Engineering	-	-	-	-	146,865	-	-	146,865
Capital Projects Coordination	-	-	-	-	219,754	-	-	219,754
Development	-	-	-	-	28,898	-	-	28,898
Community Services Administration	-	-	-	-	37,915	-	-	37,915
Community Development Administration	-	-	-	-	283,760	-	-	283,760
Planning	60,961	-	-	-	989,656	-	-	1,050,617
Transportation Engineering	-	-	-	-	93,671	-	-	93,671
Building Inspection	-	-	-	-	401,422	-	-	401,422
	140,950	-	339,086	-	2,927,866	-	-	3,407,902
<b>Public Services and Operations:</b>								
Public Information	-	-	-	-	887,227	-	-	887,227
Records Management	-	-	-	-	60,470	-	-	60,470
Environmental Health	-	-	-	-	223,028	-	-	223,028
Animal Control	101,571	-	2,409,927	-	334,250	-	-	2,845,748
	101,571	-	2,409,927	-	1,504,975	-	-	4,016,473

<sup>1</sup>This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

(continued)

CITY OF PLANO, TEXAS  
**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**  
**SCHEDULE BY FUNCTION AND ACTIVITY<sup>1</sup>**  
**AS OF SEPTEMBER 30, 2009 (unaudited)**  
(continued)

Function and Activity	Land	Construction in Progress	Buildings	Improvements Other Than Buildings	Equipment	Public Art	Infrastructure	Total
<b>Parks and Recreation:</b>	57,664,013	-	-	-	-	-	-	57,664,013
Parks and Recreation Administration	-	-	-	-	219,937	-	-	219,937
Park Administration	-	-	-	-	131,460	-	-	131,460
Park Planning	-	-	-	-	202,305	-	-	202,305
Park Development	2,059,268	-	11,700	-	187,558	-	-	2,258,526
Park Grounds Maintenance	-	-	215,854	-	837,063	-	-	1,052,917
Public Buildings Grounds Maintenance	-	-	-	-	116,158	-	-	116,158
Athletic Fields Grounds Maintenance	-	-	-	-	38,888	-	-	38,888
Championship Youth Ballpark	-	-	-	-	2,686	-	-	2,686
Median Maintenance	-	-	-	-	20,061	-	-	20,061
Creative Arts	25,797	-	555,007	-	30,432	-	-	611,236
Recreation Administration	-	-	-	-	362,775	-	-	362,775
Athletics	23,790	-	-	-	85,210	-	-	109,000
Special Activities	-	-	-	-	43,660	-	-	43,660
Aquatics	-	-	1,490,714	-	148,106	-	-	1,638,820
Tennis Center	-	-	85,426	-	7,835	-	-	93,261
Senior Services	1,861,895	-	4,129,627	-	156,123	-	-	6,147,645
Recreation Centers	784,700	-	34,629,124	-	1,563,049	-	-	36,976,873
Park Improvements	4,741,467	-	-	96,572,951	-	-	-	101,314,418
	<u>67,160,930</u>	<u>-</u>	<u>41,117,452</u>	<u>96,572,951</u>	<u>4,153,306</u>	<u>-</u>	<u>-</u>	<u>209,004,639</u>
<b>General Government:</b>	8,332,543	-	24,176,268	-	20,054,456	-	-	52,563,267
Enterprise Center	-	-	-	-	16,705	-	-	16,705
Productivity Bank	-	-	-	-	52,090	-	-	52,090
Downtown Advocacy	-	-	-	-	2,168	-	-	2,168
Volunteer Services	-	-	-	-	4,296	-	-	4,296
Tax Collections	-	-	-	-	302,069	-	-	302,069
Youth Advisory Committee	-	-	-	-	7,180	-	-	7,180
Telecommunications	-	-	-	-	425,506	-	-	425,506
	<u>8,332,543</u>	<u>-</u>	<u>24,176,268</u>	<u>-</u>	<u>20,864,470</u>	<u>-</u>	<u>-</u>	<u>53,373,281</u>
<b>Public Works:</b>	6,947,956	-	-	-	-	-	-	6,947,956
Public Works Administration	-	-	-	-	191,548	-	-	191,548
Streets and Traffic Administration	-	-	-	-	2,744,200	-	-	2,744,200
Streets	1,051,530	-	-	-	3,211,908	-	-	4,263,438
Signals	-	-	-	-	410,145	-	-	410,145
Signs and Markings	-	-	-	-	903,158	-	-	903,158
Sign Shop	-	-	-	-	186,012	-	-	186,012
Street and ROW Coordination	-	-	-	-	678,856	-	-	678,856
Infrastructure	-	-	-	-	-	-	900,435,524	900,435,524
	<u>7,999,486</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,325,827</u>	<u>-</u>	<u>900,435,524</u>	<u>916,760,837</u>
<b>Construction in Progress</b>	-	175,665,557	-	-	-	-	-	175,665,557
	<u>-</u>	<u>175,665,557</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>175,665,557</u>
<b>Public Art</b>	-	-	-	-	-	1,696,740	-	1,696,740
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,696,740</u>	<u>-</u>	<u>1,696,740</u>
<b>Other:</b>	-	-	-	-	-	-	-	-
Non-departmental	-	-	-	-	2,047,664	-	-	2,047,664
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,047,664</u>	<u>-</u>	<u>-</u>	<u>2,047,664</u>
<b>Total governmental funds capital assets</b>	<u>\$ 107,064,055</u>	<u>\$ 175,665,557</u>	<u>\$ 124,645,356</u>	<u>\$ 96,572,951</u>	<u>\$ 87,634,414</u>	<u>\$ 1,696,740</u>	<u>\$ 900,435,524</u>	<u>\$ 1,493,714,597</u>

<sup>1</sup>This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

**CITY OF PLANO, TEXAS  
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS  
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY<sup>1</sup>  
FOR THE YEAR ENDED SEPTEMBER 30, 2009 (unaudited)**

Function and Activity	Governmental Funds Capital Assets			Governmental Funds Capital Assets
	September 30, 2008	Additions	Deductions	September 30, 2009
<b>Administrative Services:</b>				
City Council	\$ 4,301	\$ -	\$ -	\$ 4,301
Administration	78,044	-	-	78,044
Legal	118,563	7,984	6,766	119,781
City Secretary	43,804	-	-	43,804
Internal Audit	11,944	-	-	11,944
Finance	26,238	-	-	26,238
Financial Systems Administration	10,148	-	-	10,148
Accounting	122,723	-	-	122,723
Budget	117,558	-	-	117,558
Administrative Services	12,636	-	-	12,636
Purchasing	50,998	-	-	50,998
Human Resources	119,789	-	-	119,789
	<u>716,746</u>	<u>7,984</u>	<u>6,766</u>	<u>717,964</u>
<b>Police:</b>				
Municipal Court Judge	9,003,651	-	723	9,002,928
Municipal Court Administration	395,469	79,705	-	475,174
Public Safety Administration	2,144,719	-	-	2,144,719
Community Response	17,446	-	-	17,446
Police	25,901,573	3,253,577	91,924	29,063,226
Emergency 911	5,333,276	350,452	-	5,683,728
	<u>42,796,134</u>	<u>3,683,734</u>	<u>92,647</u>	<u>46,387,221</u>
<b>Fire:</b>				
Fire	30,494,008	3,541,049	167,440	33,867,617
Fire-Civilian	24,254	-	-	24,254
Fire Marshal	76,262	-	-	76,262
	<u>30,594,524</u>	<u>3,541,049</u>	<u>167,440</u>	<u>33,968,133</u>
<b>Libraries:</b>				
Library Administration	2,955,607	87,656	-	3,043,263
Technical Services	14,021,519	1,183,755	86,237	15,119,037
Harrington Library	4,686,966	945	-	4,687,911
Schimelpfenig Library	4,829,520	82,187	18,483	4,893,224
Haggard Library	6,633,476	4,804	24,388	6,613,892
Davis Library	6,606,086	98,414	18,100	6,686,400
Parr Library	5,624,459	-	-	5,624,459
	<u>45,357,633</u>	<u>1,457,761</u>	<u>147,208</u>	<u>46,668,186</u>
<b>Development:</b>				
	131,771	-	-	131,771
Building Administration	46,009	-	-	46,009
Building Maintenance	774,700	189,269	-	963,969
Custodial Services	3,251	-	-	3,251
Engineering	146,865	56,453	56,453	146,865
Capital Projects Coordination	219,754	-	-	219,754
Development	28,898	-	-	28,898
Community Services Administration	37,915	-	-	37,915
Community Development Administration	285,151	-	1,391	283,760
Planning	1,210,555	-	159,938	1,050,617
Transportation Engineering	93,671	-	-	93,671
Building Inspection	401,422	-	-	401,422
	<u>3,379,962</u>	<u>245,722</u>	<u>217,782</u>	<u>3,407,902</u>
<b>Public Services and Operations:</b>				
Public Information	889,435	-	2,208	887,227
Records Management	60,470	-	-	60,470
Environmental Health	227,383	-	4,355	223,028
Animal Control	2,842,264	8,597	5,113	2,845,748
	<u>4,019,552</u>	<u>8,597</u>	<u>11,676</u>	<u>4,016,473</u>

<sup>1</sup>This schedule presents only the capital asset balar (continued)

(continued)

Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

**CITY OF PLANO, TEXAS**  
**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**  
**SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY<sup>1</sup>**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2009 (unaudited)**  
**(continued)**

Function and Activity	Governmental Funds Capital Assets			Governmental Funds Capital Assets
	September 30, 2008	Additions	Deductions	September 30, 2009
Parks and Recreation:	62,374,297	31,183	-	62,405,480
Parks and Recreation Administration	193,623	26,314	-	219,937
Park Administration	131,460	10,452	10,452	131,460
Park Planning	202,305	1,000	1,000	202,305
Park Development	2,255,229	4,809	1,512	2,258,526
Park Grounds Maintenance	1,017,417	133,666	98,166	1,052,917
Public Buildings Grounds Maintenance	116,158	-	-	116,158
Athletic Fields Grounds Maintenance	38,888	93,133	93,133	38,888
Championship Youth Ballpark	2,686	-	-	2,686
Median Maintenance	20,061	-	-	20,061
Creative Arts	611,236	1,500	1,500	611,236
Recreation Administration	362,775	-	-	362,775
Athletics	60,500	49,500	1,000	109,000
Special Activities	43,660	-	-	43,660
Aquatics	1,638,820	-	-	1,638,820
Tennis Center	93,261	-	-	93,261
Senior Services	6,147,645	-	-	6,147,645
Recreation Centers	14,791,746	22,193,578	8,451	36,976,873
Park Improvements	85,244,071	11,328,880	-	96,572,951
	<u>175,345,838</u>	<u>33,874,015</u>	<u>215,214</u>	<u>209,004,639</u>
General Government:	46,718,339	5,867,808	22,880	52,563,267
Enterprise Center	16,705	-	-	16,705
Productivity Bank	52,090	-	-	52,090
Downtown Advocacy	2,168	-	-	2,168
Volunteer Services	4,296	-	-	4,296
Tax Collections	302,069	-	-	302,069
Youth Advisory Committee	7,180	-	-	7,180
Telecommunications	425,506	-	-	425,506
	<u>47,528,353</u>	<u>5,867,808</u>	<u>22,880</u>	<u>53,373,281</u>
Public Works:	6,947,956	-	-	6,947,956
Public Works Administration	191,548	-	-	191,548
Streets and Traffic Administration	2,744,200	-	-	2,744,200
Streets	4,004,638	261,140	2,340	4,263,438
Signals	410,145	8,662	8,662	410,145
Signs and Markings	903,158	-	-	903,158
Sign Shop	186,012	-	-	186,012
Street and ROW Coordination	678,856	-	-	678,856
Infrastructure	879,883,057	20,552,467	-	900,435,524
	<u>895,949,570</u>	<u>20,822,269</u>	<u>11,002</u>	<u>916,760,837</u>
Construction in progress	<u>180,710,351</u>	<u>57,910,751</u>	<u>62,955,545</u>	<u>175,665,557</u>
	<u>180,710,351</u>	<u>57,910,751</u>	<u>62,955,545</u>	<u>175,665,557</u>
Public Art	<u>1,648,740</u>	<u>48,000</u>	-	<u>1,696,740</u>
	<u>1,648,740</u>	<u>48,000</u>	-	<u>1,696,740</u>
Other:				
Non-departmental	<u>2,047,664</u>	-	-	<u>2,047,664</u>
	<u>2,047,664</u>	-	-	<u>2,047,664</u>
	<u>\$ 1,430,095,067</u>	<u>\$ 127,467,690</u>	<u>\$ 63,848,160</u>	<u>\$ 1,493,714,597</u>

<sup>1</sup>This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.



**STATISTICAL SECTION  
(unaudited)**

Tables in the statistical section present detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the overall financial health of the City.

	<u>Pages</u>
<u>Financial Trends</u> - These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	105-110
<u>Revenue Capacity</u> - These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	111-114
<u>Debt Capacity</u> - These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	115-120
<u>Demographic and Economic Information</u> - These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	121-122
<u>Operating Information</u> - These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	123-127

Table 1

**CITY OF PLANO, TEXAS**  
**NET ASSETS**  
**LAST NINE FISCAL YEARS**  
**(accrual basis of accounting)**  
**(unaudited)**

	Fiscal Year									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	
<b>Governmental activities</b>										
Invested in capital assets, net of related debt	\$728,662,561	\$700,704,326	\$680,315,170	\$650,438,402	\$613,733,146	\$589,409,075	\$479,414,392	\$461,267,761	\$425,662,237	
Restricted	3,270,626	5,473,218	4,647,374	2,149,959	1,922,052	216,903	87,341,705	97,815,890	68,789,774	
Unrestricted	72,524,094	78,416,391	78,312,580	75,071,790	56,238,723	51,176,536	49,956,552	35,423,813	64,644,053	
<b>Total governmental activities net assets</b>	<b>\$804,457,281</b>	<b>\$784,593,935</b>	<b>\$763,275,124</b>	<b>\$727,660,151</b>	<b>\$671,893,921</b>	<b>\$640,802,514</b>	<b>\$616,712,649</b>	<b>\$594,507,464</b>	<b>\$559,096,064</b>	
<b>Business-type activities</b>										
Invested in capital assets, net of related debt	\$383,531,217	\$376,593,433	\$370,233,734	\$356,802,993	\$350,430,598	\$347,518,646	\$313,029,967	\$305,107,182	\$289,013,497	
Restricted	3,911,737	6,588,596	4,735,897	6,532,464	5,306,823	6,766,092	28,039,557	26,786,728	33,293,518	
Unrestricted	25,620,288	25,092,659	19,637,859	24,893,803	18,175,790	15,882,295	25,278,444	26,035,008	28,278,643	
<b>Total business-type activities net assets</b>	<b>\$413,063,242</b>	<b>\$408,274,688</b>	<b>\$394,607,490</b>	<b>\$388,229,260</b>	<b>\$373,913,211</b>	<b>\$370,167,033</b>	<b>\$366,347,968</b>	<b>\$357,928,918</b>	<b>\$350,585,658</b>	
<b>Primary government</b>										
Invested in capital assets, net of related debt	\$1,112,193,778	\$1,077,297,759	\$1,050,548,904	\$1,007,241,395	\$964,163,744	\$936,927,721	\$792,444,359	\$766,374,943	\$714,675,734	
Restricted	7,182,363	12,061,814	9,383,271	8,682,423	7,228,875	6,982,995	115,381,262	124,602,618	102,083,292	
Unrestricted	98,144,382	103,509,050	97,950,439	99,965,593	74,414,513	67,058,831	75,234,996	61,458,821	92,922,696	
<b>Total primary government net assets</b>	<b>\$1,217,520,523</b>	<b>\$1,192,868,623</b>	<b>\$1,157,882,614</b>	<b>\$1,115,889,411</b>	<b>\$1,045,807,132</b>	<b>\$1,010,969,547</b>	<b>\$983,060,617</b>	<b>\$952,436,382</b>	<b>\$909,681,722</b>	

Source: Comprehensive Annual Financial Report

Note: The City implemented GASB Statement No. 34 in fiscal year 2001, thus 10 years of data is not available.

**CITY OF PLANO, TEXAS  
CHANGES IN NET ASSETS  
LAST NINE FISCAL YEARS  
(accrual basis of accounting)  
(unaudited)**

Table 2

	Fiscal Year								
	2009	2008	2007	2006	2005	2004	2003	2002	2001
<b>Expenses</b>									
Governmental activities:									
General government	\$14,360,212	\$9,052,498	\$12,820,474	\$12,869,160	\$9,610,588	\$12,512,878	\$17,438,330	\$20,985,117	\$18,355,535
Administrative services	8,294,111	8,423,416	7,814,137	7,249,106	6,793,122	5,768,394	6,528,175	6,828,203	6,592,633
Police	65,225,173	68,433,179	60,136,573	52,661,945	52,064,166	48,243,055	45,893,819	45,446,673	42,581,088
Fire	44,279,959	44,201,284	39,368,057	40,171,670	33,765,963	30,628,041	29,814,653	27,910,479	27,054,838
Libraries	11,104,945	11,765,263	10,560,624	9,616,271	8,921,361	9,061,682	9,350,720	10,410,853	9,284,824
Development	19,929,365	20,447,190	19,508,839	18,482,899	17,415,770	16,295,697	15,320,345	16,981,049	15,355,833
Public services and operations	5,645,771	5,402,333	5,213,097	5,069,129	4,760,409	4,879,335	4,607,610	5,019,854	4,703,802
Parks and recreation	26,170,315	26,134,622	22,645,606	20,491,397	19,220,854	17,705,076	18,614,020	21,945,020	20,092,645
Public works	28,025,006	27,944,393	26,677,227	25,864,753	25,047,789	24,743,556	25,157,249	15,572,746	15,286,957
Technology services	14,008,840	13,686,048	12,951,258	11,113,407	12,319,110	11,963,912	9,596,783	8,422,018	8,040,874
Other	5,480,962	7,401,221	6,577,443	858,379	633,447	752,988	752,748	92,178	2,736,606
Interest on Long-Term Debt	14,640,081	14,625,019	12,503,580	12,009,766	9,882,495	13,907,340	14,830,089	16,514,330	17,666,935
Unallocated depreciation	96,934	102,199	100,907	93,337	37,954	38,323	41,175	81,359	79,865
Total governmental activities expenses	257,261,674	257,618,665	236,877,822	216,551,219	200,473,028	196,500,277	197,945,716	196,213,879	187,832,435
Business-type activities:									
Water and sewer	96,352,987	83,264,179	78,413,719	79,400,088	74,996,817	71,292,512	69,729,462	63,207,453	59,070,751
Environmental waste services	21,354,795	21,863,854	19,298,289	18,346,330	17,775,614	15,856,929	15,640,696	15,070,559	14,906,908
Municipal drainage	3,843,011	3,530,079	3,429,488	3,118,453	3,012,888	2,895,673	2,586,813	2,257,100	2,035,853
Civic center	7,331,173	7,311,505	6,416,054	5,751,129	5,488,081	5,075,801	5,107,302	5,326,148	5,327,149
Municipal golf course	870,436	1,000,257	885,158	935,483	1,052,789	1,188,468	927,797	872,512	814,230
Property management	32,053	39,291	78,759	25,940	65,746	86,193	75,118	33,117	53,168
Recreation revolving	3,191,594	3,096,166	2,642,687	2,436,064	2,471,405	2,409,349	2,401,070	2,274,243	2,006,723
Downtown center development	47,917	46,176	46,784	43,356	42,668	42,668	42,668	34,412	63,484
Total business-type activities expenses	133,023,966	120,151,507	111,210,938	110,056,843	104,905,978	98,847,593	96,510,926	89,083,544	84,278,266
Total primary government expenses	\$390,285,640	\$377,770,172	\$348,088,760	\$326,608,062	\$305,379,006	\$295,347,870	\$294,456,642	\$285,297,423	\$272,110,701
<b>Program Revenues</b>									
Governmental activities:									
Charges for services:									
General government	\$994,964	\$1,634,183	\$1,009,164	\$1,056,168	\$1,123,970	\$896,238	\$622,533	\$498,562	\$417,460
Police	15,344,518	12,939,924	12,413,238	12,839,712	11,401,502	12,162,718	11,986,491	11,647,864	10,464,785
Fire	4,161,383	3,801,412	3,446,175	3,396,538	3,114,030	2,807,624	2,630,739	2,665,946	2,299,985
Libraries	545,755	453,572	496,697	478,457	415,128	413,414	384,080	359,232	262,828
Development	3,175,176	4,686,571	5,124,766	7,038,776	5,363,885	4,849,896	4,503,747	4,033,639	6,400,990
Public services and operations	1,277,357	1,150,449	1,016,193	1,005,080	900,055	882,984	803,013	700,666	582,456
Parks and recreation	3,952,244	3,685,465	2,357,306	2,629,899	2,088,289	2,269,333	2,234,251	2,271,951	2,527,506
Public works	40,592	104,028	84,217	93,534	670,985	115,206	830,296	395,593	1,906,780
Technology services	2,882,354	2,590,036	2,459,419	2,315,210	2,713,243	1,411,457	2,388,886	1,904,632	1,637,408
Operating grants and contributions	7,430,737	4,773,881	4,592,308	9,695,987	4,419,525	3,979,053	3,714,781	3,394,749	3,286,849
Capital grants and contributions	10,939,098	9,654,400	13,499,864	16,672,181	11,494,632	9,479,363	11,396,047	32,522,496	7,162,367
Total governmental activities program revenues	50,744,178	45,473,921	46,499,347	57,221,542	43,705,224	39,267,286	41,494,864	60,395,330	36,949,414

(continued)

**CITY OF PLANO, TEXAS  
CHANGES IN NET ASSETS  
LAST NINE FISCAL YEARS  
(accrual basis of accounting)  
(unaudited)**

**Table 2  
(continued)**

	Fiscal Year								
	2009	2008	2007	2006	2005	2004	2003	2002	2001
<b>Business-type activities:</b>									
Charges for services:									
Water and sewer	\$108,076,125	\$100,049,904	\$83,598,039	\$90,197,835	\$80,490,282	\$75,116,766	\$78,836,837	\$63,374,773	\$56,000,539
Environmental waste services	15,101,758	14,772,782	14,196,523	12,784,020	12,239,098	11,926,172	10,099,001	9,694,467	9,367,676
Municipal drainage	5,050,406	4,995,106	4,986,648	4,918,531	4,653,546	4,684,635	4,651,887	4,250,933	3,579,115
Civic center	2,439,129	2,693,882	2,589,358	2,414,989	2,203,629	1,968,913	1,969,739	2,197,003	2,226,117
Municipal golf course	792,753	846,096	823,353	907,325	1,009,294	963,653	863,653	953,653	956,099
Property management	42,309	72,567	81,587	85,789	84,468	74,301	94,538	65,779	75,444
Recreation revolving	3,325,754	3,080,725	2,765,100	2,656,865	2,600,095	2,591,140	2,486,156	2,444,845	2,159,850
Downtown center development	68,127	68,127	68,127	68,127	67,679	67,879	84,596	736	-
Operating grants and contributions	339,804	60,609	289,052	22,828	259,951	15,107	260,702	-	2,850
Capital grants and contributions	5,128,295	7,354,169	7,991,489	10,048,819	7,762,146	6,746,298	6,612,238	12,293,848	11,176,751
Total business-type activities program revenues	140,364,460	133,993,967	117,389,276	124,105,128	111,370,188	104,096,931	105,959,347	95,275,972	85,544,441
Total primary government program revenues	\$191,108,638	\$179,467,888	\$163,888,623	\$181,326,670	\$155,075,412	\$143,364,217	\$147,454,211	\$155,671,302	\$122,493,855
<b>Net (Expense) Revenue</b>									
Governmental Activities	(206,517,496)	(212,144,744)	(190,378,475)	(159,329,677)	(156,767,804)	(157,232,991)	(156,450,852)	(135,818,549)	(150,883,021)
Business-type Activities	7,340,494	13,842,460	6,178,338	14,048,285	6,464,210	5,249,338	9,448,421	6,192,428	1,266,175
Total primary government net (expense)	(199,177,002)	(198,302,284)	(184,200,137)	(145,281,392)	(150,303,594)	(151,983,653)	(147,002,431)	(129,626,121)	(149,616,846)
<b>General revenues and transfers</b>									
Governmental activities:									
Property taxes	\$127,265,332	\$123,054,998	\$114,157,316	\$104,809,088	\$100,094,935	\$97,679,382	\$97,806,975	\$89,723,339	\$84,499,132
Sales taxes	56,084,538	62,122,119	61,573,210	65,320,897	52,251,009	49,602,196	45,932,804	45,591,342	47,569,128
Mixed drink taxes	997,051	1,003,932	983,663	814,346	680,135	613,182	548,213	508,009	475,118
Other taxes	118,580	360,115	225,445	215,439	135,574	129,814	146,765	143,061	143,061
Franchise fees	23,995,388	23,022,217	22,463,447	22,114,560	19,200,896	19,226,216	19,896,556	19,916,471	19,335,868
Investment income	4,632,949	10,683,028	13,985,970	9,914,048	3,558,018	3,797,449	4,546,042	7,205,315	11,227,523
Transfers	13,307,004	13,217,146	12,604,397	11,907,529	11,938,644	10,274,617	9,832,967	8,138,708	5,600,488
Total governmental activities	226,380,842	233,463,555	225,993,448	215,095,907	187,859,211	181,322,856	178,656,037	171,229,949	168,850,318
Business-type activities:									
Hotel/Motel tax	3,951,890	4,909,061	4,741,492	4,416,422	3,423,055	3,076,824	2,900,308	2,699,230	3,202,533
Franchise fees	6,198,973	6,721,464	6,259,512	5,876,771	5,254,809	5,021,716	4,979,213	4,739,942	4,703,106
Investment income	604,201	1,411,359	1,803,285	1,882,100	542,748	745,804	924,075	1,850,368	4,289,004
Transfers	(13,307,004)	(13,217,146)	(12,604,397)	(11,907,529)	(11,938,644)	(10,274,617)	(9,832,967)	(8,138,708)	(4,675,730)
Total business-type activities	(2,551,940)	(175,262)	199,892	267,764	(2,718,032)	(1,430,273)	(1,029,371)	1,150,832	7,518,913
Total primary government	\$223,828,902	\$233,288,293	\$226,193,340	\$215,363,671	\$185,141,179	\$179,892,583	\$177,626,666	\$172,380,781	\$176,369,231
Change in Net Assets	\$19,863,346	\$21,318,811	\$35,614,973	\$55,766,230	\$31,091,407	\$24,089,865	\$22,205,185	\$35,411,400	\$17,967,297
Governmental activities	4,788,554	13,667,198	6,378,230	14,316,049	3,746,178	3,819,065	8,419,050	7,343,260	8,785,088
Business-type activities	\$24,651,900	\$34,986,009	\$41,993,203	\$70,082,279	\$34,837,585	\$27,908,930	\$30,624,235	\$42,754,660	\$26,752,385

Source: Comprehensive Annual Financial Report  
Note: The City implemented GASB Statement No. 34 in fiscal year 2001, thus 10 years of data is not available.

**CITY OF PLANO, TEXAS  
FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(modified accrual basis of accounting)  
(unaudited)**

	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
<b>General Fund</b>										
Reserved for encumbrances	\$4,055,302	\$2,683,725	\$1,566,433	\$2,776,694	\$2,283,707	\$3,718,284	\$1,682,711	\$2,747,069	\$4,574,168	\$4,441,987
Reserved for prepaids	579,041	159,121	90,268	229,018	145,343	114,548	50,622	30,273	26,106	35,103
Reserved for long term loans	6,397,476	6,518,966	6,925,599	7,310,017	7,672,675	7,916,108	7,468,026	7,005,764	3,600,325	2,833
Unreserved	31,712,311	35,379,734	37,101,360	38,488,933	29,122,461	27,747,994	20,600,580	13,096,232	14,320,196	19,605,217
<b>Total general fund</b>	<b>\$42,744,130</b>	<b>\$44,741,546</b>	<b>\$45,683,660</b>	<b>\$48,804,662</b>	<b>\$39,224,186</b>	<b>\$39,496,934</b>	<b>\$29,801,939</b>	<b>\$22,879,338</b>	<b>\$22,520,795</b>	<b>\$24,085,140</b>
<b>All Other Governmental Funds</b>										
Reserved for:										
Encumbrances	\$21,812,502	\$39,404,227	\$23,855,483	\$39,234,962	\$19,366,204	\$19,541,095	\$8,417,242	\$15,661,184	\$20,202,444	\$27,316,311
Prepaids and other assets	2,680	6,195	2,702	4,490	205,108	6,415	325	150	2,286	465
Debt service	3,250,126	5,491,973	4,754,700	2,171,565	1,937,365	224,322	719,504	5,975,191	4,759,993	1,944,438
Long term loans and advances	-	-	-	-	775,299	951,845	-	-	-	-
Capital projects	101,167,295	88,689,616	72,879,121	54,451,744	52,861,830	21,211,416	68,944,146	64,648,100	60,803,970	33,635,418
Unreserved, reported in:										
Special Revenue funds	20,263,382	17,680,256	15,516,547	13,184,351	10,306,964	8,883,675	8,196,811	7,523,025	4,906,653	2,822,592
Capital Projects funds	142,009	130,154	731,846	705,600	666,097	18,482,081	(281,966)	(1,370,776)	(4,269,534)	(6,110,231)
<b>Total all other governmental funds</b>	<b>\$146,637,994</b>	<b>\$151,402,421</b>	<b>\$117,740,399</b>	<b>\$109,752,712</b>	<b>\$86,118,867</b>	<b>\$69,300,849</b>	<b>\$85,996,062</b>	<b>\$92,436,874</b>	<b>\$86,405,812</b>	<b>\$59,608,993</b>

Source: Comprehensive Annual Financial Report

**CITY OF PLANO, TEXAS**  
**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(modified accrual basis of accounting)**  
**(unaudited)**

	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
<b>Revenues:</b>										
Taxes-										
Property taxes	\$119,568,563	\$114,494,640	\$107,059,153	\$97,121,351	\$93,311,613	\$91,655,523	\$90,100,086	\$85,228,237	\$77,822,525	\$71,054,998
Other taxes	57,577,341	63,266,376	63,425,218	59,581,037	53,007,928	50,289,482	46,555,857	46,167,605	48,119,027	46,683,884
Franchise fees	23,586,443	22,628,847	22,039,441	21,720,865	19,200,896	19,226,216	19,698,926	19,700,523	19,090,181	15,120,762
Fines and forfeitures	10,982,616	9,167,406	9,822,913	10,125,683	8,961,337	9,806,522	9,738,545	8,809,121	7,845,797	6,508,695
Contributions	5,206,878	3,845,932	306,924	1,081,788	3,826,173	2,017,253	3,636,791	13,162,633	7,407,334	9,141,106
Rollback taxes	263,577	1,134,487	1,172,609	735,757	223,159	205,506	350,203	-	1,106,206	1,043,361
Licenses and permits	4,786,291	5,235,695	5,524,955	6,800,126	5,195,516	5,131,810	4,831,824	4,381,369	6,025,513	6,959,848
Intragovernmental	7,739,588	7,276,212	6,399,935	6,592,673	6,235,373	5,851,135	5,940,984	5,089,048	4,842,117	4,877,386
Intergovernmental	7,118,445	3,432,643	3,915,812	8,744,104	3,898,076	2,983,278	2,767,470	2,378,724	2,354,764	2,212,066
Fees for services	13,808,677	13,488,581	10,476,645	11,177,263	9,705,325	8,846,147	8,540,621	8,532,636	8,926,426	8,709,263
Assessments	10,094	25,465	99,741	443,672	202,427	197,763	542,131	44,445	567,590	582,653
Investment income	3,988,091	8,420,799	10,779,409	7,777,156	2,727,800	3,019,984	3,687,989	5,531,416	8,647,429	6,577,294
Proceeds from sale of capital assets	-	-	-	-	-	21,000	-	-	-	-
Miscellaneous	-	1,909,910	1,407,342	4,865,976	1,262,983	1,111,417	1,045,888	889,639	786,238	585,973
<b>Total Revenues</b>	<b>257,093,223</b>	<b>254,326,993</b>	<b>242,430,097</b>	<b>236,767,451</b>	<b>207,758,606</b>	<b>200,363,036</b>	<b>197,437,315</b>	<b>199,915,396</b>	<b>193,541,147</b>	<b>180,057,289</b>
<b>Expenditures:</b>										
Current-										
General government	613,652	878,675	1,255,206	1,309,980	577,990	2,764,025	2,912,453	3,194,862	2,722,284	-
Administrative services	8,239,334	8,208,019	7,916,611	7,282,215	6,892,456	6,312,095	6,509,715	6,581,342	6,344,653	-
Police	63,987,283	61,831,212	59,114,102	53,618,495	51,031,849	47,219,455	43,743,086	42,647,390	39,486,865	-
Fire	43,080,441	41,361,437	39,096,906	40,124,063	33,650,136	29,026,018	28,248,820	25,895,256	24,495,435	-
Libraries	10,314,568	10,467,040	10,139,905	9,238,861	8,705,346	8,564,913	8,702,926	8,619,718	7,874,877	-
Development	19,924,444	19,635,957	19,644,186	18,420,446	17,233,160	16,078,528	15,178,820	16,126,052	14,736,448	-
Public services and operations	5,757,144	5,377,281	5,403,953	5,063,124	4,786,528	4,548,593	4,363,610	4,632,868	4,323,585	-
Parks and recreation	21,407,832	20,681,818	18,785,397	16,709,740	15,891,574	13,961,744	13,602,042	13,384,235	12,318,857	-
Environmental waste services	300,339	53,576	258,275	19,845	215,025	14,194	249,778	-	-	30,334,973
Public works	5,840,246	5,820,027	5,764,590	5,273,610	5,395,278	4,948,866	5,038,706	4,843,160	4,849,468	-
Other	27,609,726	27,266,420	26,335,719	18,381,077	17,403,344	13,747,316	17,752,756	15,284,555	16,502,541	-
Capital outlay	60,362,017	54,679,984	68,000,143	49,933,401	44,443,506	35,349,894	41,042,654	40,704,962	46,091,229	-
General government	-	-	-	-	-	-	-	-	-	58,758,930
Public Safety	-	-	-	-	-	-	-	-	-	27,916,785
Community services	-	-	-	-	-	-	-	-	-	4,737,909
Public works	-	-	-	-	-	-	-	-	-	55,403,432
Capital Outlay	-	-	-	-	-	-	-	-	-	-
Debt service-	-	-	-	-	-	-	-	-	-	-
Principal retirement	25,645,000	23,510,000	21,020,000	20,510,000	19,407,991	18,187,142	17,688,449	16,681,306	15,802,440	20,495,000
Interest and fiscal charges	15,037,063	14,598,200	12,837,888	12,154,302	10,669,530	13,527,706	14,616,031	15,970,668	17,650,384	11,332,423
Escrow payment-refunding	-	-	-	-	-	-	-	1,216,610	-	-
Bond accretion	-	-	-	-	962,009	-	-	-	-	-
<b>Total Expenditures</b>	<b>308,119,089</b>	<b>294,369,646</b>	<b>295,572,881</b>	<b>258,039,159</b>	<b>237,265,722</b>	<b>214,250,489</b>	<b>219,649,846</b>	<b>215,782,984</b>	<b>213,199,066</b>	<b>208,979,452</b>
Deficiency Of Revenues	(51,025,866)	(40,042,653)	(53,142,784)	(21,271,708)	(29,507,116)	(13,887,453)	(22,212,531)	(15,867,588)	(19,657,919)	(28,922,163)
Under Expenditures										

CITY OF PLANO, TEXAS  
 CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS  
 LAST TEN FISCAL YEARS  
 (modified accrual basis of accounting)  
 (unaudited)

Table 4  
 (continued)

	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
<b>Other Financing Sources (Uses):</b>										
Proceeds from sale of bonds	29,315,000	58,370,000	46,675,000	44,690,000	37,190,000	-	20,314,000	15,630,000	38,510,000	24,330,000
Tax anticipation note and bond premiums	-	-	-	-	-	-	-	-	637,205	-
Bond proceeds-refunding	12,370,000	-	-	-	78,380,000	-	22,796,533	42,842,287	-	-
Premium on sale of bonds	250,350	925,415	1,162,822	1,615,017	5,866,266	-	-	-	-	1,883
Discount on sale of bonds	-	-	-	(350,017)	(200,473)	-	-	-	-	-
Escrow payment-refunding	(12,428,331)	-	-	-	(84,067,431)	-	(23,151,258)	(42,503,801)	-	-
Sale of land	-	-	-	-	336,536	-	-	-	-	-
Operating transfers in	25,390,773	24,276,733	23,414,508	23,687,190	22,349,005	21,611,533	17,910,089	16,538,678	19,562,088	11,866,356
Operating transfers out	(10,633,769)	(10,809,587)	(13,242,861)	(15,156,161)	(13,801,517)	(14,724,298)	(15,175,044)	(10,249,971)	(13,818,900)	(7,279,772)
<b>Total Other Financing Sources (Uses)</b>	<b>44,264,023</b>	<b>72,762,561</b>	<b>58,009,469</b>	<b>54,486,029</b>	<b>46,052,386</b>	<b>6,887,235</b>	<b>22,694,320</b>	<b>22,257,193</b>	<b>44,890,393</b>	<b>28,918,467</b>
<b>Net change in fund balances</b>	<b>(6,761,843)</b>	<b>32,719,908</b>	<b>4,866,685</b>	<b>33,214,321</b>	<b>16,545,270</b>	<b>(7,000,218)</b>	<b>481,789</b>	<b>6,389,605</b>	<b>25,232,474</b>	<b>(3,696)</b>

Debt service as a percentage of noncapital expenditures 16.4% 15.9% 14.9% 15.7% 16.1% 17.7% 18.1% 15.7% 15.7% 20.7%

**CITY OF PLANO, TEXAS  
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF  
 TAXABLE PROPERTY  
 LAST TEN FISCAL YEARS  
 (unaudited)**

Fiscal Year	Estimated Market Value			Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
	Real Property Residential	Real Property Non-Residential	Non-Real Property Personal			
2000	11,545,972,673	4,310,895,509	1,928,110,972	2,814,264,430	14,970,714,724	0.4685
2001	12,996,818,388	5,096,813,143	2,132,562,355	3,274,218,669	16,951,975,217	0.4585
2002	14,142,191,479	5,949,271,808	2,733,219,210	3,901,586,146	18,923,096,351	0.4535
2003	15,264,661,366	6,407,096,419	2,617,931,276	4,095,469,553	20,194,219,508	0.4535
2004	15,881,648,854	6,294,650,068	2,266,621,779	4,044,250,374	20,398,670,327	0.4535
2005	16,332,126,225	6,546,216,987	2,242,943,854	4,251,552,256	20,869,734,810	0.4535
2006	16,979,745,491	6,758,241,962	2,255,993,450	4,344,715,518	21,649,265,385	0.4535
2007	17,812,371,500	7,138,331,140	2,375,828,520	4,497,389,848	22,829,141,312	0.4735
2008	18,778,466,676	7,916,064,395	2,475,080,029	4,658,110,425	24,511,500,675	0.4735
2009	19,441,887,373	8,552,440,842	2,907,734,613	5,116,747,520	25,785,315,308	0.4735

**Source:** City of Plano Budget Department and Central Appraisal Districts of Collin and Denton Counties based on original tax roll

**Note:** Real, Personal and Tax-Exempt breakout of Net Adjustments provided by Kenneth L. Maun, Tax Assessor/Collector, is unavailable.

**CITY OF PLANO, TEXAS  
PROPERTY TAX RATES/ASSESSMENT RATIOS -  
ALL DIRECT AND OVERLAPPING GOVERNMENTS  
LAST TEN FISCAL YEARS  
(unaudited)**

Fiscal Year (1)	City of Plano		Plano		Allen		Collin County		Frisco		Lewisville		Denton County		Collin College			
	General Fund	Debt Service Fund	Rate	Assessment Ratio	School District	Assessment Ratio												
2000	0.2708	0.1977	0.4685	100	1.579	100	1.89	100	0.2500	100	1.440	100	1.567	100	0.235	100	0.097	100
2001	0.2614	0.1971	0.4585	100	1.5531	100	1.76	100	0.2500	100	1.420	100	1.610	100	0.232	100	0.094	100
2002	0.2690	0.1845	0.4535	100	1.6285	100	1.83	100	0.2500	100	1.440	100	1.670	100	0.252	100	0.093	100
2003	0.2864	0.1671	0.4535	100	1.7034	100	1.81	100	0.2500	100	1.498	100	1.770	100	0.249	100	0.092	100
2004	0.2908	0.1627	0.4535	100	1.7334	100	1.93	100	0.2500	100	1.558	100	1.770	100	0.247	100	0.092	100
2005	0.2810	0.1725	0.4535	100	1.7334	100	1.91	100	0.2500	100	1.630	100	1.770	100	0.255	100	0.091	100
2006	0.2888	0.1647	0.4535	100	1.7334	100	1.91	100	0.2500	100	1.580	100	1.770	100	0.246	100	0.089	100
2007	0.3080	0.1655	0.4735	100	1.5784	100	1.78	100	0.2450	100	1.580	100	1.640	100	0.232	100	0.088	100
2008	0.3210	0.1525	0.4735	100	1.268	100	1.47	100	0.2450	100	1.35	100	1.38	100	0.236	100	0.080	100
2009	0.3268	0.1467	0.4735	100	1.303	100	1.47	100	0.2425	100	1.37	100	1.38	100	0.236	100	0.086	100

(1) For School Districts, fiscal years end on August 31, and, beginning in 1992, include the County Education District tax rate.

NOTE: Property tax rates are levied per \$100 assessed valuation.

Sources: Representatives of the various taxing jurisdictions.

CITY OF PLANO, TEXAS  
 PRINCIPAL TAXPAYERS  
 CURRENT YEAR AND NINE YEARS AGO  
 (unaudited)

Table 7

Name of Taxpayer	2009			2000		
	Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Valuation	Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Valuation
Oncor Electric Delivery Company	\$176,693,012	1	0.69	-	-	-
J.C. Penney, Inc.	171,255,476	2	0.67	127,395,785	4	0.84
Electronic Data Systems Corporation	140,996,529	3	0.55	322,591,550	1	2.14
Willow Bend Association	127,374,433	4	0.50	-	-	-
United Dominion Realty LP	113,285,714	5	0.44	-	-	-
The Shops at Legacy	104,152,381	6	0.41	-	-	-
Countrywide Home Loans	99,518,999	7	0.39	-	-	-
Alcatel USA Sourcing LP	98,563,283	8	0.38	136,457,118	2	0.90
The Campus at Legacy	95,000,000	9	0.37	-	-	-
Tollway/121 Partners LTD	84,596,532	10	0.33	-	-	-
TU Electric Delivery Company	-	-	-	135,018,049	3	0.90
Collin Creek Mall	-	-	-	121,369,467	5	1.02
Texas Instruments	-	-	-	75,375,124	6	0.50
Digital Switch Corporation	-	-	-	69,207,704	7	0.46
Frito-Lay	-	-	-	65,106,770	8	0.43
Dallas Morning News	-	-	-	63,982,140	9	0.42
G.T.E	-	-	-	62,179,918	10	0.41
Total	<u>1,211,436,359</u>		<u>4.73</u>	<u>1,178,683,625</u>		<u>8.02</u>

Source: Collin County Appraisal District

Table 8

CITY OF PLANO, TEXAS  
 PROPERTY TAX LEVIES AND COLLECTIONS  
 LAST TEN FISCAL YEARS  
 (unaudited)

Fiscal Year	Total Tax Levy	Collection Current Year's Taxes During Period	Collections Transferred to TIF Component Units	Total Current Year Collections	Percent of Levy Collected During Fiscal Period		Collections in Subsequent Years	Total Tax Collections	Accumulated Delinquent Taxes	Ratio of Total Tax Collections to Current Levy
					Total Current Year Collections	Fiscal Period				
2000	70,664,029	69,961,280	-	69,961,280	99.0	694,503	70,655,783	8,246	99.99	
2001	78,095,849	76,907,817	370,402	77,278,219	99.0	784,569	78,062,788	33,061	99.96	
2002	85,697,627	84,108,496	729,535	84,838,031	99.0	825,544	85,663,575	34,052	99.96	
2003	91,504,269	89,097,226	1,491,645	90,588,871	99.0	820,079	91,408,950	95,319	99.90	
2004	92,724,955	90,573,604	1,349,783	91,923,387	99.1	694,146	92,617,533	107,422	99.88	
2005	94,735,250	92,286,096	1,455,736	93,741,832	99.0	848,850	94,590,682	144,568	99.85	
2006	98,580,157	95,754,030	1,588,800	97,342,830	98.7	1,074,641	98,417,471	162,686	99.83	
2007	108,186,053	105,461,839	1,870,213	107,332,052	99.2	699,739	108,031,791	154,262	99.86	
2008	116,214,292	113,215,333	2,127,954	115,343,287	99.3	735,266	116,078,553	135,739	99.88	
2009	* 121,434,014	118,459,942	2,205,306	120,665,248	99.4	-	120,665,248	768,766	99.37	

\* 2009 Total Levy has been reduced by \$25,737 refund for tax abatement and \$8,417 supplemental adjustment for rendition penalties

Table 9

CITY OF PLANO, TEXAS  
 RATIO OF OUTSTANDING DEBT BY TYPE  
 LAST TEN FISCAL YEARS  
 (unaudited)

Fiscal Year	Governmental Activities		Business-Type Activities				Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Tax Anticipation Notes	Sewer Revenue Bonds	Water and Sewer Revenue Bonds	Solid Waste General Obligation Bonds	Drainage Revenue Bonds			
2000	\$231,197,327	-	\$30,528,407	-	-	\$14,230,000	\$275,955,734	4.11	1,183
2001	253,904,888	17,670,000	27,078,407	-	-	18,180,000	316,833,295	4.61	1,375
2002	251,053,582	15,155,000	23,668,407	-	-	17,365,000	307,241,989	3.67	1,302
2003	252,765,133	12,200,000	18,187,939	-	-	20,255,000	303,408,072	3.50	1,261
2004	234,577,991	9,115,000	15,555,143	-	-	19,325,000	278,573,134	3.34	1,132
2005	252,290,000	5,900,000	12,988,168	-	-	21,445,000	292,623,168	3.43	1,176
2006	276,470,000	2,555,000	10,472,042	-	-	21,730,000	311,227,042	3.28	1,225
2007	291,125,000	11,000,000	8,030,000	-	-	22,475,000	332,630,000	3.24	1,291
2008	310,580,000	26,405,000	5,750,000	-	-	23,170,000	365,905,000	3.37	1,399
2009	311,790,000	28,860,000	3,895,000	-	-	23,490,000	368,035,000	3.40	1,393

Note: See Table 15 for personal income and population data.

Table 10

CITY OF PLANO, TEXAS  
 RATIO OF GENERAL BONDED DEBT OUTSTANDING  
 LAST TEN FISCAL YEARS  
 (unaudited)

	Governmental Activities			Percentage of Actual Taxable Value	Per Capita
	General Obligation Bonds	Tax Anticipation Notes	Total Primary Government		
2000	\$231,197,327	\$ -	\$231,197,327	1.53	\$991
2001	253,904,888	17,670,000	271,574,888	1.59	1,179
2002	251,053,582	15,155,000	266,208,582	1.41	1,128
2003	252,765,133	12,200,000	264,965,133	1.31	1,102
2004	234,577,991	9,115,000	243,692,991	1.19	990
2005	252,290,000	5,900,000	258,190,000	1.24	1,037
2006	276,470,000	2,555,000	279,025,000	1.28	1,098
2007	291,125,000	11,000,000	302,125,000	1.32	1,173
2008	310,580,000	26,405,000	336,985,000	1.37	1,289
2009	311,790,000	28,860,000	340,650,000	1.33	1,289

See Table 5 for property value data.  
 See Table for 15 for population data.

**CITY OF PLANO, TEXAS  
COMPUTATION OF DIRECT AND OVERLAPPING DEBT  
SEPTEMBER 30, 2009  
(unaudited)**

Table 11

Taxing Body	Net General Bonded Debt	Percentage of Debt Applicable to Area	City of Plano Share of Debt
City of Plano	\$ 337,399,874	100.00%	\$ 337,399,874
<b>Total direct debt</b>	<b>337,399,874</b>		<b>337,399,874</b>
Plano Independent School District	921,867,000	74.93%	690,754,943
Collin County	409,395,000	47.42%	194,135,109
Denton County	374,335,733	0.53%	1,983,979
Frisco Independent School District	1,163,469,342	3.21%	37,347,366
Allen Independent School District	387,451,116	0.69%	2,673,413
Lewisville Independent School District	906,486,142	1.24%	11,240,428
Collin College	46,675,754	47.42%	22,133,643
<b>Total overlapping debt</b>	<b>4,209,680,087</b>		<b>960,268,881</b>
<b>Total direct and overlapping bonded debt</b>	<b>\$ 4,547,079,961</b>		<b>\$ 1,297,668,755</b>
Ratio of overlapping bonded debt to taxable assessed valuation (valued at 100% of market value)			5.97%
Per capita overlapping bonded debt			\$ 5,107

Sources: For net bonded debt, representatives (business manager or finance officer) of the taxing jurisdictions. For percentage of debt applicable to City, the Municipal Advisory Council of Texas.

**CITY OF PLANO, TEXAS  
COMPUTATION OF LEGAL DEBT MARGIN  
SEPTEMBER 30, 2009  
(unaudited)**

**Table 12**

As a home rule city, the City of Plano is not limited by the law in the amount of debt it may issue. The City's Charter (Section 9.18) states

The City Council shall have the power under the provisions of the state law to levy, assess and collect an annual tax upon real and personal property within the City to the maximum provided by the Constitution and the general laws of the State of Texas. The City Council shall also have the power to levy occupation taxes on such occupations as consistent with the general laws of the State of Texas.

Article II, Section 5 of the State of Texas Constitution states in part:

...but no tax for any purpose shall ever be lawful for any one year, which shall exceed two and one-half percent of the taxable property of such city.

The tax rate at October 1, 2008, is \$0.4735 per \$100.00 with assessed valuation at 100% of market value.

Table 13

CITY OF PLANO, TEXAS  
 SCHEDULE OF REVENUE BOND COVERAGE - WATER AND SEWER BONDS  
 LAST TEN FISCAL YEARS  
 (unaudited)

Fiscal Year	Total Operating Revenue	Direct Operating Expense	Net Revenue Available for Debt Service	Average Annual Debt Service Requirements			
				Principal	Interest	Total	
2000	60,100,870	38,956,651	21,144,219	2,391,779	929,567	3,321,346	6.37
2001	55,670,700	44,854,515	10,816,185	2,337,704	890,986	3,228,690	3.35
2002	63,036,735	47,308,016	15,728,719	2,236,385	848,490	3,084,875	5.10
2003	78,194,671	52,483,907	25,710,764	1,666,071	473,851	2,139,922	12.01
2004	74,706,630	54,579,731	20,126,899	1,568,586	414,900	1,983,486	10.15
2005	80,074,804	58,161,700	21,913,104	1,456,617	318,752	1,775,369	12.34
2006	89,735,898	61,879,529	27,856,369	1,322,784	218,834	1,541,618	18.07
2007	83,223,811	61,514,435	21,709,376	1,357,183	143,305	1,500,488	14.47
2008	99,931,712	64,224,159	35,707,553	1,169,492	107,551	1,277,043	27.96
2009	106,904,775	77,262,146	29,642,629	994,468	73,915	1,068,383	27.75

Note: Direct operating expense excludes depreciation and charges in lieu of taxes.

Table 14

CITY OF PLANO, TEXAS  
 SCHEDULE OF REVENUE BOND COVERAGE - MUNICIPAL DRAINAGE BONDS  
 LAST TEN FISCAL YEARS  
 (unaudited)

Fiscal Year	Gross Revenue	Operating and Maintenance Expense	Gross Revenues Times Expense	Maximum Annual Debt Service Requirement			
				Principal	Interest	Total	
2000	2,911,277	1,373,898	2.12	580,000	715,250	1,295,250	2.25
2001	3,885,818	1,381,379	2.81	815,000	828,508	1,643,508	2.36
2002	4,529,784	1,660,378	2.73	1,330,000	318,631	1,648,631	2.75
2003	4,813,110	1,576,324	3.05	1,510,000	411,084	1,921,084	2.51
2004	4,856,102	1,619,998	3.00	1,510,000	411,084	1,921,084	2.53
2005	4,787,315	1,938,716	2.47	1,635,000	467,365	2,102,365	2.28
2006	5,620,198	2,062,502	2.72	1,700,000	515,468	2,215,468	2.54
2007	5,590,039	2,099,427	2.66	1,785,000	582,979	2,367,979	2.36
2008	5,490,072	2,248,948	2.44	1,795,000	732,503	2,527,503	2.17
2009	5,250,108	2,444,101	2.15	1,945,000	694,160	2,639,160	1.99

NOTE: 1995 is the first Fiscal Year of coverage for the bonds. Bond ordinance requires that revenues are at least equal to 1.00 times the operating and maintenance expenses (excluding depreciation) and 1.10 times the maximum annual debt service for all outstanding bonds.

CITY OF PLANO, TEXAS  
 DEMOGRAPHIC AND ECONOMIC STATISTICS  
 LAST TEN FISCAL YEARS  
 (unaudited)

Table 15

Fiscal Year	DEMOGRAPHICS				Unemployment Rate (%)
	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	PISD School Enrollment	
2000	233,200	6,720,560	28,819	46,115	2.2
2001	230,409	6,873,745	29,833	47,364	4.3
2002	235,949	8,360,561	35,434	50,632	5.6
2003	240,545	8,663,388	36,016	51,800	5.9
2004	246,098	8,337,833	33,880	51,244	3.8
2005	248,912	8,535,705	34,292	51,446	4.4
2006	254,082	9,491,143	37,355	53,181	4.0
2007	257,600	10,250,853	39,794	52,997	3.9
2008	261,500	10,861,901	41,537	53,683	4.8
2009	264,250	10,813,110	40,920	54,203	7.6

Sources: Population estimates were prepared by the City of Plano. Personal income estimates were obtained from the U. S. Census Bureau for the year 2008. School enrollment figures were provided by the Plano Independent School District (PISD). Unemployment rates were provided by the Texas Workforce Commission.

Table 16

**CITY OF PLANO, TEXAS  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO  
(unaudited)**

	2009			2000		
	Employer	Employees	Percentage of Total City Employment	Employer	Employees	Percentage of Total City Employment
Bank of America Home Loans		9,410	6.86	Electronic Data Systems	10,530	8.48
J.C. Penney, Inc.		5,100	3.72	Alcatel	5,560	4.48
Electronic Data Systems		5,000	3.64	J.C. Penney, Inc.	3,700	2.98
Perot Systems Corporation		2,697	1.97	Countrywide Home Loans	3,000	2.42
Alcatel		2,023	1.47	Frito-Lay	2,400	1.93
CHC Acquisition Corporation		2,000	1.46	Perot Systems	1,500	1.21
Frito-Lay		2,000	1.46	J.C. Penney Direct Marketing Plans	1,200	0.97
Presbyterian Hospital of Plano		1,488	1.08	Medical Center of Plano	1,200	0.97
Capital One Auto Finance		1,415	1.03	Raytheon	1,200	0.97
Medical Center of Plano		1,348	0.98	Dr. Pepper/SevenUp Corporation	1,100	0.89
Total		32,481	23.67	Total	31,390	25.30

Sources: North Central Texas Council of Governments statistical and census data and Texas Workforce Commission.  
NOTE: employment number based on 2000 census. Not available for 2001

**CITY OF PLANO, TEXAS  
 FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION  
 LAST TEN FISCAL YEARS  
 (unaudited)**

Table 17

	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
General government	64.5	63.5	65.0	67.0	62.5	63.0	64.0	64.0	63.0	60.0
Administrative services	79.5	86.0	79.0	74.5	77.5	73.0	75.0	82.0	80.5	77.0
Police	651.5	661.0	661.5	622.0	630.5	607.0	613.5	612.5	587.0	542.5
Fire	334.0	335.5	333.0	322.0	298.5	300.5	293.5	292.5	288.0	281.5
Libraries	156.0	172.0	170.0	167.0	161.0	161.5	173.0	174.5	170.5	148.5
Development	159.5	164.0	164.0	174.0	170.0	167.0	174.5	178.0	178.5	176.5
Public services and operations	66.0	64.0	66.5	64.0	71.0	66.5	68.5	66.5	68.0	62.5
Parks and recreation	378.0	376.5	311.5	303.5	299.5	301.5	293.0	300.0	263.5	228.5
Public works	61.5	65.5	61.0	63.0	64.0	62.5	61.0	65.0	62.5	69.0
Technology services	50.0	50.0	47.0	46.0	46.0	41.0	40.0	40.0	36.0	34.0
Water and sewer	153.0	146.5	147.5	139.5	144.5	148.5	139.0	143.0	137.0	119.0
Environmental waste services	93.0	90.5	89.5	85.0	86.5	86.0	83.5	85.0	84.0	69.0
Municipal drainage	19.0	18.0	18.0	18.0	18.5	18.0	18.0	15.0	15.5	15.5
Civic center	50.0	47.5	49.0	46.0	48.0	47.0	40.5	40.5	39.0	37.0
Municipal golf course	7.0	8.0	9.0	9.0	10.0	10.0	9.0	10.0	10.0	9.0
Recreation revolving	169.0	148.0	107.0	111.5	131.0	135.5	143.0	142.0	124.0	105.5
<b>Total</b>	<b>2491.5</b>	<b>2496.5</b>	<b>2378.5</b>	<b>2312.0</b>	<b>2,319.0</b>	<b>2,288.5</b>	<b>2,289.0</b>	<b>2,310.5</b>	<b>2,207.0</b>	<b>2,035.0</b>

**CITY OF PLANO, TEXAS  
OPERATING INDICATORS BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS  
(unaudited)**

**Table 18**

Function/Program	Fiscal Year									
	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
Administrative Services										
Legal										
Ordinance/resolution review/preparation	552	658	677	605	525	500	700	600	600	775
Human Resources										
Full-time employees	1,387	1,422	2,050	1,991	1,952	1,840	1,856	1,890	1,875	1,765
Accounting										
Payment requests processed	81,677	86,869	82,630	84,642	76,872	70,000	84,000	58,000	70,000	70,000
Police										
Employees (uniformed)	341	344	343	335	329	323	315	322	315	309
Citations	92,133	87,801	79,224	101,199	93,502	101,804	109,422	102,345	88,204	69,736
Public Safety Communications										
911 calls*	234,876	228,214	165,194	169,559	168,560	161,332	178,410	177,398	182,848	159,853
911 dispatches*	229,669	222,252	146,277	150,904	142,993	146,592	137,212	141,008	134,670	131,312
Fire										
Employees (uniformed)	323	317	319	308	287	282	276	274	269	267
Fire runs	20,235	19,665	18,964	18,178	17,085	16,011	17,214	16,936	16,640	15,034
EMS runs	13,693	12,297	11,734	10,786	10,214	9,362	9,022	8,968	8,946	8,259
Libraries										
Volumes in collection	793,073	804,410	761,236	738,939	730,837	686,861	648,998	642,692	605,735	578,311
Registered borrowers	196,093	192,578	173,341	174,970	184,980	176,355	167,370	144,386	140,161	127,902
Development										
Building Inspections										
Inspections (all construction)	52,805	80,600	80,732	91,166	91,401	90,459	89,356	78,597	98,598	106,160
New construction permits issued	825	1,718	1,578	1,957	1,608	1,633	1,652	1,615	2,381	3,696
Engineering										
New Streets/Alleys paved (miles)	2	9	16	9	8	7	6	23	17	36
New Water lines installed (miles)	14	16	18	21	21	20	18	42	56	56
Public Services and Operations										
Environmental Health										
Inspections	3,931	3,961	3,909	3,445	3,593	3,476	3,292	2,984	2,602	2,852
Animal Control										
Animals impounded	8,728	8,307	6,241	5,464	6,848	5,413	5,546	5,723	3,544	6,192

(continued)

**CITY OF PLANO, TEXAS  
OPERATING INDICATORS BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS  
(unaudited)**

**Table 18**  
(continued)

Function/Program	Fiscal Year									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
<b>Parks and Recreation</b>										
Park maintain & operate per acre	768	393	491	462	543	524	NA	NA	NA	NA
Athletic field maintain & operate per acre	13,160	12,255	15,052	13,621	10,669	8,377	NA	NA	NA	NA
Recreation attendance	2,377,182	2,341,119	1,691,348	1,675,541	1,864,361	1,874,506	1,849,450	1,874,666	1,750,812	1,612,836
Recreation center members	22,083	38,341	16,371	15,849	16,412	14,815	15,498	20,274	19,795	15,388
<b>Public Works</b>										
<b>Streets</b>										
Street Excavate/Replace (Sq Ft)	863,190	857,592	1,005,678	828,864	469,602	752,382	779,175	835,587	409,014	456,858
<b>Water and Sewer</b>										
Water Customers	77,082	77,440	77,961	77,400	76,305	75,307	74,014	73,109	71,920	67,241
Average Daily Water Consumption (gal)	62,645,000	61,657,000	52,211,000	66,758,838	53,531,312	57,239,000	53,580,000	41,400,000	53,623,000	57,820,000
Maximum Storage Capacity (gal)	88,000,000	88,000,000	88,000,000	88,000,000	88,000,000	88,000,000	88,000,000	88,000,000	88,000,000	88,000,000
<b>Environmental Waste Services (residential)</b>										
Refuse collected (tons)	60,670	62,982	63,154	61,095	66,048	67,187	65,573	65,954	66,419	65,467
Bulky waste pickups (tons)	5,264	5,650	5,240	4,717	4,786	3,118	5,132	4,858	4,382	5,552
Recyclables collected (tons)	19,632	20,867	20,469	20,667	20,449	20,721	20,435	20,056	18,743	16,485
Yard trimmings collected (tons)	21,465	26,836	24,541	19,021	20,649	19,636	20,211	19,417	21,069	19,341
<b>Municipal Drainage</b>										
Environmental assessment requests	54	82	120	128	99	90	95	70	102	84
Storm sewer inlets maintained	10,483	4,139	10,483	10,200	9,800	9,500	9,050	9,078	8,972	8,700
<b>Civic Center</b>										
Event days booked and serviced	1,145	1,200	1,256	1,205	861	803	1,000	1,370	853	875
<b>Municipal Golf Course</b>										
Rounds of golf played	54,109	55,004	51,254	55,670	58,917	61,188	54,654	61,428	66,183	70,342
<b>Recreation Revolving</b>										
Courses completed	6,822	6,896	6,504	6,220	6,514	6,005	5,270	5,670	5,551	4,701

**Source:** City Departments

**Notes:** N/A - Data not available.

\*911 calls and 911 dispatches include all calls to 911 which represents both police and fire  
Operating indicators are not available for the general government, technology services, property management or downtown center development functions.

Table 19

**CITY OF PLANO, TEXAS  
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS  
(unaudited)**

Function/Program	Fiscal Year									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Police										
Number of stations	3	3	3	1	1	1	1	1	1	1
Number of patrol units	166	189	135	140	115	109	113	103	113	NA
Number of motorcycle units	6	6	8	9	8	9	9	9	10	NA
Fire										
Number of stations	11	11	11	10	10	10	10	10	10	10
Number of fire engines/trucks	22	22	21	21	20	19	NA	NA	NA	NA
Number of EMS trucks	7	7	8	9	8	8	NA	NA	NA	NA
Libraries										
Number of libraries	5	5	5	5	5	5	5	5	5	4
Development										
Planning										
Streets- Paved (miles)	1014	1012	1004	990	980	973	966	961	944	903
Alleys- Paved (miles)	517	517	516	515	513	512	512	512	506	494
Public Services and Operations										
Animal Services										
Animal control trucks	8	15	14	11	7	7	7	NA	NA	NA
Parks and Recreation										
Parks* (acres)	3858	3858	3858	3,827	3,820	3,809	3,658	3,657	3,638	3,464
Athletic fields	179	179	175	175	175	175	175	187	187	188
Playgrounds	71	71	68	67	60	68	63	59	59	59
Recreation centers	5	5	5	4	4	3	3	3	3	3
Tennis centers	1	1	1	1	1	1	1	1	1	1
Senior centers	1	1	1	1	1	1	1	1	1	1
Aquatic/Natatorium	9	9	4	3	3	3	3	3	3	3
Public Works										
Traffic signals	212	211	207	205	203	197	193	186	180	166

(continued)

**CITY OF PLANO, TEXAS  
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS**

**Table 19**  
(continued)

Function/Program	Fiscal Year									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Water and Sewer										
Water mains (miles)	1351	1335	1317	1,295	1,268	1,248	1,226	1,207	1,164	1,077
Sanitary sewers (miles)	1001	999	992	981	968	959	952	923	923	874
Fire hydrants	14,369	14,109	13,840	13,555	13,224	12,906	12,646	12,356	11,774	10,622
Environmental Waste Services										
Collection trucks	45	45	42	38	37	NA	NA	NA	NA	NA
Municipal Drainage										
Storm sewers (miles)	656	646	635	622	467	600	590	466	466	345
Civic Center										
Civic Centers	1	1	1	1	1	1	1	1	1	1

**Source:** City Departments

**Notes:** N/A - Data not available.

\*Includes Golf Course

Capital asset indicators are not available for the general government, administrative services, property management, recreation revolving or downtown center development functions



**Report of Independent Certified Public Accountants  
on Internal Control Over Financial  
Reporting and on Compliance and Other Matters Based on an  
Audit of Financial Statements in Accordance with  
*Government Auditing Standards***

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The Honorable Mayor and Members of the City Council  
The City of Plano, Texas

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of The City of Plano, Texas (the City) as of and for the year ended September 30, 2009, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 31, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America as established by the American Institute of Certified Public Accountants and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion.

A deficiency in internal control over financial reporting exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis.

A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described above and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses in the City's internal control over financial reporting. We did not identify any deficiencies in the City's internal control over financial reporting that we consider to be material weaknesses, as defined above.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we have reported to management of the City in a separate letter dated December 31, 2009.

This report is intended solely for the information and use of the Mayor, City Council, management, federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Grant Thornton LLP*

Dallas, Texas  
December 31, 2009



**Report on Compliance with Requirements Applicable to Each  
Major Program and on Internal Control Over Compliance in  
Accordance with OMB Circular A-133 and  
the State of Texas Single Audit Circular**

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The Honorable Mayor and Members of the City Council  
The City of Plano, Texas

### **Compliance**

We have audited the compliance of the City of Plano, Texas (the City) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal and state programs for the year ended September 30, 2009. The City's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal and state programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America as established by the American Institute of Certified Public Accountants; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and the State of Texas Single Audit Circular (SAC). Those standards, OMB Circular A-133 and SAC require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal and state programs for the year ended September 30, 2009.

### **Internal Control Over Compliance**

The management of the City is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to the federal or state programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major federal or state program as a basis for designing our audit procedures for the purpose of expressing an opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, we express no such opinion.

A control deficiency in a City's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance on a timely basis with a type of compliance requirement of a federal or state program. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City's ability to administer a federal or state program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal or state program that is more than inconsequential will not be prevented or detected.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented or detected.

Our consideration of internal control over compliance was for the limited purpose described above and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Mayor, City Council, management, federal or state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Grant Thornton LLP*

Dallas, Texas  
December 31, 2009

CITY OF PLANO, TEXAS

Schedule of Expenditures of Federal Awards

September 30, 2009

Federal grantor/pass-through grantor/program title	Federal CFDA number	Pass-through Entity identifying number	Federal Expenditures
U.S. Department of Homeland Security:			
Passed through Governor's Division of Emergency Management			
2007 Law Enforcement Terrorism Prevention Program	97.074	07-GA 58016-03	\$ 152,350
2007 Urban Areas Security Initiative	97.008	07-GA 58016-03	120,500
2008 Urban Areas Security Initiative	97.008	08-SR 58016-01	11,141
Passed through North Central Texas Council of Governments			
2007 State Homeland Security Program	97.073	N/A	18,370
Passed through Texas Engineering Extension Services			
Texas Task Force One	97.025	N/A	1,598
Total U.S. Department of Homeland Security			<u>303,959</u>
U.S. Department of Housing and Urban Development:			
Community Development Block Grant	14.218	B09-MC-48-0035	1,025,412
HOME Program	14.239	M09-MC-480234	476,601
Homelessness Prevention and Rapid Re-Housing Program-ARRA	14.257	S09-MY-48-0013	265
Total U.S. Department of Housing and Urban Development			<u>1,502,278</u>
U.S. Department of Justice:			
Bulletproof Vest Partnership Program	16.607	N/A	8,539
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2007-DJ-BX-0167	2,333
Organized Crime Drug Enforcement Task Force	16.xxx	N/A	34,130
Subtotal Direct Programs			<u>45,002</u>
Passed through the Office of the Attorney General			
Project Safe Neighborhoods	16.609	806018	53,322
Passed through Navarro County Sheriff's Office			
HIDTA – North Texas	16.xxx	Various	16,290
Total U.S. Department of Justice			<u>114,614</u>
U.S. Department of Transportation:			
Passed through Texas Department of Transportation-			
STEP – Comprehensive	20.600	588EGF6092	242,881
STEP – Impaired Driving Mobilization	20.601	588EGF6013	19,935
STEP – Click It or Ticket	20.609	588XXF6023	4,090
Total U.S. Department of Transportation			<u>266,906</u>
U.S. Department of Treasury:			
FBI Computer Crime Lab Task Force	21.xxx	N/A	1,204
Joint Terrorism Task Force	21.xxx	N/A	1,750
North Texas Asset Forfeiture Task Force	21.xxx	N/A	16,559
North Texas Financial Crimes Task Force	21.xxx	N/A	7,965
Total U.S. Department of Treasury			<u>27,478</u>
U.S. Environmental Protection Agency:			
Passed through the Texas Commission Environmental Quality			
City of Plano Air Quality	66.605	582-8-89283	211,586
Total U.S. Environmental Protection Agency			<u>211,586</u>
Total federal expenditures			<u>\$ 2,426,821</u>

The accompanying notes are an integral part of this schedule.

**CITY OF PLANO, TEXAS**

**Schedule of Expenditures of State Awards**

**September 30, 2009**

<u>State grantor/pass-through grantor/program title</u>	<u>Pass-through Entity identifying number</u>	<u>State Expenditures</u>
Governor's Division of Emergency Management:		
Passed through Texas Engineering Extension Service		
Hurricane Ike-State Mutual Aid	N/A	\$ 5,196
Wildfires April 2009-State Mutual Aid	N/A	21,950
Total Governor's Division of Emergency Management		<u>27,146</u>
Office of Attorney General:		
Texas Crime Victims Compensation	N/A	33,309
Total Office of the Attorney General		<u>33,309</u>
Texas Commission on Environmental Quality:		
Passed through the North Central Texas Council of Governments		
Commercial Recycling Incentive Program	08-04-G02	16,250
Multi-Family Recycling Program	08-04-G28	12,681
CFL Recycling	08-04-G29	15,220
Recycle Bank Pilot Project	09-04-G19	58,995
Compost Fair Enhancement Project	09-04-G21	25,065
Total Texas Commission on Environmental Quality		<u>128,211</u>
Texas Department of Transportation		
Rasor-Ohio to SH121	CSJ# 0918-24-159	737,411
Total Texas Department of Transportation		<u>737,411</u>
Texas Office of the Governor/Comptroller		
Law Enforcement Officer Standards and Education	N/A	21,944
Total Texas Office of the Governor/Comptroller		<u>21,944</u>
Texas State Library and Archives Commission		
Loan Star Libraries Grant	442-09389	124,530
Loan Star Libraries Grant	442-10212	480
Total State Library and Archives Commission		<u>125,010</u>
Total state expenditures		\$ <u><u>1,073,031</u></u>

The accompanying notes are an integral part of this schedule.

## CITY OF PLANO, TEXAS

### Notes to Schedule of Expenditures of Federal and State Awards

September 30, 2009

**(1) General**

The accompanying schedule of expenditures of federal and state awards includes the federal and state grant activity of the City of Plano, Texas (the City) and is presented on the modified accrual basis of accounting. The information in these schedules is presented in accordance with the requirement of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

The City's reporting entity is defined in note 1 to the City's basic financial statements. Federal and state awards received directly from federal and state agencies as well as federal and state awards passed through other government agencies are included on the schedule.

**(2) Subrecipients**

The City provided approximately \$322,000 and \$204,000 to subrecipients from the Community Development Block Grant and HOME program, respectively.

**(3) Loans**

At September 30, 2009, the amount of loans outstanding related to the Community Development Block Grant and HOME Program were approximately \$859,000 and \$96,000, respectively.

**City of Plano, Texas**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

Year ended September 30, 2009

**SECTION I - SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements**

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weakness identified? No
- Significant deficiencies identified that are Not considered to be material weaknesses? None reported

Noncompliance material to financial statements Noted? No

**Federal and State Awards**

Internal controls over major program:

- Material weakness identified? No
- Significant deficiencies identified that are Not considered to be material weaknesses? None reported

Type of auditor's report issued on compliance for Major program: Unqualified

Any audit findings disclosed that are required to be Reported in accordance with section 510(a) of Circular A-133? No

Identification of major program:

<u>CFDA/Grant Number/State Identification Number</u>	<u>Name of Federal Program or Cluster</u>
Major Federal Programs: 20.600, 20.601, 20.609 14.239	Highway Safety Cluster Home

Major State Program: n/a	TxDot SH-121 Razor Road
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Dollar threshold used to distinguish Between type A and type B programs:	\$300,000 for federal programs \$300,000 for state programs
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Auditee qualified as low-risk auditee? Yes

**City of Plano, Texas**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

Year ended September 30, 2009

**SECTION II - FINDINGS RELATED TO THE FINANCIAL STATEMENTS**

The results of our procedures disclosed no findings to be reported for the year ended September 30, 2009.

**SECTION III - FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS**

The results of our procedures disclosed no findings to be reported for the year ended September 30, 2009.

**SECTION IV - SUMMARY OF PRIOR YEAR AUDIT FINDINGS**

There were no findings reported for the year ended September 30, 2008.



December 31, 2009

Management and the Finance Committee  
City of Plano, Texas  
1520 K Avenue, Suite 370  
Plano, Texas 75074

Audit • Tax • Advisory

**Grant Thornton LLP**  
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Ladies and Gentlemen:

In connection with our audit of the City of Plano, Texas (the “City”) financial statements as of September 30, 2009 and for the year then ended, auditing standards generally accepted in the United States of America (“US GAAS”) established by the American Institute of Certified Public Accountants require that we advise you of the following internal control matters identified during our audit.

### **Our responsibilities**

Our responsibility, as prescribed by US GAAS, is to plan and perform our audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether caused by error or fraud. An audit includes consideration of internal control over financial reporting (hereinafter referred to as “internal control”) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of identifying deficiencies in internal control or expressing an opinion on the effectiveness of the City’s internal control. Accordingly, we express no such opinion on internal control effectiveness.

Because our consideration of internal control was for the limited purpose described above, our audit would not necessarily identify all control deficiencies, significant deficiencies or material weaknesses. However, we are responsible for communicating to management and the Finance Committee (hereinafter referred to as “those charged with governance”) any control deficiencies identified during the audit that upon evaluation are considered significant deficiencies or material weaknesses in internal control.

### **Definitions related to internal control deficiencies**

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis.

A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City’s financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

### **Identified deficiencies in internal control**

We identified the following internal control matters as of the date of this letter.

### *Significant deficiencies*

We consider the following control deficiencies to be significant deficiencies in internal control.

#### 1. Segregation of duties – Information technology (IT) personnel

**Finding:** During our testing of IT security access, we noted that there are eleven members of IT with command line access to the AS400; this access gives users the ability to modify production objects at the operating system level. In addition, this access permits users to affect scheduled production batch programs. Additionally, the CNC Engineer has functional access within the JD Edwards application, development capabilities allowing him to develop and promote his own code to production, and access to the production FAT client, which allows him to deploy code to the production environment. Finally, the Senior Programmer Analyst performs the security administration function as well as the change management function for the PeopleSoft application. Such segregation of duties issues present a risk that the security administration and system maintenance processes are not defined or adequately resourced. Additionally, unauthorized or untested changes may be made to the system and data which exposes the City to risk of fraud or error.

**Recommendation:** We recommend that duties be properly segregated between development and production to ensure that unauthorized changes are not introduced into production.

**Management response:** Access for members no longer needing command line access has been deleted. One employee has been granted temporary access while training her replacement. One user performs password resets to expedite user productivity and reduce the workload of HTE administrators.

The City of Plano has two JD Edwards System Administrators with access to Development, Production and Functional areas of the system in order to promote code changes into production. By default, the CNC Engineer does development work and is not allowed to build and deploy his packages into Production. However, in order to have a backup in a two man department, both employees must be able to do all facets of the jobs required on the system. Various controls are in place for change management, security, adding users, etc. that cut down on the risk involved.

Although both PeopleSoft administrators have capabilities to promote objects to production, external departments provide oversight on a continual basis. The Human Resources and Payroll departments utilize a number of audit reports to track and verify all updates and changes to personnel and payroll records. The Payroll Department verifies that pay is authorized, accurate and posted correctly into the City's general ledger. It should also be noted that supervisory approval is required for all pay generated.

### **Control deficiencies**

In addition, we identified the following control deficiencies that are of a lesser magnitude than a significant deficiency.

#### 2. Review of user access

**Finding:** Periodic review of user access surrounding SunGard HTE is not performed. This presents a risk that gaps in security policy and administration are not identified and remediated on a timely basis. In fiscal year 2008, we recommended a more robust documentation process and controls to ensure that changes are properly tracked and reviewed by City of Plano Personnel.

**Recommendation:** We recommend that management should review user access to critical systems to ensure that security policy and administration errors are identified.

**Management response:** We are in the process of defining and implementing a process for user access reviews for SunGard HTE.

### 3. Terminated user accounts

**Finding:** During our testing of IT security access, we noted one terminated user's account remained active within the JD Edwards application after their termination date. Based on this finding, we noted that termination of access rights are not performed accurately, comprehensively, or on a timely basis, which exposes the City to a risk of fraud or error.

**Recommendation:** We recommend that terminated employee user access be disabled in a timely manner.

**Management response:** Although the terminated user still had an active account, other controls in place limit exposure of fraud or error. Before reaching the JDE application, an employee is required to have a network account and be assigned to a group before gaining network access to the server. New processes have also been implemented to insure terminated employees are disabled in a timely manner. These include changes to insure consistency in an employee username throughout the system. Also, quarterly audits are being performed to identify and disable inactive accounts and settings have been changed to capture more detailed login information.

The City's written response to the control deficiencies identified herein has not been subjected to our audit procedures and accordingly, we express no opinion on it.

\* \* \*

This communication is intended solely for the information and use of management, those charged with governance and others within the City and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

*Grant Thornton LLP*

**DATE:** December 8, 2009  
**TO:** Honorable Mayor & City Council  
**FROM:** James Duggan, Chairman, Planning & Zoning Commission  
**SUBJECT:** Results of Planning & Zoning Commission Meeting of December 7, 2009

**AGENDA ITEM NO. 6**  
**PUBLIC HEARING: ZONING CASE 2009-20**  
**APPLICANT: CITY OF PLANO**

**DESCRIPTION:**

Request to amend Section 3.300 (Exterior Wall Construction Standards for Structures) and Section 3.1200 (Landscaping Requirements) of Article 3 (Supplementary Regulations) and related sections of the Zoning Ordinance pertaining to above ground and/or at-grade parking structures.

**APPROVED:** 5-1 **DENIED:** \_\_\_\_\_ **TABLED:** \_\_\_\_\_

**STIPULATIONS:**

Recommended for approval as follows: (Additions are shown as underlined text; deletions are shown as strike-through text.)

Amend Section 3.300 (Exterior Wall Construction Standards for Structures) of Article 3 (Supplementary Regulations) to read as follows:

3.300 Exterior Wall Construction Standards for Structures

Exterior wall construction for structures shall be in accordance with the standards in the following subsections. For the purposes of this section, exterior wall construction refers to the exterior material or finish of a wall assembly.

3.301 Residential Structures

- (1) Exterior wall construction for residential structures of three stories or less shall consist of a minimum of 75% masonry with no single wall face of any residence containing less than 50% of its exposed surface of masonry construction as herein specified. The construction standard applies only to the first floor of a building in the following zoning districts:

Abbreviated Designation	Zoning District Name
A	Agricultural
BG	Downtown Business/Government
CB-1	Central Business-1
CE	Commercial Employment
ED	Estate Development
MF-1	Multifamily Residence-1
MF-2	Multifamily Residence-2
MF-3	Multifamily Residence-3
PH	Patio Home
R	Retail
SF-A	Single-Family Residence Attached
SF-6	Single-Family Residence-6
SF-7	Single-Family Residence-7
SF-9	Single-Family Residence-9
SF-20	Single-Family Residence-20
2F	Two-Family Residence

Exterior wall construction for all residential uses in districts where permitted other than those listed above shall meet the requirements of the City of Plano Building Code.

~~3.302~~(2) Where more than 40% of existing residential structures along both sides of a street and lying between the two nearest intersecting streets, do not meet the above minimum structure standards, then such standards shall not apply.

~~3.303~~(3) Standards for masonry construction in all districts shall be defined as that form of construction composed of stone, brick, concrete, hollow clay tile, concrete block or tile, or other similar building unit or materials or combination of these materials laid up unit by unit and set in mortar. Brick veneer construction is included in the definition of masonry. Exterior plasters as defined in the City of Plano Building Code and cementitious lap siding shall be acceptable masonry construction alternatives. (ZC 2000-01; Ordinance No. 2000-3-28)

~~3.305~~(4) Unless specified as part of a planned development district, the above masonry requirements shall not apply to UR districts. In addition, exterior plasters, as noted above, are not permitted in UR districts unless specified as part of a planned development. (ZC 97-52; Ordinance No. 98-2-15)

### 3.302 Nonresidential Uses

(1) Except as otherwise regulated by this ordinance, exterior wall construction in districts permitting nonresidential uses shall be of such material that conforms to the International Building Code unless an alternative has been approved by the Building Official. However, metal and membrane exterior walls are prohibited in all zoning districts with the following exception:

Metal and membrane exterior wall construction is permitted in the Light Industrial-1 and Light Industrial-2 districts with approval of a facade plan as part of the site plan review process by the Planning & Zoning Commission only under the following conditions:

(1)(a) The metal or membrane exterior wall construction is not visible from a public thoroughfare or residential zoning district.

(1)(b) The lot containing the building is located at least 1,000 feet from any residential zoning district boundary line unless separated by a Type C or larger thoroughfare.

(2) Special Requirements for Parking Structures.

Except in BG and CB-1 zoning districts, all exterior walls of parking structures shall be architecturally designed to be integrated with the primary building on the site, including consistent architectural design elements and building materials between structures.

Amend Section 3.1200 (Landscaping Requirements) of Article 3 (Supplementary Regulations) to include the following:

### 3.1200 Landscaping Requirements

#### (1) Nonresidential Landscaping Requirements

##### (f) Landscaping for Above Ground and/or At-Grade Parking Structures

These standards shall apply to all nonresidential districts, except BG and CB-1, and shall be in addition to other landscaping requirements as required in Section 3.1200 and within the overlay districts.

(i) Where an above ground and/or at-grade parking structure is located 100 feet or less from the adjacent street right-of-way, the required landscaping shall comply with the following regulations:

1. A minimum ten-foot landscape edge shall be provided adjacent to the exterior perimeter of the parking structure.
2. Within the required landscape edge, one shade tree (three-inch caliper minimum) shall be provided for every 50 lineal feet of parking structure frontage, exclusive of entry drives and pedestrian access points. Ornamental trees (eight to ten feet height minimum) can be substituted for shade trees at a ratio of 2:1.
3. Additionally, ten shrubs (five gallon minimum) per required shade tree shall be provided within the required landscape edge. If a decorative trellis is used as part of the façade structure, vines may count as part of the minimum shrub requirement.
4. A maximum of 60% of any one species is allowed for any required plantings stated above.

(ii) Where an above ground and/or at-grade parking structure is located greater than 100 feet from the adjacent street right-of-way, the required landscaping shall comply with the following regulations:

1. Within a maximum of ten feet from the exterior perimeter of the parking structure, one shade tree (three inch caliper minimum) shall be provided for every 50 lineal feet of parking structure frontage, exclusive of entry drives and pedestrian access points. Ornamental trees (eight to ten

feet height minimum) can be substituted for shade trees at a ratio of 2:1.

2. A maximum of 60% of any one species is allowed for any required plantings stated above.

The Commissioner voting in opposition believed the minimum required tree size at planting was insufficient.

**FOR CITY COUNCIL MEETING OF:** January 11, 2010 (To view the agenda for this meeting, see [www.planotx.org](http://www.planotx.org))

**PUBLIC HEARING - ORDINANCE**

BM/et

CITY OF PLANO  
PLANNING & ZONING COMMISSION

December 7, 2009

**Agenda Item No. 6**

**Public Hearing:** Zoning Case 2009-20

**Applicant:** City of Plano

---

**DESCRIPTION:**

Request to amend Section 3.300 (Exterior Wall Construction Standards for Structures) and Section 3.1200 (Landscaping Requirements) of Article 3 (Supplementary Regulations) and related sections of the Zoning Ordinance pertaining to above ground and/or at-grade parking structures.

**REMARKS:**

This zoning case is a continuation of a November 2002 work program item per City Council's request to review the aesthetic standards for parking structures and landscape requirements. The project was resumed earlier this year at the Planning & Zoning Commission's meeting on January 20, 2009, when staff gave a presentation that illustrated many different aspects of the structural and functional considerations that influence parking structure design. Discussions on how function and design influence parking structure aesthetics, the costs of structured parking versus surface parking, and the impact of various aesthetic techniques and enhancements to the cost of structured parking were held.

The Commission also discussed the appropriateness of establishing architectural standards for parking structures when many zoning districts and/or overlay districts do not have or have minimal architectural standards for buildings. After some deliberations, the Commission requested staff to come up with recommendations requiring consistency between facade materials of the main building and parking structure and requiring landscaping around the base of parking structures.

On October 19, 2009, the Commission considered staff's proposal to add language to the Zoning Ordinance that would call for consistent materials and design elements between facades of the main building and parking structure, and landscaping around the parking structures. In view of staff's proposal, the Commission noted several items:

- Concern regarding the potential increase in development costs given staff's recommendation to require consistency between architectural design elements

and facade materials of the main building and the parking structure as well as increased landscaping costs;

- The subjective element of architectural review and the potential for differences in interpretation regarding aesthetic requirements;
- Sameness of materials can become monotonous; and
- Requiring consistent design elements and materials between the primary building and parking structure on the site, even if the parking structure is located towards the rear of the site particularly when adjacent to residential uses.

After much discussion, the Commission called a public hearing to consider amending the Exterior Wall Construction Standards for Structures and Landscaping Requirements sections and related sections of the Zoning Ordinance regarding above ground and/or at-grade parking structures.

### Architectural Standards

Currently many nonresidential zoning districts and overlay districts do not have or have minimal architectural standards for buildings. The Regional Employment and Regional Commercial zoning districts require specific materials be used for a minimum of 75% of each exterior elevation. For retail corner developments, the Retail Corner Design Guidelines specify that shopping centers shall have attractive and uniform architectural treatment including consistency of design between structures, materials, and rear facade treatment. However, these guidelines do not stipulate specific materials nor do they require a certain percentage of materials. The Retail Corner Design Guidelines document is also not an ordinance.

Staff recommends that Section 3.300 (Exterior Wall Construction Standards for Structures) of Article 3 (Supplementary Regulations) be amended as stated in the recommendation section of this report to include provisions that require exterior walls of parking structures be integrated with the primary building on the site including architectural design elements and building materials between structures. This would still allow the developer flexibility in designing the structures on the site while providing for some common elements. Additionally, as part of staff's review of this section of the Zoning Ordinance, we are proposing some housekeeping cleanup related to formatting to better delineate those provisions applicable to residential structures versus nonresidential uses.

### Landscaping

Currently, the Zoning Ordinance has landscaping requirements for below-grade open parking structures within the front yard of nonresidential zoned properties. Requirements include an 18-foot landscape edge between the structure and the street right-of-way, with berming and trees within the landscape edge. There are currently no perimeter landscaping requirements in the Zoning Ordinance for above ground and/or at-grade parking structures.

Staff recommends that structures located closer to the street right-of-way have more landscaping materials around the perimeter of the structure, compared to parking structures located farther away from the street right-of-way. As parking structures are located farther away from the street, certain landscaping elements, such as shrubbery and groundcover foundation plantings, have less visual impact compared to trees. Landscaping provisions for parking structures would be in addition to site landscaping requirements that apply today.

At the October 19, 2009 meeting, the Commission expressed an interest in requiring larger plant materials within the landscape edge proposed around parking structures. The Commission felt that larger plant materials would make a greater visual impact when taking into consideration the plant material size in relation to the parking structure size. The Commission requested additional information pertaining to landscaping materials including differences between planting smaller versus larger materials (such as three-inch caliper versus six-inch caliper trees; five-gallon container shrubs versus 15-gallon), as well as susceptibility to disease and increased mortality, overall growth rates, and cost.

In short, when considering what minimum size of materials to plant, while planting larger materials such as six-inch caliper trees and 15-gallon shrubs may have a greater visual impact initially, overtime this becomes negated particularly with respect to trees. Growth is much slower initially for larger trees due to their shock recovery time needed, and the longer the recovery rate, the higher the mortality rate. More importantly though, installing smaller plant materials initially and at greater quantities (not size), results in a greater visual impact and benefit within a few years than if the same financial resources were spent on larger plant materials at lesser quantities within that same time frame. Attached to this staff write-up is a memo from Russell Haas, Landscape Architect, City of Plano, which explains in detail the various factors that affect plant material size, growth patterns, and cost.

#### Exempt Downtown Business Government (BG) and Central Business-1(CB-1) Zoning Districts

Staff recommends that BG and CB-1 zoning districts be exempted from the proposed parking structure architectural standards and additional landscaping requirements for above ground and/or at grade parking structures. The BG district is designed to ensure that development and redevelopment within the district are consistent with the historical character of Plano's original business district and the surrounding area, and the district facilitates an urban form of development. As such, the BG district already includes regulations that parking structures be obscured from street views or have special architectural and/or landscaping treatments approved in conjunction with a preliminary site plan or site plan. The CB-1 district is intended to permit a concentrated business center similar to traditional downtown areas. Properties zoned CB-1 are located along the Dallas North Tollway and include Legacy Town Center, which is zoned Planned Development-65-Central Business-1 (PD-65-CB-1). PD-65-CB-1 currently regulates parking structures and requires that they be designed to minimize the ground level view of automobiles below hood lines and that parking structure facades have strong horizontal architectural elements. The planned development district also has landscaping regulations that promote an urban form of development. In addition, the

proposed landscaping standards for parking structures are consistent with the other landscaping requirements in the Zoning Ordinance that facilitate a non-urban form of development (suburban development).

**RECOMMENDATION:**

Recommended for approval as follows: (Additions are shown as underlined text; deletions are shown as strike-through text.)

Amend Section 3.300 (Exterior Wall Construction Standards for Structures) of Article 3 (Supplementary Regulations) to read as follows:

**3.300 Exterior Wall Construction Standards for Structures**

Exterior wall construction for structures shall be in accordance with the standards in the following subsections. For the purposes of this section, exterior wall construction refers to the exterior material or finish of a wall assembly.

**3.301 Residential Structures**

(1) Exterior wall construction for residential structures of three stories or less shall consist of a minimum of 75% masonry with no single wall face of any residence containing less than 50% of its exposed surface of masonry construction as herein specified. The construction standard applies only to the first floor of a building in the following zoning districts:

<b>Abbreviated Designation</b>	<b>Zoning District Name</b>
A	Agricultural
BG	Downtown Business/Government
CB-1	Central Business-1
CE	Commercial Employment
ED	Estate Development
MF-1	Multifamily Residence-1
MF-2	Multifamily Residence-2
MF-3	Multifamily Residence-3
PH	Patio Home

R	Retail
SF-A	Single-Family Residence Attached
SF-6	Single-Family Residence-6
SF-7	Single-Family Residence-7
SF-9	Single-Family Residence-9
SF-20	Single-Family Residence-20
2F	Two-Family Residence

Exterior wall construction for all residential uses in districts where permitted other than those listed above shall meet the requirements of the City of Plano Building Code.

~~3.302~~(2) Where more than 40% of existing residential structures along both sides of a street and lying between the two nearest intersecting streets, do not meet the above minimum structure standards, then such standards shall not apply.

~~3.303~~(3) Standards for masonry construction in all districts shall be defined as that form of construction composed of stone, brick, concrete, hollow clay tile, concrete block or tile, or other similar building unit or materials or combination of these materials laid up unit by unit and set in mortar. Brick veneer construction is included in the definition of masonry. Exterior plasters as defined in the City of Plano Building Code and cementitious lap siding shall be acceptable masonry construction alternatives. (ZC 2000-01; Ordinance No. 2000-3-28)

~~3.305~~(4) Unless specified as part of a planned development district, the above masonry requirements shall not apply to UR districts. In addition, exterior plasters, as noted above, are not permitted in UR districts unless specified as part of a planned development. (ZC 97-52; Ordinance No. 98-2-15)

### 3.302 Nonresidential Uses

(1) Except as otherwise regulated by this ordinance, exterior wall construction in districts permitting nonresidential uses shall be of such material that conforms to the International Building Code unless an alternative has been approved by the Building Official. However, metal and membrane exterior walls are prohibited in all zoning districts with the following exception:

Metal and membrane exterior wall construction is permitted in the Light Industrial-1 and Light Industrial-2 districts with approval of a facade plan as part of the site plan review process by the Planning & Zoning Commission only under the following conditions:

- ~~(1)~~ (a) The metal or membrane exterior wall construction is not visible from a public thoroughfare or residential zoning district.
- (2)(b) The lot containing the building is located at least 1,000 feet from any residential zoning district boundary line unless separated by a Type C or larger thoroughfare.

(2) Special Requirements for Parking Structures.

Except in BG and CB-1 zoning districts, all exterior walls of parking structures shall be architecturally designed to be integrated with the primary building on the site, including consistent architectural design elements and building materials between structures.

Amend Section 3.1200 (Landscaping Requirements) of Article 3 (Supplementary Regulations) to include the following:

3.1200 Landscaping Requirements

(1) Nonresidential Landscaping Requirements

(f) Landscaping for Above Ground and/or At-Grade Parking Structures

These standards shall apply to all nonresidential districts, except BG and CB-1, and shall be in addition to other landscaping requirements as required in Section 3.1200 and within the overlay districts.

(i) Where an above ground and/or at-grade parking structure is located 100 feet or less from the adjacent street right-of-way, the required landscaping shall comply with the following regulations:

1. A minimum ten-foot landscape edge shall be provided adjacent to the exterior perimeter of the parking structure.
2. Within the required landscape edge, one shade tree (three-inch caliper minimum) shall be provided for every 50 lineal feet of parking structure frontage, exclusive of entry drives and pedestrian access points. Ornamental trees (eight to ten feet height minimum) can be substituted for shade trees at a ratio of 2:1.
3. Additionally, ten shrubs (five gallon minimum) per required shade tree shall be provided within the required landscape

edge. If a decorative trellis is used as part of the façade structure, vines may count as part of the minimum shrub requirement.

4. A maximum of 60% of any one species is allowed for any required plantings stated above.

(ii) Where an above ground and/or at-grade parking structure is located greater than 100 feet from the adjacent street right-of-way, the required landscaping shall comply with the following regulations:

1. Within a maximum of ten feet from the exterior perimeter of the parking structure, one shade tree (three inch caliper minimum) shall be provided for every 50 lineal feet of parking structure frontage, exclusive of entry drives and pedestrian access points. Ornamental trees (eight to ten feet height minimum) can be substituted for shade trees at a ratio of 2:1.

2. A maximum of 60% of any one species is allowed for any required plantings stated above.

## **MEMO**

**DATE:** December 3, 2009  
**TO:** Planning & Zoning Commissioners  
**FROM:** Russell Haas, Landscape Architect  
**SUBJECT:** Agenda Item No. 6 – Zoning Case 2009-20  
Supplemental Landscape Materials Information

---

The following information is provided for consideration in response to the Commission's questions regarding landscape materials and the various factors that affect plant material size, growth patterns, and cost.

### **Plant Material Survival/Recovery**

Shade trees, evergreen and deciduous, are specified either container grown or ball and burlaped (B&B). The specification is by either caliper inch for B&B, or container size with the container specification often stating an appropriate caliper inch. Above ground they are otherwise essentially the same tree.

The biggest difference between the B&B and container grown tree is the size and completeness of the root mass. This affects survival and recovery from transplant shock. Because the container grown tree, which is grown in every increasingly larger containers, has a complete root system as compared to a B&B tree, which has left much of its root mass in the ground when harvested, the container grown tree has a higher survival rate and a quicker recovery rate. For container grown, the size of a root mass and the associated weight and time involved in its growing and maintenance tends to limit the maximum size of tree available. It is rare to find a container grown tree over 6-inch caliper.

When a B&B tree is harvested, the digging process requires an increasingly larger root ball, usually nine to 12 inches of ball per one inch caliper of tree. An increasingly percentage of roots will be lost as the tree size increases since it is difficult to dig up all the roots associated with larger trees. Typically, the smaller the B&B tree, the higher the percentage of root mass preserved. The more root mass preserved, the greater the survivability and quicker the recovery time.

A rule of thumb is for every caliper inch of a given size tree above three inches, the recovery time is at least one year. If a 3-inch caliper tree recovers in one year, you can anticipate an additional year for a 4-inch caliper tree, planted at the same time to

recover enough root mass to begin producing top growth. As a result, after one year the 3-inch caliper tree will be very near the same size as the 4-inch caliper tree. A 5-inch caliper tree typically requires two years to recover.

Additionally, trees are usually purchased for immediate installation or speculation for future use and allowed to continue to grow. While sitting in the nursery yard, the tree has to be maintained and this increases costs due to labor, pruning, etc. The larger and longer the tree sits, the more likely problems and costs can occur.

Shrubbery performs similar to container grown trees, as well as size availability. Shrubbery is typically container grown so its size is listed by gallons and its root system is fairly complete. As the plant grows, it then must be transplanted to larger gallon containers thus increasing labor and maintenance costs. From a recovery standpoint, shrubs will recover well since their root system is intact. Typical shrubbery size at planting is 5-gallon yet 7-gallon shrubs seem to be increasingly popular. However, within a year, the 5-gallon shrub will achieve the size of the 7-gallon shrub. Additionally, the challenge with larger containers sizes is that there is less availability and increased costs. Larger container grown shrubs are those that likely will grow to tree form (such as yaupon holly and ligustrum).

### Cost

The initial cost of container trees is usually higher than a comparable B&B due to higher overhead and wholesale cost, but once other factors are involved (i.e. maintenance, labor, etc.) the final installation unit cost is competitive.

In addition to the cost of maintaining the tree, another factor affecting cost and size is the tree installation process. A 3-inch caliper tree can still be “man handled” by a couple of workers. However, once a tree exceeds this size, there is a need for the more expensive use of mechanical devices such as hoist and cranes to extract and move the tree. As a result, beyond a 3-inch caliper size, the unit cost rises at an increasing rate. As a rule of thumb, “designer costs” are listed below which shows a significant cost difference between a 3-inch caliper tree versus a 6-inch caliper tree.

3-inch caliper tree	\$325
4-inch caliper tree	\$475
5-inch caliper tree	\$800
6-inch caliper tree	\$1400

Since a majority trees installed in this area are B&B, the unit cost of the two (i.e. container grown versus B&B) is less important. What is important is the desired visual impact of the landscape plantings over time and how it fits in the project budget using B&B trees.

For example, if a developer has an initial budget of \$3,000 for landscaping associated with a parking structure, he can plant three 6-inch caliper trees or eight 3-inch caliper

trees. Assuming a 100% survival rate, the two larger trees might have the greater visual impact initially, but after two years, it can be expected that the 3-inch caliper trees will have recovered and can range from 4-inch to 5-inch caliper and have an increased and healthier top growth, while the two 6-inch caliper trees will probably just be recovering and still be 6-inch caliper. In four years they could all be pretty much the same size.

In summary, when considering what minimum size of materials to plant, while planting larger materials such as 6-inch caliper trees and 15-gallon shrubs may have a greater visual impact initially, overtime this becomes negated particularly with respect to trees. Growth is much slower initially for larger trees due to their shock recovery time needed, and the longer the recovery rate, the higher the mortality rate. More importantly though, installing smaller plant materials initially and at greater quantities (not size), results a greater visual impact and benefit within a few years than if the same financial resources were spent on larger plant materials at lesser quantities within that same time frame.

**(Zoning Case 2009-20)**

**An ordinance of the City of Plano, Texas, amending Section 3.300 (Exterior Wall Construction Standards for Structures) and Section 3.1200 (Landscaping Requirements) of Article 3 (Supplementary Regulations) and related sections of the Comprehensive Zoning Ordinance of the City, Ordinance No. 2006-4-24, as heretofore amended, pertaining to above ground and/or at-grade parking structures; and providing a penalty clause, a repealer clause, a savings clause, a severability clause, and an effective date.**

**WHEREAS**, the City Secretary of Plano, Texas, directed that notices of a hearing be issued, as required by the Zoning Ordinance of the City of Plano and laws of the State of Texas, at a meeting of the City Council, to be held on the 11th day of January, 2010, for the purpose of considering a change in the Zoning Ordinance; and

**WHEREAS**, the City Secretary of the said City accordingly caused to be issued and published the notices required by its Zoning Ordinance and laws of the State of Texas applicable thereto, the same having been published in a paper of general circulation in the City of Plano, Texas, at least fifteen (15) days prior to the time set for such hearing; and

**WHEREAS**, the City Council of said City, pursuant to such notice, held its public hearing and heard all persons wishing to be heard both for and against the aforesaid change in the Zoning Ordinance, on the 11th day of January, 2010; and

**WHEREAS**, the City Council is of the opinion and finds that such change would not be detrimental to the public health, safety, or general welfare, and will promote the best and most orderly development of the properties affected thereby, and to be affected thereby, in the City of Plano, and as well, the owners and occupants thereof, and the City generally.

**IT IS, THEREFORE, ORDAINED BY THE CITY COUNCIL OF THE CITY OF PLANO, TEXAS, THAT:**

**Section I.** Section 3.300 (Exterior Wall Construction Standards for Structures) of Article 3 (Supplementary Regulations) of the Comprehensive Zoning Ordinance No. 2006-4-24, as the same has been heretofore amended, is hereby further amended pertaining to above ground and/or at-grade parking structures, such section to read in its entirety as follows:

### 3.300 Exterior Wall Construction Standards for Structures

Exterior wall construction for structures shall be in accordance with the standards in the following subsections. For the purposes of this section, exterior wall construction refers to the exterior material or finish of a wall assembly.

#### 3.301 Residential Structures

- (1) Exterior wall construction for residential structures of three stories or less shall consist of a minimum of 75% masonry with no single wall face of any residence containing less than 50% of its exposed surface of masonry construction as herein specified. The construction standard applies only to the first floor of a building in the following zoning districts:

<b>Abbreviated Designation</b>	<b>Zoning District Name</b>
A	Agricultural
BG	Downtown Business/Government
CB-1	Central Business-1
CE	Commercial Employment
ED	Estate Development
MF-1	Multifamily Residence-1
MF-2	Multifamily Residence-2
MF-3	Multifamily Residence-3
PH	Patio Home
R	Retail
SF-A	Single-Family Residence Attached
SF-6	Single-Family Residence-6

SF-7	Single-Family Residence-7
SF-9	Single-Family Residence-9
SF-20	Single-Family Residence-20
2F	Two-Family Residence

Exterior wall construction for all residential uses in districts where permitted other than those listed above shall meet the requirements of the City of Plano Building Code.

- (2) Where more than 40% of existing residential structures along both sides of a street and lying between the two nearest intersecting streets, do not meet the above minimum structure standards, then such standards shall not apply.
- (3) Standards for masonry construction in all districts shall be defined as that form of construction composed of stone, brick, concrete, hollow clay tile, concrete block or tile, or other similar building unit or materials or combination of these materials laid up unit by unit and set in mortar. Brick veneer construction is included in the definition of masonry. Exterior plasters as defined in the City of Plano Building Code and cementitious lap siding shall be acceptable masonry construction alternatives. (ZC 2000-01; Ordinance No. 2000-3-28)
- (4) Unless specified as part of a planned development district, the above masonry requirements shall not apply to UR districts. In addition, exterior plasters, as noted above, are not permitted in UR districts unless specified as part of a planned development. (ZC 97-52; Ordinance No. 98-2-15)

### 3.302 Nonresidential Uses

- (1) Except as otherwise regulated by this ordinance, exterior wall construction in districts permitting nonresidential uses shall be of such material that conforms to the International Building Code unless an alternative has been approved by the Building Official. However, metal and membrane exterior walls are prohibited in all zoning districts with the following exception:

Metal and membrane exterior wall construction is permitted in the Light Industrial-1 and Light Industrial-2 districts with approval of a facade plan as part of the site plan review process by the Planning & Zoning Commission only under the following conditions:

- (a) The metal or membrane exterior wall construction is not visible from a public thoroughfare or residential zoning district.
- (b) The lot containing the building is located at least 1,000 feet from any residential zoning district boundary line unless separated by a Type C or larger thoroughfare.

(2) Special Requirements for Parking Structures.

Except in BG and CB-1 zoning districts, all exterior walls of parking structures shall be architecturally designed to be integrated with the primary building on the site, including consistent architectural design elements and building materials between structures.

**Section II.** Section 3.1200 (Landscaping Requirements) of Article 3 (Supplementary Regulations) the Comprehensive Zoning Ordinance No. 2006-4-24, as the same has been heretofore amended, is hereby further amended pertaining to above ground and/or at-grade parking structures, such portions of the section to read as follows:

3.1200 Landscaping Requirements

(1) Nonresidential Landscaping Requirements

(f) Landscaping for Above Ground and/or At-Grade Parking Structures

These standards shall apply to all nonresidential districts, except BG and CB-1, and shall be in addition to other landscaping requirements as required in Section 3.1200 and within the overlay districts.

- (i) Where an above ground and/or at-grade parking structure is located 100 feet or less from the adjacent street right-of-way, the required landscaping shall comply with the following regulations:
  - 1. A minimum ten-foot landscape edge shall be provided adjacent to the exterior perimeter of the parking structure.
  - 2. Within the required landscape edge, one shade tree (three-inch caliper minimum) shall be provided for every 50 lineal feet of parking structure frontage, exclusive of entry drives and pedestrian access points. Ornamental trees (eight to ten feet height minimum) can be substituted for shade trees at a ratio of 2:1.

3. Additionally, ten shrubs (five gallon minimum) per required shade tree shall be provided within the required landscape edge. If a decorative trellis is used as part of the facade structure, vines may count as part of the minimum shrub requirement.
  4. A maximum of 60% of any one species is allowed for any required plantings stated above.
- (ii) Where an above ground and/or at-grade parking structure is located greater than 100 feet from the adjacent street right-of-way, the required landscaping shall comply with the following regulations:
1. Within a maximum of ten feet from the exterior perimeter of the parking structure, one shade tree (three inch caliper minimum) shall be provided for every 50 lineal feet of parking structure frontage, exclusive of entry drives and pedestrian access points. Ornamental trees (eight to ten feet height minimum) can be substituted for shade trees at a ratio of 2:1.
  2. A maximum of 60% of any one species is allowed for any required plantings stated above.

**Section III.** All provisions of the ordinances of the City of Plano in conflict with the provisions of this Ordinance are hereby repealed, and all other provisions of the Ordinances of the City of Plano, not in conflict with the provisions of this Ordinance, shall remain in full force and effect.

**Section IV.** The repeal of any ordinance or part of ordinances affected by the enactment of this Ordinance shall not be construed as abandoning any action now pending under or by virtue of such ordinance or as discontinuing, abating, modifying or altering any penalty accruing or to accrue, or as affecting any rights of the municipality under any section or provisions of any ordinance at the time of passage of this Ordinance.

**Section V.** Any person, firm or corporation found to be violating any term or provision of this Ordinance, shall be subject to a fine in accordance with Section 1-4(a) of the City Code of Ordinances for each offense. Every day a violation continues shall constitute a separate offense.

**Section VI.** It is the intention of the City Council that this Ordinance, and every provision hereof, shall be considered severable and the invalidity or partial invalidity of any section, clause or provision of this Ordinance shall not affect the validity of any other portion of this Ordinance.

**Section VII.** This Ordinance shall become effective immediately upon its passage and publication as required by law.

**PASSED AND APPROVED THIS THE 11th DAY OF JANUARY, 2010.**

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Phil Dyer, MAYOR

ATTEST:

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Diane Zucco, CITY SECRETARY

APPROVED AS TO FORM:

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Diane C. Wetherbee, CITY ATTORNEY

**DATE:** December 22, 2009  
**TO:** Honorable Mayor & City Council  
**FROM:** James Duggan, Chairman, Planning & Zoning Commission  
**SUBJECT:** Results of Planning & Zoning Commission Meeting of December 21, 2009

**AGENDA ITEM NO. 6 - PUBLIC HEARING  
ZONING CASE 2009-21  
APPLICANT: RUTLEDGE HAGGARD**

Request to rezone 9.3± acres located at the southeast corner of Spring Creek Parkway and Communications Parkway from Agricultural to Regional Employment.

**APPROVED:** 8-0 **DENIED:** \_\_\_\_\_ **TABLED:** \_\_\_\_\_

**LETTERS RECEIVED WITHIN 200 FOOT NOTICE AREA:** **SUPPORT:** 2 **OPPOSE:** 0

**LETTERS RECEIVED OUTSIDE 200 FOOT NOTICE AREA:** **SUPPORT:** 0 **OPPOSE:** 0

**PETITION(s) RECEIVED:** N/A **# OF SIGNATURES:** N/A

**STIPULATIONS:**

Recommended for approval as submitted.

**FOR CITY COUNCIL MEETING OF:** January 11, 2010 (To view the agenda for this meeting, see [www.planotx.org](http://www.planotx.org))

**PUBLIC HEARING - ORDINANCE**

EH/dc

xc: Rutledge Haggard, Acres of Sunshine, Ltd.  
Eric Weiner, SG Development

CITY OF PLANO  
PLANNING & ZONING COMMISSION

December 21, 2009

**Agenda Item No. 6**

**Public Hearing:** Zoning Case 2009-21

**Applicant:** Rutledge Haggard

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**DESCRIPTION:**

Request to rezone 9.3± acres located at the southeast corner of Spring Creek Parkway and Communications Parkway **from** Agricultural **to** Regional Employment.

**REMARKS:**

The applicant is requesting to rezone an undeveloped 9.3± acre tract from Agricultural (A) to Regional Employment (RE). A companion specific use permit request (Zoning Case 2009-22) for a long-term care facility, as well as a companion preliminary site plan for a long-term care facility and medical office development, accompany this request.

The subject property is currently being used for agricultural purposes. The existing A district is intended to provide for farming, dairying, pasturage, horticulture, animal husbandry, and the necessary accessory uses for the packing, treating, or storing of produce. It is anticipated that all A districts will be changed to other zoning classifications as the city proceeds toward full development.

This property was annexed by the city in 1999 and at that time it was given the A zoning designation. The A zoning was put in place with the intention that the property would be rezoned once an applicant decided to develop the property.

The requested RE district is intended to provide for office and limited manufacturing uses that are consistent with the regional status of certain tollways and expressways serving Plano and surrounding communities. Some retail uses are also appropriate when developed in conjunction with the primary uses. The district's standards are designed to ensure compatibility between the various uses within a corridor and surrounding residential neighborhoods. The requested zoning is consistent with

existing RE zoning along the Dallas North Tollway corridor, south of Spring Creek Parkway.

### **Surrounding Land Use and Zoning**

The property to the south and east of this tract is currently undeveloped and is also zoned RE. To the north, across Spring Creek Parkway, a Type B+ thoroughfare, the property is undeveloped, and zoned Commercial Employment (CE). To the west, across Communications Parkway, a Type C Thoroughfare, is an existing single-family subdivision, Wolf Creek Estates 3, and is zoned Planned Development-464-Multifamily Residence-2 (PD-464-MF-2).

### **Conformance to the Comprehensive Plan**

**Future Land Use Plan** - The Future Land Use Plan designates this property as Major Corridor Development (MCD). This request is in conformance with the Future Land Use Plan.

**Adequacy of Public Facilities** - Water and sanitary sewer services are available via extensions of existing services from Spring Creek Parkway and Communications Parkway.

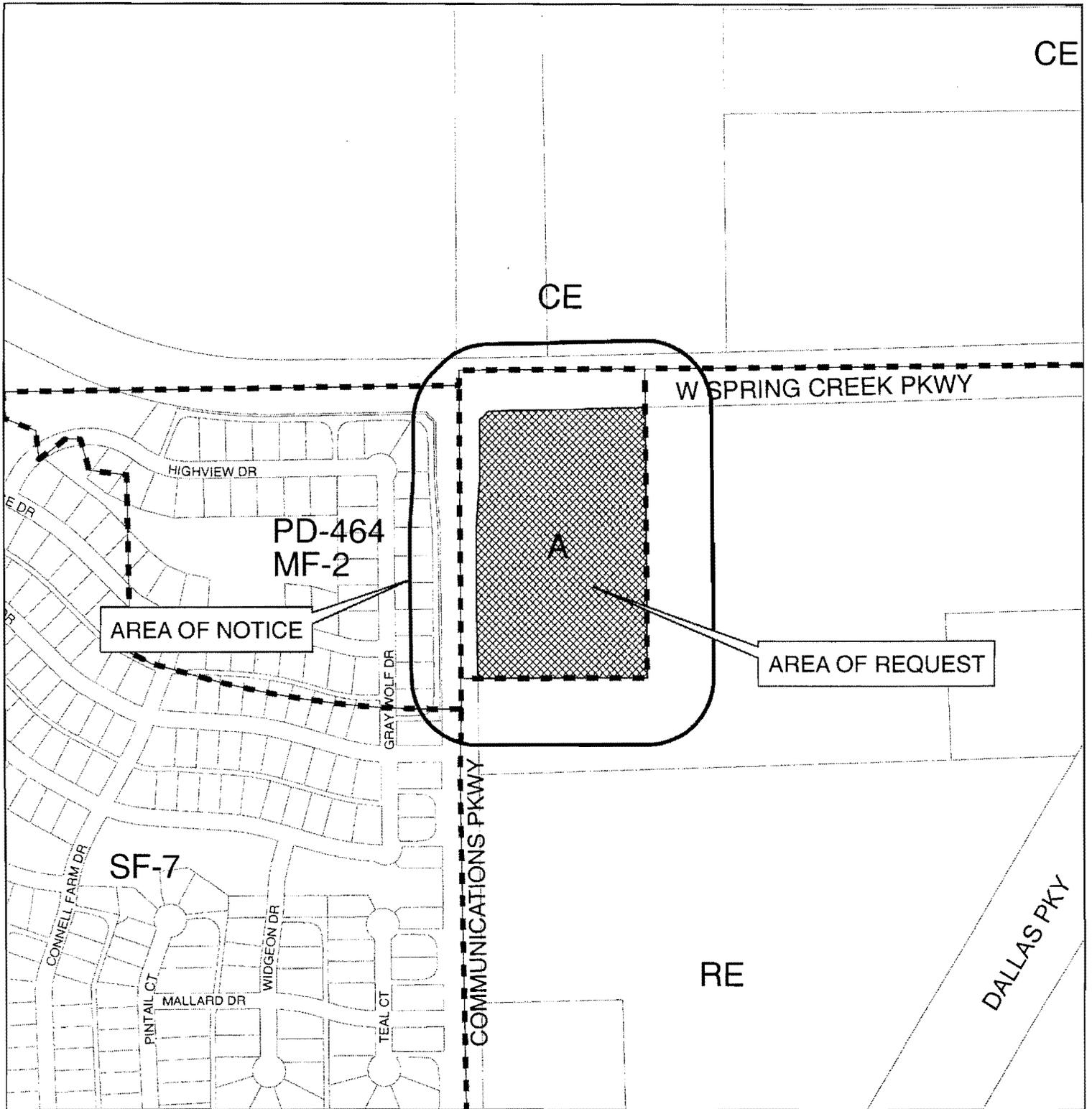
**Traffic Impact Analysis (TIA)** - A TIA is not required for this rezoning request. Existing traffic models for the City of Plano anticipated the rezoning of this property to a zoning district consistent with the Future Land Use Plan designation.

### **Summary**

The applicant is requesting to rezone an undeveloped 9.3± acre tract from A to RE to allow for future long-term care facility (subject to approval of a specific use permit) and office development. The Zoning Ordinance specifically states that A zoning is anticipated to change as the city develops. The request is in conformance with the Comprehensive Plan and is consistent with the existing RE zoning of the properties to the east and south of the subject property.

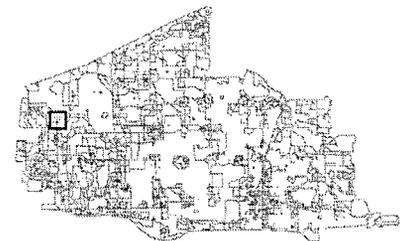
### **RECOMMENDATION:**

Recommended for approval as submitted.

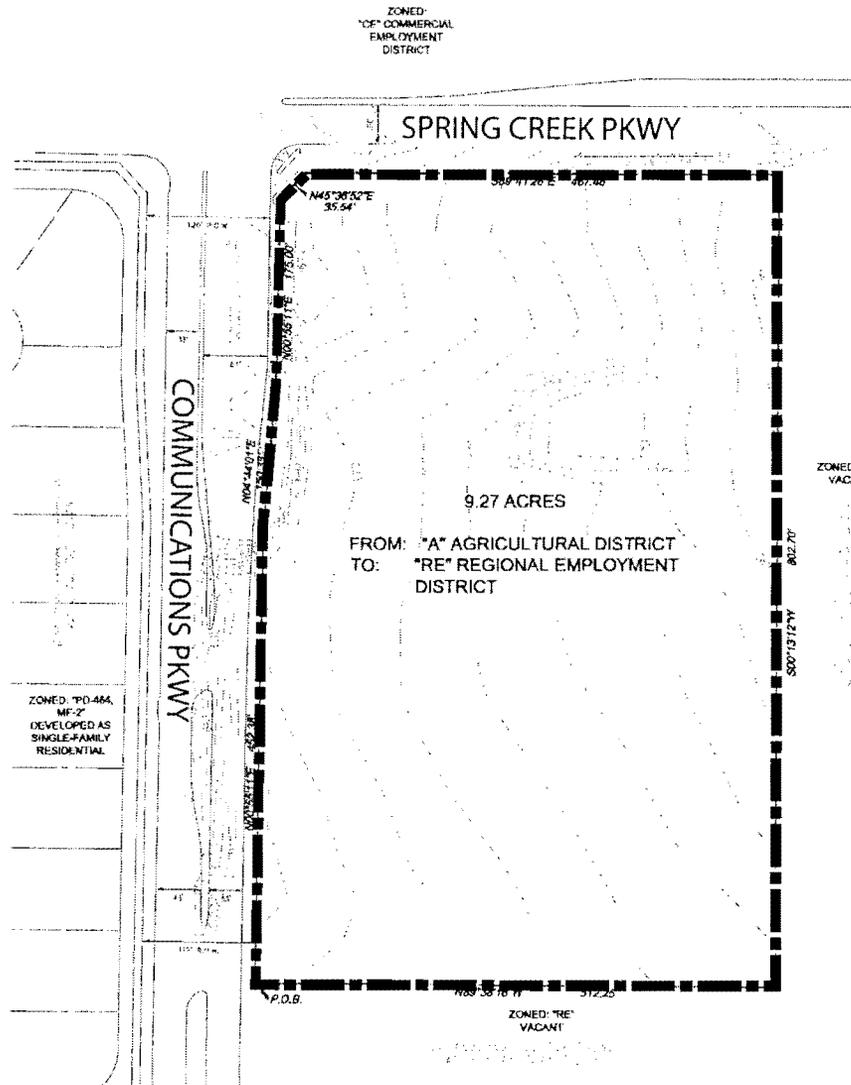


Zoning Case #: 2009-21

Existing Zoning: AGRICULTURAL/  
DALLAS NORTH TOLLWAY OVERLAY DISTRICT



○ 200' Notification Buffer



ZONED:  
"CE" COMMERCIAL  
EMPLOYMENT  
DISTRICT

SPRING CREEK PKWY

9.27 ACRES

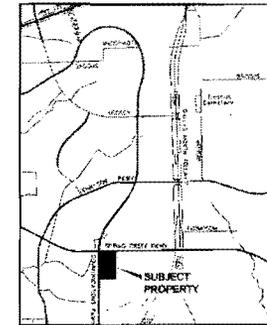
FROM: "A" AGRICULTURAL DISTRICT  
TO: "RE" REGIONAL EMPLOYMENT  
DISTRICT

COMMUNICATIONS PKWY

ZONED: "PD-4M,  
MF-2"  
DEVELOPED AS  
SINGLE-FAMILY  
RESIDENTIAL

ZONED: "RE"  
VACANT

ZONED: "RE"  
VACANT



VICINITY MAP

N.T.S.

**BOUNDARY DESCRIPTION:**

SITUATED in the State of Texas, County of Collin and City of Plano, being part of the Henry B. Miller Survey, Abstract No. 614, being part of an 11.385 acre tract as recorded in Volume 4227, Page 835 of the Collin County Land Records with said premises being more particularly described as follows:

BEGINNING at a 1/2-inch iron rod found marking the southwest corner of said 11.385 acre tract, a northwest corner of a 37.721 acre tract as recorded in Volume 5474, Page 2914 of the Collin County Land Records, and being in the east right-of-way line of Communications Parkway;

THENCE with the south line of said 11.385 acre tract, and a north line of said 37.721 acre tract, South 89°38'16" East, 55.04 feet to the Point of Beginning;

THENCE with a west line of said premises, the east line of said 1.852 acre tract, and the east right-of-way line of said Communications Parkway as follows: North 00°55'11" East, 452.38 feet to a 600 mill set, North 04°49'01" East, 150.33 feet to a 1/2-inch Roome capped iron rod set; North 00°55'11" East, 175.00 feet to a 1/2-inch Roome capped iron rod set marking a northwest corner of said premises, an interior corner of said 1.852 acre tract and the southwest corner of a corner clip;

THENCE with a northwest line of said premises, the southeast line of said corner clip along a southeast line of said 1.852 acre tract, and the southeast right-of-way line of said Communications Parkway, North 45°36'52" East, 35.54 feet to a 1/2-inch Roome capped iron rod set marking an interior corner of said premises, the northeast corner of said corner clip, an interior corner of said 1.852 acre tract, and being in the south right-of-way line of Spring Creek Parkway;

THENCE with the north line of said premises, a south line of said 1.852 acre tract and the south right-of-way line of said Spring Creek Parkway, South 89°41'26" East, 467.46 feet to a 1/2-inch Roome capped iron rod set marking the northeast corner of said premises, the southeast corner of said 1.852 acre tract, and being in the west line of the aforementioned 37.721 acre tract;

THENCE with the east line of said 11.385 acre tract and the west line of said 37.721 acre tract, South 00°13'12" West, 802.70 feet to a 1/2-inch Roome capped iron rod set marking the southeast corner of said 11.385 acre tract, said premises and an interior corner of said 37.721 acre tract;

THENCE with the south line of said 11.385 acre tract, said premises and a north line of said 37.721 acre tract, North 89°38'16" West, 512.25 feet to the place of beginning and containing 403,663 square feet or 9.27 acres of land.

ZONING EXHIBIT  
FOR  
ZONING CASE #2009-21  
9.27 ACRES OUT OF THE  
HENRY B. MILLER SURVEY, ABST. NO. 614  
FROM: "A" AGRICULTURAL DISTRICT  
TO: "RE" REGIONAL  
EMPLOYMENT DISTRICT  
LOCATED IN THE  
CITY OF PLANO, COLLIN COUNTY, TEXAS

NOTE:  
APPROVAL OF THE ZONING CASE ASSOCIATED WITH THIS EXHIBIT SHALL NOT IMPLY APPROVAL OF ANY ASSOCIATED STUDY, PLAN, OR PLAN, APPROVAL OF DEVELOPMENT STANDARDS SHOWN HEREON, OR THE INITIATION OF THE DEVELOPMENT PROCESS. PLANNING AND ZONING COMMISSION AND/OR CITY COUNCIL ACTION ON STUDIES, PLANS OR PLANS RELATING TO DEVELOPMENT OF THIS PROPERTY SHALL BE CONSIDERED AS AN ACTION SEPARATE FROM ACTION TAKEN ON THIS ZONING CASE.

ENGINEER:  
**BANNISTER**  
ENGINEERING  
CONTACT: JEFF LINDER

PROPERTY OWNER:  
ACRES OF SUNSHINE, LTD.  
800 CENTRAL PKWY E.  
SUITE 100  
PLANO, TEXAS 75075-5675  
PH: (972) 231-8600  
CONTACT: SHANE JORDAN

PREPARED: NOV. 21, 2009  
REVISED: DEC. 17, 2009

**(Zoning Case 2009-21)**

**An Ordinance of the City of Plano amending the Comprehensive Zoning Ordinance of the City, Ordinance No. 2006-4-24, as heretofore amended, so as to rezone 9.3± acres out of the Henry B. Miller Survey, Abstract No. 614, located at the southeast corner of Spring Creek Parkway and Communications Parkway, in the City of Plano, Collin County, Texas, from Agricultural to Regional Employment; directing a change accordingly in the official zoning map of the City; and providing a penalty clause, a repealer clause, a savings clause, a severability clause, and an effective date.**

**WHEREAS**, the City Secretary of Plano, Texas, directed that notices of a hearing be issued, as required by the Zoning Ordinance of the City of Plano and laws of the State of Texas, at a meeting of the City Council, to be held on the 11th day of January, 2010, for the purpose of considering rezoning 9.3± acres out of the Henry B. Miller Survey, Abstract No. 614, located at the southeast corner of Spring Creek Parkway and Communications Parkway, in the City of Plano, Collin County, Texas, from Agricultural to Regional Employment; and

**WHEREAS**, the City Secretary of the said City accordingly caused to be issued and published the notices required by its Zoning Ordinance and laws of the State of Texas applicable thereto, the same having been published in a paper of general circulation in the City of Plano, Texas, at least fifteen (15) days prior to the time set for such hearing; and

**WHEREAS**, the City Council of said City, pursuant to such notice, held its public hearing and heard all persons wishing to be heard both for and against the aforesaid change in the Zoning Ordinance, on the 11th day of January, 2010; and

**WHEREAS**, the City Council is of the opinion and finds that such rezoning would not be detrimental to the public health, safety, or general welfare, and will promote the best and most orderly development of the properties affected thereby, and to be affected thereby, in the City of Plano, and as well, the owners and occupants thereof, and the City generally.

**IT IS, THEREFORE, ORDAINED BY THE CITY COUNCIL OF THE CITY OF PLANO, TEXAS, THAT:**

**Section I.** The Comprehensive Zoning Ordinance No. 2006-4-24, as the same has been heretofore amended, is hereby further amended so as to rezone 9.3± acres out of the Henry B. Miller Survey, Abstract No. 614, located at the southeast corner of Spring Creek Parkway and Communications Parkway, in the City of Plano, Collin County, Texas, from Agricultural to Regional Employment, said property being described in the legal description on Exhibit "A" attached hereto.

**Section II.** It is directed that the official zoning map of the City of Plano (which is retained in electronic record format) be changed to reflect the zoning classification established by this Ordinance.

**Section III.** All provisions of the ordinances of the City of Plano in conflict with the provisions of this Ordinance are hereby repealed, and all other provisions of the Ordinances of the City of Plano not in conflict with the provisions of this Ordinance shall remain in full force and effect.

**Section IV.** The repeal of any ordinance or part of ordinances affected by the enactment of this Ordinance shall not be construed as abandoning any action now pending under or by virtue of such ordinance or as discontinuing, abating, modifying or altering any penalty accruing or to accrue, or as affecting any rights of the municipality under any section or provisions of any ordinance at the time of passage of this Ordinance.

**Section V.** Any person, firm or corporation found to be violating any term or provision of this Ordinance, shall be subject to a fine in accordance with Section 1-4(a) of the City Code of Ordinances for each offense. Every day a violation continues shall constitute a separate offense.

**Section VI.** It is the intention of the City Council that this Ordinance, and every provision hereof, shall be considered severable, and the invalidity or partial invalidity of any section, clause or provision of this Ordinance shall not affect the validity of any other portion of this Ordinance.

**Section VII.** This Ordinance shall become effective immediately upon its passage and publication as required by law.

**PASSED AND APPROVED THIS THE 11TH DAY OF JANUARY, 2010.**

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Phil Dyer, MAYOR

ATTEST:

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Diane Zucco, CITY SECRETARY

APPROVED AS TO FORM:

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Diane C. Wetherbee, CITY ATTORNEY

EXHIBIT "A"  
LEGAL DESCRIPTION

SITUATED in the State of Texas, County of Collin, and City of Plano, being part of the Henry B. Miller Survey, Abstract No. 614, being part of an 11.385 acre tract as recorded in Volume 4,227, Page 835 of the Collin County Land Records with said premises being more particularly described as follows:

BEGINNING at a 1/2-inch iron rod found marking the southwest corner of said 11.385 acre tract, a northwest corner of a 37.721 acre tract as recorded in Volume 5,424, Page 2,914 of the Collin County Land Records, and being in the east right-of-way line of Communications Parkway;

THENCE with the south line of said 11.385 acre tract, and a north line of said 37.721 acre tract, south 89° 38' 16" East, 55.04 feet to the POINT OF BEGINNING;

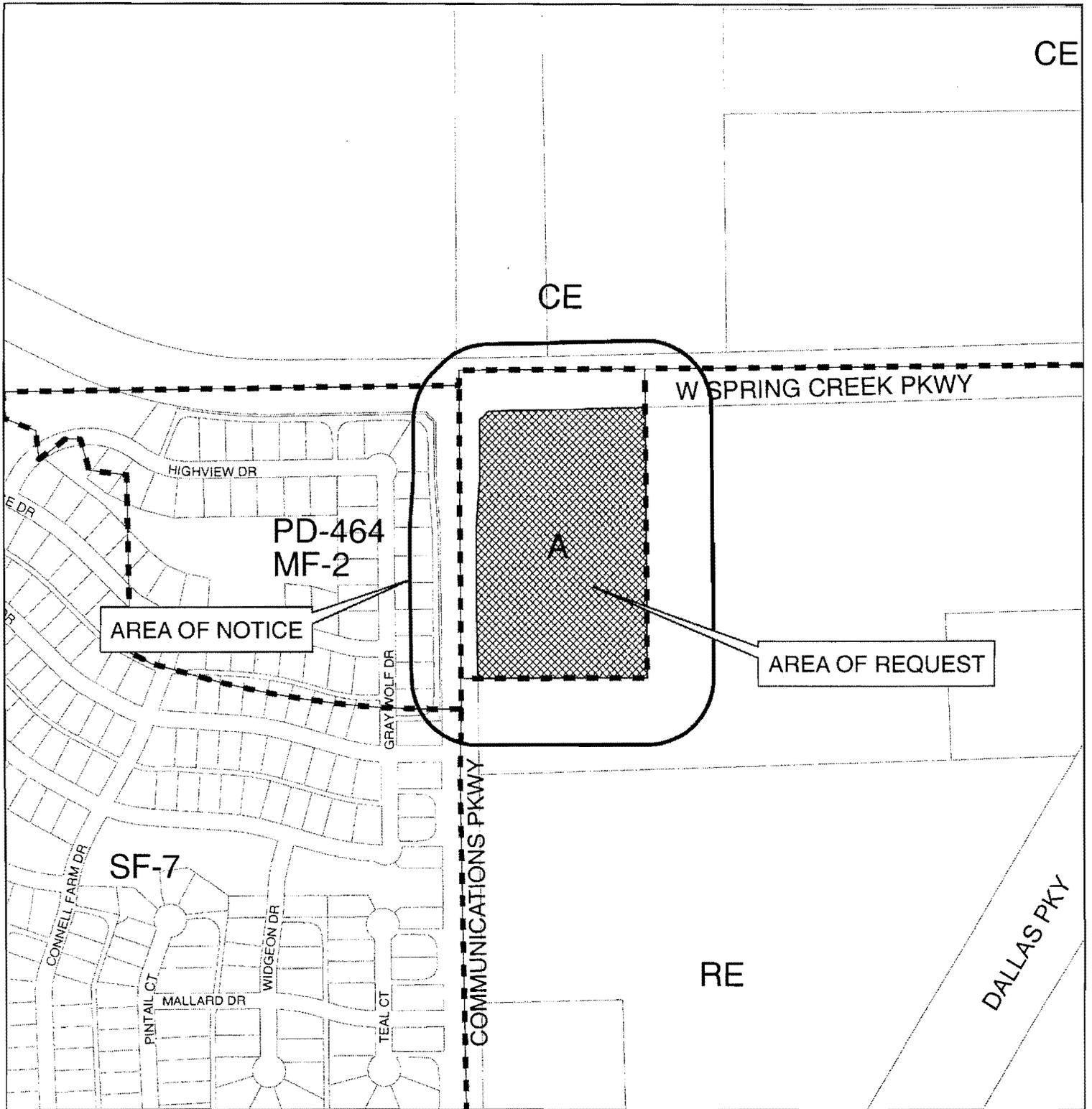
THENCE with a west line of said premises, the east line of said 1.852 acre tract, and the east right-of-way line of said Communications Parkway as follows: North 00° 55' 11" East, 452.38 feet to a 60D nail set; North 04° 44' 01" East, 150.33 feet to a 1/2-inch Roome capped iron rod set; North 00° 55' 11" East, 175.00 feet to a 1/2-inch Roome capped iron rod set marking a northwest corner of said premises, an interior corner of said 1.852 acre tract and the southwest corner of a corner clip;

THENCE with a northwest line of said premises, the southeast line of said corner clip along a southeast line of said 1.852 acre tract, and the southeast right-of-way line of said Communications Parkway, North 45° 36' 52" East, 35.54 feet to a 1/2-inch Rome capped iron rod set marking an interior corner of said premises, the northeast corner of said corner clip, an interior corner of said 1.852 acre tract, and being in the south right-of-way line of Spring Creek Parkway;

THENCE with the north line of said premises, a south line of said 1.852 acre tract and the south right-of-way line of said Spring Creek Parkway, South 89° 41' 26" East, 467.46 feet to a 1/2-inch Roome capped iron rod set marking the northeast corner of said premises, the southeast corner of said 1.852 acre tract, and being in the west line of the aforementioned 37.721 acre tract;

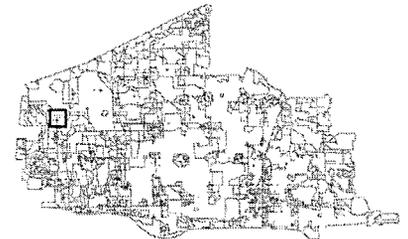
THENCE with the east line of said 11.385 acre tract and the west line of said 37.721 acre tract, South 00° 13' 12" West, 802.70 feet to a 1/2-inch Roome capped iron rod set marking the southeast corner of said 11.385 acre tract, said premises and an interior corner of said 37.721 acre tract;

THENCE with the south line of said 11.385 acre tract, said premises and a north line of said 37.721 acre tract, North 89° 38' 16" West, 512.25 feet to the POINT OF BEGINNING and CONTAINING 403,663 square feet or 9.27 acres of land.

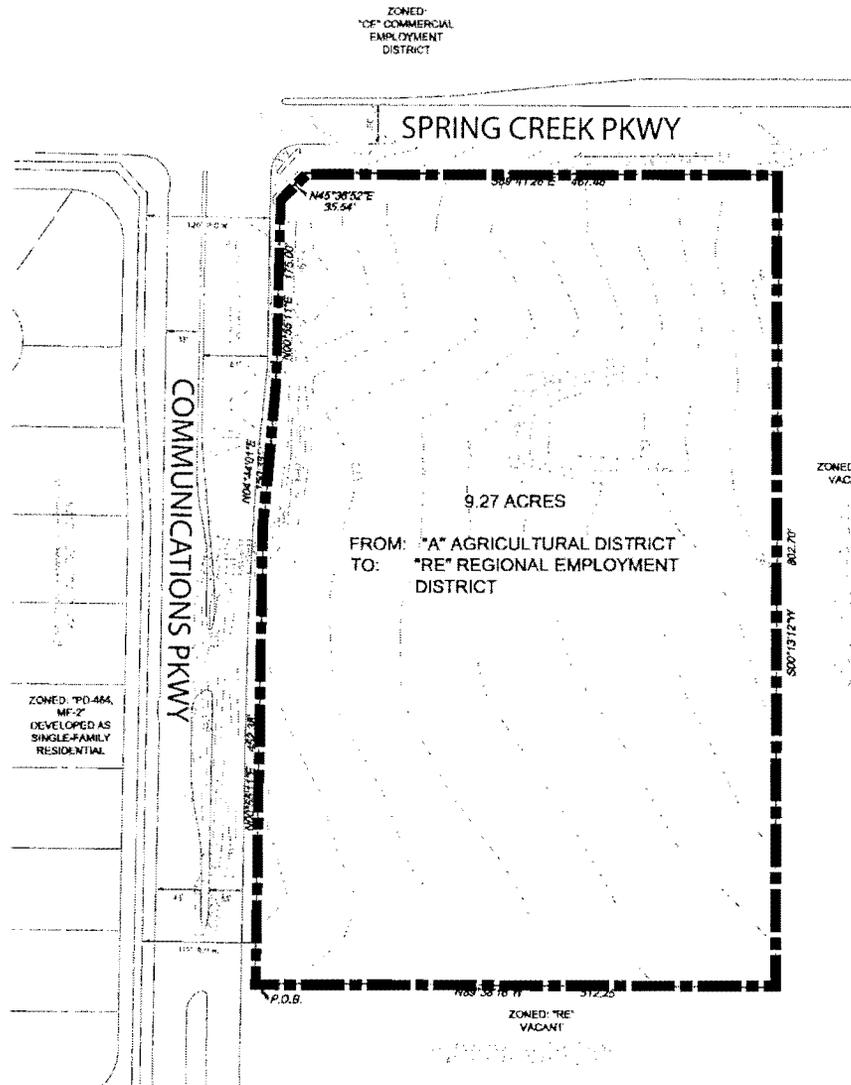


Zoning Case #: 2009-21

Existing Zoning: AGRICULTURAL/  
DALLAS NORTH TOLLWAY OVERLAY DISTRICT



○ 200' Notification Buffer



ZONED:  
"CE" COMMERCIAL  
EMPLOYMENT  
DISTRICT

SPRING CREEK PKWY

9.27 ACRES

FROM: "A" AGRICULTURAL DISTRICT  
TO: "RE" REGIONAL EMPLOYMENT  
DISTRICT

ZONED: "PD-4M,  
MF-2"  
DEVELOPED AS  
SINGLE-FAMILY  
RESIDENTIAL

COMMUNICATIONS PKWY

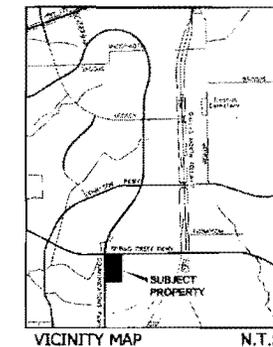
ZONED: "RE"  
VACANT

ZONED: "RE"  
VACANT

NOTE:  
APPROVAL OF THE ZONING CASE ASSOCIATED WITH THIS EXHIBIT SHALL NOT IMPLY APPROVAL OF ANY ASSOCIATED STUDY, PLAN, OR PLAN, APPROVAL OF DEVELOPMENT STANDARDS SHOWN HEREON, OR THE INITIATION OF THE DEVELOPMENT PROCESS. PLANNING AND ZONING COMMISSION AND/OR CITY COUNCIL ACTION ON STUDIES, PLANS OR PLANS RELATING TO DEVELOPMENT OF THIS PROPERTY SHALL BE CONSIDERED AS AN ACTION SEPARATE FROM ACTION TAKEN ON THIS ZONING CASE.

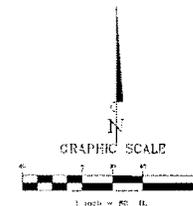
ENGINEER:  
**BANNISTER**  
ENGINEERING  
CONTACT: JEFF LINDER

PROPERTY OWNER:  
ACRES OF SUNSHINE, LTD.  
800 CENTRAL PKWY E.  
SUITE 100  
PLANO, TEXAS 75075-5675  
PH: (972) 231-8600  
CONTACT: SHANE JORDAN



VICINITY MAP

N.T.S.



**BOUNDARY DESCRIPTION:**

SITUATED in the State of Texas, County of Collin and City of Plano, being part of the Henry B. Miller Survey, Abstract No. 614, being part of an 11.385 acre tract as recorded in Volume 4227, Page 835 of the Collin County Land Records with said premises being more particularly described as follows:

BEGINNING at a 1/2-inch iron rod found marking the southwest corner of said 11.385 acre tract, a northwest corner of a 37.721 acre tract as recorded in Volume 5474, Page 2914 of the Collin County Land Records, and being in the east right-of-way line of Communications Parkway;

THENCE with the south line of said 11.385 acre tract, and a north line of said 37.721 acre tract, South 89°38'16" East, 55.04 feet to the Point of Beginning;

THENCE with a west line of said premises, the east line of said 1.852 acre tract, and the east right-of-way line of said Communications Parkway as follows: North 00°53'11" East, 452.38 feet to a 600 nail set, North 04°49'01" East, 150.33 feet to a 1/2-inch Roome capped iron rod set; North 00°55'11" East, 175.00 feet to a 1/2-inch Roome capped iron rod set marking a northwest corner of said premises, an interior corner of said 1.852 acre tract and the southwest corner of a corner clip;

THENCE with a northwest line of said premises, the southeast line of said corner clip along a southeast line of said 1.852 acre tract, and the southeast right-of-way line of said Communications Parkway, North 45°36'52" East, 35.54 feet to a 1/2-inch Roome capped iron rod set marking an interior corner of said premises, the northeast corner of said corner clip, an interior corner of said 1.852 acre tract, and being in the south right-of-way line of Spring Creek Parkway;

THENCE with the north line of said premises, a south line of said 1.852 acre tract and the south right-of-way line of said Spring Creek Parkway, South 89°41'26" East, 467.46 feet to a 1/2-inch Roome capped iron rod set marking the northeast corner of said premises, the southeast corner of said 1.852 acre tract, and being in the west line of the aforementioned 37.721 acre tract;

THENCE with the east line of said 11.385 acre tract and the west line of said 37.721 acre tract, South 00°13'12" West, 802.70 feet to a 1/2-inch Roome capped iron rod set marking the southeast corner of said 11.385 acre tract, said premises and an interior corner of said 37.721 acre tract;

THENCE with the south line of said 11.385 acre tract, said premises and a north line of said 37.721 acre tract, North 89°38'16" West, 512.25 feet to the place of beginning and containing 403,663 square feet or 9.27 acres of land.

ZONING EXHIBIT  
FOR  
ZONING CASE #2009-21  
9.27 ACRES OUT OF THE  
HENRY B. MILLER SURVEY, ABST. NO. 614  
FROM: "A" AGRICULTURAL DISTRICT  
TO: "RE" REGIONAL  
EMPLOYMENT DISTRICT  
LOCATED IN THE  
CITY OF PLANO, COLLIN COUNTY, TEXAS

PREPARED: NOV. 21, 2009  
REVISED: DEC. 17, 2009

**DATE:** December 22, 2009  
**TO:** Honorable Mayor & City Council  
**FROM:** James Duggan, Chairman, Planning & Zoning Commission  
**SUBJECT:** Results of Planning & Zoning Commission Meeting of December 21, 2009

**AGENDA ITEM NO. 7A - PUBLIC HEARING  
ZONING CASE 2009-22  
APPLICANT: ACRES OF SUNSHINE, LTD.**

Request for a Specific Use Permit for Long-term Care Facility on 6.1± acres located on the east side of Communications Parkway, 290± feet south of Spring Creek Parkway. Zoned Agricultural.

**APPROVED:** 8-0 **DENIED:** \_\_\_\_\_ **TABLED:** \_\_\_\_\_

**LETTERS RECEIVED WITHIN 200 FOOT NOTICE AREA:** **SUPPORT:** 1 **OPPOSE:** 0

**LETTERS RECEIVED OUTSIDE 200 FOOT NOTICE AREA:** **SUPPORT:** 0 **OPPOSE:** 0

**PETITION(s) RECEIVED:** N/A **# OF SIGNATURES:** N/A

**STIPULATIONS:**

Recommended for approval subject to City Council approval of Zoning Case 2009-21.

**FOR CITY COUNCIL MEETING OF:** January 11, 2010 (To view the agenda for this meeting, see [www.planotx.org](http://www.planotx.org))

**PUBLIC HEARING - ORDINANCE**

EH/dc

CITY OF PLANO  
PLANNING & ZONING COMMISSION

December 21, 2009

**Agenda Item No. 7A**

**Public Hearing:** Zoning Case 2009-22

**Applicant:** Acres of Sunshine, Ltd.

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**DESCRIPTION:**

Request for a Specific Use Permit for Long-term Care Facility on 6.1± acres located on the east side of Communications Parkway, 290± feet south of Spring Creek Parkway. Zoned Agricultural.

**REMARKS:**

The requested zoning is a Specific Use Permit (SUP) for Long-term Care Facility. A long-term care facility is defined as a development providing in-patient health care, personal care, or rehabilitative services over a long period of time to persons chronically ill, aged, or disabled due to injury or disease. The purpose and intent of an SUP is to authorize and regulate a use not normally permitted in a district which could be of benefit in a particular case to the general welfare, provided adequate development standards and safeguards are established for such use during the review of an SUP application.

The subject property is currently zoned Agricultural (A). The A zoning does not allow for long-term care facilities or other similar uses. The applicant is requesting that the property be rezoned to Regional Employment (RE), as explained in companion Zoning Case 2009-21. This SUP request is contingent upon the approval of Zoning Case 2009-21 by City Council.

A preliminary site plan, Haggard Stonegate Addition, Block A, Lots 1 & 2, accompanies this request. The applicant is proposing to develop the southern lot, Lot 2, as the long-term care facility.

The long-term care facility use is complimentary to the adjacent residential use and should provide a buffer between the existing residential subdivision and the Dallas North Tollway. The subject property is approximately 1,200 feet west of the tollway, which should provide adequate separation to allow for a livable environment for the future residents of the facility. The site will derive its primary access from

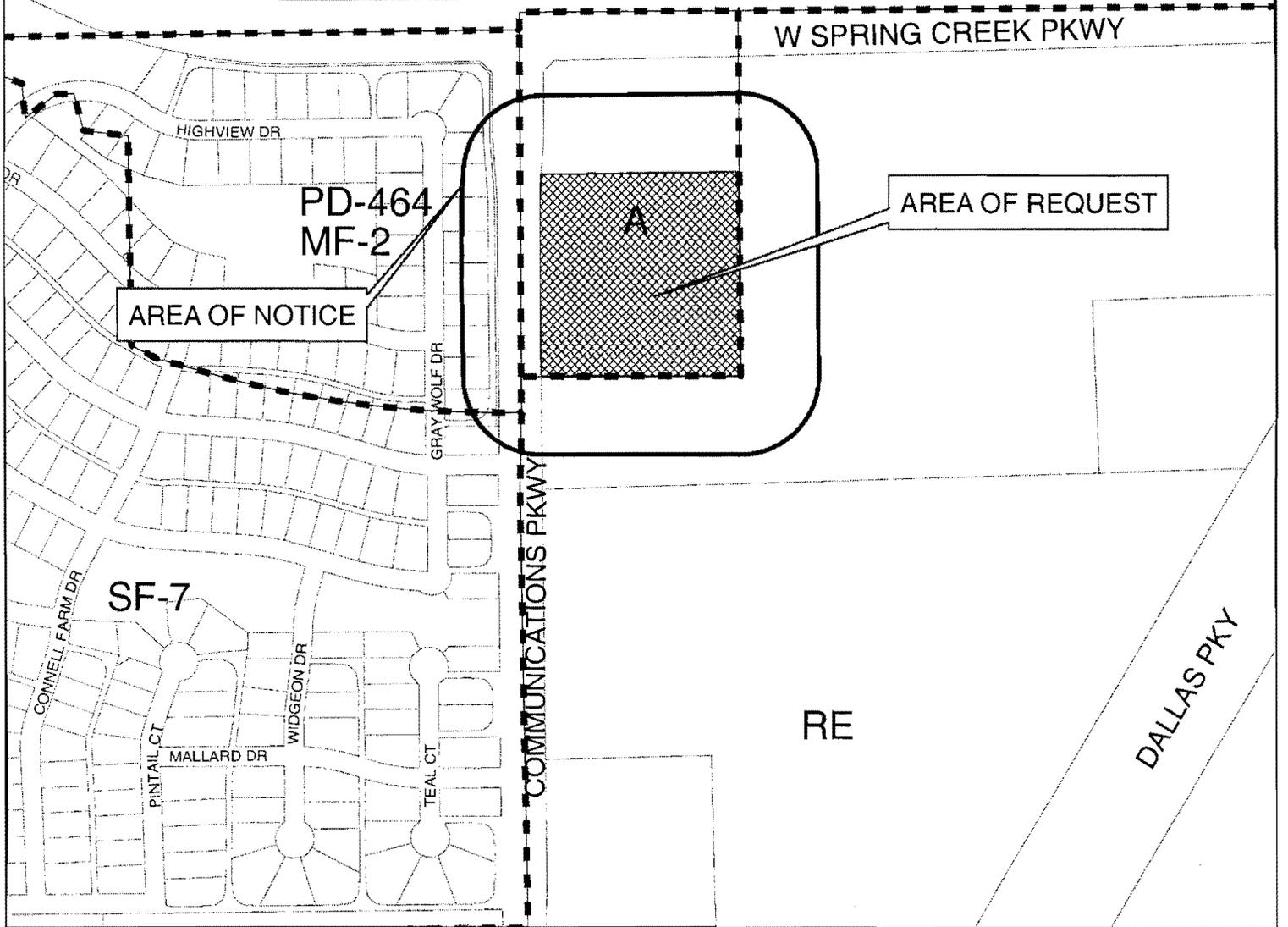
Communications Parkway, and in the future, it will have access to Spring Creek Parkway via the adjacent property to the north. Additionally, since this site does not have frontage on the tollway nor an arterial roadway, the requested use is appropriate because it does not rely upon visibility, unlike other uses currently allowed within the requested RE zoning district. For these reasons, staff believes this is an appropriate location for a long-term care facility.

**RECOMMENDATION:**

Recommended for approval subject to City Council approval of Zoning Case 2009-21.

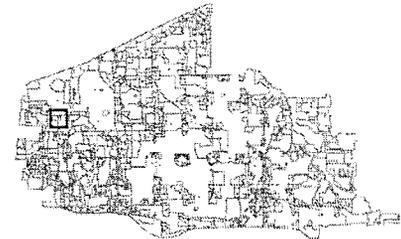
CE

CE

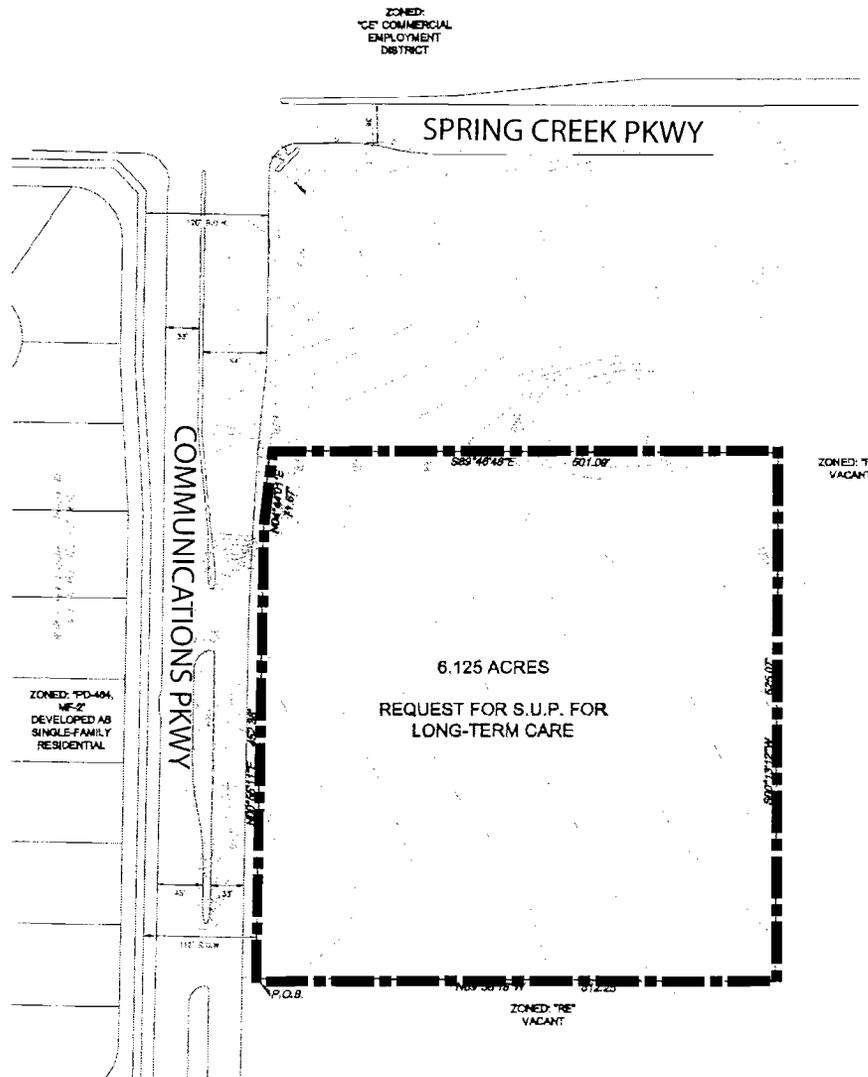


Zoning Case #: 2009-22

Existing Zoning: AGRICULTURAL/  
DALLAS NORTH TOLLWAY OVERLAY DISTRICT



○ 200' Notification Buffer



ZONED:  
"CE" COMMERCIAL  
EMPLOYMENT  
DISTRICT

SPRING CREEK PKWY

COMMUNICATIONS PKWY

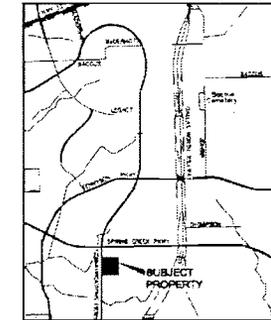
6.125 ACRES

REQUEST FOR S.U.P. FOR  
LONG-TERM CARE

ZONED "TR"  
VACANT

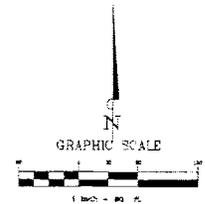
ZONED: "FD-404,  
RES-Z"  
DEVELOPED AS  
SINGLE-FAMILY  
RESIDENTIAL

ZONED "TR"  
VACANT



VICINITY MAP

N.T.S.



**BOUNDARY DESCRIPTION:**

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BEGINNING at a 1/4-inch iron rod found marking the southwest corner of said 11.385 acre tract, a northwest corner of a 37.721 acre tract as recorded in Volume 5424, Page 2914 of the Collin County Land Records, and being in the east right-of-way line of Communications Parkway;

THENCE with the north line of said 11.385 acre tract, and a north line of said 37.721 acre tract, South 89°38'16" East, 55.04 feet to the Point of Beginning;

THENCE with a west line of said premises, the east line of said 1.852 acre tract, and the east right-of-way line of said Communications Parkway as follows: North 00°55'11" East, 452.38 feet to a 5/8" nail set; North 04°44'01" East, 71.67 feet to a point for corner;

THENCE South 89°46'38" East, 501.09 feet to a point for corner on the west line of the aforementioned 37.721 acre tract;

THENCE with the east line of said 11.385 acre tract and the west line of said 37.721 acre tract, South 00°13'12" West, 525.07 feet to a 1/4-inch (Round) capped iron rod and marking the west-southwest corner of said 11.385 acre tract, said premises and an interior corner of said 37.721 acre tract;

THENCE with the south line of said 11.385 acre tract, said premises and a north line of said 37.721 acre tract, North 89°38'16" West, 512.25 feet to the place of beginning and containing 266,805 square feet or 6.125 acres of land.

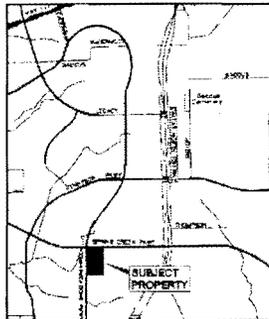
**NOTE:**  
APPROVAL OF THE ZONING CASE ASSOCIATED WITH THIS EXHIBIT SHALL NOT IMPLY APPROVAL OF ANY ASSOCIATED STUDY, PLAN, OR PLAN, APPROVAL OF DEVELOPMENT STANDARDS SHOWN HEREON, OR THE INITIATION OF THE DEVELOPMENT PROCESS. PLANNING AND ZONING COMMISSION AND/OR CITY COUNCIL ACTION ON STUDIES, PLANS OR PLANS RELATING TO DEVELOPMENT OF THIS PROPERTY SHALL BE CONSIDERED AS AN ACTION SEPARATE FROM ACTION TAKEN ON THIS ZONING CASE.

ENGINEER:  
**BANNISTER**  
ENGINEERING  
CONTACT: JEFF LINDER

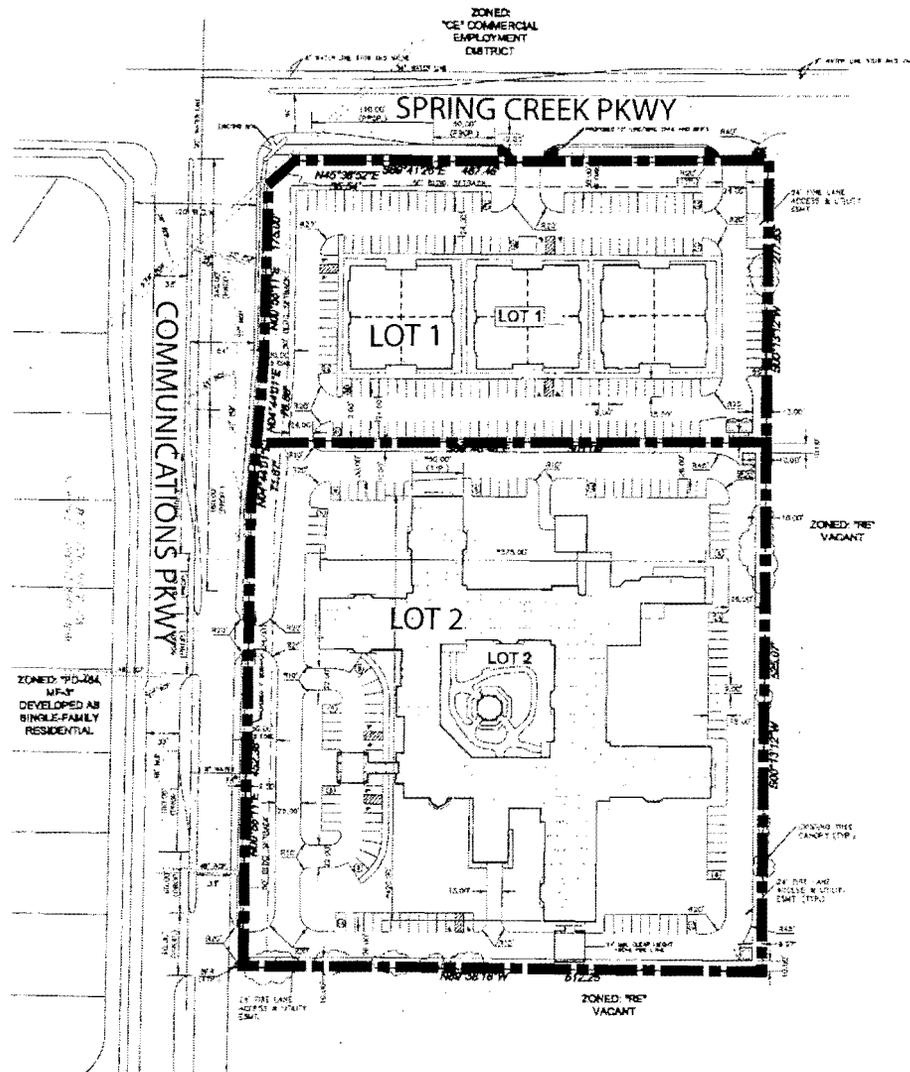
PROPERTY OWNER:  
ACRES OF SUNSHINE, LTD.  
800 CENTRAL PKWY. E.  
SUITE 100  
PLANO, TEXAS 75075-0578  
PH: (972) 231-8600  
CONTACT: SHANE JORDAN

ZONING EXHIBIT  
FOR  
ZONING CASE # 2009-22  
6.13 ACRES OUT OF THE  
HENRY B. MILLER SURVEY, ABST. NO. 614  
REQUEST FOR S.U.P. FOR  
LONG-TERM CARE  
LOCATED IN THE  
CITY OF PLANO, COLLIN COUNTY, TEXAS

PREPARED: NOV. 11, 2009  
REVISED: NOV. 30, 2009



VICINITY MAP N.T.S.



**GENERAL NOTES:**

1. BUILDINGS 8,000 SQUARE FEET OR GREATER SHALL BE 100% FIRE SPRINKLED.
2. FIRE LANES SHALL BE DESIGNED AND CONSTRUCTED PER CITY STANDARDS.
3. HANDICAPPED PARKING AREAS SHALL BE DESIGNED AND PROVIDED PER CITY STANDARDS AND SHALL COMPLY WITH REQUIREMENTS OF THE CURRENT ADOPTED INTERNATIONAL BUILDING CODE.
4. FOUR FOOT WIDE SIDEWALKS SHALL BE PROVIDED 2.5 FEET OFF THE PROPERTY LINE WITHIN THE RIGHTS-OF-WAY. UNLESS A SIDEWALK EASEMENT IS PROVIDED FOR A MEANDERING SIDEWALK OR AN ALTERNATIVE DESIGN IS APPROVED BY THE CITY. BARRIER-FREE RAMPS, PER CITY STANDARDS, SHALL BE PROVIDED ON SIDEWALKS AT ALL CURB CROSSINGS.
5. MECHANICAL UNITS, DUMPSTERS AND TRASH ENCLOSURES SHALL BE SCREENED IN ACCORDANCE WITH THE ZONING ORDINANCE.
6. ALL SIGNAGE CONTINGENT UPON APPROVAL OF BUILDING INSPECTION DEPARTMENT.
7. APPROVAL OF THE SITE PLAN IS NOT FINAL UNTIL ALL ENGINEERING PLANS ARE APPROVED.
8. OPEN STORAGE, WHERE PERMITTED, SHALL BE SCREENED IN ACCORDANCE WITH THE ZONING ORDINANCE.
9. BUILDING FACADES WITHIN THIS DEVELOPMENT SHALL BE COMPATIBLE AS PROVIDED IN THE RETAIL CORNER DESIGN GUIDELINES.
10. OUTDOOR LIGHTING SHALL COMPLY WITH ILLUMINATION STANDARDS WITHIN SECTION 5-306 OF THE CODE OF ORDINANCES.
11. PLEASE CONTACT THE BUILDING INSPECTION DEPARTMENT TO DETERMINE THE TYPE OF CONSTRUCTION AND OCCUPANCY GROUP.
12. ALL ELECTRICAL TRANSMISSION, DISTRIBUTION AND SERVICE LINES MUST BE UNDERGROUND.
13. USES SHALL CONFORM IN OPERATION, LOCATION, AND CONSTRUCTION TO THE FOLLOWING PERFORMANCE STANDARDS IN SECTION 5-100 OF THE ZONING CODE: NOISE, SHOCK AND PARTICULATE MATTER, ODOROUS MATTER, FIRE OR EXPLOSIVE HAZARD MATERIAL, TOXIC AND NOXIOUS MATTER, VIBRATION AND/OR OTHER PERFORMANCE STANDARDS.

**DATA SUMMARY:**

Category	Item	Quantity	Notes
Site Area	Total Site Area	10.00	Acres
	Lot 1 Area	5.00	Acres
	Lot 2 Area	5.00	Acres
	Impervious Area	100,000	Sq. Ft.
	Permeable Area	100,000	Sq. Ft.
	Impervious Area	100,000	Sq. Ft.
	Permeable Area	100,000	Sq. Ft.
	Impervious Area	100,000	Sq. Ft.
	Permeable Area	100,000	Sq. Ft.
	Impervious Area	100,000	Sq. Ft.
Parking	Total Parking Spaces	100	
	Handicapped Spaces	10	
	Standard Spaces	90	
	Handicapped Spaces	10	
	Standard Spaces	90	
	Handicapped Spaces	10	
	Standard Spaces	90	
	Handicapped Spaces	10	
	Standard Spaces	90	
	Handicapped Spaces	10	
Landscaping	Total Landscaping Area	100,000	Sq. Ft.
	Planting Density	100	Plants/Acre
	Planting Density	100	Plants/Acre
	Planting Density	100	Plants/Acre
	Planting Density	100	Plants/Acre
	Planting Density	100	Plants/Acre
	Planting Density	100	Plants/Acre
	Planting Density	100	Plants/Acre
	Planting Density	100	Plants/Acre
	Planting Density	100	Plants/Acre

- SITE NOTES:**
1. ALL DUMPSTERS WILL BE SCREENED WITH METAL GATES AND IF MASONRY WALLS TO MATCH THE BUILDING. DUMPSTER GATES ARE NOT PERMITTED TO EXTEND INTO THE FIRE LANE.
  2. ALL SINGLE DUMPSTERS SHALL BE MINIMUM 13' DEEP X 13' WIDE; ALL DOUBLE DUMPSTERS SHALL BE MINIMUM 13' DEEP X 22' WIDE.
  3. ALL PUBLIC SIDEWALKS SHALL PROVIDE A MINIMUM 6'6" PASSING SPACE EVERY 200' AS SHOWN ON PLAN.

ENGINEER:  
**BANNISTER ENGINEERING**  
 CONTACT: JEFF LINDER

PROPERTY OWNER:  
 ACRES OF SUNSHINE LTD.  
 800 CENTRAL PKWY E.  
 SUITE 100  
 PLANO, TEXAS 75075-6678  
 PH: (972) 231-0800  
 CONTACT: SHANE JORDAN

**PRELIMINARY SITE PLAN**  
 FOR  
**HAGGARD STONEGATE ADDITION**  
 Block A, Lots 1 and 2  
 9.27 ACRES OUT OF THE  
 HENRY B. MILLER SURVEY, ABST. NO. 614  
 LOCATED IN THE  
**CITY OF PLANO,**  
**COLLIN COUNTY, TEXAS**  
 PREPARED: NOV. 11, 2009  
 REVISED: DEC. 9, 2009

**(Zoning Case 2009-22)**

**An Ordinance of the City of Plano, Texas, amending the Comprehensive Zoning Ordinance of the City, Ordinance No. 2006-4-24, as heretofore amended, granting Specific Use Permit No. 603 so as to allow the additional use of Long-term Care Facility on 6.1± acres of land out of the Henry B. Miller Survey, Abstract No. 614, located on the east side of Communications Parkway, 290± feet south of Spring Creek Parkway, in the City of Plano, Collin County, Texas, presently zoned Agricultural; directing a change accordingly in the official zoning map of the City; and providing a penalty clause, a repealer clause, a savings clause, a severability clause, and an effective date.**

**WHEREAS**, the City Secretary of Plano, Texas, directed that notices of a hearing be issued, as required by the Zoning Ordinance of the City of Plano and laws of the State of Texas, at a meeting of the City Council, to be held on the 11th day of January, 2010, for the purpose of considering granting Specific Use Permit No. 603 for the additional use of Long-term Care Facility on 6.1± acres of land out of the Henry B. Miller Survey, Abstract No. 614, located on the east side of Communications Parkway, 290± feet south of Spring Creek Parkway, in the City of Plano, Collin County, Texas, presently zoned Agricultural; and

**WHEREAS**, the City Secretary of the said City accordingly caused to be issued and published the notices required by its Zoning Ordinance and laws of the State of Texas applicable thereto, the same having been published in a paper of general circulation in the City of Plano, Texas, at least fifteen (15) days prior to the time set for such hearing; and

**WHEREAS**, the City Council of said City, pursuant to such notice, held its public hearing and heard all persons wishing to be heard both for and against the aforesaid change in the Zoning Ordinance, on the 11th day of January, 2010; and

**WHEREAS**, the City Council is of the opinion and finds that the granting of Specific Use Permit No. 603 for the additional use of Long-term Care Facility on 6.1± acres of land out of the Henry B. Miller Survey, Abstract No. 614, located on the east side of Communications Parkway, 290± feet south of Spring Creek Parkway, in the City of Plano, Collin County, Texas, would not be detrimental or injurious to the public health, safety and general welfare, or otherwise offensive to the neighborhood; and

**WHEREAS**, the property is currently zoned Agricultural and granting of Specific Use Permit No. 603 for the additional use of Long-term Care Facility is contingent upon City Council approval of companion zoning request 2009-21 rezoning the subject property from Agricultural to Regional Employment, such that the Regional Employment district allows Long-term Care Facility as an additional use subject to approval of a specific use permit; and

**WHEREAS**, the City Council is of the opinion and finds that such change will promote the best and most orderly development of the properties affected thereby, and to be affected thereby, in the City of Plano, and as well, the owners and occupants thereof, and the City generally.

**IT IS, THEREFORE, ORDAINED BY THE CITY COUNCIL OF THE CITY OF PLANO, TEXAS, THAT:**

**Section I.** The Comprehensive Zoning Ordinance No. 2006-4-24, as the same has been heretofore amended, is hereby further amended so as to grant Specific Use Permit No. 603 for the additional use of Long-term Care Facility on 6.1± acres of land out of the Henry B. Miller Survey, Abstract No. 614, located on the east side of Communications Parkway, 290± feet south of Spring Creek Parkway, in the City of Plano, Collin County, Texas, presently zoned Agricultural, said property being more fully described on the legal description in Exhibit "A" attached hereto.

**Section II.** That the granting of Specific Use Permit No. 603 for the additional use of Long-term Care Facility is subject to City Council approval of companion zoning request 2009-21 rezoning the subject property from Agricultural to Regional Employment.

**Section III.** It is directed that the official zoning map of the City of Plano (which is retained in electronic record format) be changed to reflect the zoning classification established by this Ordinance.

**Section IV.** All provisions of the ordinances of the City of Plano in conflict with the provisions of this Ordinance are hereby repealed, and all other provisions of the Ordinances of the City of Plano not in conflict with the provisions of this Ordinance shall remain in full force and effect.

**Section V.** The repeal of any ordinance or part of ordinances affected by the enactment of this Ordinance shall not be construed as abandoning any action now pending under or by virtue of such ordinance or as discontinuing, abating, modifying or altering any penalty accruing or to accrue, or as affecting any rights of the municipality under any section or provisions of any ordinance at the time of passage of this Ordinance.

**Section VI.** Any person, firm or corporation found to be violating any term or provision of this Ordinance, shall be subject to a fine in accordance with Section 1-4(a) of the City Code of Ordinances for each offense. Every day a violation continues shall constitute a separate offense.

**Section VII.** It is the intention of the City Council that this Ordinance, and every provision hereof, shall be considered severable, and the invalidity or partial invalidity of

any section, clause or provision of this Ordinance shall not affect the validity of any other portion of this Ordinance.

**Section VIII.** This Ordinance shall become effective immediately upon its passage and publication as required by law.

**PASSED AND APPROVED THIS THE 11TH DAY OF JANUARY, 2010.**

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Phil Dyer, MAYOR

ATTEST:

---

Diane Zucco, CITY SECRETARY

APPROVED AS TO FORM:

---

Diane C. Wetherbee, CITY ATTORNEY

EXHIBIT "A"  
LEGAL DESCRIPTION

SITUATED in the State of Texas, County of Collin and City of Plano, being part of the Henry B. Miller Survey, Abstract No. 614, being part of an 11.385 acre tract as recorded in Volume 4,227, Page 835 of the Collin County Land Records with said premises being more particularly described as follows:

BEGINNING at a 1/2-inch iron rod found marking the southwest corner of said 11.385 acre tract, a northwest corner of a 37.721 acre tract as recorded in Volume 5,424, Page 2,914 of the Collin County Land Records, and being in the east right-of-way line of Communications Parkway;

THENCE with the south line of said 11.385 acre tract, and a north line of said 37.721 acre tract, South 89° 38' 16" East, 55.04 feet to the POINT OF BEGINNING;

THENCE with a west line of said premises, the east line of said 1.852 acre tract, and the east right-of-way line of said Communications Parkway as follows: North 00° 55' 11" East, 452.38 feet to a 60D nail set; North 04° 44' 01" East, 71.67 feet to a point for corner;

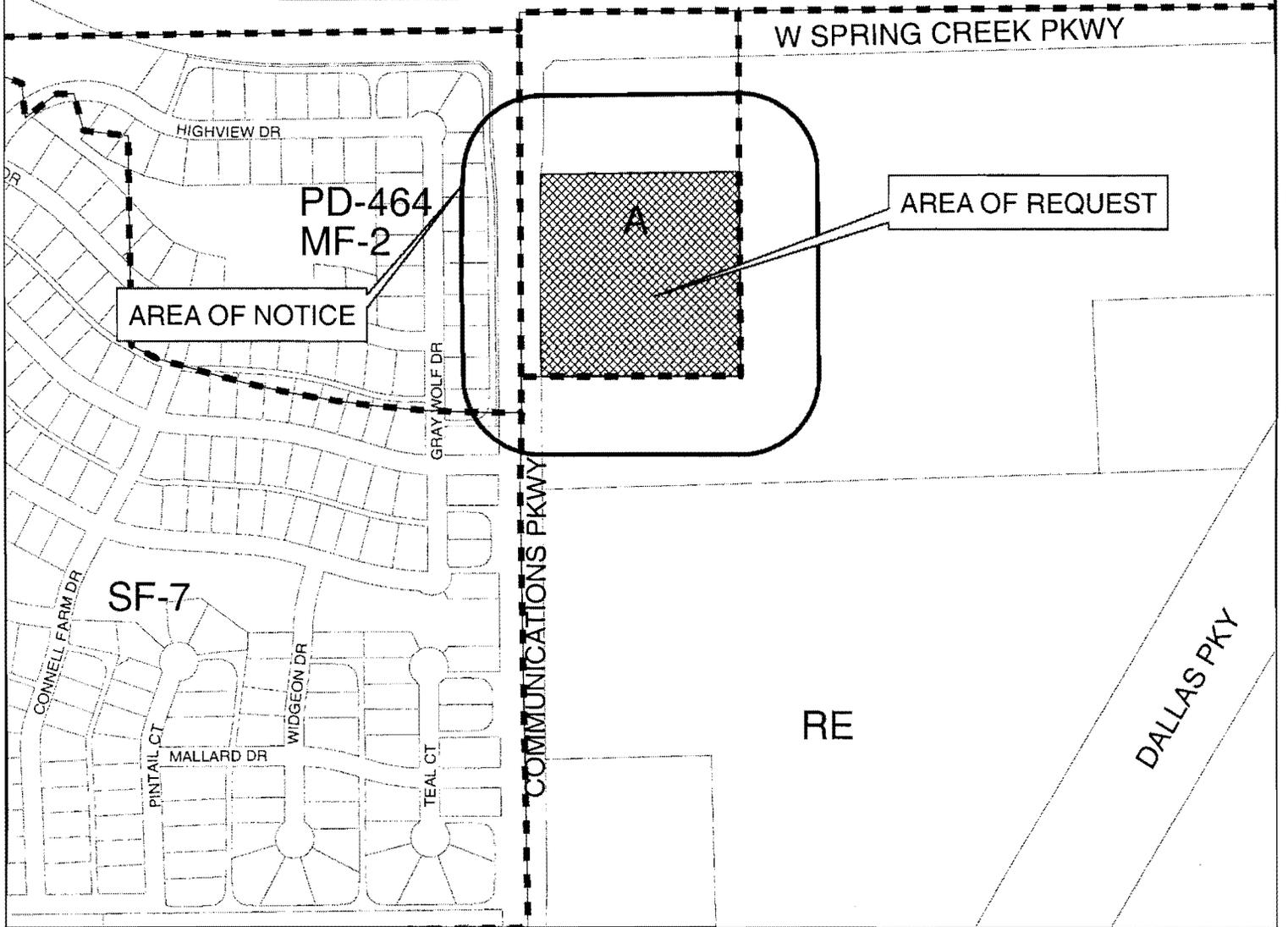
THENCE South 89° 46' 38" East, 501.09 feet to a point for corner on the west line of the aforementioned 37.721 acre tract;

THENCE with the east line of said 11.385 acre tract and the west line of said 37.721 acre tract, South 00° 13' 12" West, 525.07 feet to a 1/2-inch Roome capped iron rod set marking the southeast corner of said 11.385 acre tract, said premises and an interior corner of said 37.721 acre tract;

THENCE with the south line of said 11.385 acre tract, said premises and a north line of said 37.721 acre tract, North 89° 38' 16" West, 512.25 feet to the POINT OF BEGINNING and CONTAINING 266,805 square feet or 6.125 acres of land.

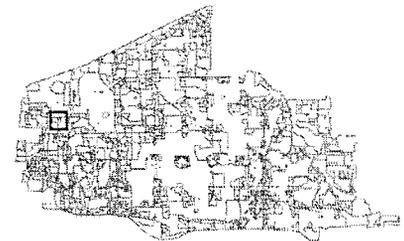
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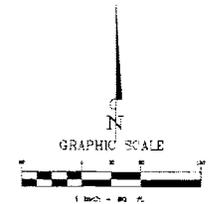
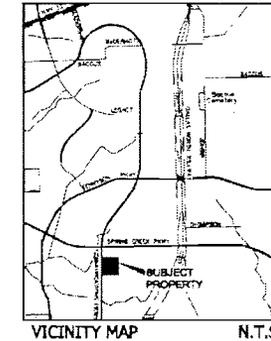
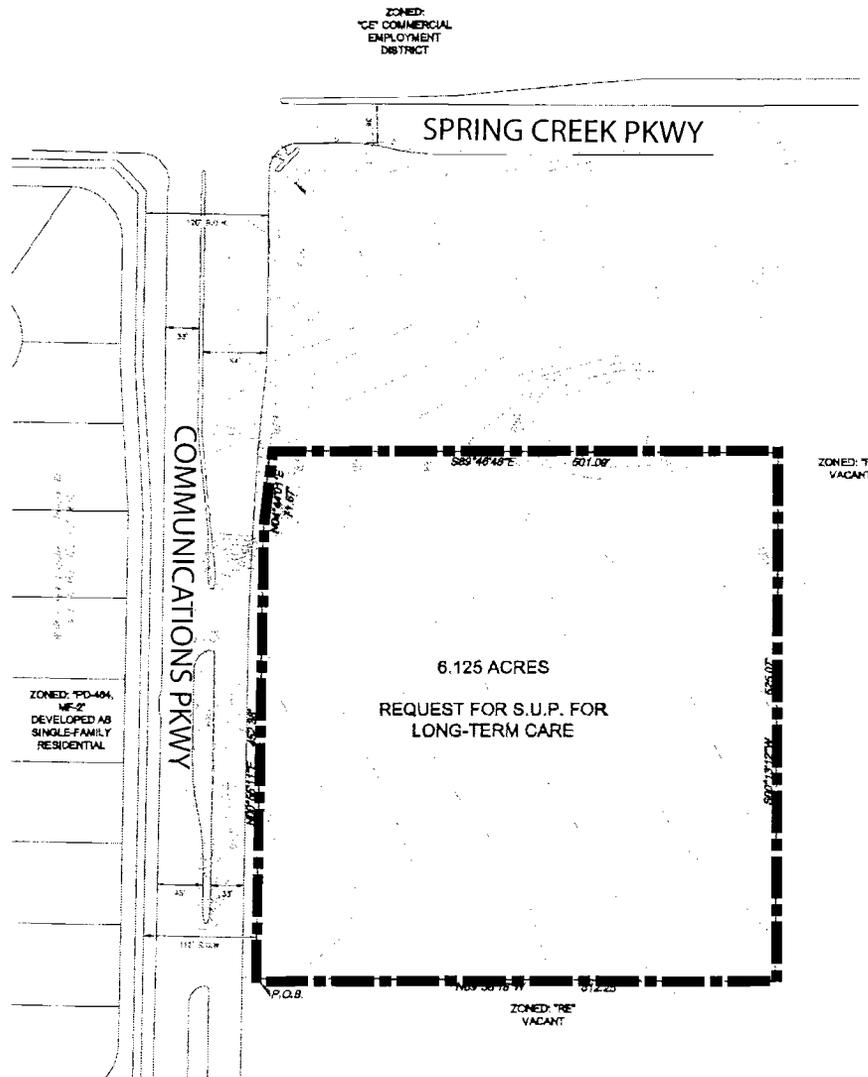


Zoning Case #: 2009-22

Existing Zoning: AGRICULTURAL/  
DALLAS NORTH TOLLWAY OVERLAY DISTRICT



○ 200' Notification Buffer



**BOUNDARY DESCRIPTION:**

SITUATED in the State of Texas, County of Collin and City of Plano, being part of the Henry B. Miller Survey, Abstract No. 614, being part of an 11.385 acre tract as recorded in Volume 4227, Page 835 of the Collin County Land Records with said premises being more particularly described as follows:

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THENCE with the north line of said 11.385 acre tract, and a north line of said 37.721 acre tract, South 89°38'16" East, 55.04 feet to the Point of Beginning;

THENCE with a west line of said premises, the east line of said 1.852 acre tract, and the east right-of-way line of said Communications Parkway as follows: North 00°55'11" East, 452.38 feet to a 5/8" nail set; North 04°44'01" East, 71.67 feet to a point for corner;

THENCE South 89°46'38" East, 501.09 feet to a point for corner on the west line of the aforementioned 37.721 acre tract;

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THENCE with the south line of said 11.385 acre tract, said premises and a north line of said 37.721 acre tract, North 89°38'16" West, 512.25 feet to the place of beginning and containing 266,805 square feet or 6.125 acres of land.

**NOTE:**  
APPROVAL OF THE ZONING CASE ASSOCIATED WITH THIS EXHIBIT SHALL NOT IMPLY APPROVAL OF ANY ASSOCIATED STUDY, PLAN, OR PLAN, APPROVAL OF DEVELOPMENT STANDARDS SHOWN HEREON, OR THE INITIATION OF THE DEVELOPMENT PROCESS. PLANNING AND ZONING COMMISSION AND/OR CITY COUNCIL ACTION ON STUDIES, PLANS OR PLANS RELATING TO DEVELOPMENT OF THIS PROPERTY SHALL BE CONSIDERED AS AN ACTION SEPARATE FROM ACTION TAKEN ON THIS ZONING CASE.

ENGINEER:  
**BANNISTER**  
ENGINEERING  
CONTACT: JEFF LINDER

PROPERTY OWNER:  
ACRES OF SUNSHINE, LTD.  
800 CENTRAL PKWY E.  
SUITE 100  
PLANO, TEXAS 75075-0578  
PH: (972) 231-8600  
CONTACT: SHANE JORDAN

**ZONING EXHIBIT**  
FOR  
**ZONING CASE # 2009-22**  
6.13 ACRES OUT OF THE  
HENRY B. MILLER SURVEY, ABST. NO. 614  
REQUEST FOR S.U.P. FOR  
LONG-TERM CARE  
LOCATED IN THE  
**CITY OF PLANO, COLLIN COUNTY, TEXAS**

PREPARED: NOV. 11, 2009  
REVISED: NOV. 30, 2009



**CITY OF PLANO  
COUNCIL AGENDA ITEM**

<b>CITY SECRETARY'S USE ONLY</b>			<b>Initials</b>	<b>Date</b>
<input type="checkbox"/> Consent <input type="checkbox"/> Regular <input type="checkbox"/> Statutory		Purchasing		
Council Meeting Date:	1/11/10	Budget		
Department:	Finance	Legal		
Department Head	Denise Tacke	Assistant City Manager		
Dept Signature:		Deputy City Manager		
		City Manager		
Agenda Coordinator (include phone #): <b>Katherine Crumbley - x7479</b>				
ACTION REQUESTED: <input type="checkbox"/> ORDINANCE <input checked="" type="checkbox"/> RESOLUTION <input type="checkbox"/> CHANGE ORDER <input type="checkbox"/> AGREEMENT <input type="checkbox"/> APPROVAL OF BID <input type="checkbox"/> AWARD OF CONTRACT <input type="checkbox"/> OTHER				
<b>CAPTION</b>				
A resolution of the City Council of the City of Plano, Texas, approving the terms and conditions of an Economic Development Incentive Agreement by and between the City of Plano, Texas and Scarbrough, Medlin & Associates, Inc., a Texas corporation; authorizing its execution by the City Manager or his designee and providing an effective date.				
<b>FINANCIAL SUMMARY</b>				
<input type="checkbox"/> NOT APPLICABLE <input checked="" type="checkbox"/> OPERATING EXPENSE <input type="checkbox"/> REVENUE <input type="checkbox"/> CIP				
FISCAL YEAR: <b>2010</b>	<b>Prior Year (CIP Only)</b>	<b>Current Year</b>	<b>Future Years</b>	<b>TOTALS</b>
Budget	0	12,391,869	0	<b>12,391,869</b>
Encumbered/Expended Amount	0	-4,509,398	-4,024,677	<b>-8,534,075</b>
This Item	0	-25,000	0	<b>-25,000</b>
BALANCE	0	7,857,471	-4,024,677	<b>3,832,794</b>
<b>FUND(s):</b>				
<b>COMMENTS:</b> STRATEGIC PLAN GOAL: PROVIDING ECONOMIC DEVELOPMENT INCENTIVES RELATES TO THE CITY'S GOAL OF DIVERSE BUSINESS CENTER				
<b>SUMMARY OF ITEM</b>				
A request from Scarbrough, Medlin & Associates, Inc. for an Economic Development incentive to relocate its business and commercial activities to the City, thereby generating additional local sales tax revenues and increasing ad valorem tax values to the City. Scarbrough, Medlin & Associates agrees to occupy not less than 13,500 sq. ft by 1/1/10 and create or transfer 40 jobs by 1/1/10 with the possibility of an additional 10 jobs by; 1/1/12.				
List of Supporting Documents:		Other Departments, Boards, Commissions or Agencies		
Economic Development Incentive Agreement				

RESOLUTION NO. \_\_\_\_\_

**A resolution of the City Council of the City of Plano, Texas, approving the terms and conditions of an Economic Development Incentive Agreement by and between the City of Plano, Texas and Scarbrough, Medlin & Associates, Inc., a Texas corporation; authorizing its execution by the City Manager or his designee and providing an effective date.**

**WHEREAS**, the City Council has been presented a proposed Economic Development Incentive Agreement By and Between the City of Plano, Texas and Scarbrough, Medlin & Associates, Inc., a Texas corporation, a substantial copy of which is attached hereto as Exhibit "A" and incorporated herein by reference (hereinafter called "Agreement"); and,

**WHEREAS**, upon full review and consideration of the Agreement, and all matters attendant and related thereto, the City Council is of the opinion that the terms and conditions thereof should be approved, and that the City Manager or his designee shall be authorized to execute it on behalf of the City of Plano.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PLANO, TEXAS, THAT:**

**Section I.** The terms and conditions of the Agreement, having been reviewed by the City Council of the City of Plano and found to be acceptable and in the best interests of the City of Plano and its citizens, are hereby in all things approved.

**Section II.** The City Manager or his designee is hereby authorized to execute the Agreement and all other documents in connection therewith on behalf of the City of Plano, substantially according to the terms and conditions set forth in the Agreement.

**Section III.** This Resolution shall become effective immediately upon its passage.

**DULY PASSED AND APPROVED** this the 11<sup>th</sup> day of January, 2010.

\_\_\_\_\_  
Phil Dyer, MAYOR

ATTEST:

\_\_\_\_\_  
Diane Zucco, CITY SECRETARY

APPROVED AS TO FORM:

\_\_\_\_\_  
Diane C. Wetherbee, CITY ATTORNEY

## **ECONOMIC DEVELOPMENT INCENTIVE AGREEMENT**

This Economic Development Incentive Agreement ("Agreement") is made by and between the City of Plano, Texas (the "City") and Scarbrough, Medlin & Associates, Inc., a Texas corporation ("Company"), acting by and through its respective authorized officers and representatives.

### **WITNESSETH:**

**WHEREAS**, Company is an independent insurance agency specializing in the handling of medium-to-large commercial accounts; and

**WHEREAS**, the Company has advised the City that a contributing factor that would induce the Company to maintain its business and commercial activities in and to the City, thereby generating local sales tax revenues and ad valorem tax values for the City, would be an agreement by the City to provide an economic development grant to the Company; and

**WHEREAS**, the Company agrees to occupy not less than a total of 13,500 square feet of commercial space located at 5700 Granite Parkway, Suite 500, Plano, Texas 75024 (the "Property") and to retain, transfer or create up to 50 Job Equivalents on the Property and maintain those positions for the remainder of the term of this Agreement; and

**WHEREAS**, the Company intends to maintain its current business personal property values of \$122,470.00 and add an additional \$10,000.00 of business personal property and \$10,000.00 of real property improvements to the Property; and

**WHEREAS**, the real property improvements to the Property and the retention, creation or transfer of up to 50 Job Equivalents at the Property within the City will promote economic development, stimulate commercial activity and enhance the tax base and economic vitality of the City; and

**WHEREAS**, the City has adopted programs for promoting economic development; and

**WHEREAS**, the City is authorized by TEX. LOC. GOV'T CODE §380.001 *et seq.* to provide economic development grants to promote local economic development and to stimulate business and commercial activity in the City; and

**WHEREAS**, the City has determined that making an economic development grant to the Company in accordance with the terms and conditions set forth in this Agreement will further the objectives of the City, will benefit the City and the City's inhabitants and will promote local economic development and stimulate business and commercial activity in the City;

**NOW THEREFORE**, in consideration of the foregoing and the premises, mutual covenants and agreements contained herein, and other good and valuable consideration, the

receipt and sufficiency of which are hereby acknowledged, the parties, intending to be legally bound, hereby covenant and agree as follows:

## **Article 1 Definitions**

For purposes of this Agreement, each of the following terms shall have the meaning set forth herein unless the context clearly indicates otherwise:

"Commencement Date" shall mean the earlier of the date of occupancy of the Property by the Company or January 1, 2010, whichever occurs first.

"Effective Date" shall mean the last date on which all of the parties hereto have executed this Agreement.

"Event of Force Majeure" shall mean any contingency or cause beyond the reasonable control of a party including, without limitation, acts of God or the public enemy, war, riot, civil commotion, insurrection, government or de facto governmental action (unless caused by the intentionally wrongful acts or omissions of the party), fires, explosions or floods, strikes, slowdowns or work stoppages any of which event(s) directly impact the Company's operations in the City.

"Job Equivalent" shall mean one or more Company job positions located at the Property, individually or when combined, total 2080 hours (inclusive of holidays, vacation and sick leave) annually.

## **Article 2 Term**

The term of this Agreement shall begin on the Commencement Date and continue until December 31, 2019, unless sooner terminated as provided herein.

## **Article 3 Obligations of Company**

In consideration for the grant of public funds as set forth in Section 4.01 below, the Company agrees to the following:

- (a) Occupy not less than 13,500 square feet of commercial space on the Property on or before January 1, 2010;
- (b) Create or transfer 40 Job Equivalents to the Property on or before January 1, 2010;
- (c) May create or transfer up to an additional 10 Job Equivalents (50 total) to the Property on or before January 1, 2012 ; and

(d) Use reasonable efforts to place all Company-managed hotel room nights, related to the Company's business activities, at facilities located in the City of Plano.

#### **Article 4** **Economic Development Grant**

4.01 **Grant.** The City agrees to provide the Company a cash grant of up to Twenty-Five Thousand Dollars (\$25,000.00) for the occupancy of 13,500 square feet of commercial space on the Property and the transfer or creation of up to 50 Job Equivalent positions on the Property in accordance with Article 3 above. The Company agrees to maintain the transferred or created Job Equivalents throughout the term of this Agreement as provided in Section 4.03 below.

4.02 **Grant Payments.** Except as otherwise indicated, the Company shall be entitled to payments of Twenty Thousand Dollars (\$20,000.00) from the City under this Agreement within thirty (30) days after the Company verifies to the City, using the Initial Certification form attached hereto as Exhibit "A", that the Company has met its obligations as set forth in Article 3 (a) and (b) above. In order to receive payment under this Agreement, Company's initial certification verifying compliance with Article 3 (a) and (b) above must be filed with the City on or before April 1, 2010. The Company shall be entitled to a second payment of up to Five Thousand Dollars (\$5,000.00) from the City under this Agreement within thirty (30) days after the Company verifies to the City, using the Initial Certification form attached hereto as Exhibit "A", that the Company has met the conditions set forth in Article 3 (c) above. In order to receive payment, Company's initial certification verifying compliance with Article 3 (c) above must be filed with the City on or before April 1, 2012.

4.03 **Refunds.**

(a) In the event the Company allows Job Equivalents at the Property to fall below the number of Job Equivalents for which it has received a grant payment for more than one hundred eighty (180) consecutive days during the term of this Agreement, not the result of an Event of Force Majeure, the Company shall refund to the City an amount equal to Five Hundred Dollars (\$500.00) for each lost Job Equivalent. For purposes of determining whether the City is due a refund under this section, the Company's Chief Financial Officer shall certify to the City by January 31, 2011 and by January 31st of each year thereafter during the term of this Agreement the actual number of Job Equivalents at the Property for the preceding calendar year, using the Certification form attached as Exhibit "B". All refunds under this Agreement shall be due within thirty (30) days of written demand for payment. Notwithstanding the foregoing, the Company shall never be required to refund to the City, in the aggregate, any amount in excess of the total grant amount set forth in Section 4.01.

(b) In the event the Company, at any time during the term of this Agreement, is convicted of a violation under 8 U.S.C. Section 1324a(f) regarding the unlawful employment of undocumented workers, it shall reimburse the City all grant funds paid pursuant to this Agreement together with interest charged from the date of payment of the funds at the statutory rate for delinquent taxes as determined by V.T.C.A., Tax Code § 33.01 but without the addition

of penalty. Repayment of grant funds and interest shall be due not later than one hundred twenty (120) days after the date the City notifies the Company of the conviction.

## **Article 5 Termination**

5.01 This Agreement terminates upon any one or more of the following:

- (a) By mutual written agreement of the parties;
- (b) Upon expiration of the term of this Agreement;
- (c) By either party upon written notice to the other, if the other party defaults or breaches any of the terms or conditions of this Agreement and such default or breach is not cured within thirty (30) days after written notice thereof (provided that such 30-day period shall be extended if the default is of a nature that cannot reasonably be cured within such 30-day period and further provided that the remedy is being diligently pursued); and
- (d) By either party upon written notice to the other if any subsequent federal or state legislation or any decision of a court of competent jurisdiction declares or renders this Agreement invalid, illegal or unenforceable, provided that such termination notice shall set forth an explanation of the terminating party's basis for termination under this subsection (d).

5.02 **Effect of Termination.** The rights, responsibilities and liabilities of the parties under this Agreement shall be extinguished upon the applicable effective date of termination of this Agreement, except for any obligations that accrue prior to such termination or as otherwise provided herein. All rights and obligations set forth above in this Section 5.02 shall survive the termination of this Agreement.

## **Article 6 Miscellaneous**

6.01 **Binding Agreement.** The terms and conditions of this Agreement are binding upon the successors and permitted assigns of the parties. This Agreement may not be assigned without the express written consent of the non-assigning party, except that the Company may assign this Agreement without obtaining the City's consent (a) to one of its affiliates, (b) to its parent or (c) to any person or entity that directly or indirectly acquires, through merger, sale of stock, purchase or otherwise, all or substantially all of the assets of the Company.

6.02 **No Joint Venture.** It is acknowledged and agreed by the parties that the terms of this Agreement are not intended to and shall not be deemed to create a partnership or joint venture among the parties. Neither party shall have any authority to act on behalf of the other party under any circumstances by virtue of this Agreement.

6.03 **Authorization.** Each party represents that it has full capacity and authority to grant all rights and assume all obligations that are granted and assumed under this Agreement.



6.10 **Counterparts.** This Agreement may be executed in counterparts. Each of the counterparts shall be deemed an original instrument, but all of the counterparts shall constitute one and the same instrument.

6.11 **Survival of Covenants.** Any of the representations, warranties, covenants, and obligations of the parties, as well as any rights and benefits of the parties, pertaining to a period of time following the termination of this Agreement shall survive termination.

6.12 **Dispute Resolution.** Any controversy or claim arising from or relating to this Agreement, or a breach thereof shall be subject to non-binding mediation, as a condition precedent to the institution of legal or equitable proceedings by any party. The parties shall endeavor to resolve their claims by mediation that, unless the parties mutually agree otherwise, shall be in accordance with the American Arbitration Association's Commercial Mediation Rules in effect at the time of mediation. Request for mediation shall be filed concurrently with the other party. Mediation shall proceed in advance of legal or equitable proceedings, which shall be stayed pending mediation for a period of sixty (60) days from the date of filing for mediation, unless stayed for a longer period of time by agreement of the parties. The party requesting the mediation shall bear all costs related to the mediation. The mediation shall be held in Collin County, Texas, unless another location is mutually agreed upon. Agreements reached in mediation shall be enforceable as settlement agreements in any Court having jurisdiction thereof.

**6.13. Time is of the Essence.** Time is of the essence in this Agreement.

**EXECUTED on this the 11<sup>th</sup> day of January, 2010.**

ATTEST:

CITY OF PLANO, TEXAS, a home rule municipal corporation

\_\_\_\_\_  
Diane Zucco, CITY SECRETARY

By: \_\_\_\_\_  
Thomas H. Muehlenbeck  
CITY MANAGER

APPROVED AS TO FORM:

\_\_\_\_\_  
Diane C. Wetherbee, CITY ATTORNEY

ATTEST:

SCARBROUGH, MEDLIN & ASSOCIATES,  
INC., a Texas corporation

\_\_\_\_\_

By: \_\_\_\_\_  
Donald R. Medlin  
President

**EXHIBIT "A"**

**INITIAL CERTIFICATE OF COMPLIANCE\***

I hereby certify that Company has occupied not less than 13,500 square feet of commercial space on the Property and has retained, transferred or added (40/10) new Job Equivalent positions to the Property. Scarbrough, Medlin & Associates, Inc., is in compliance with subsections ((a) and (b)/(c)) of Article 3 of the Agreement and is entitled to receive payment under the terms of that Agreement.

ATTEST:

Scarbrough, Medlin & Associates, Inc., a  
Texas corporation

\_\_\_\_\_

By:

\_\_\_\_\_  
Name:  
Chief Financial Officer

\_\_\_\_\_  
Date

NOTE:

This Certificate of Compliance should be mailed to:

City of Plano  
Finance Department  
P.O. Box 860358  
Plano, Texas 75086-0358

\*This form may be modified and used for the initial certification of the additional 10 jobs as specified in Article 3 (c) above.

**EXHIBIT "B"**

**ANNUAL CERTIFICATE OF COMPLIANCE**

I hereby certify that Scarbrough, Medlin & Associates, Inc., is in compliance with each applicable term as set forth in Article 3 of the Agreement as of \_\_\_\_\_. The term of the Agreement is January 1, 2010 through December 31, 2019. The number of new, transferred or retained Job Equivalents, calculated as set forth in the Agreement and maintained pursuant to the Agreement since its inception, has not fallen below \_\_\_\_\_ for more than one hundred eighty (180) consecutive days and is \_\_\_\_\_ as of the date of this Certificate of Compliance. If the number herein reported is below the number required to be maintained pursuant to the Agreement, I certify that the City of Plano has been refunded the appropriate amount as required by Section 4.03 of the Agreement. This form is due on January 31st of each year the Agreement is in force.

ATTEST:

Scarbrough, Medlin & Associates, Inc., a  
Texas corporation

\_\_\_\_\_

By:

\_\_\_\_\_  
Name:  
Chief Financial Officer

\_\_\_\_\_  
Date

NOTE:

This Certificate of Compliance should be mailed to:

City of Plano  
Finance Department  
P.O. Box 860358  
Plano, Texas 75086-0358