

PLANO CITY COUNCIL

WILL CONVENE INTO EXECUTIVE SESSION AT 5:00 P.M. ON AUGUST 28, 2006, FOLLOWED BY PRELIMINARY OPEN MEETING IMMEDIATELY THEREAFTER, IN THE PLANO MUNICIPAL BUILDING, 1520 K AVENUE, IN COMPLIANCE WITH VERNON'S TEXAS CODES ANNOTATED, GOVERNMENT CODE CHAPTER 551 (OPEN MEETINGS ACT), AS FOLLOWS:

Mission Statement: 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.

EXECUTIVE SESSION

- | | | | |
|----|--|-----------|---------|
| I. | Legal Advice | Wetherbee | 30 min. |
| | A. Respond to questions and receive legal advice on agenda items | | |

PRELIMINARY OPEN MEETING

- | | | | |
|------|--|-------------------|---------|
| I. | Consideration and action resulting from executive session discussion: | Council | 5 min |
| II. | Mobility Report | Neal | 10 min. |
| III. | Comprehensive Monthly Financial Report | McGrane | 10 min. |
| IV. | Presentation, Discussion and Direction re Workforce Housing Interim Report | Tovell
Kissick | 15 min. |
| V. | Council items for discussion/action on future agendas | Council | 5 min. |
| VI. | Consent and Regular Agenda | Council | 5 min. |
| VII. | Council Reports | Council | 5 min. |
| | A. Council May Receive Information, discuss and provide direction on the following reports: | | |
| | B. Council may receive reports from its other members who serve as liaisons to boards, commissions, and committees | | |

In accordance with the provisions of the Open Meetings Act, during Preliminary Open Meetings, agenda items will be discussed and votes may be taken where appropriate.

Municipal Center is wheelchair accessible. A sloped curb entry is available at the main entrance facing Avenue L, with specially marked parking spaces nearby. Access and special parking are also available on the north side of building. The Council Chamber is accessible by elevator to the lower level. 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.



CITY COUNCIL

1520 AVENUE K

DATE: August 28, 2006

CALL TO ORDER: 7:00 p.m.

INVOCATION: Abdul Hadi Khan
Islamic Association of Collin County

PLEDGE OF ALLEGIANCE: Brownie Troop 841

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>The City Council may convene into Executive Session to discuss posted items in the regular meeting as allowed by law.</p> <p><u>PROCLAMATIONS AND SPECIAL RECOGNITION</u></p> <p>Special Recognition: Henry Delafield, Volunteer of the Month</p> <p>Proclamation: Library Card Sign-up Month, September 2006</p> <p><u>COMMENTS OF PUBLIC INTEREST</u></p> <p>This portion of the meeting is to allow the public to speak on items of interest or concern. It is not for the purpose of speaking on items that are on the current agenda. The Council may not discuss these items, but factual or policy information may be provided in response to the comments, and Council may choose to place the item on a future agenda. The City Secretary receives speaker cards at the beginning of the meeting. Comments are limited to five (5) minutes per speaker, with a maximum time limit of thirty (30) minutes for this portion of the meeting.</p> <p><u>BOARD/COMMISSION REPORTS</u></p> <p>Retirement Security Plan Committee – John McGrane</p> <p>CONSENT AGENDA</p> <p><u>The Consent Agenda will be acted upon in one motion and contains items which are routine and typically noncontroversial.</u></p> <p><u>Items may be removed from this agenda for individual discussion by a Council Member, the City Manager or any citizen. The Council will then take action on the remainder of the Consent Agenda items. The City Secretary receives speaker cards at the beginning of the meeting. Citizens are limited to two (2) items and discussion time of three (3) minutes each.</u></p>	

ITEM NO.	EXPLANATION	ACTION TAKEN
(a)	<p><u>Approval of Minutes</u></p> <p>August 14, 2006 August 19, 2006</p> <p><u>Approval of Expenditures</u></p> <p>Award/Rejection of Bid/Proposal: (Purchase of products/services through formal procurement process by this agency)</p> <p>(b) Bid No. 2006-153-B for the Purchase of Two (2) Trailer Mounted Message Boards from K K Systems, Inc. in the amount of \$30,000 for the Streets Department.</p> <p>(c) RFP No. 2006-134-B for Consultant for Service Prioritization Assessment to Andrea Margaret Thomas, dba National Service Research in the amount of \$17,800.</p> <p>(d) Bid No. 2006-221-G for Collin County Solicitation #06098-06 - To approve an expenditure and authorize the City Manager to execute such documents as to effectuate the purchase with Audience Central Corporation for PIER Software Subscription License in the amount of \$30,600 for a crisis-ready, web-based system for managing public information and internal communications; 2005 UASI Grant.</p> <p>Purchase from Existing Contract/Agreement: (Purchase of products/services through Cooperative Purchasing Interlocal Contract with another governmental/quasi-governmental agency or an additional purchase from current City of Plano annual purchase agreement).</p> <p>(e) To approve the purchase of one (1) Heil 10 yard Refuse Side Loader in the amount of \$55,114 from Heil of Texas, and one (1) GMC TT7500 Cab/Chassis in the amount of \$49,712 from Rush Truck Center through an existing contract/agreement with H-GAC Cooperative Purchasing Program and authorizing the City Manager to execute all necessary documents. (RC08-06/HT11-05).</p> <p><u>Adoption of Resolutions</u></p> <p>(f) To review and approve the City's written Public Funds Investment Policy; and providing an effective date.</p> <p>(g) To approve the terms and conditions of a Professional Services Contract by and between the City of Plano, Texas and Grant Thornton, LLC for auditing services with regard to the 401(a) Plan; authorizing its execution by the City Manager; and providing an effective date.</p> <p>(h) To approve a license agreement by and between the City of Plano, Texas, and Jeff Barnes, dba 15th Street Café, a Sole Proprietorship, for use of a 276± square foot portion of property owned by the City of Plano and situated on the west side of the restaurant located at 1112 East 15th Street.</p> <p>(i) To amend an existing Public Right-of-Way Use Agreement by and between the City of Plano, Texas and TCDFW Acquisitions, LP, a Texas Limited Partnership, relocating the electrical duct bank crossing; providing for annual payment; updating Exhibit "A" to the agreement; and providing an effective date.</p>	

ITEM NO.	EXPLANATION	ACTION TAKEN
	<p><u>Adoption of Ordinances</u></p> <p>(j) To amend Ordinance No. 2004-8-16 codified as Article II, Fire Code, Section 8-17 of Chapter 8 of the City of Plano Code of Ordinances to require sprinkler protection in combustibile attics of buildings two or more stories in height and providing a repealer clause, a severability clause, a savings clause, a penalty clause, and an effective date.</p> <p>(k) To amend Ordinance No. 2004-8-8, codified as Article II, Building Code, Division 2, Section 6-37, Subsection 8 of Chapter 6 of the City of Plano Code of Ordinances to require sprinkler protection in combustibile attics of buildings two or more stories in height and providing a repealer clause, a severability clause, a savings clause, a penalty clause, and an effective date.</p> <p><u>ITEMS FOR INDIVIDUAL CONSIDERATION:</u></p> <p><u>TIME LIMITS FOR POSTED PUBLIC HEARINGS:</u> For items posted for a public hearing, applicants will limit their presentation to fifteen (15) minutes with a five (5) minute rebuttal time, if needed. All remaining speakers will be limited to a maximum of thirty (30) minutes of total testimony time, with three (3) minutes assigned per speaker. The City Secretary receives speaker cards at the beginning of the meeting. The presiding officer has the discretion to extend these times as deemed necessary.</p> <p><u>NON PUBLIC HEARING ITEMS:</u> At the discretion of the presiding officer, limited public comment may be permitted for items on the agenda that are not posted for a public hearing. The City Secretary receives speaker cards at the beginning of the meeting indicating the agenda item number(s) they wish to provide public comment. The presiding officer will establish time limits based upon the number of proposed speakers, length of the agenda, and to ensure meeting efficiency. The time constraints will be on an individual basis and may include a cumulative time limit for that agenda item. If a cumulative time limit is also imposed and the speakers cannot decide how to divide their time, the speakers will be called in order of the speaker cards as they were received by the City Secretary until the cumulative time is exhausted.</p> <p>(1) Second Public Hearing on the Tax Increase for Fiscal Year 2006-2007. First public hearing held 8/24/06</p> <p>(2) An ordinance to amend existing franchise Ordinance No. 2003-12-12 between the City of Plano and TXU Electric Delivery Company, a Texas Corporation, its successors and assigns, to provide for a different payment schedule; providing an extension of the franchise term; providing for TXU Electric Delivery acceptance; finding and determining that the meeting at which this ordinance is passed is open to the public as required by law; and providing a repealer clause; a severability clause and an effective date. Second Reading – First Reading Held and Approved 07-24-06</p>	

ITEM NO.	EXPLANATION	ACTION TAKEN
(3)	<p>Public Hearing and an ordinance as requested in Zoning Case 2006-16 To amend the Comprehensive Zoning Ordinance of the City, Ordinance No. 2006-4-24, as heretofore amended, so as to rezone 34.1± acres located on the north side of Windhaven Parkway, 2,900± feet east of Dallas North Tollway in the City of Plano, Collin County, Texas, from Planned Development-242-Multifamily-2 and Planned Development-243-Retail/General Office to Planned Development-154-Single-Family Residence-6; 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> <p><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></p>	



Pat Evans
Mayor

Scott Johnson
Mayor Pro Tem

Sally Magnuson
Deputy Mayor Pro Tem

Shep Stahel
Place 1

Loretta Ellerbe
Place 3

Harry LaRosiliere
Place 5

Jean Callison
Place 7

Lee Dunlap
Place 8

Thomas H. Muehlenbeck
City Manager

August 23, 2006

Mayor Pat Evans
City Council Members
City of Plano
Plano, TX 75074

Honorable Mayor and City Council:

We will begin Monday evening in Executive Session where we will receive advice from the City Attorney.

The Preliminary Open Meeting agenda consists of presentations regarding the Mobility Report and Comprehensive Monthly Financial Report. We will also be provided a presentation, and consider direction, on the Workforce Housing Interim Report.

I look forward to seeing you Monday.

Sincerely yours,

Thomas H. Muehlenbeck
City Manager

THM/cp



Transportation Mobility / Safety Report

July 2006

- **Traffic Signals:**

- New Signal Construction/Design:*

- ✓ **Completed signal modifications at Preston @ Tulane**
 - ✓ **Construct traffic signal at Plano Parkway @ 14th Street (20% complete)**
 - ✓ **Design traffic signal at Parkwood @ Headquarters (25% complete)**
 - ✓ **Update Traffic Signal Standard Detail sheets (100% complete)**
 - Developing As-Built drawings for 200 signalized intersections (5% complete)
 - Designing traffic signal at Spring Creek @ Parkwood (45% complete)

- **Traffic Safety:**

- ✓ **Prepared map of proposed Red Light Camera Locations for Public Safety. Identified 10 new locations for future implementation**
 - ✓ **Working to modify TED web page to match the new City of Plano web page format (80% completed)**
 - Analyzing employee commute patterns (70% completed)
 - Tennyson Parkway – Trees blocking sight (Working with EDS to improve visibility) - **Field checked location following report of trimming. Found additional trimming needed in the area west of Windcrest. Sent request for additional trimming.**

- **Safe Streets Program (SSP)**

- ✓ **The Temporary Plan for Old Pond Drive approved (70% response and 76% approval).**
 - ✓ **The comment periods ended for the Permanent Plans for Rainier (South of Spring Creek), Country Place Drive (North of Park), and Sailmaker Lane. Permanent Plan letters and survey cards will be mailed to residents in August and September**

Participating Neighborhoods

- Hawkhurst Drive (Permanent Plan devices being ordered)
- Russell Creek Drive (Permanent Plan devices being ordered)
- Seabrook (Permanent Plan devices being ordered)
- Cumberland Trail (Permanent Plan devices being ordered)
- Crossbend from Tumbri Lane to Coit (Permanent Plan devices being ordered)
- Sailmaker Lane (Notice Area survey's being sent)
- Travis Drive (Permanent Plan devices being ordered \)
- Ranier Road south of Spring Creek Parkway (Notice Area survey being sent)
- Lexington Drive (Temporary Devices installed 2/06)
- Country Place Drive north of Park Boulevard (Notice Area survey's being sent)
- Mission Ridge North of Spring Creek (Temporary Devices installed 2/06)
- Peachtree Lane (Work Order sent to Public Works for installation of temporary devices)
- Silverstone Drive (Work Order sent to Public Works for installation of temporary devices)
- Parkhaven Drive (Permanent Plan devices being ordered)
- Mission Ridge from Parker to Matterhorn (Temporary Plan approved by residents)
- Royal Oaks Drive (Temporary Plan approved by residents)
- Old Pond Drive (Temporary Plan approved by residents)

- Micarta Drive (Heavy Enforcement **concluded** in July)
- Robinson Road (Heavy Enforcement begins in **August**)

- Long Range Planning:
 - Confirm long term road access needs along Plano Parkway (**100%** complete)
 - Revise Plano Thoroughfare Standards (Graphics work **50%** complete)
 - Developing detour plan for repair of railroad crossing at US-75 and Plano Parkway (**90%** complete)
 - Attended monthly DRMC, RTC, TAC, STTC, and ITE meetings

Amphitheater at Oak Point Park

06
July

Plano's Comprehensive Monthly
Finance Report

The Texas All-Star Jazz Band

ABOUT THIS REPORT

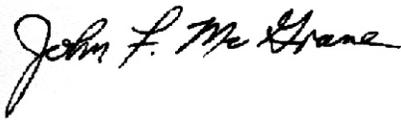
The City of Plano Finance Department is dedicated to excellence in local government, comprehensive fiscal management, compliance and reporting. The Comprehensive Monthly Finance Report (CMFR) is a unique document, directed at providing our audience (internal and external users), with the general awareness of the City's financial positions and economic activity.

This report is comprised of five sections:

1. The **Financial Analysis** reports the performance of the major operating funds of the City. Narrative disclosures are used to highlight any significant changes or fluctuations.
- 1A. The **Financial Summary** provides comparative data for major revenue sources and expenditure items.
2. The **Economic Analysis** section contains a summary of the key economic indicators and an in-depth review with graphic illustrations.
3. The **Investment Report** provides a description of investment activity during the month and a summary of interest earnings.
4. The **Quarterly Hotel/Motel Report** provides a summary of Hotel/Motel tax collections during the previous fiscal quarter, as well as comparisons and analyses of tax receipts and occupancy data from the two fiscal years preceding.

We would like to acknowledge those responsible for this report: Allison Friloux for the Financial Summary, Brent Yowell for the Economic Analysis Report, Quarterly Hotel/Motel Report and the Investment Report.

The CMFR is intended to provide our audience with a timely, unique and informative document. Please provide us with any comments or suggestions you may have and should you desire additional information, feel free to contact my office.



John F. McGrane
Director of Finance
P.O. Box 860358
Plano, TX 75006-0358
972-941-7135

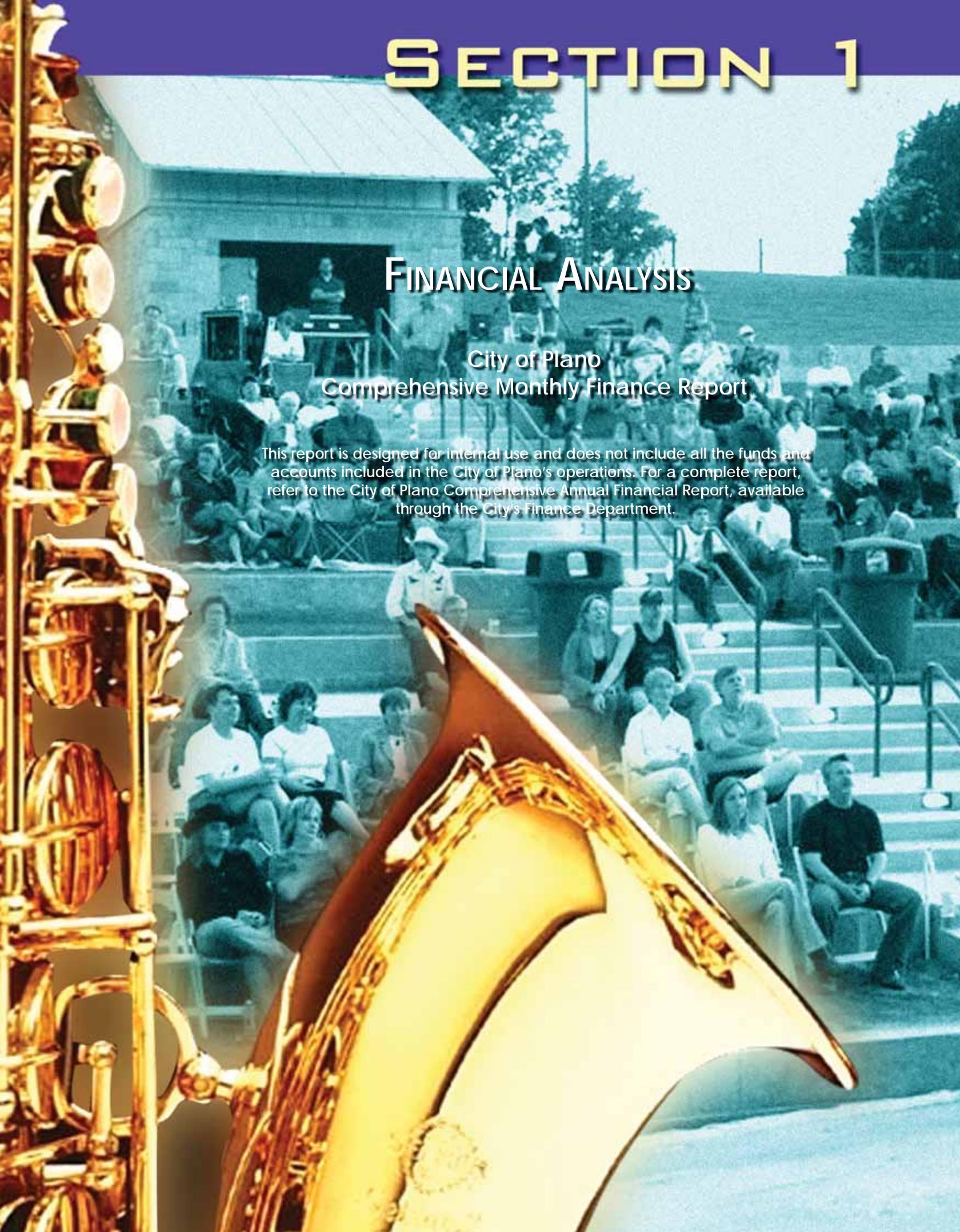


SECTION 1

FINANCIAL ANALYSIS

City of Plano Comprehensive Monthly Finance Report

This report is designed for internal use and does not include all the funds and accounts included in the City of Plano's operations. For a complete report, refer to the City of Plano Comprehensive Annual Financial Report, available through the City's Finance Department.

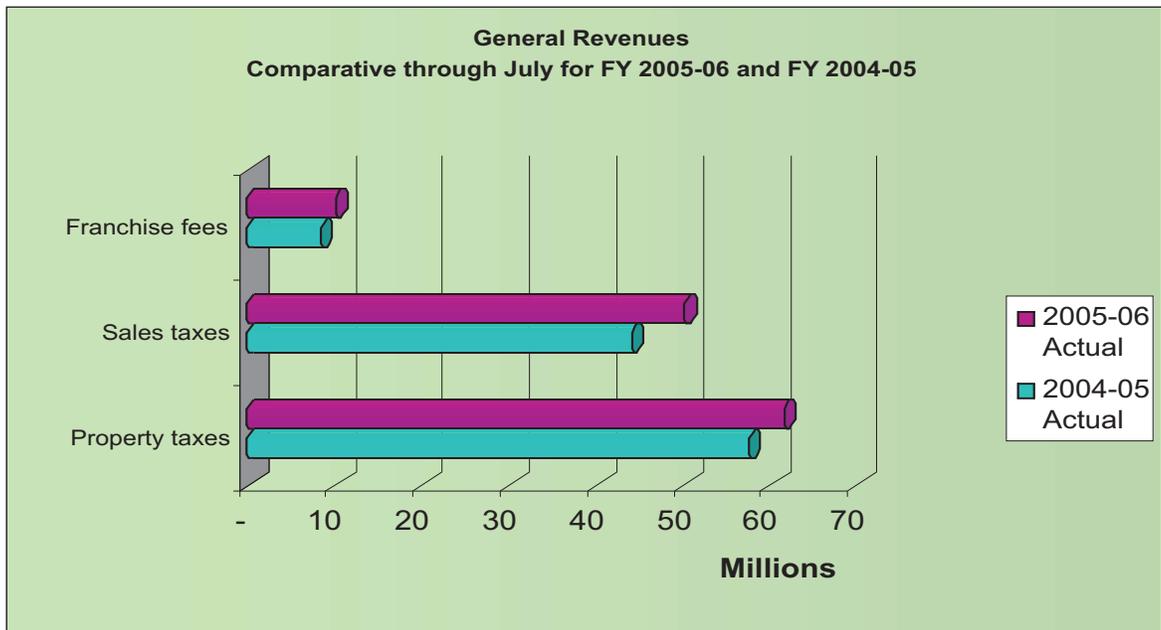
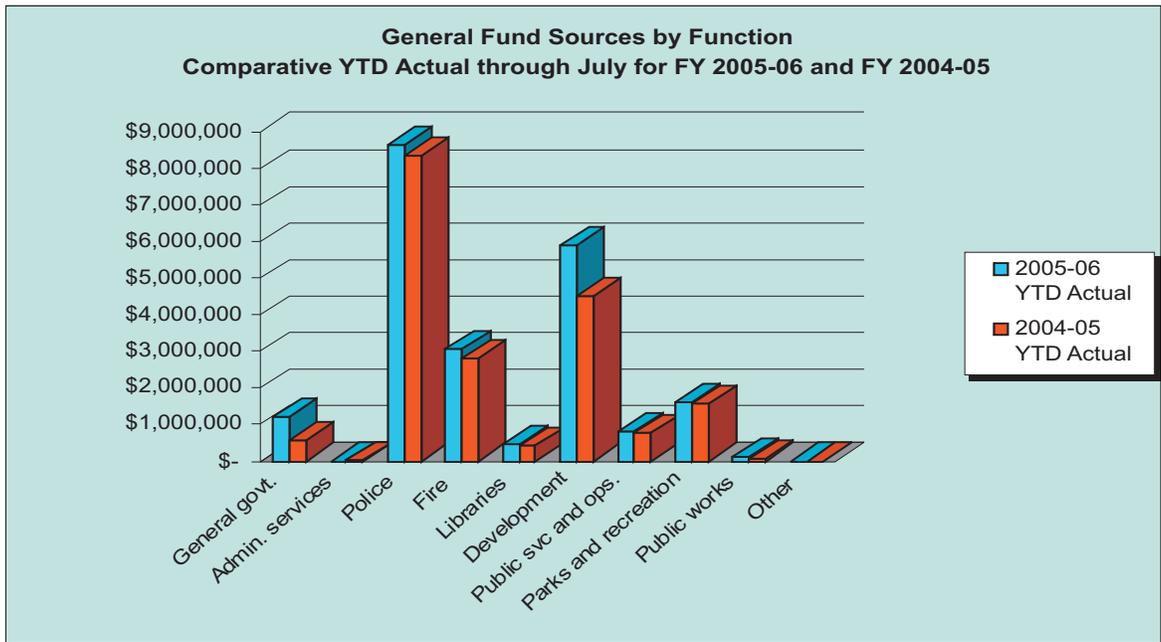


REPORT NOTES JULY, 2006

The information represented in the graphs below is derived from the statement of activities which is located after this section. The statement of activities presents information demonstrating how the City's net assets are changing during the current fiscal year. The format of the statement of activities reports General Fund and Business-type revenues and expenses by function which provides readers with a broad overview of the City of Plano's finances.

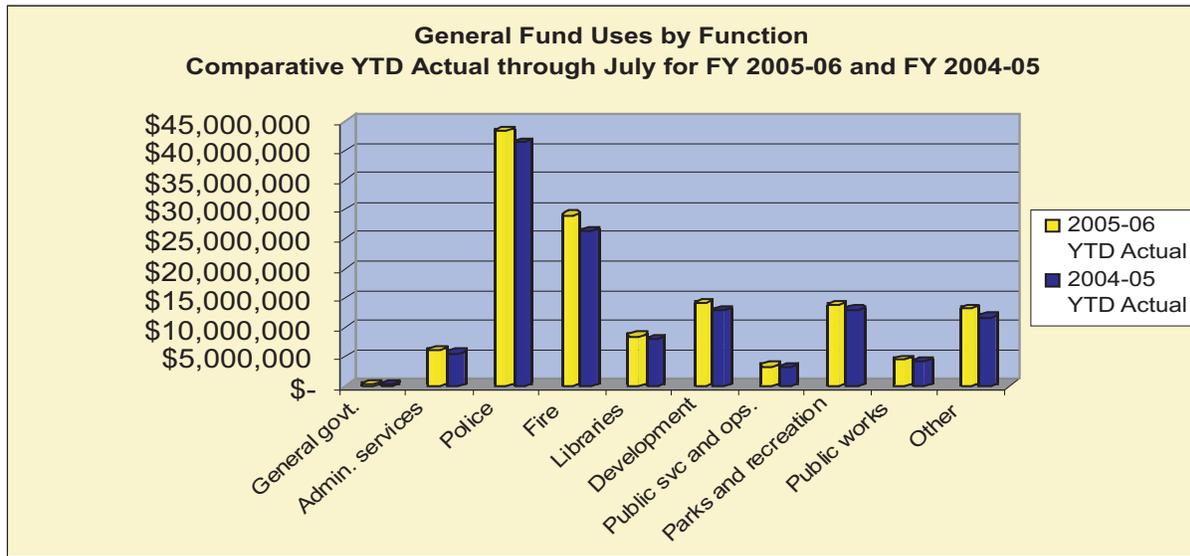
The information in this section compares year to date activity in the current fiscal year to the same time period in prior year. Please note that beginning fund balances in all funds are subject to final audit adjustments.

HIGHLIGHTS OF GENERAL FUND VARIANCES



REPORT NOTES CONTINUED

JULY, 2006



GENERAL GOVERNMENT

- The General Fund recorded proceeds of \$353,936 from the gain of the sale of Rice Field in January 2006. The sale of Rice Field included 1.895 acres of land previously purchased for \$99,673. The net gain on the sale of Rice Field is \$254,263.
- In prior year, \$24,900 was spent for the 2005 bond pamphlets that were distributed to citizens discussing the bonds that were on the ballot for that specific election.
- According to a funding agreement between the City and Plano Sister Cities, Inc., approved in September 2004, disbursement of funds was made in prior year in the amount of \$20,400. The agreement from prior year provides Plano Sister Cities, Inc., as an organization, to expend such funds to promote, foster, coordinate and publicize international municipal programs for the purpose of enhancing international relationships with the City.
- In the current year, additional work was performed on the Interurban Railway Museum in addition to including a new information kiosk for the downtown retail district. The cost of these additions amounted to \$11,086.
- A new monument, located at Courtyard Theater, has been added in the current year in the amount of \$9,000.
- An increase of \$36,362 has occurred over prior year for tuition reimbursements to City employees.

ADMINISTRATIVE SERVICES

- Audit fees for the City's annual audit, performed by Deloitte & Touche LLP, have increased \$21,908 attributed to higher fees assessed in the current year's contract.
- Election costs decreased over prior year by \$76,821 primarily attributed to sharing of costs with other entities, such as Plano Independent School District and Collin County Community College District, in current year elections.
- Personal services for administrative service departments increased over the prior year in the amount of \$364,903 or 8%, primarily attributed to salary increases and mid-year increases to correct compression issues within salary ranges.
- An increase in the volume of exams administered by the Human Resource department to police officers being hired increased over prior year by \$13,148. In the current fiscal year, there are more replacement officers due to a larger volume of police retirees in the current year. In addition, the Police department budgeted 10 new positions this year.
- The Human Resource department purchases consulting services, rendered by Dr. Picchioni, which have increased in contract amount by \$19,200 as compared to prior year.



REPORT NOTES CONTINUED

JULY, 2006

POLICE

- Court fines and forfeiture revenues increased \$298,113 over last year due to more citations issued in the current year. In fiscal year 2005-06, 79,549 citations have been issued through July, whereas 76,939 were issued in the same time period in the prior year. Another factor attributing to the increase is the new Collections and Compliance Unit in the Courts department.
- Personal services increased over prior year by \$1,974,186 or 5%, attributed to increased salary and benefit related expenditures as well as an increase in retiree payouts of \$394,457.
- Every two years the Police department purchases state criminal and traffic law books which occurred in the current year. The amount paid for these books totaled \$8,626.
- In the prior year, the Police department purchased five new Crown Victorias and three new Chevrolet Impalas, all new additions to the fleet, with an overall cost of \$158,255.
- Replacement charges for Police department equipment decreased \$222,160 primarily due to larger budgeted payments made in the prior year to the equipment replacement fund to finance replacements. However, the re-estimate for amounts to be paid in by the Police department for non-fleet items increased \$225,000 over the current year budget, bringing the re-estimate to \$250,000.
- Replacement charges for police rolling stock increased over prior year by \$111,107. However, the re-estimate decreased \$111,670 over budget due to timing of scheduled replacements in the current fiscal year.
- Radio purchases decreased over prior year by \$29,109.
- The annual contract for radio and mobile data system maintenance, related to public safety communications, increased \$15,740 over prior year attributed to added equipment coming out of warranty to be covered under the current contract.
- The Public Safety Communications department incurred expenditures for adding offices for two positions that were filled in the current fiscal year. The cost of these improvements was \$25,610.

FIRE

- Ambulance service revenues increased \$251,599 as compared to prior year primarily due to a 15% increase in rates effective October 1, 2005.
- Personal services increased \$1,694,612 over prior year primarily attributed to increased salary and benefit related expenditures in the current year.
- In the current fiscal year, seven replacement carbon fiber cylinders were purchased to operate the self-contained breathing apparatus (SCBA). Nineteen new SCBA were purchased for assigned personnel that will be primarily be stationed at Fire Station No.11 opening October 2006. The cost of this purchase was \$33,233.
- The Fire department has received and has on order \$93,288 in fire hoses in the current year, which is an increase over prior year, as fire hoses are purchased on an as needed basis.
- Capital outlay funds have been spent to purchase a rescue tool for Fire Station No. 11 which costs \$24,203.
- The Fire department has funded a portion of a new project in which portable computers are utilized to transmit data, entered from an incident scene, to the emergency rooms at the area hospitals. The majority of the funding is from the Fire department's replacement fund. The amount encumbered funded through the Fire department and the Fire department replacement fund is \$305,770.
- Funds to purchase an Autopulse device have been spent in the amount of \$122,136. This equipment is an automatic cardiopulmonary resuscitation (CPR) device.



REPORT NOTES CONTINUED

JULY, 2006

- The Fire department made radio purchases in the current year in the amount of \$64,722, whereas no funds were spent for radios by the Fire department last fiscal year. Encumbered funds of \$29,596 for Fire department radios are made in the current year as of July.
- Replacement charges for fire equipment decreased \$194,264 over prior year due to a decrease in budgeted amounts to repay the equipment replacement fund for equipment purchased in prior years. However, the re-estimate for amounts to be paid in by the Fire department for non-fleet items increased \$250,000 over the current year budget, bringing the re-estimate to \$250,000.
- Payment made to the equipment replacement fund for fire rolling stock increased over prior year by \$258,519. However, the re-estimate is recorded at \$1,007,617, a decrease of \$188,036 over budget attributed to timing of replacements in the current fiscal year.
- Expenditures for municipal garage charges, which are incurred for maintaining fire fleet by equipment services, increased \$117,282 due to increased labor rates and fuel costs.
- A new ambulance was added to the fleet in the current year that cost \$189,708 increasing capital outlay expenditures.
- New structural collapse training classes have occurred in the current year costing \$22,500. This training is for the City's regional response team to become part of the Dallas Regional Urban Search and Rescue Task Force.

LIBRARIES

- Revenues collected for library book fines have increased over prior year by \$23,215 primarily due to the renovation of Haggard Library during the months of July 2004 through December 2005. The amount of revenues collected for library fines for Haggard Library in the current year is \$36,782.
- The City receives payment from Collin County Community College and Allen Public Library for each entity's portion of maintenance costs associated with the Dynix System. These revenues are recorded at \$44,652 year to date as of July 2006. Last fiscal year, payment received through July totaled \$34,524. The reason for the increase in revenues is attributed to a larger need of technology services assistance as well as increased server maintenance costs.
- Personal services expenditures are greater over prior year by \$299,364 primarily attributed to increased salary and benefit related costs.
- The Library Administration department purchased a new Dodge Grand Caravan this current year in the amount of \$17,106.

DEVELOPMENT

- Building inspection fee revenues increased over prior year by \$1,096,047 due to an increasing number of down payments for required plan reviews of large projects for commercial building development and multi-family dwelling units.
- Engineering inspection fee revenues increased \$207,160 over prior year attributed to an increased number of inspections for roadway, residential and commercial projects performed in the current year. Two large residential projects assessed inspection fees before start of construction generating \$171,088 in revenues.
- Rental registration revenues have been incurred in the current year reported at \$75,039. This new program is the result of the recently adopted City ordinance requiring registration of multi family complexes that are twenty years old and older with five or more dwelling units.
- Facilities maintenance payments increased over prior year by \$588,300 and \$85,614, respectively, for electric and gas, primarily driven by higher natural gas prices.



REPORT NOTES CONTINUED

JULY, 2006

- The Facilities Services department has incurred and encumbered expenditures of \$22,138, an increase of \$16,813 over prior year, for power washing services at City facilities. The cost increase is attributed to special projects needed in the current year.
- In the prior year, the Property Standards office underwent an office reconfiguration that was funded by Facilities Maintenance, causing expenditures in the prior year to be \$24,638 greater than the current year.
- Increases in the Property Standards department's expenditures include the addition of six new vehicles to the fleet in the current year totaling \$132,688. The Property Standards department purchased 3 Toyota Prius and 3 Chevrolet trucks, all of which are hybrid vehicles.
- In the prior year, the Neighborhood Maintenance program purchased items utilized for safe streets programs in the amount of \$65,106. Expenditures of \$5,259 have been incurred in the current year. The purchasing of items for the safe streets program in the current year is temporarily on hold while issues with the annual contract and installation of devices are resolved.
- The Engineering department is receiving less reimbursement from other functional areas for staffing, such as DART technical assistance and administration of water and sewer projects. The amounts budgeted for engineering staff to work on these specific projects is lower than last year decreasing reimbursements to the Engineering department by \$80,980.

PUBLIC SERVICES AND OPERATIONS

- Lease fees pertaining to rental of space on City property and/or facilities have increased over prior year by \$79,215 due to a larger amount of space leased.
- Salary and benefit related expenditures increased \$104,028 or 4% primarily due to increased salary and benefit costs.
- Services for temporary staff assisting with maintenance of kennels have increased over prior year by \$10,495 due to a shortage of Animal Services personnel.
- Payment to veterinarians for services for spaying/neutering animals at the shelter has increased \$11,387 over prior year primarily due to increased fees as well as a better evaluation of spaying/neutering adoptable animals.

PARKS AND RECREATION

- A new program implemented in the current year for the recreation centers allows for \$10 of each membership fee collected to be utilized to purchase replacement equipment for the various recreation centers. The amount collected for this program in the current year is \$145,237.
- In the current year, the Parks and Recreation departments have received \$85,560 in insurance and damage receipts from the Property Liability Loss Fund pertaining to events that have resulted in damage to City property. As compared to prior year, this is an increase of \$46,874.
- Salary and benefit related expenditures increased \$371,856 primarily attributed to increased salary and benefit related costs.
- Printing services and expenditures for postage have decreased over prior year by \$36,485 primarily due to the annual Parks and Recreation Guide not being printed in the current year. Due to an excess of guides that were printed and not distributed from prior year, the Parks and Recreation department will distribute the remaining guides in the current year. In addition, due to the fact that the Tom Muehlenbeck Recreation Center is scheduled to open in the summer of 2007, the new guide will be printed and published next fiscal year including the new facility.



REPORT NOTES CONTINUED

JULY, 2006

- The Park Field Services department has experienced an increase in contractual service amounts for restroom and litter cleaning and median and right of way mowing. The City is requiring the contractor to use a lightweight turf truckster to prevent turf damage to the fields, increasing the contractual amount as compared to last year. Payment for median and right of way mowing has increased primarily attributed to an increase in territory coverage.
- Payment made to the equipment replacement fund for parks and recreation rolling stock increased over prior year by \$112,066. However, the re-estimate is recorded at \$574,612, a decrease of \$102,749 over budget attributed to timing of replacements in the current fiscal year.
- Payment to Plano Independent School District has increased \$119,730 for usage of utility and custodial services for Williams and Clark Recreation Centers. The payment amount has increased over prior year primarily due to higher utility costs.
- The Athletics Fields Maintenance department has purchased, in the current year, a new pickup truck in the amount of \$18,108.
- Municipal garage charges increased over prior year by \$58,315 primarily attributed to labor and fuel rate increases in the current year.
- The Park Support Services department has increased purchases for maintenance parts and supplies in the current year by \$43,991. Due to the current drought, various parks staff members' assignments have been altered so projects are being worked this year that were not last year due to staffing issues.
- In March 2006, the Parks division purchased new hardware and software for a work management program that cost \$21,407.
- The infield areas for specific ballfields at Heritage Yards and Carpenter Park have had improvements performed in the current year costing \$43,710. This type of service began in the current year and is on an as needed basis.
- Electric payments made for Parks and Recreation departments have increased over prior year in the amount of \$73,804 primarily due to increased natural gas prices which impacts electric costs.
- Expenditures for special programs operations of the Parks and Recreation department to Collin County Committee on Aging have increased in the current year by \$21,966 due to an increase in cost of services as stated in the current contract.
- The Recreation Administration department and Courtyard Theater purchased defibrillators in the prior fiscal year costing \$34,352. The defibrillators are stationed at all recreation center facilities and Courtyard Theater.

PUBLIC WORKS

- In the current year, the streets, signals and signs and markings departments have received \$70,400 in insurance and damage receipts from the Property Liability Loss Fund pertaining to events that have resulted in damage to City property. As compared to prior year, this is an increase of \$48,431.
- Purchases of miscellaneous maintenance parts and supplies, used in the Streets and Signals department increased \$30,653 and \$77,727, respectively. The current year re-estimate for these expenditures are comparable to prior year's budget.
- Replacement charges for rolling stock and large capital assets for the streets department increased \$80,353. However, the re-estimate is recorded at \$343,747, a decrease of \$124,927 over budget attributed to timing of replacements in the current fiscal year.



REPORT NOTES CONTINUED

JULY, 2006

OTHER

- Payments made to support social service agencies increased over last fiscal year by \$300,465. Annual funding for social service agencies increased \$253,890 as compared to prior year.
- Encumbered funds for consulting services have been incurred in the current year in the amount of \$95,000 to update and revise Plano Center's Business Plan.
- Electric utility payments increased \$287,505 over prior year due to an increase in natural gas prices.
- Interdepartmental billings to the Water & Sewer fund increased \$299,875 due to increased rates and meters, overall increased consumption during the on-going drought and the impact of Hurricane Katrina.
- Technology services charges increased over prior year by \$346,694. The amount re-estimated in the current year for technology service charges increased \$1,098,518 over prior year re-estimate.

PROPERTY TAX REVENUES

- Ad valorem tax revenues increased \$4,065,236 attributed to increased assessed property values in the current year.

SALES TAX REVENUES

- Sales tax revenues increased over prior year by \$6,114,787. When comparing the months of July 2006 and July 2005, an increase of 1.0% in sales tax revenues occurred.

FRANCHISE FEE REVENUES

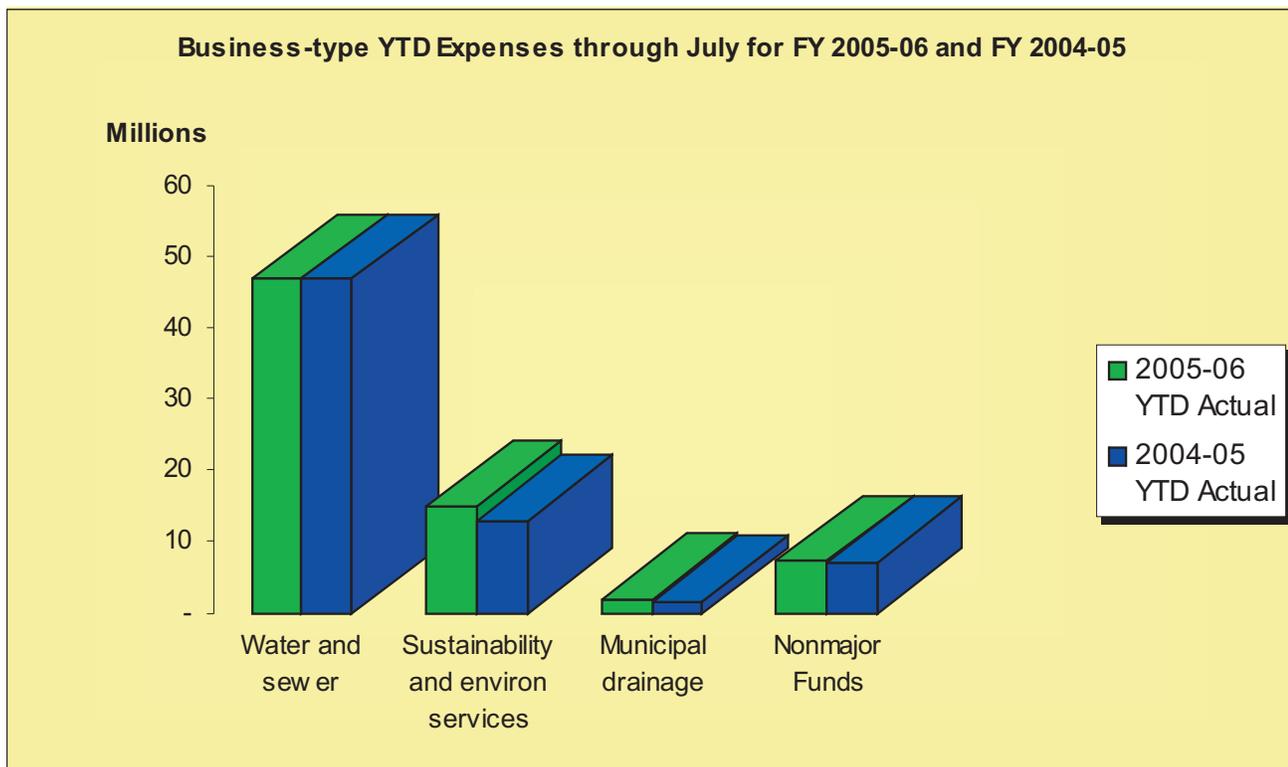
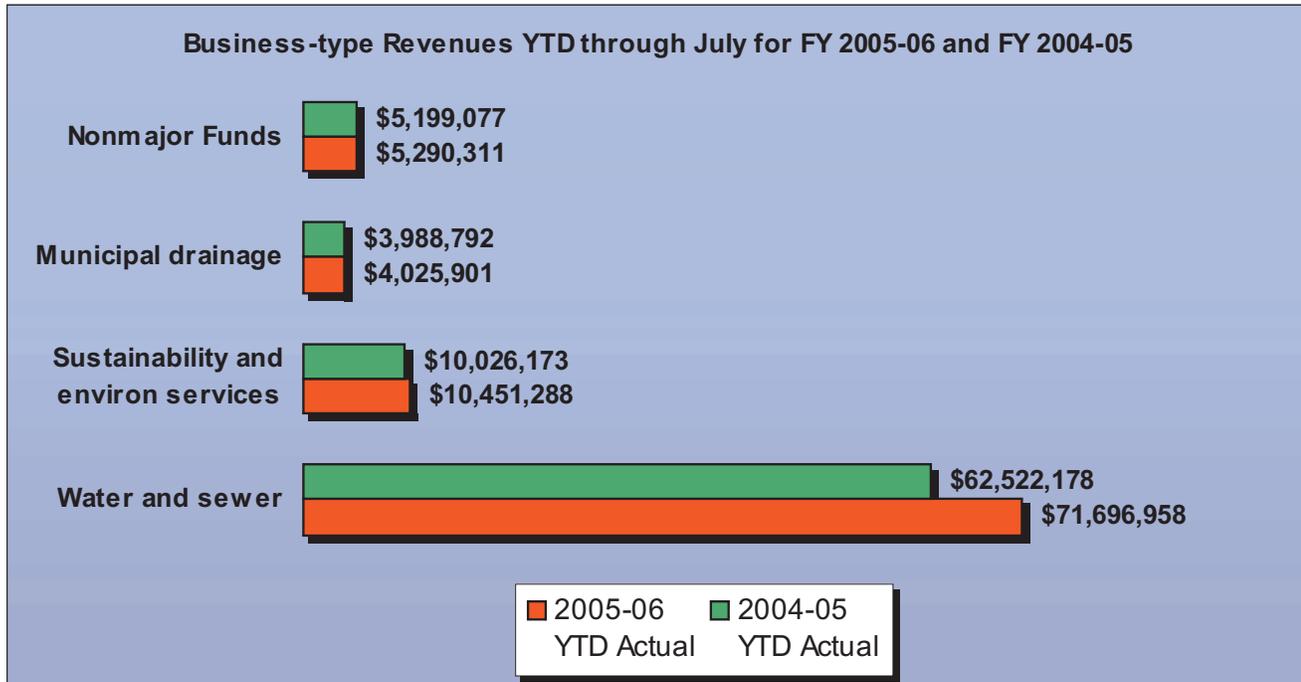
- Electrical Franchise revenues increased over prior year in the amount of \$894,573 primarily attributed to increased natural gas prices which impact electric rates as well as a settlement payment received from TXU in the amount of \$858,521. The settlement is the result of the Steering Committee of Cities Served by TXU voting to recommend that member cities initiate rate proceedings at the city level against TXU Electric Delivery and to show cause why its rates should not be reduced. TXU and the Steering Committee reached settlement to abate the show cause proceeding in exchange for certain monetary concessions to the Steering Committee.
- Gas Franchise revenues increased over prior year by \$570,814 primarily attributed to increased natural gas prices.
- General Fund interest income increased \$629,070 over last year due to the recording of an unrealized loss of \$1,289,894 through third quarter 2005 to adjust investments to fair value. In the current year, an unrealized loss has been recorded at \$184,772. An adjustment is done quarterly to comply with Governmental Accounting Standards Board (GASB) Statement No. 31.



REPORT NOTES CONTINUED

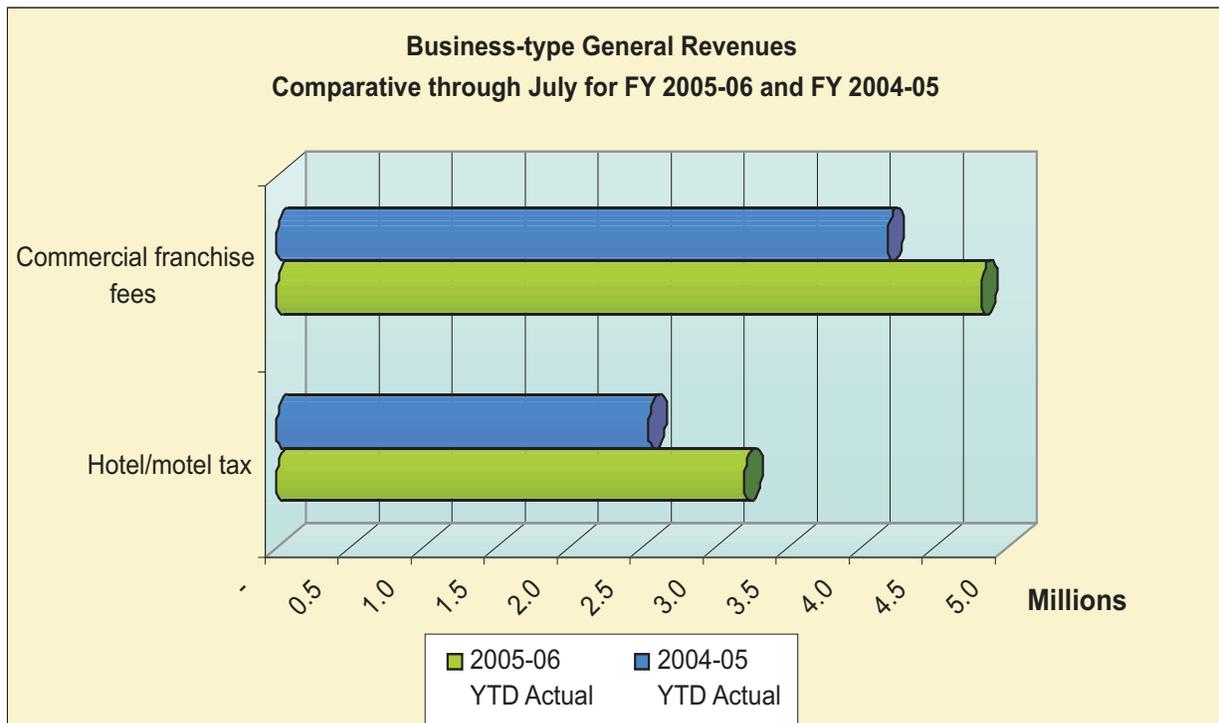
JULY, 2006

HIGHLIGHTS OF BUSINESS-TYPE VARIANCES



REPORT NOTES CONTINUED

JULY, 2006



WATER & SEWER

- Water and sewer revenues increased \$5,673,891 and \$2,584,419, respectively. The increase in water and sewer revenues is attributed to increased rates implemented May 1, 2005. In addition, overall consumption is higher in the current year due to the on-going drought, as well as increased winter consumption, which raised the residential winter quarter average for sewer income. Since implementation of Stage 3 of the drought plan on June 19, the amount of water being pumped on a daily basis is down 10% when comparing June 19-August 14 data of the current year versus prior year.
- Water and sewer penalty revenues increased over prior year by \$150,650. This increase is the result of substantially higher winter month billings in the current year with a comparable percentage of late paying customers when comparing the two fiscal years.
- Sewer tie-on revenues are collected for domestic meters that are purchased based on the approved site plan from Engineering. These revenues increased \$108,840 due to increased permits issued for commercial building development and multi-family dwelling units.
- The purchase of Rice Field in February 2005 resulted in expenses increasing \$550,750 in the prior year. In January 2006, Rice Field sold for \$904,686. The General Fund recorded proceeds of \$353,936 from the gain on the sale of land. The sale of Rice Field included 1.895 acres of land previously purchased for \$99,673. The net gain on the sale of Rice Field is \$254,263.
- Water and Sewer Fund interest income increased \$195,147 over last year due to the recording of an unrealized loss of \$1,289,894 through third quarter 2005 to adjust investments to fair value. An adjustment is done quarterly to comply with GASB Statement No. 31.
- Payment to North Texas Municipal Water District (NTMWD) for services such as wastewater and pre-treatment increased over prior year by \$395,357 based on contractual amounts.
- Electric utility payments increased \$651,466 over prior year primarily due to an increase in natural gas prices.

REPORT NOTES CONTINUED

JULY, 2006

- The Utility Operations department pays for debris hauling services in the current year of which \$148,264 has been paid. This service was not utilized in the prior year.
- Encumbered funds and payments to Link 2 Gov for internet processing services have increased \$76,909 due to higher usage of on-line bill payments by citizens.
- Capital outlay expenses and encumbrances have decreased over prior year by \$895,380, primarily due to the automated meter reading project nearing completion. The project is expected to complete by the end of this fiscal year however, there will be on-going maintenance and purchases of replacement FireFly units in future years.

SUSTAINABILITY AND ENVIRONMENTAL SERVICES

- Commercial franchise revenues are \$640,281 higher than prior year. Overall commercial tonnage disposed has increased over prior year, in addition to an increase in the number of commercial entities serviced. Another factor impacting franchise revenues is a 1% increase in the percentage rate used to compute the amount of revenues to be collected from Allied Waste Services. This percentage change was implemented in February 2005.
- Compost sales are higher than last fiscal year by \$74,965 which is due to the increased compost market and production.
- Tipping fee revenues are \$243,601 greater than the same period in the prior year. The increase is attributed to an increase in participation in the current year. These revenues are collected when other cities and commercial businesses bring yard waste, wood and other types of material used to make compost products to the City, which is the regional composter for NTMWD.
- Personal services increased \$205,174, or 5%, primarily attributed to increased salary and benefit related costs.
- Payment to NTMWD increased \$596,915 over prior year due to increased contractual amounts.
- Garage charges for maintaining environmental waste services fleet increased \$382,383 over prior year primarily due to higher labor and fuel costs.
- Payment made to the equipment replacement fund for sustainability and environmental services rolling stock increased over prior year by \$402,578. However, the re-estimate is recorded at \$1,298,302, a decrease of \$296,406 over budget attributed to timing of replacements in the current fiscal year.
- Capital outlay expenses increased due to purchase of a trommel screen in the current year in the amount of \$307,549. In addition, composting operations purchased a tractor trailer and Mack tractor in the current month in the amounts of \$64,267 and \$95,510, respectively.
- Funds have been encumbered in the current year in the amount of \$138,500 for architectural services related to the Environmental Education Complex.

MUNICIPAL DRAINAGE

- Personal services have increased \$48,964, or 6%, primarily due to increased salary and benefit related costs in the current year.
- Debris hauling services increased over prior year by \$125,392 as this type of service is a new expense in the current year.
- Reimbursements from the Municipal Drainage Fund for work from staff in other departments increased \$97,516. The Municipal Drainage Fund is utilizing two Environmental Health Specialists in the current year as opposed to one in the prior year. In addition, one Senior Construction Inspector and one Construction Inspector are being used by the Drainage Fund in the current year that was not budgeted in the prior year.



REPORT NOTES CONTINUED

JULY, 2006

- Expenses of \$52,921 have been incurred in the current year for expansion of offices for the storm water technician. For 2006-07, one additional full time position is budgeted.
- Municipal Drainage Operations purchased a new walk-behind concrete saw in the current year costing \$15,720.
- A new Ford Hybrid SUV has been added to the Municipal Drainage fleet in the amount of \$25,161 in the current year.

CIVIC CENTER

- Since the ratification by voters at an election in May 2005 for the legal sale of mixed beverages in restaurants by food and beverage certificate holders only, revenues for mixed beverages have increased \$129,415 as compared to prior year.
- Since the closure of the cafeteria at the Municipal Center in September 2005, cafeteria sales decreased \$65,134 over prior year. Although revenues have ceased due to the closure of this operation, the staffing levels remain constant and were not reduced.
- Lease fee revenues have increased \$47,187 attributed to a larger volume of smaller events held at Plano Center as compared to prior year.
- Hotel/motel tax revenues increased over prior year by \$653,729 due to increases in utilization and average room rate of hotels within the City.
- Contractual services in support of historic preservation and the arts have increased \$85,516 and \$38,559, respectively, primarily due to funding for each of these services increasing \$146,165 over prior year's budget.
- Electric payments have increased over prior year by \$50,580 primarily attributed to increased natural gas prices.

GOLF COURSE

- Golf fees are \$71,764 lower than prior year. It is speculated that a portion of the decrease in revenues is the result of increased competition from neighboring areas, warmer temperatures and higher gas prices in the current year.
- Golf Fund miscellaneous revenues decreased over prior year primarily attributed to the appreciation payment of \$84,000 for American Golf's management lease sale of a portion of Ridgeview Ranch.
- In the prior fiscal year, the golf course overseeded the fareways which totaled \$9,240. This type of work was not done in the current year because the grass on the fareways was declining due to stress of overseeding.

PROPERTY MANAGEMENT

- Contractual services decreased \$25,117 primarily due to expenses spent to install a new roof for Downtown Center North in the prior year.



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SECTION 1 A

FINANCIAL SUMMARY

City of Plano
Comprehensive Monthly Finance Report



CITY OF PLANO, TEXAS
STATEMENT OF ACTIVITIES
FOR THE PERIOD ENDED JULY 31, 2006

Function/Program Activities General Fund	Net (Expense) Revenue and Changes in Net Assets																
	Expenses/Expenditures					Program Revenues					Business-type Activities						
	Budget	Re-estimate	Actual/Encumb.	Actual/Encumb.	Re-estimate	Budget	Re-estimate	Actual	Actual/Re-estimate	Budget	Re-estimate	Actual	Actual/Re-estimate	Budget	Re-estimate	Actual	Actual Total
General Fund Activities:																	
General government	\$ 652,235	\$ 705,298	\$ 426,098	60.4%	\$ 1,222,488	\$ 962,470	\$ 1,255,217	\$ 1,222,488	97.4%	\$ 310,235	\$ 549,919	\$ 796,330	796.330	\$ 26,302,202	\$ 29,341,273	\$ 24,816,788	24,816,788
Administrative services	7,618,546	7,695,647	6,084,034	79.1%	-	-	-	-	-	(7,618,546)	(7,695,647)	(6,084,034)	(6,084,034)	(6,102,619)	(6,719,787)	(4,608,529)	(4,608,529)
Police	55,350,945	54,995,893	43,284,291	78.7%	8,624,779	10,647,727	8,624,779	81.0%	44,697,546	(44,354,166)	(34,659,513)	(34,659,513)	2,224,318	2,261,930	2,167,975	2,167,975	
Fire	36,871,932	36,897,481	29,048,632	79.2%	3,058,714	3,611,235	3,058,714	84.7%	(33,230,095)	(33,086,246)	(25,989,919)	(25,989,919)	(3,946,665)	(4,084,145)	(2,470,647)	(2,470,647)	
Libraries	10,322,462	10,741,950	8,580,673	79.9%	481,284	555,724	481,284	85.1%	(9,792,622)	(10,762,216)	(8,099,389)	(8,099,389)	230,822	55,905	7,812	7,812	
Development	17,778,108	18,021,893	14,113,059	78.3%	5,898,049	6,302,295	5,898,049	93.6%	(13,525,353)	(11,719,589)	(8,215,020)	(8,215,020)	49,000	49,000	43,279	43,279	
Public services and operations	4,738,407	4,670,069	3,454,677	74.2%	832,516	1,000,005	832,516	83.3%	(3,845,314)	(3,670,084)	(2,632,161)	(2,632,161)	146,059	61,124	442,580	442,580	
Parks and recreation	17,432,182	17,268,896	13,764,467	79.7%	1,616,897	1,922,378	1,616,897	84.1%	(15,307,520)	(15,346,508)	(12,147,570)	(12,147,570)	22,678	22,678	8,091	8,091	
Public works	5,555,101	5,653,602	4,508,633	79.7%	128,636	122,088	128,636	105.5%	(5,437,383)	(5,531,514)	(4,379,797)	(4,379,797)	19,923,795	19,923,795	20,389,359	20,389,359	
Other	18,972,061	16,521,209	13,238,986	80.1%	-	-	-	-	(18,972,061)	(16,521,209)	(13,238,986)	(13,238,986)	(152,116,217)	(147,581,279)	(114,649,998)	(114,649,998)	
Total General Fund	175,291,379	172,971,948	136,513,650	78.9%	21,863,562	25,420,669	21,863,562	86.0%	(152,116,217)	(147,581,279)	(114,649,998)	(114,649,998)	\$ 26,302,202	\$ 29,341,273	\$ 24,816,788	24,816,788	
Business-type Activities:																	
Water and sewer	59,857,612	59,820,922	46,880,170	78.4%	71,696,958	89,162,195	71,696,958	80.4%	85,159,814	89,162,195	71,696,958	71,696,958	15,102,619	16,719,787	14,608,529	14,608,529	
Sustainability and environ services	17,575,201	19,376,335	15,059,817	77.7%	10,451,288	12,655,548	10,451,288	82.6%	12,472,383	12,655,548	10,451,288	10,451,288	4,811,906	4,680,313	4,025,901	4,025,901	
Municipal drainage	2,597,568	2,396,383	1,857,926	77.5%	4,025,901	4,680,313	4,025,901	86.0%	4,811,906	4,680,313	4,025,901	4,025,901	2,184,914	2,356,681	2,018,594	2,018,594	
Civic center	6,133,579	6,441,426	4,497,241	69.8%	2,018,594	2,356,681	2,018,594	85.7%	2,184,914	2,356,681	2,018,594	2,018,594	1,066,850	922,415	691,008	691,008	
Municipal golf course	866,028	865,510	683,196	78.9%	691,008	922,415	691,008	74.9%	1,066,850	922,415	691,008	691,008	68,500	68,500	64,216	64,216	
Property management	19,500	19,500	20,937	107.4%	64,216	68,500	64,216	93.7%	68,500	68,500	64,216	64,216	2,806,601	2,577,060	2,465,734	2,465,734	
Recreation revolving	2,460,542	2,515,936	2,023,144	80.4%	2,465,734	2,577,060	2,465,734	95.7%	2,806,601	2,577,060	2,465,734	2,465,734	67,678	67,678	50,759	50,759	
Downtown center development	45,000	45,000	42,668	94.8%	50,759	67,678	50,759	75.0%	67,678	67,678	50,759	50,759	108,468,846	112,497,390	91,464,458	91,464,458	
Total business-type activities	88,545,050	91,463,012	71,065,099	77.7%	113,328,020	137,912,059	113,328,020	81.3%	108,468,846	112,497,390	91,464,458	91,464,458	\$ 137,912,059	\$ 137,912,059	\$ 113,328,020	113,328,020	
Total	\$ 263,896,429	\$ 264,434,960	\$ 207,578,659														

General revenues:
Property taxes 6,623,004
Sales taxes 50,589,530
Other taxes 772,689
Hotel/Motel tax 19,084,469
Franchise fees 1,600,000
Investment income 133,889,692
Total general revenues (18,246,655)

Change in net assets
Net assets - beginning 39,254,186
Net assets - ending \$ 48,451,972

MONTHLY FINANCIAL SUMMARY REPORT
 THROUGH JULY 31 OF FISCAL YEARS 2006, 2005, AND 2004
 GENERAL FUND

	Fiscal Year	Annual Budget	Recommended Re-estimated Budget	10 Months Actual	Actual/ Re-estimate	Performance Index
REVENUES:						
Ad valorem tax	2006	\$ 61,823,000	61,823,000	61,600,000	99.6%	119.57
	2005	58,007,000	58,007,000	57,535,000	99.2%	119.02
	2004	58,761,000	58,761,000	58,460,000	99.5%	119.39
Sales tax	2006	50,590,000	58,782,000	50,179,000	99.2%	119.03
	2005	48,668,000	50,590,000	44,065,000	90.5%	108.65
	2004	44,279,000	48,668,000	42,432,000	95.8%	114.99
Other revenue	2006	44,632,000	48,234,000	33,962,000	76.1%	91.31
	2005	44,335,000	44,481,000	28,779,000	64.9%	77.90
	2004	42,091,000	44,402,000	28,204,000	67.0%	80.41
TOTAL REVENUE	2006	157,045,000	168,839,000	145,741,000	92.8%	111.36
	2005	151,010,000	153,078,000	130,379,000	86.3%	103.61
	2004	145,131,000	151,831,000	129,096,000	89.0%	106.74
EXPENDITURES & ENCUMBRANCES:						
Current operating	2006	\$ 173,594,000	170,873,000	134,574,000	77.5%	N/A
	2005	165,432,000	159,883,000	125,618,000	75.9%	N/A
	2004	152,598,000	149,427,000	115,958,000	76.0%	N/A
Capital outlay	2006	1,697,000	2,099,000	1,940,000	114.3%	137.18
	2005	1,458,000	2,365,000	1,507,000	103.4%	124.03
	2004	1,100,000	1,962,000	1,427,000	129.7%	155.67
Total expenditures and encumbrances	2006	175,291,000	172,972,000	136,514,000	77.9%	93.45
	2005	166,890,000	162,248,000	127,125,000	76.2%	91.41
	2004	153,698,000	151,389,000	117,385,000	76.4%	91.65
Excess (deficiency) of revenues over (under) expenditures	2006	(18,246,000)	(4,133,000)	9,227,000	-	-
	2005	(15,880,000)	(9,170,000)	3,254,000	-	-
	2004	(8,567,000)	442,000	11,711,000	-	-
OTHER FINANCING SOURCES (USES)						
Transfers in	2006	15,153,000	16,164,000	12,627,000	83.3%	100.00
	2005	13,789,000	14,213,000	11,491,000	83.3%	100.00
	2004	13,158,000	13,126,000	10,965,000	83.3%	100.00
Transfers out	2006	(13,270,000)	(13,776,000)	(12,114,000)	91.3%	109.55
	2005	(13,339,000)	(13,873,000)	(11,387,000)	85.4%	102.44
	2004	(12,879,000)	(14,222,000)	(11,196,000)	86.9%	104.32
NET CHANGE IN FUND BALANCES	2006	(16,363,000)	(1,745,000)	9,740,000		
	2005	(15,430,000)	(8,830,000)	3,358,000		
	2004	(8,288,000)	(654,000)	11,480,000		
FUND BALANCES-BEGINNING	2006			39,224,000		
	2005			39,497,000		
	2004			29,802,000		
FUND BALANCES-ENDING JULY 31	2006			48,964,000		
	2005			42,855,000		
	2004			41,282,000		



MONTHLY FINANCIAL SUMMARY REPORT
 THROUGH JULY 31 OF FISCAL YEARS 2006, 2005, AND 2004
 WATER AND SEWER FUND

	<u>Fiscal Year</u>	<u>Annual Budget</u>	<u>Recommended Re-estimated Budget</u>	<u>10 Months Actual</u>	<u>Actual/ Re-estimate</u>	<u>Performance Index</u>
REVENUES:						
Water and sewer revenue	2006	\$ 83,000,000	86,275,000	69,200,000	83.4%	100.05
	2005	80,656,000	78,905,000	60,814,000	75.4%	90.48
	2004	80,768,000	76,973,000	57,152,000	70.8%	84.91
Other fees and service charges	2006	2,360,000	3,087,000	2,613,000	110.7%	132.86
	2005	2,188,000	2,186,000	1,629,000	74.5%	89.34
	2004	<u>2,382,000</u>	<u>2,245,000</u>	<u>1,715,000</u>	72.0%	86.40
TOTAL REVENUE	2006	85,360,000	89,362,000	71,813,000	84.1%	100.96
	2005	82,844,000	81,091,000	62,443,000	75.4%	90.45
	2004	<u>83,150,000</u>	<u>79,218,000</u>	<u>58,867,000</u>	70.8%	84.96
EXPENSES & ENCUMBRANCES:						
Capital outlay	2006	70,000	601,000	139,000	198.6%	238.29
	2005	1,064,000	1,947,000	1,601,000	150.5%	180.56
	2004	2,020,000	2,111,000	1,915,000	94.8%	113.76
Other expenses & encumbrances	2006	58,788,000	59,220,000	46,741,000	79.5%	95.41
	2005	57,630,000	55,740,000	45,269,000	78.6%	94.26
	2004	<u>56,335,000</u>	<u>54,417,000</u>	<u>42,659,000</u>	75.7%	90.87
Total expenses and encumbrances	2006	58,858,000	59,821,000	46,880,000	79.6%	95.58
	2005	58,694,000	57,687,000	46,870,000	79.9%	95.83
	2004	<u>58,355,000</u>	<u>56,528,000</u>	<u>44,574,000</u>	76.4%	91.66
Excess (deficiency) of revenues over (under) expenses	2006	26,502,000	29,541,000	24,933,000	-	-
	2005	24,150,000	23,404,000	15,573,000	-	-
	2004	24,795,000	22,690,000	14,293,000	-	-
TRANSFERS IN (OUT)						
Transfers in	2006	230,000	333,000	191,000	83.0%	99.65
	2005	469,000	328,000	391,000	83.4%	100.04
	2004	469,000	469,000	391,000	83.4%	100.04
Transfers out	2006	(28,082,000)	(30,789,000)	(23,402,000)	83.3%	100.00
	2005	(28,413,000)	(25,053,000)	(23,677,000)	83.3%	100.00
	2004	<u>(27,782,000)</u>	<u>(27,876,000)</u>	<u>(23,152,000)</u>	83.3%	100.00
CHANGE IN NET ASSETS	2006	\$ (1,350,000)	(915,000)	1,722,000		
	2005	(3,794,000)	(1,321,000)	(7,713,000)		
	2004	(2,518,000)	(4,717,000)	(8,468,000)		
TOTAL NET ASSETS-BEGINNING	2006			317,131,000		
	2005			319,626,000		
	2004			<u>324,442,000</u>		
TOTAL NET ASSETS-ENDING JULY 31	2006			318,853,000		
	2005			311,913,000		
	2004			<u>315,974,000</u>		

MONTHLY FINANCIAL SUMMARY REPORT
 THROUGH JULY 31 OF FISCAL YEARS 2006, 2005, AND 2004
 SUSTAINABILITY AND ENVIRONMENTAL SERVICES FUND

	Fiscal Year	Annual Budget	Recommended Re-estimated Budget	10 Months Actual	Actual/ Re-estimate	Performance Index
REVENUES:						
Commerical solid waste franchise	2006	\$ 5,307,000	5,783,000	4,815,000	83.3%	99.91
	2005	5,161,000	5,210,000	4,174,000	80.1%	96.14
	2004	4,963,000	5,069,000	4,088,000	80.6%	96.78
Refuse collection revenue	2006	11,106,000	11,263,000	9,345,000	83.0%	99.56
	2005	11,035,000	11,182,000	9,281,000	83.0%	99.60
	2004	10,444,000	10,946,000	9,078,000	82.9%	99.52
Other fees and service charges	2006	1,367,000	1,393,000	1,098,000	78.8%	94.59
	2005	1,113,000	1,249,000	752,000	60.2%	72.25
	2004	913,000	939,000	698,000	74.3%	89.20
TOTAL REVENUE	2006	17,780,000	18,439,000	15,258,000	82.7%	99.30
	2005	17,309,000	17,641,000	14,207,000	80.5%	96.64
	2004	16,320,000	16,954,000	13,864,000	81.8%	98.13
EXPENSES & ENCUMBRANCES:						
Capital outlay	2006	532,000	2,206,000	607,000	27.5%	33.02
	2005	436,000	552,000	169,000	30.6%	36.74
	2004	14,000	66,000	49,000	74.2%	89.09
Other expenses & encumbrances	2006	17,043,000	17,170,000	14,453,000	84.2%	101.01
	2005	15,683,000	16,001,000	12,781,000	79.9%	95.85
	2004	15,044,000	14,689,000	12,326,000	83.9%	100.70
Total expenses and encumbrances	2006	17,575,000	19,376,000	15,060,000	77.7%	93.27
	2005	16,119,000	16,553,000	12,950,000	78.2%	93.88
	2004	15,058,000	14,755,000	12,375,000	83.9%	100.64
Excess (deficiency) of revenues over (under) expenses	2006	205,000	(937,000)	198,000	-	-
	2005	1,190,000	1,088,000	1,257,000	-	-
	2004	1,262,000	2,199,000	1,489,000	-	-
TRANSFERS IN (OUT)						
Transfers in	2006	-	1,326,000	-	-	-
	2005	-	-	-	-	-
	2004	-	-	-	-	-
Transfers out	2006	(1,176,000)	(1,217,000)	(980,000)	80.5%	96.63
	2005	(1,160,000)	(1,166,000)	(967,000)	82.9%	99.52
	2004	(1,282,000)	(1,104,000)	(1,068,000)	96.7%	116.09
CHANGE IN NET ASSETS	2006	\$ (971,000)	(828,000)	(782,000)		
	2005	30,000	(78,000)	290,000		
	2004	(20,000)	1,095,000	421,000		
TOTAL NET ASSETS-BEGINNING	2006			2,578,000		
	2005			2,902,000		
	2004			2,305,000		
TOTAL NET ASSETS-ENDING JULY 31	2006			1,796,000		
	2005			3,192,000		
	2004			2,726,000		



MONTHLY FINANCIAL SUMMARY REPORT
 THROUGH JULY 31 OF FISCAL YEARS 2006, 2005, AND 2004
 MUNICIPAL DRAINAGE FUND

	Fiscal Year	Annual Budget	Recommended Re-estimated Budget	10 Months Actual	Actual/ Re-estimate	Performance Index
REVENUES:						
Fees and service charges	2006	\$ 4,812,000	4,677,000	4,015,000	85.8%	103.01
	2005	4,788,000	4,788,000	3,983,000	83.2%	99.82
	2004	4,782,000	4,752,000	3,887,000	81.8%	98.16
Miscellaneous revenue	2006	47,000	112,000	109,000	97.3%	116.79
	2005	35,000	50,000	63,000	126.0%	151.20
	2004	20,000	30,000	4,000	13.3%	16.00
TOTAL REVENUE	2006	4,859,000	4,789,000	4,124,000	86.1%	103.34
	2005	4,823,000	4,838,000	4,046,000	83.6%	100.36
	2004	4,802,000	4,782,000	3,891,000	81.4%	97.64
EXPENSES & ENCUMBRANCES:						
Capital outlay	2006	27,000	52,000	105,000	201.9%	242.31
	2005	-	2,000	2,000	100.0%	-
	2004	-	-	2,000	-	-
Other expenses & encumbrances	2006	2,561,000	2,346,000	1,753,000	74.7%	-
	2005	1,969,000	2,112,000	1,481,000	70.1%	-
	2004	1,859,000	1,834,000	1,400,000	76.3%	-
Total expenses and encumbrances	2006	2,588,000	2,398,000	1,858,000	77.5%	92.98
	2005	1,969,000	2,114,000	1,483,000	70.2%	84.18
	2004	1,859,000	1,834,000	1,402,000	76.4%	91.73
Excess (deficiency) of revenues over (under) expenses	2006	2,271,000	2,391,000	2,266,000	-	-
	2005	2,854,000	2,724,000	2,563,000	-	-
	2004	2,943,000	2,948,000	2,489,000	-	-
TRANSFERS IN (OUT)						
Operating transfers in	2006	-	-	-	-	-
	2005	-	1,300,000	1,315,000	101.2%	121.38
	2004	-	-	-	-	-
Operating transfers out	2006	(2,441,000)	(2,432,000)	(1,887,000)	77.6%	93.11
	2005	(2,514,000)	(2,546,000)	(2,057,000)	80.8%	96.95
	2004	(2,493,000)	(2,493,000)	(1,890,000)	75.8%	90.97
CHANGE IN NET ASSETS	2006	(170,000)	(41,000)	379,000		
	2005	340,000	1,478,000	1,821,000		
	2004	450,000	455,000	599,000		
TOTAL NET ASSETS-BEGINNING	2006			17,924,000		
	2005			14,995,000		
	2004			13,749,000		
TOTAL NET ASSETS-ENDING JULY 31	2006			18,303,000		
	2005			16,816,000		
	2004			14,348,000		



MONTHLY FINANCIAL SUMMARY REPORT
 THROUGH JULY 31 OF FISCAL YEARS 2006, 2005, AND 2004
 NONMAJOR BUSINESS-TYPE FUND

	Fiscal Year	Annual Budget	Recommended Re-estimated Budget	10 Months Actual	Actual/ Re-estimate	Performance Index
REVENUES:						
Hotel/motel tax	2006	\$ 3,411,000	3,911,000	3,199,000	81.8%	98.15
	2005	2,936,000	3,328,000	2,546,000	76.5%	91.80
	2004	2,805,000	2,805,000	2,224,000	79.3%	95.14
Other revenue	2006	6,071,000	6,094,000	5,387,000	88.7%	106.48
	2005	6,243,000	5,935,000	5,250,000	84.1%	100.91
	2004	6,350,000	6,015,000	4,880,000	76.9%	92.22
TOTAL REVENUE	2006	9,482,000	10,005,000	8,586,000	90.6%	108.66
	2005	9,179,000	9,263,000	7,796,000	84.9%	101.92
	2004	9,155,000	8,820,000	7,104,000	77.6%	93.12
EXPENSES & ENCUMBRANCES:						
Capital outlay	2006	5,000	11,000	8,000	160.0%	192.00
	2005	6,000	8,000	13,000	216.7%	260.00
	2004	1,561,000	1,531,000	1,505,000	96.4%	115.70
Other expenses & encumbrances	2006	9,521,000	9,877,000	7,259,000	76.2%	91.49
	2005	9,069,000	8,689,000	7,051,000	77.7%	93.30
	2004	8,910,000	8,380,000	6,595,000	74.0%	88.82
Total expenses and encumbrances	2006	9,526,000	9,888,000	7,267,000	76.3%	91.54
	2005	9,075,000	8,697,000	7,064,000	77.8%	93.41
	2004	10,471,000	9,911,000	8,100,000	77.4%	92.83
Excess (deficiency) of Revenues over (under) expenses	2006	(44,000)	117,000	1,319,000	-	-
	2005	104,000	566,000	732,000	-	-
	2004	(1,316,000)	(1,091,000)	(996,000)	-	=
TRANSFERS IN (OUT):						
Operating transfers in	2006	-	-	684,000	-	-
	2005	-	-	-	-	-
	2004	-	-	-	-	-
Operating transfers out	2006	(558,000)	(593,000)	(465,000)	83.3%	100.00
	2005	(619,000)	(567,000)	(515,000)	83.2%	99.84
	2004	(451,000)	(434,000)	(376,000)	83.4%	100.04
CHANGE IN NET ASSETS	2006	(602,000)	(476,000)	1,538,000		
	2005	(515,000)	(1,000)	217,000		
	2004	(1,767,000)	(1,525,000)	(1,372,000)		
TOTAL NET ASSETS-BEGINNING	2006			11,317,000		
	2005			11,620,000		
	2004			12,069,000		
TOTAL NET ASSETS-ENDING JULY 31	2006			12,855,000		
	2005			11,837,000		
	2004			10,697,000		



EQUITY IN TREASURY POOL

JULY, 2006

FUND NO.	FUND NAME	CASH	EQUITY IN TREASURY POOL	TOTAL 7/31/06	TOTAL 10/01/05	TOTAL 7/31/05
GENERAL FUND:						
01	General	\$ 83,000	40,286,000	40,369,000	34,010,000	34,130,000
77	Payroll	-	1,919,000	1,919,000	1,687,000	1,718,000
24	City Store	-	8,000	8,000	6,000	5,000
994	Plano All-America City	-	(29,000)	(29,000)	(29,000)	(29,000)
		83,000	42,184,000	42,267,000	35,674,000	35,824,000
DEBT SERVICE FUND:						
03	G.O. Debt Service	-	29,177,000	29,177,000	1,933,000	26,143,000
		-	29,177,000	29,177,000	1,933,000	26,143,000
CAPITAL PROJECTS:						
22	Recreation Center Facilities	-	322,000	322,000	610,000	688,000
23	Street Enhancement	-	1,255,000	1,255,000	1,220,000	1,192,000
25	1991 Police & Courts Facility	-	988,000	988,000	961,000	885,000
27	1991 Library Facility	-	316,000	316,000	377,000	156,000
28	1991 Fire Facility	-	1,077,000	1,077,000	1,059,000	1,046,000
31	Municipal Facilities	-	366,000	366,000	354,000	343,000
32	Park Improvements	-	3,652,000	3,652,000	3,542,000	3,354,000
33	Street & Drainage Improvement	-	411,000	411,000	(132,000)	(226,000)
35	Capital Reserve	-	32,315,000	32,315,000	26,902,000	27,199,000
38	DART L.A.P.	-	696,000	696,000	677,000	573,000
39	Spring Creekwalk	-	21,000	21,000	20,000	20,000
52	Park Service Areas	-	4,839,000	4,839,000	4,190,000	4,122,000
53	Creative & Performing Arts	-	1,541,000	1,541,000	1,499,000	1,412,000
54	Animal Control Facilities	-	191,000	191,000	187,000	201,000
60	Joint Use Facilities	-	515,000	515,000	501,000	491,000
85	Public Arts	-	(6,000)	(6,000)	-	-
110	G.O. Bond Clearing - 1999	-	1,654,000	1,654,000	2,478,000	2,695,000
190	G.O. Bond Clearing - 2000	-	3,745,000	3,745,000	3,641,000	3,708,000
230	G.O. Bond Clearing - 2001	-	2,421,000	2,421,000	2,558,000	2,607,000
240	G.O. Bond Clearing - 2001-A	-	187,000	187,000	182,000	193,000
250	Tax Notes Clearing - 2001-A	-	237,000	237,000	253,000	264,000
92	G.O. Bond Refund/Clearing - 2002	-	1,000	1,000	266,000	329,000
270	G.O. Bond Refund/Clearing - 2003	-	1,475,000	1,475,000	1,818,000	2,378,000
310	G.O. Bond Refund/Clearing - 2005	-	4,277,000	4,277,000	27,403,000	33,810,000
093	G.O. Bond Clearing - 2006	-	39,808,000	39,808,000	-	-
089	C.O. Bond Clearing - 2006	-	3,792,000	3,792,000	-	-
		-	106,096,000	106,096,000	80,566,000	87,440,000
ENTERPRISE FUNDS:						
26	Municipal Drainage CIP	-	83,000	83,000	81,000	(187,000)
34	Sewer CIP	-	3,934,000	3,934,000	4,361,000	7,336,000
36	Water CIP	-	4,200,000	4,200,000	5,108,000	7,276,000
37	Downtown Center Development	-	54,000	54,000	41,000	28,000
41	Water & Sewer - Operating	900,000	3,509,000	4,409,000	3,676,000	(6,938,000)
42	Water & Sewer - Debt Service	-	3,619,000	3,619,000	1,594,000	3,400,000
43	Municipal Drainage - Debt Service	-	2,053,000	2,053,000	2,481,000	2,122,000
44	W & S Impact Fees Clearing	-	2,904,000	2,904,000	1,131,000	520,000
45	Sustainability & Environmental Services	-	(432,000)	(432,000)	1,193,000	558,000
46	Convention & Tourism	4,000	2,467,000	2,471,000	1,902,000	1,600,000
81	Friends of Plano Centre	-	3,000	3,000	3,000	3,000
47	Municipal Drainage	-	3,681,000	3,681,000	3,295,000	3,371,000
48	Municipal Golf Course	-	(35,000)	(35,000)	69,000	189,000
49	Property Management	-	351,000	351,000	287,000	282,000
51	Recreation Revolving	-	813,000	813,000	778,000	661,000
95	W & S Bond Clearing - 1990	-	182,000	182,000	177,000	177,000
96	W & S Bond Clearing - 1991	-	101,000	101,000	98,000	98,000
101	W & S Bond Clearing - 1993A	-	271,000	271,000	264,000	264,000
103	Municipal Bond Drain Clearing-1995	-	258,000	258,000	251,000	251,000
104	Municipal Drain Bond Clearing-1996	-	161,000	161,000	157,000	157,000
107	Municipal Drain Bond Clearing-1997	-	229,000	229,000	223,000	223,000
108	Municipal Drain Bond Clearing-1998	-	77,000	77,000	75,000	75,000
210	Municipal Drain Bond Clearing-1999	-	143,000	143,000	139,000	139,000
260	Municipal Drain Rev Bond Clearing - 2001	-	119,000	119,000	116,000	116,000
280	Municipal Drain Rev Bond Clearing - 2003	-	31,000	31,000	31,000	31,000
320	Municipal Drain Rev Bond Clearing - 2005	-	2,107,000	2,107,000	2,302,000	2,930,000
094	Municipal Drain Rev Bond Clearing - 2006	-	1,441,000	1,441,000	-	-
		904,000	32,324,000	33,228,000	29,833,000	24,682,000



EQUITY IN TREASURY POOL

JULY, 2006

FUND NO.	FUND NAME	CASH	EQUITY IN TREASURY POOL	TOTAL 7/31/06	TOTAL 10/01/05	TOTAL 7/31/05
SPECIAL REVENUE FUNDS:						
2	Sproles Library	-	264,000	264,000	257,000	257,000
4	TIF-Mall	-	40,000	40,000	30,000	30,000
5	TIF-East Side	-	6,824,000	6,824,000	4,374,000	6,038,000
11	LLEBG-Police Grant	-	109,000	109,000	37,000	125,000
12	Criminal Investigation	-	792,000	792,000	756,000	760,000
13	Grant	-	(654,000)	(654,000)	-	(760,000)
14	Wireline Fees	-	270,000	270,000	301,000	291,000
15	Judicial Efficiency	-	92,000	92,000	86,000	82,000
16	Industrial	-	16,000	16,000	16,000	16,000
17	Intergovernmental	-	276,000	276,000	262,000	264,000
18	Government Access/CATV	-	272,000	272,000	322,000	360,000
19	Teen Court Program	-	28,000	28,000	22,000	20,000
20	Municipal Courts Technology	-	1,205,000	1,205,000	1,050,000	1,026,000
55	Municipal Court-Building Security Fees	-	1,126,000	1,126,000	996,000	973,000
56	911 Reserve Fund	-	5,577,000	5,577,000	4,771,000	4,641,000
57	State Library Grants	-	(6,000)	(6,000)	-	(5,000)
67	Disaster Relief	-	1,098,000	1,098,000	-	-
68	Animal Shelter Donations	-	67,000	67,000	31,000	-
73	Memorial Library	-	187,000	187,000	166,000	160,000
86	Juvenile Case Manager	-	69,000	69,000	-	-
87	Traffic Safety	-	277,000	277,000	-	-
88	Child Safety	-	544,000	544,000	-	-
		-	18,473,000	18,473,000	13,477,000	14,278,000
INTERNAL SERVICE FUNDS:						
6	Public Safety Technology	-	3,691,000	3,691,000	1,495,000	3,398,000
9	Technology Infrastructure	-	4,521,000	4,521,000	3,671,000	4,410,000
58	PC Replacement	-	1,193,000	1,193,000	825,000	899,000
59	Service Center	-	117,000	117,000	115,000	115,000
61	Equipment Maintenance	-	(4,281,000)	(4,281,000)	-	(3,692,000)
62	Information Technology	-	1,636,000	1,636,000	3,060,000	3,101,000
63	Office Services	-	(317,000)	(317,000)	-	(427,000)
64	Warehouse	-	251,000	251,000	309,000	171,000
65	Property/Liability Loss	-	5,598,000	5,598,000	5,398,000	5,495,000
66	Technology Services	-	9,966,000	9,966,000	8,991,000	8,304,000
71	Equipment Replacement	-	9,386,000	9,386,000	6,777,000	9,719,000
78	Health Claims	-	17,801,000	17,801,000	12,412,000	12,113,000
79	Parkway Service Ctr. Expansion	-	346,000	346,000	2,048,000	2,077,000
		-	49,908,000	49,908,000	45,101,000	45,683,000
FIDUCIARY FUNDS:						
7	Unclaimed Property	-	44,000	44,000	35,000	35,000
8	Library Training Lab	-	10,000	10,000	7,000	5,000
69	Collin County Seized Assets	-	273,000	273,000	232,000	246,000
74	Developers' Escrow	-	3,821,000	3,821,000	6,812,000	6,775,000
76	Economic Development	-	1,144,000	1,144,000	977,000	988,000
84	Rebate	-	1,165,000	1,165,000	1,630,000	1,631,000
		-	6,457,000	6,457,000	9,693,000	9,680,000
TOTAL		\$ 987,000	284,619,000	285,606,000	216,277,000	243,730,000
		CASH	TRUST INVESTMENTS	TOTAL 7/31/06	TOTAL 10/01/05	TOTAL 7/31/05
TRUST FUNDS						
42	Water & Sewer Reserve	\$ -	946,000	946,000	913,000	924,000
72	Retirement Security Plan	-	53,866,000	53,866,000	42,016,000	46,976,000
TOTAL TRUST FUNDS		\$ -	54,812,000	54,812,000	42,929,000	47,900,000

A Treasury Pool fund has been created for the purpose of consolidating cash and investments. All City funds not restricted or held in trust are included in this consolidated fund. Each fund's "Equity in Treasury Pool" represents the fund's proportionate share of the Treasury Pool Fund. At July 31, 2006 the Treasury Pool, including an adjustment to Fair Value as required by GASB 31, consisted of the following:

Cash	4,520,000
Local Government Investment Pool	41,871,000
Federal Securities	222,760,000
Certificates of Deposit	18,400,000
Fair Value Adjustment	(4,153,000)
Interest Receivable	1,221,000
	<u>284,619,000</u>



HEALTH CLAIMS FUND THROUGH JULY 31 OF FISCAL YEARS 2006 AND 2005

Health Claims Fund	6 Month			3 Month			Monthly			Year to Date		
	FY 05-06	FY 04-05	Variance	FY 05-06	FY 04-05	Variance	FY 05-06	FY 04-05	Variance	FY 05-06	FY 04-05	Variance
	Oct-March	Oct-March	Favorable (Unfavorable)	April-June	April-June	Favorable (Unfavorable)	July	July	Favorable (Unfavorable)	Total	Total	Favorable (Unfavorable)
Revenues												
Employees Health Ins. Contributions	\$ 1,056,000	\$ 1,025,000	31,000	\$ 537,000	\$ 517,000	20,000	\$ 179,000	\$ 174,000	5,000	\$ 1,772,000	\$ 1,716,000	56,000
Employers Health Ins. Contributions	8,883,000	9,370,000	(487,000)	4,486,000	4,358,000	128,000	1,499,000	1,471,000	28,000	14,868,000	15,199,000	(331,000)
Contributions for Retirees	241,000	215,000	26,000	127,000	114,000	13,000	43,000	39,000	4,000	411,000	368,000	43,000
Cobra Insurance Receipts	17,000	22,000	(5,000)	7,000	7,000	-	3,000	3,000	-	27,000	32,000	(5,000)
Retiree Insurance Receipts	166,000	153,000	13,000	86,000	76,000	10,000	25,000	25,000	-	277,000	254,000	23,000
City Council Receipts	4,000	5,000	(1,000)	-	3,000	(3,000)	-	2,000	(2,000)	4,000	10,000	(6,000)
Plano Housing Authority	23,000	28,000	(5,000)	12,000	9,000	3,000	4,000	3,000	1,000	39,000	40,000	(1,000)
Interest	214,000	(1,000)	215,000	161,000	158,000	3,000	55,000	34,000	21,000	430,000	191,000	239,000
Total Revenues	10,604,000	10,817,000	(213,000)	5,416,000	5,242,000	174,000	1,808,000	1,751,000	57,000	17,828,000	17,810,000	18,000
Expenses												
Insurance	641,000	552,000	(89,000)	360,000	284,000	(76,000)	120,000	94,000	(26,000)	1,121,000	930,000	(191,000)
Contracts- Professional Svc.	117,000	128,000	11,000	23,000	26,000	3,000	8,000	7,000	(1,000)	148,000	161,000	13,000
Contractual Repair	-	-	-	-	1,000	1,000	-	-	-	-	1,000	1,000
Contracts- Other	450,000	425,000	(25,000)	230,000	218,000	(12,000)	80,000	70,000	(10,000)	760,000	713,000	(47,000)
Health Claims Paid Reinsurance	(257,000)	(93,000)	164,000	(39,000)	(51,000)	(12,000)	(3,000)	(163,000)	(160,000)	(299,000)	(307,000)	(8,000)
Health Claims - Prescription	1,130,000	361,000	(769,000)	684,000	596,000	(88,000)	222,000	197,000	(25,000)	2,036,000	1,154,000	(882,000)
Health Claims Paid -UHC	5,176,000	5,415,000	239,000	2,286,000	3,183,000	897,000	828,000	597,000	(231,000)	8,290,000	9,195,000	905,000
Health Claims Paid-EBS	-	35,000	35,000	-	-	-	-	-	-	-	35,000	35,000
Cobra Insurance Paid	2,000	3,000	1,000	-	-	-	1,000	1,000	-	3,000	4,000	1,000
Retiree Insurance Paid	46,000	39,000	(7,000)	27,000	20,000	(7,000)	8,000	7,000	(1,000)	81,000	66,000	(15,000)
Plano Housing Authority	4,000	3,000	(1,000)	-	-	-	1,000	1,000	-	5,000	4,000	(1,000)
Total Expenses	7,309,000	6,868,000	(441,000)	3,571,000	4,277,000	706,000	1,265,000	811,000	(454,000)	12,145,000	11,956,000	(189,000)
Net increase (decrease)	\$ 3,295,000	\$ 3,949,000	(654,000)	1,845,000	965,000	880,000	543,000	940,000	(397,000)	\$ 5,683,000	\$ 5,854,000	(171,000)
Health Claims Fund Balance - Cumulative	\$ 13,089,000	\$ 7,695,000	5,394,000	\$ 14,934,000	\$ 8,660,000	6,274,000	\$ 15,477,000	\$ 9,600,000	5,877,000			

ANALYSIS OF PROPERTY LIABILITY LOSS FUND THROUGH JULY 31 OF FISCAL YEARS 2006, 2005 AND 2004

<u>PROPERTY LIABILITY LOSS FUND</u>	Fiscal Year 2006	Fiscal Year 2005	Fiscal Year 2004
Claims Paid per General Ledger	\$ 1,085,000	1,210,000	1,080,000
Net Judgments/Damages/Attorney Fees	587,000	334,000	554,000
Total Expenses	\$ 1,672,000	1,544,000	1,634,000
Fund Balance	\$ 2,033,000	2,195,000	2,715,000



CURRENT CAPITAL IMPROVEMENT PROJECTS
STATUS REPORT
JULY, 2006

<u>Project Description</u>	<u>Start (Est.) Complete (Est.)</u>	<u>2005-06 Budget (thousands)</u>	<u>2005-06 Re-estimate (thousands)</u>	<u>Total Project Budget (thousands)</u>	<u>Inception to Date Cost (thousands)</u>	<u>Encumbrances (thousands)</u>	<u>Comments:</u>
<u>12th STREET, 12th PLACE, J AVENUE</u>	11/05 08/06	300	948	1,035	855	132	All work is completed. Contractor is working on punch list.
<u>15th STREET – Avenue G to Avenue I</u>	01/07 10/07	953	938	1,766	266	6	Bid opening scheduled for September 6 th .
<u>15th STREET AND MISCELLANEOUS DRAINAGE IMPROVEMENTS</u>	08/07 02/08	-	204	3,048	26	128	Engineer authorized to proceed with design July 12 th .
<u>ALMA ROAD WHITETOPPING - Plano Parkway to 15th Street</u>	07/06 12/06	1,376	1,059	1,850	393	1,290	All milling of the road surface is complete and surface condition has been inspected and areas needing repair are being repaired. Water line adjustment for storm sewer has been finished. Approximately 50% of the storm sewer is in place.
<u>ANIMAL SHELTER EXPANSION</u>	03/07 12/07	200	286	1,441	83	81	Preliminary design is underway.
<u>Cloisters Water Rehab</u>	09/07 09/08	-	70	1,770	-	115	Engineering survey work began the week of July 3 rd .
<u>COMMUNICATIONS - Falls to Parker</u>	04/06 11/06	700	588	641	411	200	Paving construction nearly complete. Work is proceeding on street light conduits and pavement markings. Landscaping work is delayed due to City water conservation regulations.
<u>COMMUNICATIONS Spring Creek to Tennyson</u>	12/06 12/07	200	1,190	3,470	91	102	Field survey work is complete. Preliminary plans have been reviewed by City staff and returned to the consultant for correction. 404 issue being evaluated.
<u>FIRE STATION 11</u>	01/05 10/06	-	2,163	3,322	2,305	574	Underground utilities and grade beam complete. Fire lane complete. Roofing complete. Interior finish out underway.
<u>FIRE STATION 12/LOGISTICS FACILITY & Emergency Operations Center</u>	03/07 05/08	1,800	2,800	12,902	1,761	1,031	Design development underway.
<u>INTERSECTION IMPROVEMENTS – 2004</u>	12/06 08/07	762	515	1,236	134	23	Pre-final plans for three locations and the Coit at Legacy intersection have been reviewed and returned to the consultant for correction.
<u>INTERSECTION IMPROVEMENTS – 2005</u>	11/06 06/07	764	266	997	195	22	City staff review comments have been returned to the consultant for plan completion.



CURRENT CAPITAL IMPROVEMENT PROJECTS
STATUS REPORT
JULY, 2006

<u>Project Description</u>	<u>Start (Est.) Complete (Est.)</u>	<u>2005-06 Budget (thousands)</u>	<u>2005-06 Re-estimate (thousands)</u>	<u>Total Project Budget (thousands)</u>	<u>Inception to Date Cost (thousands)</u>	<u>Encumbrances (thousands)</u>	<u>Comments:</u>
<u>INTERSECTION IMPROVEMENTS - JUPITER/PLANO PARKWAY</u>	09/07 02/08	590	80	723	78	43	Final revised schematics and ESA (Categorical Exclusion) approved by TxDOT Dallas. Schematics and CatEx sent to TxDot Austin. TransSystems is currently preparing plans for construction.
<u>INTERSECTION IMPROVEMENTS – Preston and Legacy</u>	12/07 10/08	120	161	2,502	58	23	City Council awarded design contract to Parsons June 26 th and contract is being processed.
<u>INTERSECTION IMPROVEMENTS - PRESTON/PLANO PARKWAY</u>	12/07 10/08	120	5	2,190	63	1	Engineering contract approved at the July 24 th Council meeting. Contracts are being prepared for execution.
<u>INTERSECTION IMPROVEMENTS – Spring Creek Parkway and K Avenue</u>	10/06 03/07	75	65	733	50	25	The project has been advertised to accept construction bids on August 10 th .
<u>INTERSECTION IMPROVEMENTS – Spring Creek Parkway and Coit</u>	01/08 10/08	100	151	2,000	84	-	The original traffic study and alternate study are complete. City staff is now in negotiation with the consultant for an engineering design contract.
<u>LOS RIOS - Parker to Jupiter</u>	07/04 01/07	-	373	7,345	5,461	150	Landscaping and ground stabilization operations are on hold due to water restrictions. The lake level control structures are complete.
<u>MCDERMOTT – Coit To Custer</u>	07/06 04/07	2,529	533	2,204	379	1,610	Work started June 12 th . The section from Coit to Independence is about 50% completed.
<u>MCDERMOTT – Coit To Ohio</u>	03/07 03/08	200	123	4,086	351	17	90% plans have been received and are being reviewed by City staff. We have received TXDOT comments on the schematic and it has been resubmitted and we have just received some minor comments to address. The CADEX has also been resubmitted for final review and we have just received some minor comments to address.
<u>MIDWAY ROAD WIDENING - Parker to Spring Creek Parkway</u>	07/06 05/07	10	718	2,084	119	1,477	Construction has begun on the intersection improvements at the Midway and Windhaven intersection and the median transition corrections between Plano Parkway and Parker Road have been completed.
<u>TOM MUEHLENBECK RECREATION CENTER</u>	04/06 07/07	12,153	10,300	23,000	4,524	16,784	Site work is underway. Block being erected on gymnasium.
<u>OAK POINT PARK VISITOR CENTER COMPLEX</u>	02/07 02/08	4,000	1,646	12,878	284	934	Design development underway.

CURRENT CAPITAL IMPROVEMENT PROJECTS
STATUS REPORT
JULY, 2006

<u>Project Description</u>	<u>Start (Est.) Complete (Est.)</u>	<u>2005-06 Budget (thousands)</u>	<u>2005-06 Re- estimate (thousands)</u>	<u>Total Project Budget (thousands)</u>	<u>Inception to Date Cost (thousands)</u>	<u>Encumbrances (thousands)</u>	<u>Comments:</u>
<u>P AVENUE – 18th to Park</u>	03/06 02/07	2,705	2,275	2,574	909	1,428	TriCon is constructing the project Water main passed testing. Storm drainage and paving south of the creek are complete. Traffic control is one way south for P Avenue.
<u>PARKER ROAD – K Ave. to P Ave.</u>	12/06 12/07	2,255	890	4,190	330	72	Pre-final plans have been reviewed by City staff and returned to the consultant for correction. Right of way acquisition is now underway.
<u>PARKER ROAD ELEVATED TANK REPAINT</u>	11/06 06/07	-	21	735	-	38	Project will be bid in late July or early August. Bid preparation has begun. Tank will be painted in November.
<u>PARKER ROAD ESTATES WEST WATER REHAB</u>	10/06 07/07	-	58	2,002	144	1,700	Bids were opened July 6 th and the contract was awarded to RKM Utility Services, Inc. on July 24 th . Contracts are being processed.
<u>PARKWOOD BOULEVARD - Park Boulevard to Spring Creek Parkway</u>	10/06 10/07	250	300	4,200	95	140	Preliminary plans have been reviewed and returned to the engineer.
<u>PLANO PARKWAY – Los Rios to 14th</u>	06/05 08/06	1,968	2,025	3,852	3,174	566	Phase III island work is underway to construct 14 th Street – Plano Parkway connection. Traffic and railroad signal construction and railroad crossing construction are complete. Project opening is expected in mid August The final is dependent on lifting water conservation Phase 3.
<u>PLANO PARKWAY – Tollroad to Park</u>	11/06 06/07	1,861	469	2,628	299	62	Plans are complete except right-of-way acquisition from Billingsley.
<u>POLICE ACADEMY RANGE EXPANSION</u>	11/06 06/07	20	2,564	3,759	503	84	Schematic design prepared. Target and trap systems being specified.
<u>RAILROAD CROSSINGS –Quiet Zones</u>	11/06 03/07	100	760	1,197	544		Bids withdrawn pending agreement with the Railroads.
<u>RASOR BOULEVARD - Ohio to SH 121</u>	8/07 4/08	-	200	2,189	-	335	Engineering design contract with Huitt-Zollars Inc. was approved at the June 26 th City Council meeting and has been processed.
<u>RIDGEVIEW DRIVE Custer to Independence</u>	08/05 08/06	2,000	2,315	2,849	2,406	479	All lane widening, paving and bridge work is complete. Irrigation is being installed.
<u>SH 121 WATER LINE – Spring Creek Parkway to Dallas North Tollway</u>	01/07 05/07	-	525	525	-	-	TxDot is reviewing schematic.
<u>SPRING CREEK PARKWAY (SHILOH) – Royal Oaks to Parker</u>	10/05 08/07	1,100	2,446	2,603	2,256	316	The road was opened to traffic June 29 th .



CURRENT CAPITAL IMPROVEMENT PROJECTS
STATUS REPORT
JULY, 2006

<u>Project Description</u>	<u>Start (Est.) Complete (Est.)</u>	<u>2005-06 Budget (thousands)</u>	<u>2005-06 Re-estimate (thousands)</u>	<u>Total Project Budget (thousands)</u>	<u>Inception to Date Cost (thousands)</u>	<u>Encumbrances (thousands)</u>	<u>Comments:</u>
<u>STEWART MAIN Capital to Plano Parkway</u>	09/06 12/07	-	500	522	28	482	Project has been awarded and accepted by Jim Bowman Construction Co. Preconstruction meeting to be held May 15 th . Construction delayed. Waiting for pipe.
<u>US 75 RAMP IMPROVEMENTS</u>	01/06 01/07	1,000	1,350	3,429	2,102	6	Problems with design have held up work for about two weeks. Revised design has been given to TXDOT and the contractor for pricing of changes needed to complete drainage work.
<u>US 75/PARKER ROAD INTERCHANGE</u>	06/07 10/08	1,000	1,064	6,250	826	698	Comments on the environmental document have been received from TXDOT. Resubmittal has been made to TXDOT on the schematic and we are on hold with the design pending their approval.
<u>WHIFFLETREE WATER REHAB</u>	02/06 12/06	1,450	1,406	1,723	1,089	544	Construction is complete on Town Bluff, Hilltop, Laguna, Malibu, Singletree, Doubletree, Whiffletree, and Therondun. Construction is underway on Fountainhead and Timberlake.
<u>WYATT NORTH ADDITION PAVING & WATER</u>	01/07 01/08	-	239	2,369	93	119	Preliminary plans reviewed and returned to Huitt Zollars for revision. Revised set due in August.

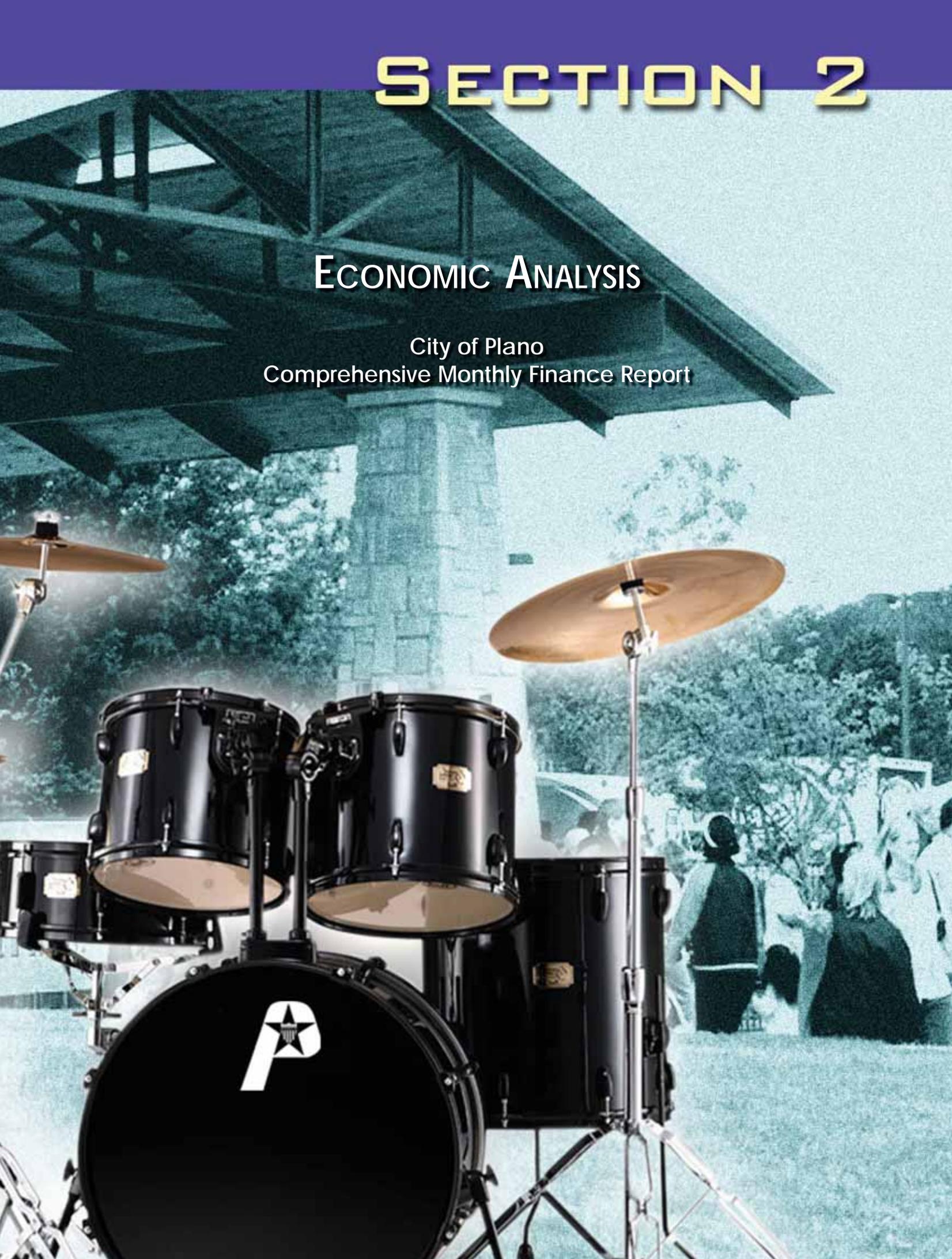
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SECTION 2

ECONOMIC ANALYSIS

City of Plano
Comprehensive Monthly Finance Report



ECONOMIC ANALYSIS

Sales tax of \$5,448,609 was reported in July for the City of Plano. This amount represents an increase of 1.00% over the amount reported in July 2005.

SALES TAX
ACTUAL MONTHLY REVENUE
FIGURE I



Sales tax revenue is generated from the 1% tax on applicable business activity within the City. These taxes were collected in June by businesses filing monthly returns, reported in July to the State, and received in August by the City of Plano.

Figure I represents actual sales and use tax receipts for the months of April through July for fiscal years 2003-04, 2004-2005 and 2005-2006.

ANNUALIZED SALES TAX INDEX
COMPARED TO DALLAS CONSUMER PRICE INDEX
FIGURE II

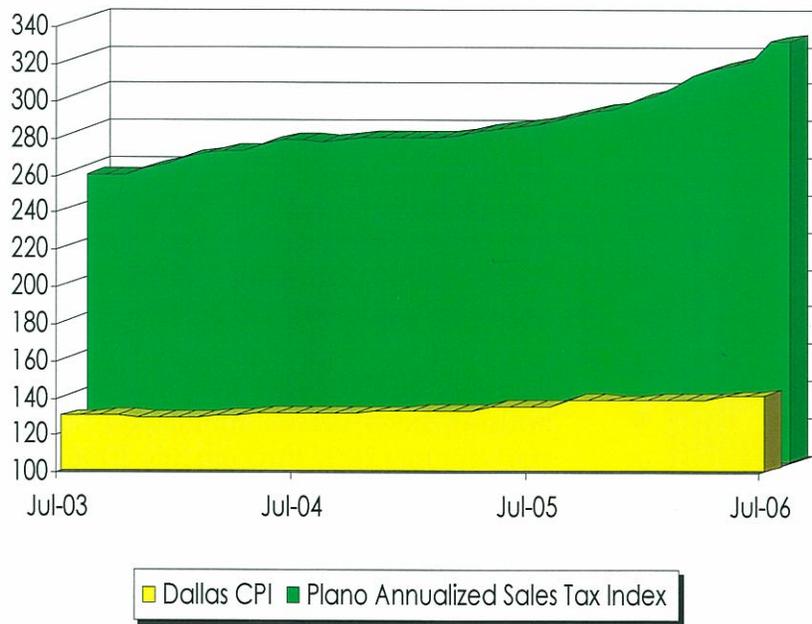


Figure II, left, tracks the percentage change in annualized sales tax revenues compared to the percentage change in the Dallas-area CPI, using 1982-84 as the base period. For July 2006, the adjusted CPI was 140.85 and the Sales Tax Index was 327.17.

Since January 1998, the BLS has moved the Dallas-Area pricing cycle for CPI computation to odd-numbered months.



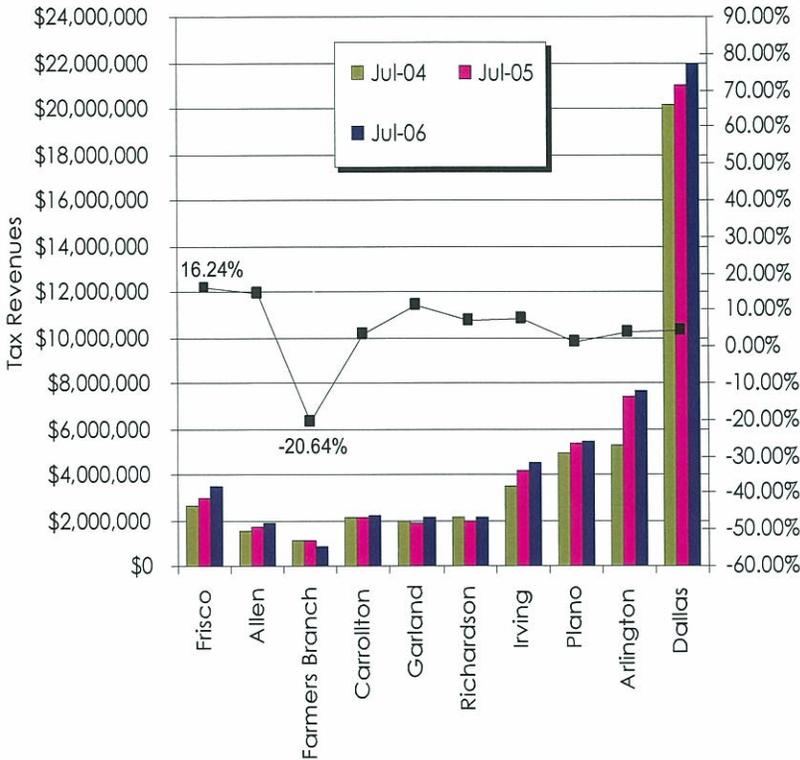
ECONOMIC ANALYSIS

Figure III shows sales tax receipts from July 2004 – July 2006 for the City of Plano and nine area cities. Each of the cities shown has a sales tax rate of 1%, except for the cities of Allen and Frisco, which

SALES TAX COMPARISONS

CITY OF PLANO AND AREA CITIES

FIGURE III

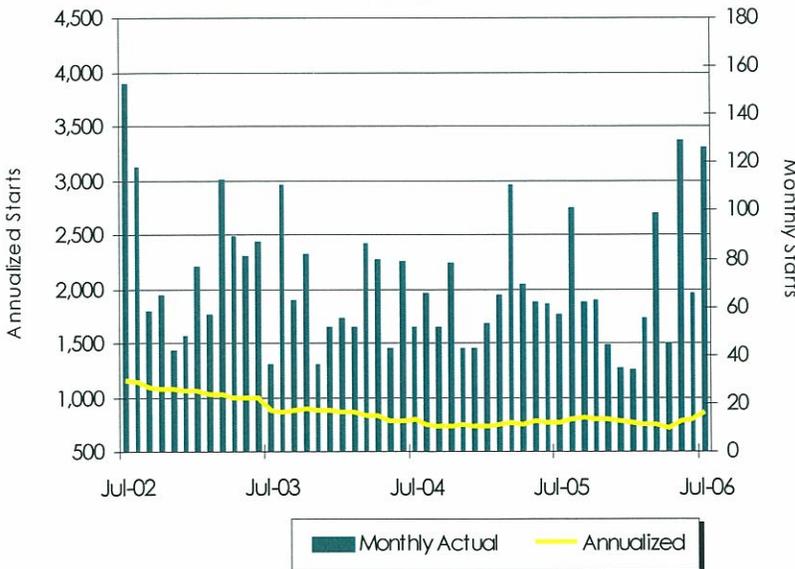


have a 2% rate, but distribute half of the amount shown in the graph to 4A and 4B development corporations within their respective cities, and the City of Arlington which has a 1.75% sales tax rate with .25% dedicated to road maintenance and .50% for funding of the Dallas Cowboys Complex Development Project. For the July reporting month, the City of Plano received \$5,448,609 from this 1% tax.

The percentage change in sales tax collections for the area cities from July 2005 to July 2006 ranged from 16.24% for the City of Frisco to -20.64% for the City of Farmers Branch.

SINGLE FAMILY HOUSING STARTS

FIGURE IV



In July 2006, a total of 126 actual single-family housing permits, representing a value of \$20,277,617, were issued. This value represents a 113.69% increase from the same period a year ago. Annualized single-family housing starts of 859 represent a value of \$172,247,796.

Figure IV above shows actual single-family housing starts versus annualized housing starts for July 2002 through July 2006.



ECONOMIC ANALYSIS

YIELD CURVE
FIGURE V

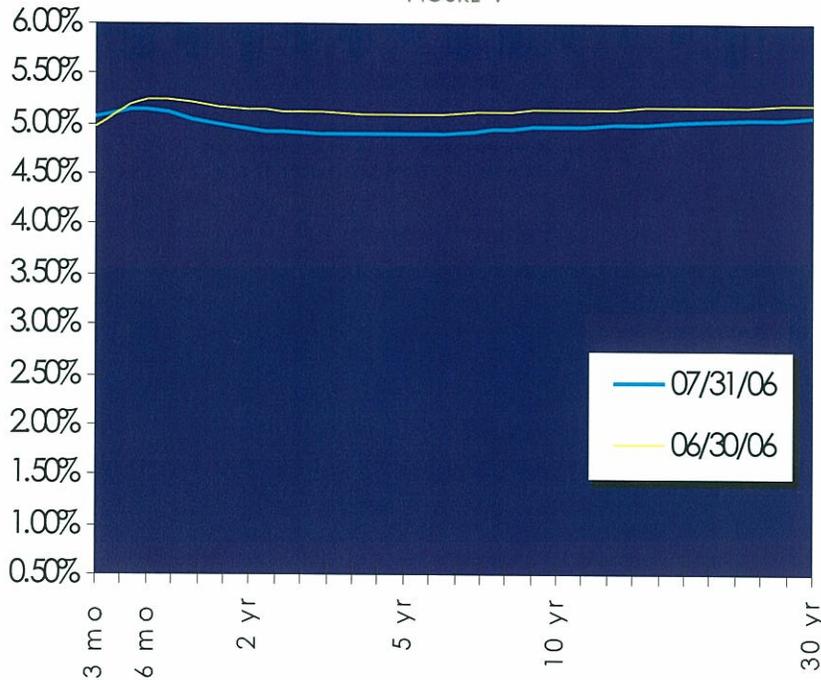


Figure V, left, shows the U.S. Treasury yield curve for July 31, 2006 in comparison to June 30, 2006. All but one of the reported treasury yields decreased in the month of July, with the greatest decrease in reported rates occurring in the 2-year sector at -22 basis points. The only increase in reported rates came in the 3-month sector at +6 basis points.

UNEMPLOYMENT RATES
UNADJUSTED RATE COMPARISON
FIGURE VI*

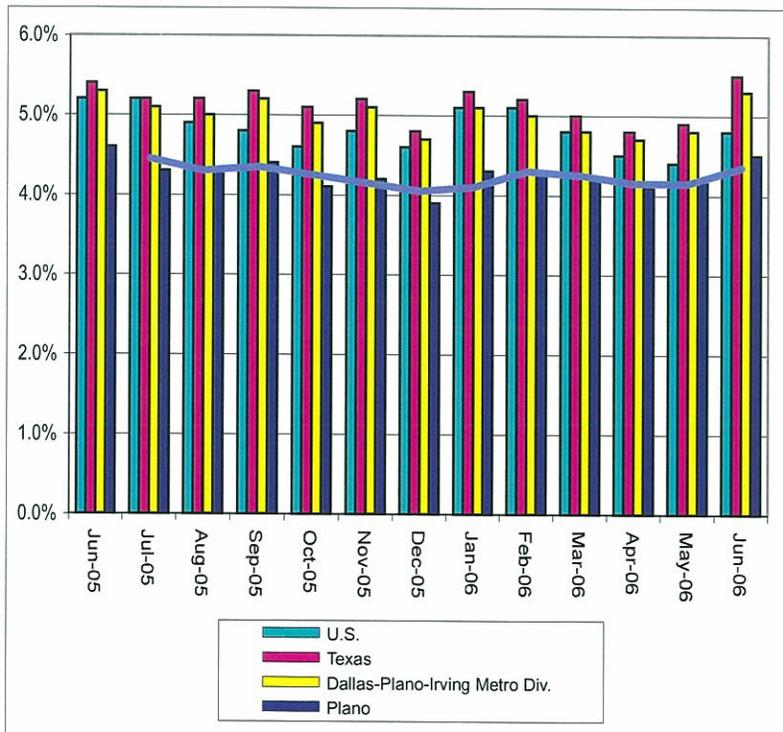


Figure VI shows unadjusted unemployment rates based on the BLS U.S. City Average, and LAUS estimates for the State of Texas, the Dallas-Plano-Irving Metropolitan Division and the City of Plano from June 2005 to June 2006.

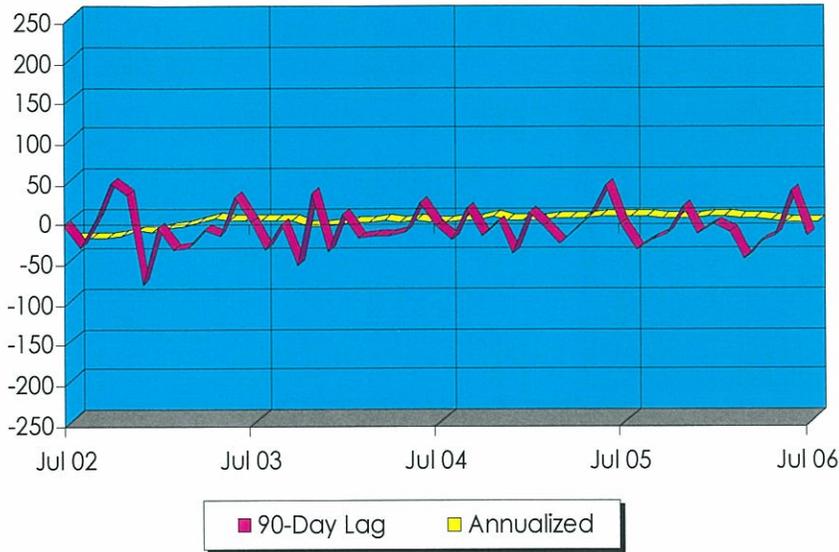
*Due to recent changes in labor force estimation methodology by the BLS and the TWC, sub-state unemployment rate data prior to January 2005 are no longer comparable with current estimates. As a result, statistically significant changes in the reported unemployment rates may have occurred.



ECONOMIC ANALYSIS

Figure VII shows the net difference between the number of housing starts three months ago and new refuse customers in the current month (90-day lag) as well as the average difference between these measures for the past four years (annualized).

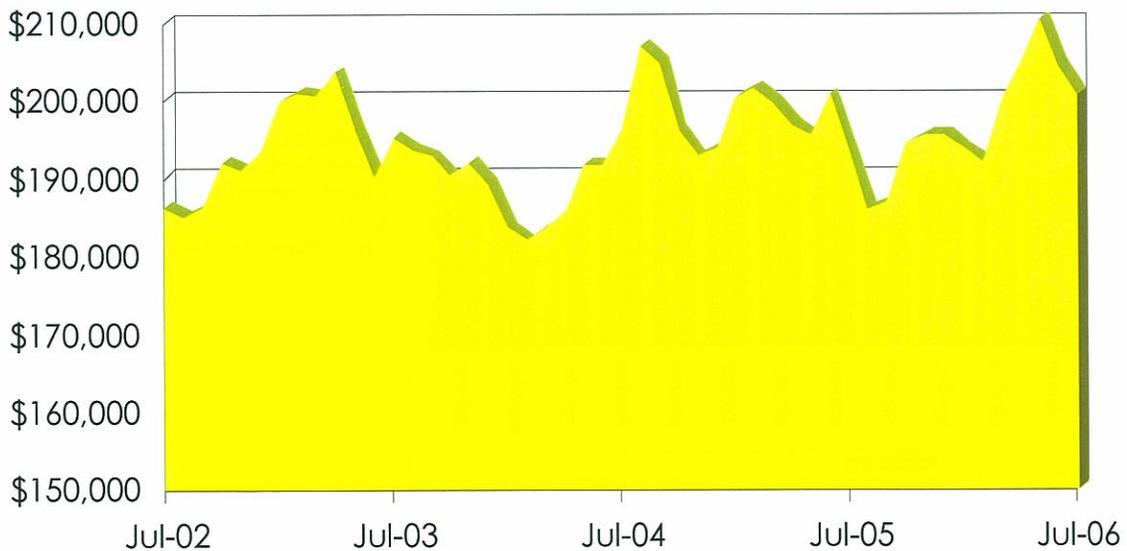
HOUSING ABSORPTION
90-DAY LAG FROM PERMIT DATE
FIGURE VII



For the current month, the 90-day lag is -14 homes, meaning that in April 2006 there were 14 less housing starts than new refuse customers in July 2006. The annualized rate is -10 which means there was an average of 10 less housing starts than new garbage customers per month over the past year.

The annualized average declared construction value of new homes increased 3.76% to \$200,521 when compared to July 2005.

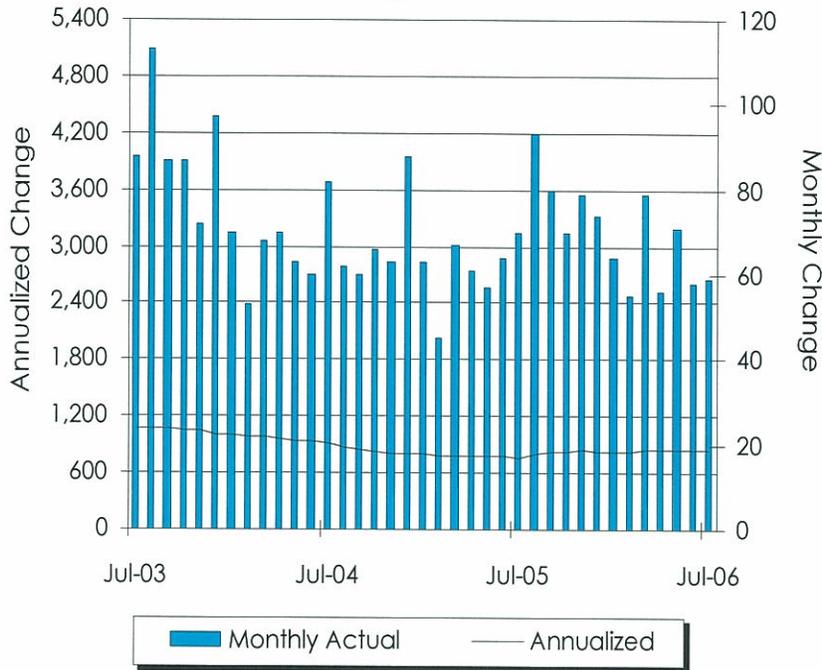
SINGLE-FAMILY NEW HOME VALUE
FIGURE VIII



ECONOMIC ANALYSIS

REFUSE COLLECTIONS ACCOUNTS NET GAINS/LOSSES

Figure IX

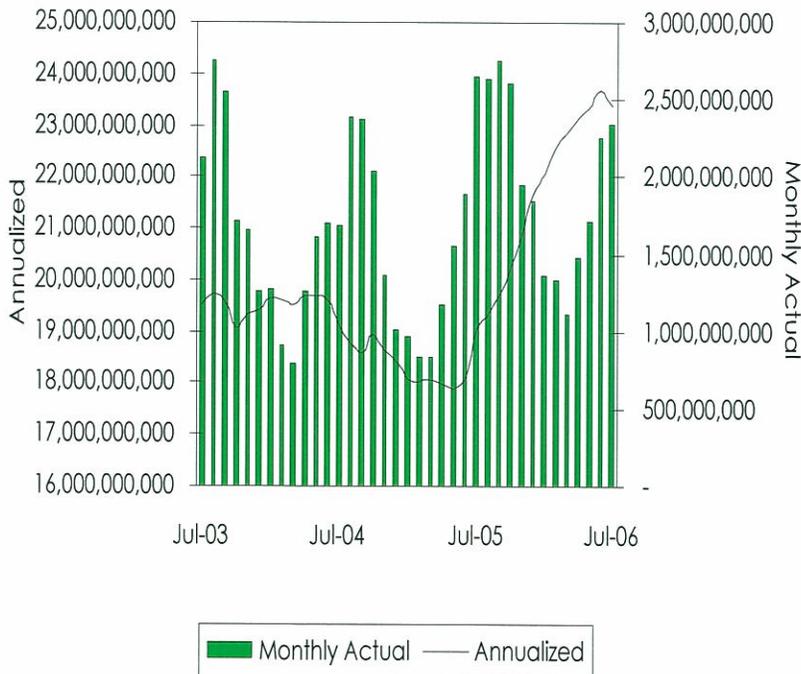


In July, net new refuse collection accounts totaled 59, in comparison to 70 new accounts in July of 2005. This change represents a decrease of 15.71% year-to-year. Annualized new refuse accounts totaled 838, showing an increase of 72, or a 9.40% change when compared to the same time last year.

Figure IX shows actual versus annualized new refuse collection accounts.

LOCAL WATER CONSUMPTION (GALLONS)

FIGURE X



In July, the City of Plano pumped 2,404,994,000 gallons of water from the North Texas Municipal Water District (NTMWD). Consumption was 2,336,570,000 gallons among 76,879 billed water accounts while billed sewer accounts numbered 73,231. The minimum daily water pumpage was 49,344,000 gallons, which occurred on Saturday, July 8th. Maximum daily pumpage was 103,449,000 gallons and occurred on Wednesday, July 19th. This month's average daily pumpage was 77,580,000 gallons.

Figure X shows the monthly actual and annualized average for local water consumption.

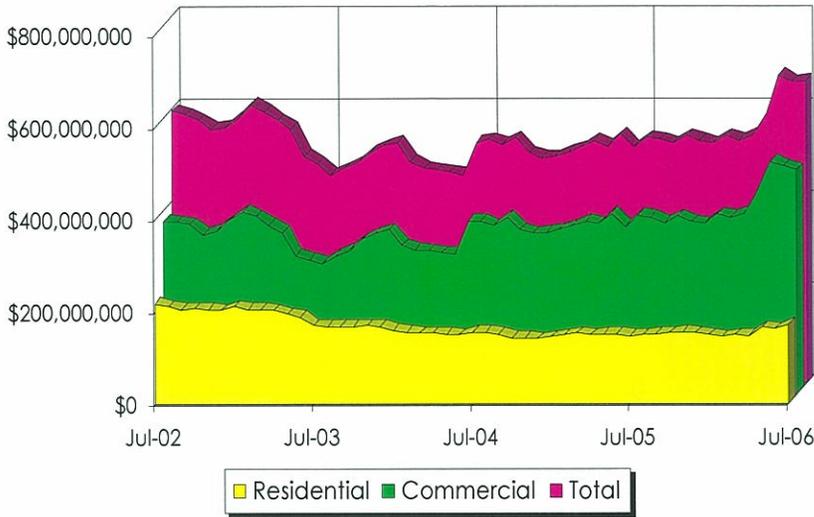


ECONOMIC ANALYSIS

In July, a total of 202 new construction permits were issued, for properties valued at \$54,024,094. This includes 126 single-family residences, 2 apartment buildings, 1 healthcare facility, 2 office/bank buildings, 1 school, 5 retail/restaurant/other, 7 other, 18 commercial additions/alterations, and 40 interior finish-outs. There were 20 permits issued for pools/spas.

ANNUALIZED BUILDING PERMIT VALUES

FIGURE XI



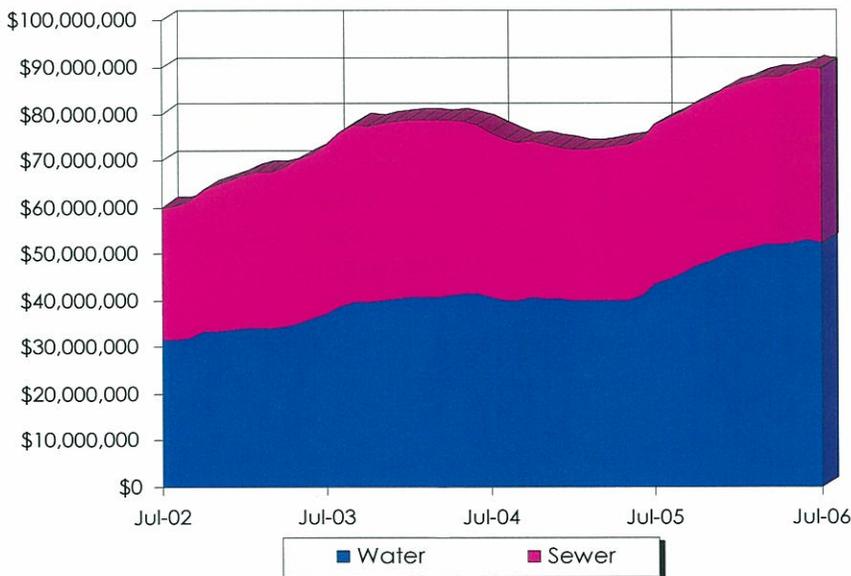
The overall annualized value was \$657,732,809, up 23.27% from the same period a year ago. The annualized value of new residential construction increased to a value of \$172,247,796, up 17.28% from a year ago. The annualized value of new commercial construction increased 25.55% to \$485,485,013.*

* As of January 2002, data on commercial construction value is based on both the building shell and interior finish work, per the Building Inspection Department.

The actual water and sewer customer billing revenues in July were \$5,518,038 and \$3,459,691, representing a decrease of 13.63% and an increase of 14.51% respectively, compared to July 2005 revenues. The aggregate water and sewer accounts netted \$8,977,729 for a decrease of 5.02%.

ANNUALIZED WATER & SEWER BILLINGS

FIGURE XII



July consumption brought annualized revenue of \$52,020,423 for water and \$37,547,856 for sewer, totaling \$89,568,279. This total represents an increase of 15.44% compared to last year's annualized revenue.

Figure XII presents the annualized billing history of water and sewer revenues for July 2002 through July 2006.



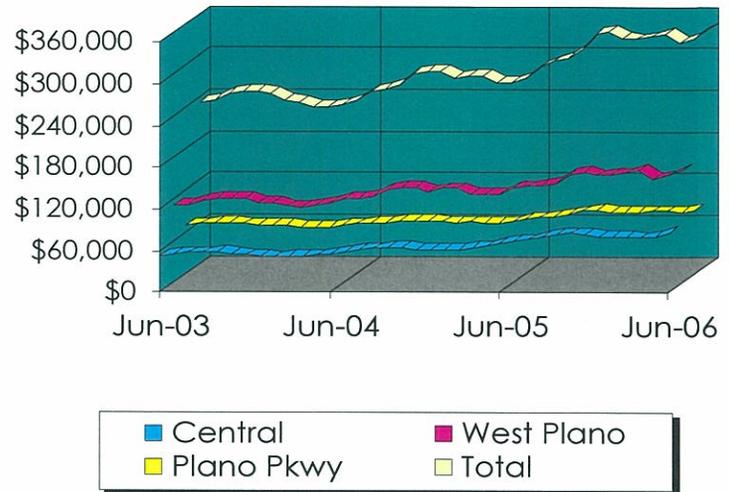
ECONOMIC ANALYSIS

June revenue from hotel/motel tax was \$356,608. This represents an increase of \$38,458 or 12.09% compared to June 2005. The average monthly revenue for the past six months (see graph) was \$339,769, an increase of 21.04% from the previous year's average. The six-month average for the Central area increased to \$85,739, the West Plano average increased to \$162,384, and the Plano Pkwy average increased to \$91,646 from the prior year.

*This amount will not always equal the hotel/motel taxes reported in the financial section. The economic report is based on the amount of taxes earned during a month, while the financial report indicates when the City received the tax.

HOTEL/MOTEL OCCUPANCY TAX SIX MONTH TREND

FIGURE XIII

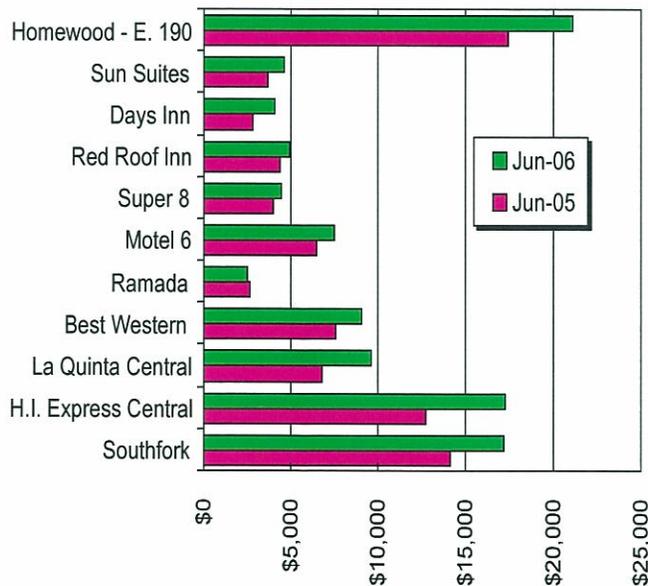


Figures XIV, XV and XVI show the actual occupancy tax revenue from each hotel/motel in Plano for June 2006 compared to the revenue received in June 2005.

HOTEL/MOTEL OCCUPANCY TAX

MONTHLY COMPARISON BY HOTEL - CENTRAL

FIGURE XIV

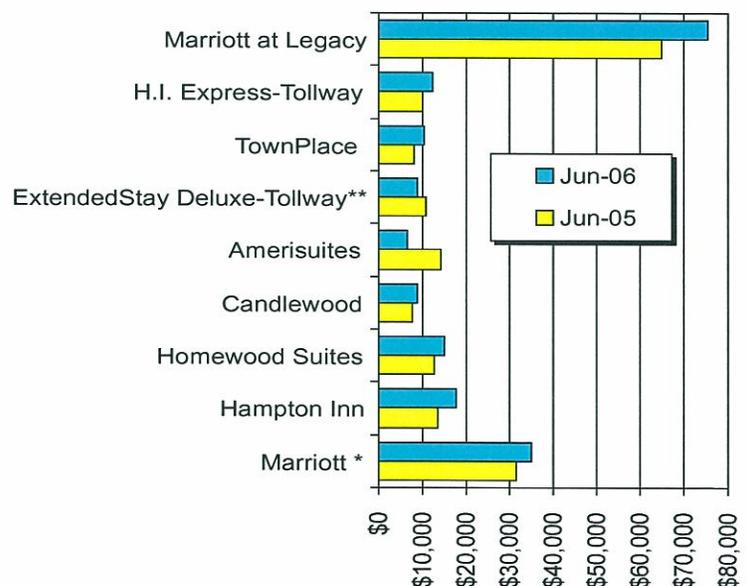


*Wellesley Inn & Suites and Studio Plus became ExtendedStay Deluxe hotels in 2005.

HOTEL/MOTEL OCCUPANCY TAX

MONTHLY COMPARISON BY HOTEL - WEST PLANO

FIGURE XV



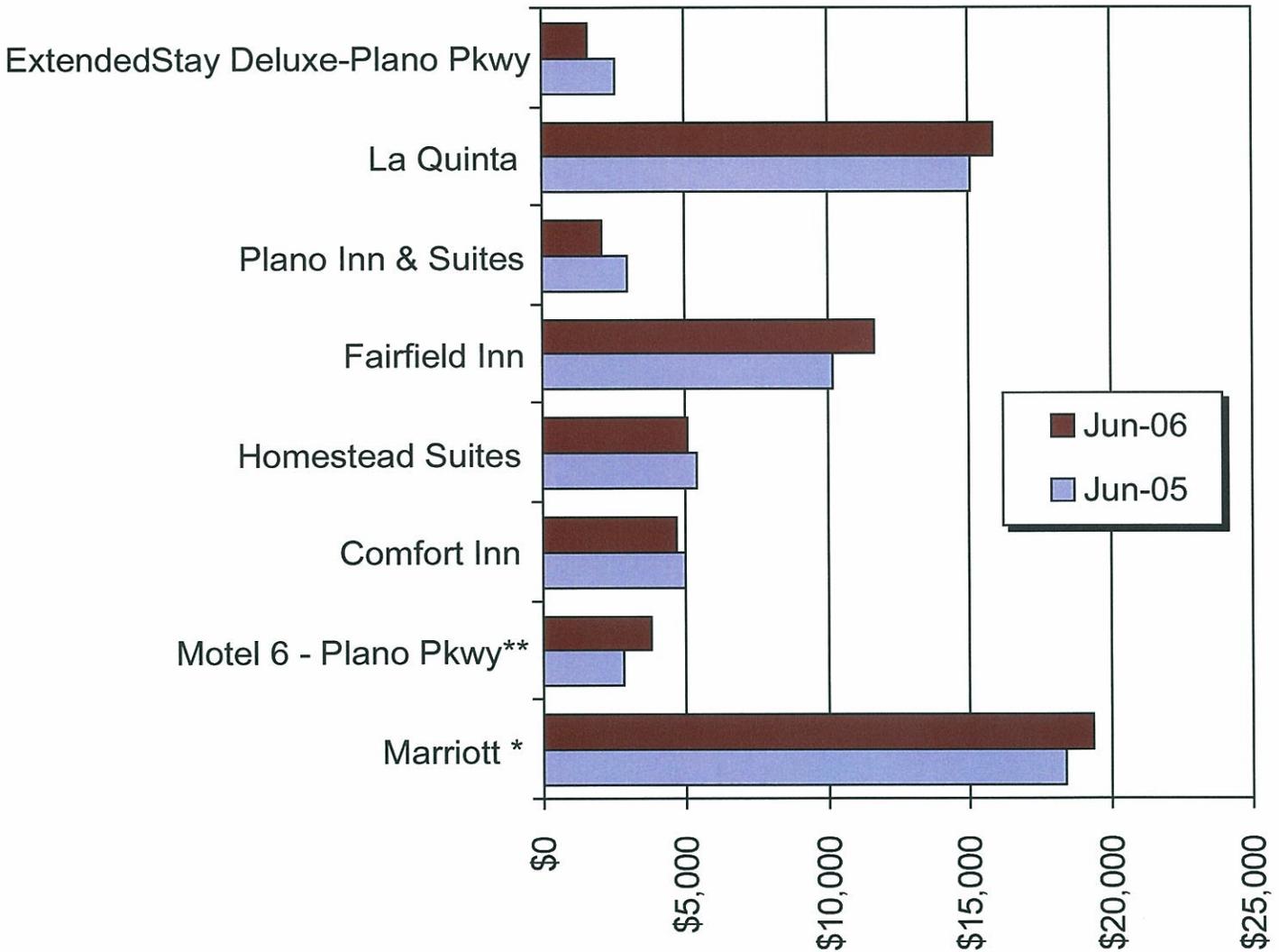
* Since August 2005, Marriott International Tax Revenue Numbers On This Graph Represent Two (2) Marriott-Owned Hotels (Courtyard By Marriott 1ND and Residence Inn #323)



ECONOMIC ANALYSIS

HOTEL/MOTEL OCCUPANCY TAX MONTHLY COMPARISON BY HOTEL-PLANO PKWY

FIGURE XVI



* Since August 2005, Marriott International Tax Revenue Numbers On This Graph Represent One (1) Marriott-Owned Hotel (Courtyard By Marriott #1N4)

** Formerly Sleep Inn



SECTION 3

INVESTMENT REPORT

City of Plano Comprehensive Monthly Finance Report

Funds of the City of Plano are invested in accordance with Chapter 2256 of the "Public Funds Investment Act." The Act clearly defines allowable investment instruments for local governments. The City of Plano Investment Policy incorporates the provisions of the Act and all investment transactions are executed in compliance with the Act and the Policy.



INVESTMENT REPORT

JULY, 2006

Interest received during July totaled \$870,859 and represents interest paid on maturing investments and coupon payments on investments. Interest allocation is based on average balances within each fund during the month.

During July, the two-year Treasury note yield decreased throughout the month, starting at 5.17 and ending at 4.96.

As of July 31, a total of \$275.0 million was invested in the Treasury Fund. Of this amount, \$67.8 million was General Obligation Bond Funds, \$.5 million was Water & Sewer Revenue Bond Funds, and \$206.7 million was in the remaining funds.

Investments	Current Month Actual	Fiscal Y-T-D	Prior Fiscal Y-T-D	Prior Fiscal Year Total
(1) Funds Invested	\$5,900,000	\$157,000,000	\$136,416,000	\$151,353,000
(2) Interest Received	\$870,859	\$7,559,776*	\$4,984,522	\$6,338,580
(3) Earnings Potential Factor	123.1%	126.9%	118.7%	119.4%
(4) Investment Potential	104.9%	104.7%	109.7%	108.8%
(5) Actual Aggressive Dividend	\$198,265	\$149,364	\$527,592	\$653,700
(6) Average 2 Year T-Note Yield	5.11		4.01	

* See interest allocation footnote on Page C-3.

- (1) Does not include funds on deposit earning an "earnings credit" rate and/or moneys in investment pools or cash accounts.
- (2) Cash basis.
- (3) Comparison of actual yield of investments to average yield of 2 year Treasury notes for current month.
- (4) Measures the percent of funds invested at month end compared to total available investable funds.
- (5) Difference between amount of interest earned due to aggressive investing of funds, when compared to passive use of funds earning an "earnings credit" rate, during current month.
- (6) Compares 2006 to 2005.

Month-to-Month Comparison

	Jun 06	Jul 06	Difference
Portfolio Holding Period Yield	4.12	4.15	.03 (3 basis points)
Avg. 2-Year T-Note Yield	5.11	5.11	.00 (0 basis points)

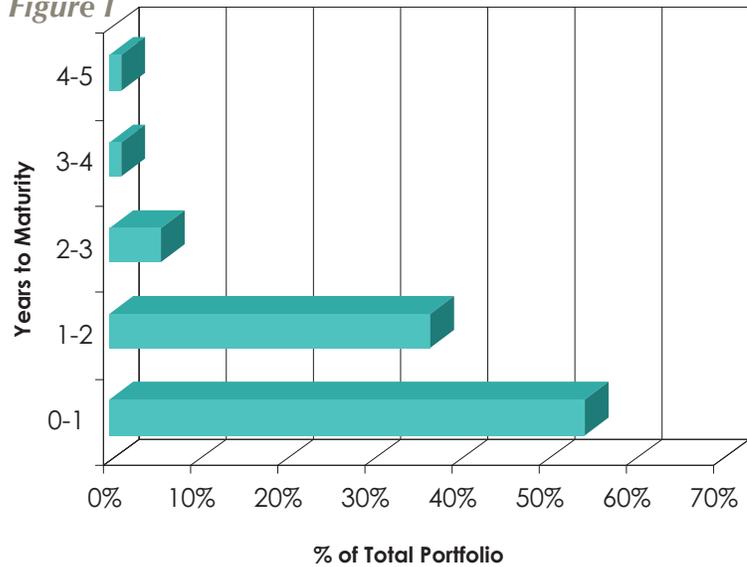


INVESTMENT REPORT

Portfolio Maturity Schedule

Figure I

Years to Maturity*	Face Value	% Total
0-1	\$ 157,268,938	54.57%
1-2	106,265,000	36.87%
2-3	16,665,000	5.78%
3-4	4,000,000	1.39%
4-5	4,000,000	1.39%
Total	\$ 288,198,938	100.00%

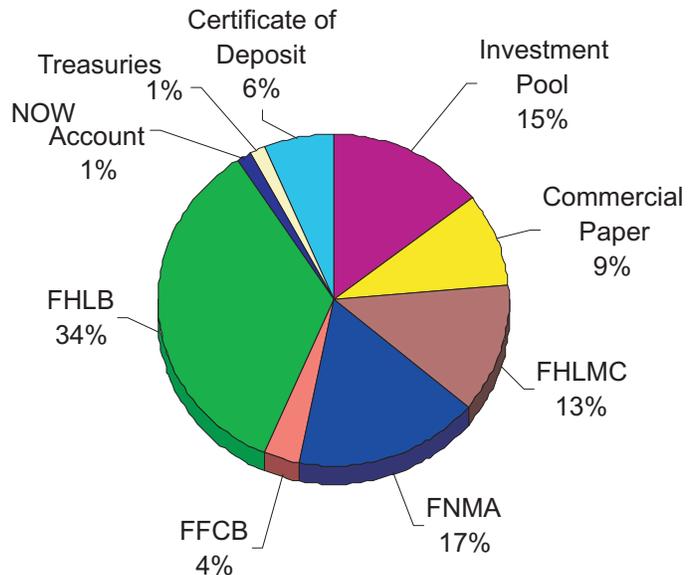


*Does not take into consideration callable issues that can, if called, significantly shorten the Weighted Average Maturity.

Portfolio Diversification

Figure II

Type	Face Value	% Total
Investment Pool	\$ 41,870,904	14.53%
Commercial Paper	25,872,000	8.98%
FHLMC	36,415,000	12.64%
FNMA	48,500,000	16.83%
FFCB	10,195,000	3.54%
FHLB	98,830,000	34.29%
NOW Account	4,116,034	1.43%
Treasuries	4,000,000	1.39%
Certificate of Deposit	18,400,000	6.38%
Total	\$ 288,198,938	100.00%



INVESTMENT REPORT

Allocated Interest/Fund Balances July 2006

Fund	Allocated Interest		Fund Balance	
	Current Month	Fiscal Y-T-D	End of Month	% of Total
General	132,932.69	1,340,888.05	\$ 40,153,203.87	14.60%
G.O. Debt Service	91,062.26	633,576.40	29,086,095.17	10.58%
Street & Drainage Improvements	1,251.94	594.65	409,568.12	0.15%
Sewer CIP	12,608.93	117,980.92	3,921,125.76	1.43%
Capital Reserve	99,592.41	816,444.64	32,214,928.57	11.71%
Water & Sewer Operating	9,610.13	115,697.28	3,499,385.54	1.27%
Water & Sewer Debt Service	10,786.17	81,571.90	3,608,242.02	1.31%
W & S Impact Fees Clearing	8,759.15	53,053.52	2,895,247.01	1.05%
Park Service Area Fees	14,983.28	125,275.01	4,824,117.78	1.75%
Property / Liability Loss	17,365.72	153,069.32	5,580,437.65	2.03%
Information Services	31,110.06	267,336.39	9,935,051.05	3.61%
Equipment Replacement	28,916.82	269,469.42	9,357,404.70	3.40%
Developers' Escrow	11,911.77	158,682.31	3,809,065.14	1.39%
G.O. Bond Funds	216,640.50	1,668,139.89	67,803,364.71	24.66%
Municipal Drainage Bond Clearing	14,229.04	109,801.16	4,553,014.57	1.66%
Other	167,396.79	1,445,132.24	53,250,591.91	19.36%
Total	\$ 866,717.74	\$ 7,332,313.90	\$ 274,997,987.67	100.00%

Footnote: All City funds not restricted or held in trust are included in the Treasury Pool. As of July 31, 2006, allocated interest to these funds may include an adjustment to fair value as required by GASB 31.

Portfolio Statistics

Month	Total Invested (End of Month)	Portfolio Yield	# Securities		Maturities/ Sold/Called	Weighted Avg Maturity (Days)	# Securities
			Purchased*				
Feb-05	253,145,268	2.87%	9		4	809	144
Mar-05	239,564,985	2.83%	2		4	639	142
Apr-05	234,335,664	2.92%	2		5	628	139
May-05	222,340,943	2.93%	8		4	643	143
Jun-05	253,295,488	3.04%	4		4	544	143
Jul-05	248,309,619	3.08%	7		3	534	147
Aug-05	256,490,797	3.16%	4		12	491	139
Sep-05	220,697,804	3.15%	3		6	550	136
Oct-05	213,238,232	3.18%	3		4	549	135
Nov-05	206,838,872	3.22%	8		4	571	139
Dec-05	231,473,520	3.40%	13		3	507	149
Jan-06	259,337,641	3.57%	5		5	437	149
Feb-06	282,073,077	3.70%	6		3	429	152
Mar-06	318,399,324	3.89%	13		4	383	161
Apr-06	311,430,085	3.91%	9		5	374	165
May-06	303,581,868	3.98%	4		7	363	162
Jun-06	294,605,647	4.12%	5		15	352	152
Jul-06	288,198,938	4.15%	3		5	351	150

* Does not include investment pool purchases or changes in NOW account balances.



INVESTMENT REPORT

*Equity in Treasure Pool
By Major Category
Figure IV*

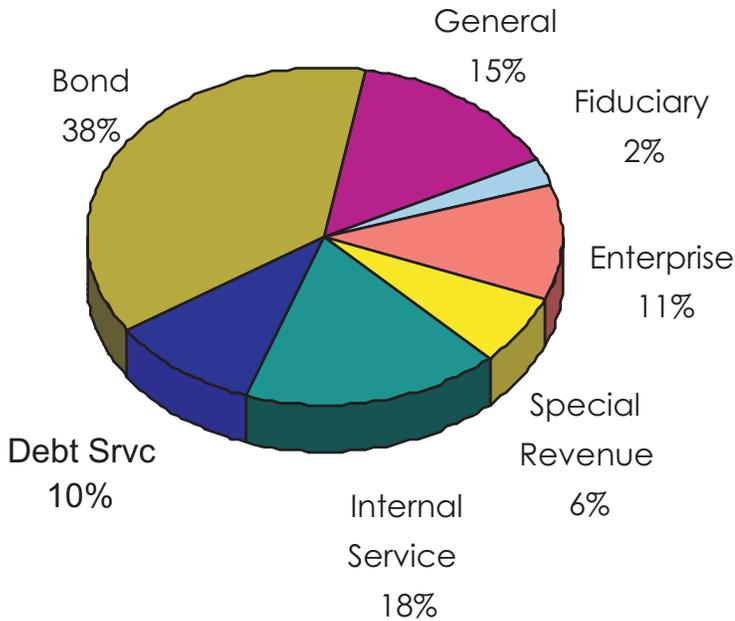
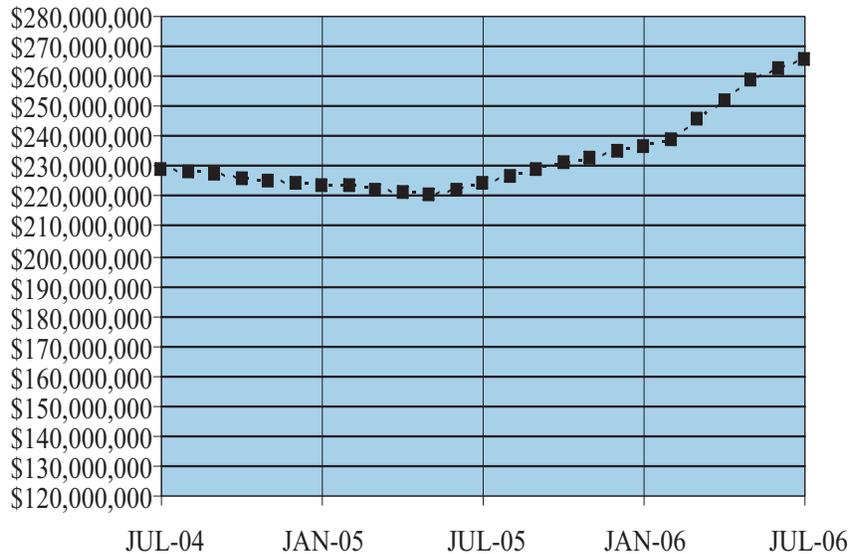


Figure IV shows a breakdown of the various sources of funds for the City's Treasury Pool as of July 31, 2006. The largest category are the Bond Funds in the amount of \$106.1 million. Closest behind are the Internal Service Funds with a total of \$49.9 million, and the General Fund with \$42.2 million.

*Annualized Average Portfolio
Figure V*

The annualized average portfolio for July 31, 2006 was \$265,530,484. This is an increase of \$41,453,772 when compared to the July 2005 average of \$224,076,712.



SECTION 4

QUARTERLY HOTEL/MOTEL REPORT

City of Plano
Comprehensive Monthly Finance Report



HOTEL/MOTEL OCCUPANCY TAX REVENUE REPORT

Comparative Quarterly Statistics Quarter Ending 06/30/06 Table I

	2003-04 Fourth	2004-05 First	2004-05 Second	2004-05 Third	2004-05 Fourth	2005-06 First	2005-06 Second	2005-06 Third
Quarterly Total (Actual)*	\$854,389	\$746,703	\$814,641	\$892,505	\$956,242	\$998,924	\$987,838	\$1,050,774
Number of Rooms	3,706	3,706	3,706	3,705	3,705	3,705	3,705	3,705
Average Daily Occupancy	2,479	2,343	2,391	2,555	2,759	2,662	2,555	2,687
Actual Revenue per Room	\$231	\$201	\$220	\$241	\$258	\$270	\$267	\$284
Annualized Revenue	\$2,999,606	\$3,088,122	\$3,025,445	\$3,308,238	\$3,410,091	\$3,662,312	\$3,835,510	\$3,993,779
Average Room Rate	\$71	\$67	\$70	\$71	\$72	\$79	\$78	\$78
Average Occupancy Rate	59.63%	55.67%	58.06%	61.38%	65.56%	63.25%	62.05%	64.55%

QUARTERLY HOTEL/MOTEL TAX REVENUE

Total tax receipts of \$1,050,774 were received in the quarter ending June 30, 2006. The number of rooms available in Plano remained static in the third quarter of fiscal year 2005-06. Occupancy tax revenues increased by 17.73% when compared to the third quarter of fiscal year 2004-2005.

Table I contains the actual quarterly hotel occupancy revenue and data for the fourth quarter of fiscal year 2003-04 through the third quarter of fiscal year 2005-06.

* Quarterly totals may be adjusted at a later date for exemption audit payments.



Comparative Quarterly Statistics

Quarter Ending 07/31/06

Table II

First Quarter

	2003-04			2004-05			2005-06			Second Quarter*				
		Percent Change		Percent Change		Percent Change		Percent Change	2003-04	Percent Change	2004-05	Percent Change	2005-06	
Ramada	\$ 6,390	-25.53%	\$ 5,552	-13.12%	\$ 8,519	53.45%	\$ 7,276	-13.34%	\$ 5,243	-27.94%	\$ 7,088			
Harvey House	\$ 20,033	-46.49%	\$ 31,387	56.68%	\$ 42,482	35.35%	\$ 27,874	-22.14%	\$ 27,880	0.02%	\$ 37,354			
H. I. Express Central	\$ 23,930	28.96%	\$ 21,627	-9.62%	\$ 39,965	84.79%	\$ 1,458	-41.59%	\$ 27,884	1812.34%	\$ 38,547			
La Quinta Central	\$ 16,724	15.54%	\$ 15,804	-5.50%	\$ 22,623	43.15%	\$ 16,383	-35.52%	\$ 15,087	-7.91%	\$ 22,604			
Marriott	\$ 118,635	2.22%	\$ 116,556	-1.75%	\$ 148,455	27.37%	\$ 115,052	-1.90%	\$ 126,933	10.33%	\$ 154,062			
Motel 6	\$ 15,904	1.37%	\$ 16,759	5.38%	\$ 17,224	2.77%	\$ 15,538	-16.09%	\$ 15,608	0.46%	\$ 16,059			
Motel 6 - Plano Pkwy	\$ 6,644	-23.44%	\$ 7,371	10.95%	\$ 10,671	44.76%	\$ 7,513	-14.76%	\$ 6,383	-15.04%	\$ 8,499			
H.I Express	\$ 7,754	-17.94%	\$ 9,346	20.53%	\$ 12,328	31.91%	\$ 7,964	-14.24%	\$ 11,167	40.21%	\$ 13,179			
Best Western	\$ 16,411	15.57%	\$ 18,578	13.20%	\$ 21,046	13.29%	\$ 19,427	-14.76%	\$ 16,149	-16.87%	\$ 20,018			
Super 8	\$ 6,426	-29.93%	\$ 7,362	14.56%	\$ 10,596	43.93%	\$ 5,653	-13.03%	\$ 8,286	46.57%	\$ 11,002			
Hampton Inn	\$ 27,229	1.48%	\$ 29,652	8.90%	\$ 41,095	38.59%	\$ 28,181	-5.76%	\$ 35,917	27.45%	\$ 44,725			
Mainstay Suites	\$ 6,940	-20.21%	\$ 11,393	64.15%	\$ 13,468	18.22%	\$ 7,307	2.07%	\$ 11,291	54.52%	\$ 15,413			
Red Roof Inn	\$ 12,943	3.79%	\$ 12,602	-2.63%	\$ 14,323	13.66%	\$ 11,726	-7.86%	\$ 11,162	-4.80%	\$ 9,923			
Days Inn	\$ 8,230	-2.42%	\$ 8,257	0.32%	\$ 9,744	18.02%	\$ 6,870	-28.96%	\$ 7,271	5.83%	\$ 8,985			
Fairfield Inn	\$ 18,580	10.09%	\$ 24,529	32.02%	\$ 26,832	9.39%	\$ 19,183	-5.98%	\$ 25,502	32.94%	\$ 31,762			
Plano Inn & Suites	\$ 7,041	1.43%	\$ 3,090	-56.11%	\$ 4,416	42.89%	\$ 4,796	-30.63%	\$ 3,382	-29.49%	\$ 4,368			
Homewood	\$ 29,872	-11.44%	\$ 30,469	2.00%	\$ 34,448	13.06%	\$ 34,609	-10.70%	\$ 35,186	1.67%	\$ 41,953			
La Quinta	\$ 26,530	5.33%	\$ 30,766	15.97%	\$ 39,131	27.19%	\$ 27,531	-24.14%	\$ 33,459	21.54%	\$ 41,272			
ESA - Plano Pkwy	\$ 5,515	-15.55%	\$ 7,779	41.04%	\$ 6,929	-10.93%	\$ 6,871	19.20%	\$ 9,147	33.12%	\$ 7,812			
Amerisuites	\$ 33,303	31.90%	\$ 36,515	9.64%	\$ 39,833	9.09%	\$ 34,210	-20.81%	\$ 38,291	11.93%	\$ 42,295			
Candlewood	\$ 17,412	12.71%	\$ 22,462	29.00%	\$ 25,597	13.96%	\$ 19,989	-9.44%	\$ 25,213	26.14%	\$ 30,094			
Sun Suites	\$ 7,538	6.49%	\$ 9,246	22.67%	\$ 11,382	23.10%	\$ 6,895	-9.43%	\$ 8,805	27.71%	\$ 12,562			
ESA - Tollway	\$ 18,108	23.44%	\$ 18,154	0.25%	\$ 13,211	-27.23%	\$ 17,909	-20.08%	\$ 14,125	-21.13%	\$ 13,615			
Town Place Suites	\$ 12,412	-10.37%	\$ 20,475	64.97%	\$ 27,925	36.39%	\$ 14,392	24.02%	\$ 21,328	48.19%	\$ 32,938			
H.I Express Tollway	\$ 23,024	1.66%	\$ 24,257	5.36%	\$ 28,871	19.02%	\$ 24,363	10.47%	\$ 26,205	7.56%	\$ 32,161			
Marriott at Legacy	\$ 143,290	-5.43%	\$ 180,538	25.99%	\$ 280,708	55.48%	\$ 175,883	14.48%	\$ 203,970	15.97%	\$ 239,670			
Homewood - E. 190	\$ 21,367	n/a	\$ 26,176	22.51%	\$ 47,099	79.93%	\$ 32,465	n/a	\$ 43,765	34.81%	\$ 49,876			
Quarter Total	\$ 658,187	1.50%	\$ 746,703	13.45%	\$ 998,924	33.78%	\$ 697,317	7.89%	\$ 814,641	16.83%	\$ 987,838			
Y-T-D Revenues	\$ 658,187	1.50%	\$ 746,703	13.45%	\$ 998,924	33.78%	\$ 1,355,504	4.69%	\$ 1,561,344	15.19%	\$ 1,986,762			

Third Quarter*

	2003-04			2004-05			2005-06			Fourth Quarter*				
		Percent Change		Percent Change		Percent Change		Percent Change	2003-04	Percent Change	2004-05	Percent Change	2005-06	
Ramada	\$ 8,349	-21.02%	\$ 7,639	-8.50%	\$ 7,635	-0.06%	\$ 8,479	-10.06%	\$ 9,911	16.88%	\$ -			
Southfork	\$ 33,105	-21.65%	\$ 37,470	13.19%	\$ 48,739	30.07%	\$ 31,618	8.94%	\$ 45,000	42.32%	\$ -			
H. I. Express Central	\$ -	0.00%	\$ 33,456	n/a	\$ 45,456	35.87%	\$ 10,057	-56.34%	\$ 35,887	256.85%	\$ -			
La Quinta Central	\$ 19,985	19.33%	\$ 20,720	3.67%	\$ 25,426	22.37%	\$ 19,562	4.72%	\$ 22,654	15.81%	\$ -			
Marriott	\$ 130,065	3.78%	\$ 123,874	-4.76%	\$ 140,463	13.39%	\$ 136,091	8.28%	\$ 153,814	13.02%	\$ -			
Motel 6	\$ 17,628	-7.69%	\$ 17,867	1.35%	\$ 21,278	19.09%	\$ 18,147	-5.13%	\$ 19,606	8.04%	\$ -			
Motel 6 - Plano Pkwy	\$ 7,489	-30.32%	\$ 8,344	11.42%	\$ 11,508	37.91%	\$ 8,049	-22.51%	\$ 10,194	26.64%	\$ -			
Comfort Inn	\$ 9,882	15.35%	\$ 14,120	42.88%	\$ 14,840	5.10%	\$ 10,141	52.30%	\$ 11,804	16.40%	\$ -			
Best Western	\$ 21,883	16.95%	\$ 18,993	-13.21%	\$ 25,376	33.61%	\$ 20,866	12.48%	\$ 22,676	8.68%	\$ -			
Super 8	\$ 6,129	-30.80%	\$ 10,723	74.95%	\$ 11,124	3.74%	\$ 6,929	-16.81%	\$ 12,458	79.79%	\$ -			
Hampton Inn	\$ 30,767	21.71%	\$ 39,348	27.89%	\$ 50,974	29.55%	\$ 33,500	17.81%	\$ 41,541	24.01%	\$ -			
Homestead Suites	\$ 10,225	-16.70%	\$ 14,370	40.53%	\$ 15,721	9.40%	\$ 10,484	13.76%	\$ 13,262	26.50%	\$ -			
Red Roof Inn	\$ 14,436	-12.49%	\$ 13,642	-5.50%	\$ 13,813	1.26%	\$ 14,098	1.06%	\$ 14,634	3.80%	\$ -			
Days Inn	\$ 9,361	-10.29%	\$ 8,525	-8.93%	\$ 11,835	38.82%	\$ 9,430	-0.89%	\$ 9,119	-3.30%	\$ -			
Fairfield Inn	\$ 22,253	31.60%	\$ 28,685	28.90%	\$ 35,679	24.38%	\$ 22,923	35.48%	\$ 27,852	21.50%	\$ -			
Plano Inn & Suites	\$ 4,928	-35.08%	\$ 4,992	1.30%	\$ 4,791	-4.03%	\$ 4,603	-28.97%	\$ 4,649	0.99%	\$ -			
Homewood Suites	\$ 35,314	-5.99%	\$ 38,965	10.34%	\$ 44,144	13.29%	\$ 37,484	-2.12%	\$ 41,407	10.47%	\$ -			
La Quinta	\$ 33,750	13.14%	\$ 42,082	24.69%	\$ 46,458	10.40%	\$ 31,282	-1.18%	\$ 40,027	27.96%	\$ -			
ESA - Plano Pkwy	\$ 8,516	-9.98%	\$ 8,704	2.20%	\$ 4,049	-53.48%	\$ 8,543	-3.02%	\$ 8,624	0.96%	\$ -			
Amerisuites	\$ 38,825	15.84%	\$ 40,307	3.82%	\$ 32,760	-18.72%	\$ 35,869	-3.22%	\$ 41,876	16.75%	\$ -			
Candlewood	\$ 27,776	84.85%	\$ 22,611	-18.60%	\$ 29,925	32.35%	\$ 20,484	21.37%	\$ 26,348	28.63%	\$ -			
Sun Suites	\$ 9,279	-3.50%	\$ 11,445	23.34%	\$ 14,012	22.43%	\$ 10,720	33.53%	\$ 12,893	20.27%	\$ -			
ESA - Tollway	\$ 20,810	9.47%	\$ 20,304	-2.43%	\$ 23,800	17.22%	\$ 20,566	0.03%	\$ 19,654	-4.43%	\$ -			
Town Place Suites	\$ 19,258	39.09%	\$ 25,864	34.31%	\$ 35,197	36.08%	\$ 25,764	20.07%	\$ 34,688	34.64%	\$ -			
H.I Express Tollway	\$ 27,082	15.58%	\$ 28,772	6.24%	\$ 36,372	26.41%	\$ 25,324	2.21%	\$ 29,374	15.99%	\$ -			
Marriott at Legacy	\$ 181,839	2.38%	\$ 202,050	11.11%	\$ 243,679	20.60%	\$ 229,161	20.62%	\$ 200,902	-12.33%	\$ -			
Homewood - E. 190	\$ 40,776	0.00%	\$ 48,634	19.27%	\$ 55,721	14.57%	\$ 44,218	100.00%	\$ 45,389	2.65%	\$ -			
Quarter Total	\$ 789,712	6.47%	\$ 892,505	13.02%	\$ 1,050,774	17.73%	\$ 854,389	13.61%	\$ 956,242	11.92%	\$ -			
Y-T-D Revenues	\$ 2,145,217	5.34%	\$ 2,453,849	14.39%	\$ 3,037,536	23.79%	\$ 2,999,606	7.57%	\$ 3,410,091	13.68%	\$ 3,037,536			

*Closure of the Holiday Inn (now Holiday Inn Express) for remodeling during the second and third fiscal quarters, and one month of the fourth fiscal quarter (FY 2003-04), caused the greater than average differentiation in year-to-year revenues for that hotel. Extended Stay - Plano Parkway and Amerisuites closed approximately half it's available rooms for remodeling in the third quarter of fiscal year 2005-06, resulting in substantial percentage decreases in occupancy tax remitted when compared to the same period in the prior fiscal year.



INTEROFFICE MEMORANDUM

TO: FRANK TURNER, EXECUTIVE DIRECTOR
FROM: KATE TOVELL, SENIOR PLANNER
SUBJECT: WORKFORCE HOUSING
DATE: 8/22/2006
CC: PHYLLIS JARRELL, PLANNING DIRECTOR, JEFF ZIMMERMAN, LONG RANGE PLANNING MANAGER

As you are aware, for the past several months the Transition and Revitalization Commission has been studying workforce housing. Workforce housing is housing that is affordable to those workers earning between 80 and 120 percent of a metropolitan region's median income. Often these are the service workers essential to any community - police officers, firefighters, teachers, and government and retail workers. This study focuses on ways that Plano can preserve and enhance this critical component of its housing stock.

Earlier this month the TRC met with the Planning and Zoning Commission to discuss workforce housing and a related item, Accessory Dwelling Units. With regard to workforce housing, the Planning and Zoning Commission supported the TRC's focus on preserving the existing housing stock. However, the P&Z did not recommend pursuing Accessory Dwelling Units, at this time.

Based on their research and discussions as well as comments received at the P&Z work session, the Transition and Revitalization Commission is prepared to make an interim report to the City Council on workforce housing during the Preliminary Open Meeting on August 28, 2006.

Please find a brief report and supporting materials attached.

12/22/06

CITY OF PLANO

CITY COUNCIL

Pre-meeting – August 28, 2006

Discussion and Direction: Workforce Housing Study

DESCRIPTION:

Discussion and direction on the Workforce Housing

BACKGROUND:

For the past several months, the Transition and Revitalization Commission (TRC) has been studying the availability of workforce housing. Workforce housing was included in the City Council's Strategic Plan as a topic that warranted further study. This study focuses on ways that Plano can preserve and enhance this critical component of its housing stock.

Workforce Housing

Workforce housing is housing that is affordable to those workers earning between 80 and 120 percent of a metropolitan region's median income. Often these are the service workers essential to any community - police officers, firefighters, teachers, and government and retail workers. The availability of affordable workforce housing directly affects the ability of a community to attract and retain an adequate, stable and skilled labor pool at competitive wages. Ideally a community should provide housing at prices, sizes and locations suited to the labor force in a community.

A jobs/housing imbalance is said to occur when the housing that is available does not meet the needs of those persons employed by local businesses. To assess this imbalance the TRC has analyzed available information on commute patterns, income and Plano's housing stock. The results are imperfect as there is no specific data available on the income for people who work in Plano. The U.S. Census provides income data for persons who reside in Plano, but not for people who work in Plano and live in another city. What this means is that certain assumptions had to be made based on the data available and anecdotal evidence. The available information appears to support the assertion that there is a gap between the housing supply in Plano and that needed by our workforce.

When considering how we can ensure an adequate supply and range of housing, it must be recognized that there are limited opportunities within the city for new housing development. However, there is an existing inventory of housing affordable to persons

within the noted salary range. For this reason, the TRC has begun to focus on tools for preserving and enhancing our existing housing stock.

RECOMMENDATIONS:

Attached is the Transition and Revitalization Commission's Interim Report on Workforce Housing. On August 8, 2006 TRC attended a P&Z work session to receive their questions and comments on the subject. Notes from the Planning and Zoning Commission work session are also attached. These documents summarize the research and findings of the TRC to date. As the TRC prepares to make recommendations for this project, they are requesting input from the City Council on the following questions:

1. Does the Council agree with the focus on the existing housing stock?
2. Does the Council think that encouraging reinvestment in older homes is an appropriate approach?
3. Are there additional questions, comments or suggestions?

The TRC expects to conclude this study and issue their final report this fall.

Workforce Housing Study - Interim Report

- I. **Definition** – Housing that is affordable to those workers earning between 80 and 120 percent of the area median income. Often these are the service workers essential to any community - police officers, firefighters, teachers, and government and retail workers.

- II. **Why is workforce housing important to our community?** - In order for communities to remain economically viable, there must be an adequate supply of housing in proximity to employment, public transportation, and community facilities, such as public schools. The housing stock must include affordable for sale and rental units.

Like transportation and education, the availability of affordable workforce housing directly affects the ability to attract and retain an adequate, stable and skilled labor pool at competitive wages.

- III. **Impacts** – Ideally housing should be available at prices, sizes and locations suited to the labor force in a community. A housing imbalance occurs when, for one or more of the aforementioned reasons, the housing provided does not meet the needs of the area population.

The affordability of housing remains the biggest housing challenge nation-wide. Approximately 33 million households (31 percent of the total) are housing burdened. This means that they are paying more than 30 percent of household income on housing (including utilities). These statistics understate the true magnitude of the affordability problem because they do not capture the tradeoffs people make to hold down their housing costs (Sources: *Housing Challenges and Something's Gotta Give*):

- a. Families that are housing burdened compensate by reducing expenditures for other essentials such as food, clothing, and healthcare.

- b. Commuting is also a common strategy for working families to cope with high housing costs. When the cost of transportation is considered together with the cost of housing, the percentage of working families paying more than half their total expenditures increases five-fold from 8.3 percent to 44.3 percent of working families.

- c. Families that are housing burdened often compensate by living in inadequate conditions such as overcrowded homes or substandard structures.

IV. Trends that will impact housing decisions and needs

- a. Regional population growth and development patterns
- b. Impacts of this growth on congestion levels and travel time to and from work.
- c. Home prices and rents have outpaced wage growth
- d. As Plano's population grows older and more diverse, housing needs are changing. The housing preferences of the fastest growing population segments differ from the preferences of past home buyers and renters.
- e. Minority, single-person, single-parent, and female-headed households are making up larger shares of the housing market than ever before.

V. What is the situation in Plano?

- a. Median per capita income in Plano is \$43,000 in 2005 dollars (making the 80% to 120% range: \$34,400 to \$51,600). Median household income in Plano is \$94,107 (ESRI 2005 Sourcebook America Report). [Note: This is data for people who already live in Plano, not those who are employed in Plano.]
- b. Median per capita income for the DFW Metroplex is \$25,975 and the median household income is \$50,222 (2005 dollars, based on the 2004 American Community Survey)
- c. A salary of \$34,400 would allow someone to purchase a house costing up to \$103,000 and a person earning \$51,600 to purchase a home costing up to \$155,000.
- d. In Plano, homes in these price ranges are disproportionately located in the eastern part of Plano.
- e. These more affordable homes also tend to be older homes and therefore have heavier maintenance burdens and lower levels of energy efficiency.
- f. 18.2% of Plano ownership households spend 30% or more of their income on housing. (Source: 2000 US Census)
- g. 30.3% of Plano rental households spend 30% or more of their income on housing. (Source: 2000 US Census)
- h. A major portion of Plano's employment base is located in western Plano away from the affordable housing and with limited mass transit access.

** Additional data is attached (Note: While we have salary data for Collin County and household income for people living in Plano, we have been unable to obtain salary data for those employed in Plano.)

VI. Strategies and Tools

- a. **Preserve and maintain existing affordable units** - This strategy focuses on the preservation of older market-rate owner-occupied and renter-occupied housing, much of which is affordable to low and moderate income households. Disinvestment and physical deterioration are removing some of these affordable units from the supply. Newly constructed units tend to serve the upper end of the rent and ownership spectrum and therefore do not effectively replace these more moderately priced homes.
- b. **Make affordable housing more sustainable and energy efficient** - Integrating basic building (and renovation) strategies that consider easy access to jobs to minimize commuting, building orientation, water and energy efficient appliances, and appropriate landscaping can help make housing more affordable by increasing savings on transportation, operational, and maintenance costs.
- c. **Land Banking** - One of the main issues for affordable housing production is the diminishing supply of vacant land available to prospective developers. Anecdotal information from local affordable housing developers indicates that it is becoming increasingly difficult to secure sites for new affordable housing projects. A land banking program would acquire unimproved sites that are appropriate for affordable housing and hold them long-term so that they are available when needed. Ultimately, land bank sites would be sold at a discount to non-profit or for-profit developers to build affordable housing projects.
- d. **Community Land Trusts** - A community land trust (CLT) is a private, nonprofit corporation created to provide secure, affordable access to land and housing for community members. CLTs generally focus on meeting the housing needs of those not served by the market. A CLT typically purchases and holds land while selling the structure along with a long-term lease on the land (typically 99 years). This strategy creates affordable housing by minimizing the cost of land.
- e. **Housing Trust Fund** - Housing trust funds are distinct funds established by cities, counties and states that permanently dedicate a source of public revenue to support the production and preservation of affordable housing. Housing trust funds can support a variety of housing activities including new construction, preservation of existing housing, emergency repairs, housing-related services, and capacity building for nonprofit organizations.

- f. **Allow Mixed Land Uses** - Consider amending land-use provisions of zoning districts to allow mixed uses. Areas zoned for commercial uses may not allow any type of residence in the zone. Yet, a residential unit positioned over street-level retail or office space can be a very appropriate and convenient land use. Review all zoning classifications for the purpose of ensuring that compatible land uses are not specifically excluded. This will involve education and awareness efforts to change the culture of exclusionary zoning.
- g. **Accessory Units** - Sometimes referred to as “granny-flats” or “mother-in-law” units, accessory units are small apartment-like units added to single-family homes typically intended as a low-cost apartment for single-person occupancy. Allowing accessory units in an otherwise low-density single-family neighborhood is frequently more palatable to the existing residents than encouraging development of large apartment complexes to accommodate the demand. An important issue related to the accessory units is that of parking. Opposition may center on concerns that the single family character of the neighborhood would be altered with the addition of these units.
- h. **Home Occupation Regulations** - Living and working in the same place is probably the ultimate job/housing balance. Regulations regarding home occupations could be reviewed for the purpose of expanding the variety of occupations that can be conducted out of the home while maintaining the nature and tranquility of the neighborhood. The review should focus on modifying restrictions that are unduly restrictive and the review may want to even encourage telecommuting. [Note: With regard to home occupations, Plano’s existing regulations are already quite generous.]
- i. **Live/Work Units** - Live/work housing units are specifically designed and built to accommodate a business office in the home. Typically this arrangement may involve a separate entrance and off-street parking.
- j. **Inclusionary Zoning** - Inclusionary housing programs require developers to include some number (or percentage) of the units in a newly developed subdivision to be sold at a price that is affordable to lower income families. Typically the developer is allowed an increase in density to reduce the per-unit cost of site development and thereby partially or completely compensate the developer for selling the set-aside moderate-income units at a price below cost. A basic requirement of the inclusionary zoning is that the lower-cost homes be indistinguishable from the market rate homes. [Note: Texas does not currently allow inclusionary zoning. The only time we could require the inclusion of affordable units would be when the city is participating as a partner in a project. For example, as part of a development partnership the city might be upgrading

infrastructure or selling land, then the provision of affordable housing might be included as part of the development agreement.]

- k. **Linkage Programs** - A linkage program would require that a major development (one that will attract a sizeable workforce) must provide or procure housing for the portion of the workforce that can not be housed by the existing supply. The term local would typically apply to a 10-mile or 20-minute commute distance from the development. The number and price range of the required units would be based on a projection of the future workforce broken down into income categories and a comparison of the new demand for housing with the existing and planned available inventory. The difference between the number of units that will be available and the projected new demand represents the need that the developer must meet. For example, a city might only have 800 houses available in a given range. A new employer bringing 1,000 new jobs to an area could be required to develop the additional 200 homes required to house their employees. Note: Few cities in the U.S. have official linkage programs. Those that do include: Boston (MA), Cambridge (MA), San Diego (CA), San Francisco (CA), Sacramento (CA), Berkeley (CA), and Seattle (WA). This is not a likely scenario in Plano because there is not much land available and Texas is very strong on property rights.

VII. Findings and Recommendations (To be completed following presentation of interim report)

- a. **Extent of Imbalance (as can be ascertained from the available data)**
- b. **Future Trends**
 - i. Job Market
 - ii. Housing Market
 - iii. Impact on Plano's Competitive Position
- c. **Recommendations**
 - i. Code / Ordinance Changes
 - ii. Enforcement / Preservation of Housing Stock
 - iii. New or Expanded Programs

Selected excerpts from: *Where is Workforce Housing Located? A Study of the Geography of Housing Affordability*

Source: National Association of Homebuilders

(<http://www.nahb.org/generic.aspx?sectionID=681&genericContentID=33617>)

This study looked at the location and characteristics of workforce housing by census tract in the 25 largest metro areas in the United States. In most of the metro areas studied, people holding important community infrastructure jobs—police officers, teachers, nurses—can afford homes in less than one-half of the tracts.

There is a general pattern to the location of workforce housing. In the middle of the metro area is an affordable “donut hole” that is often small and adjacent to or incorporated within the traditional business center of the city. Around this core is a large ring that contains housing that is not affordable to low- and moderate-income families. On the urban fringe, far from many employment centers, is a distant ring where housing again becomes affordable.

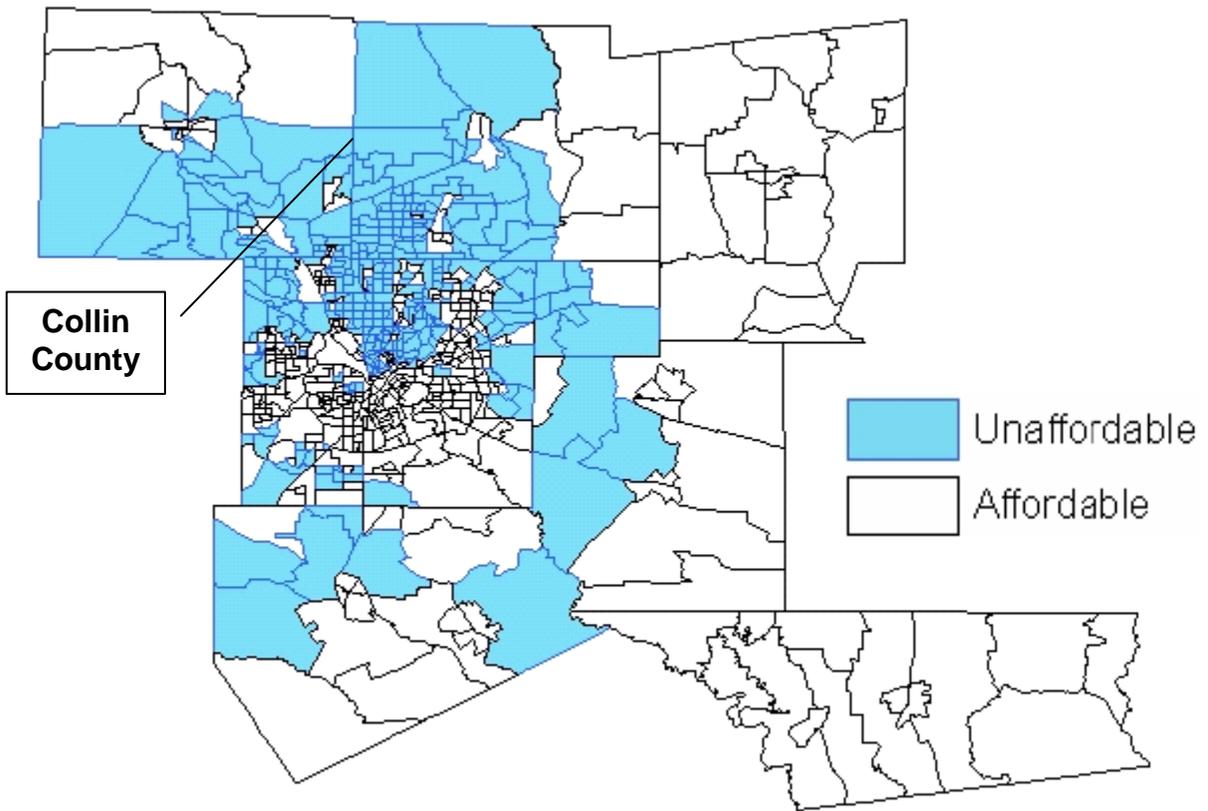
The census tracts that are affordable contain far less than one-half of the owner-occupied homes, and the housing in these areas is typically much older than the housing stock in the less affordable areas. It seems reasonable to infer that the older, more affordable neighborhoods are likely to have a disproportionate share of deteriorated and unusable homes, although the Census data does not contain enough data on housing characteristics to demonstrate that conclusively.

The numbers were even more stark for retail sales workers, who were unable to afford housing in 97 percent of the census tracts in the 25 metro areas studied. So a retail sales worker earning the median salary for that job can find almost no place in the entire metro area where homes are affordable, either to rent or own.

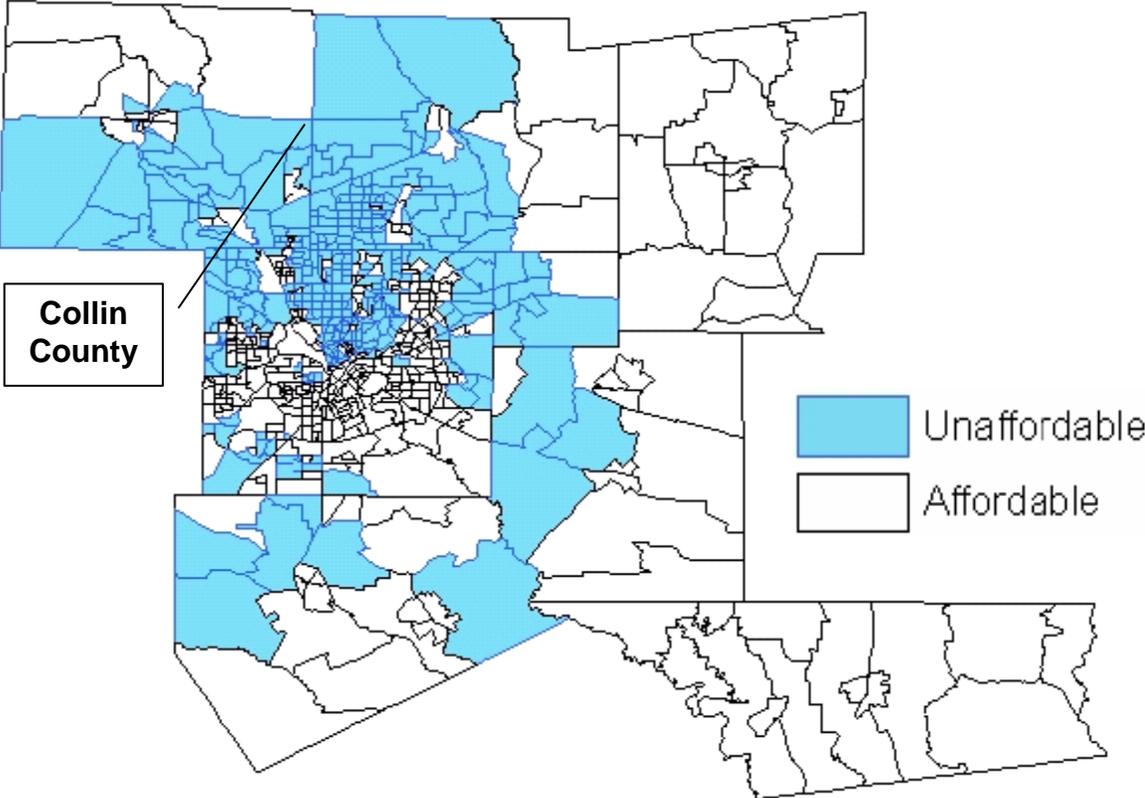
The shortage of workforce housing in large segments of metropolitan areas has many negative consequences. Essential workers must either commute longer or find less desirable homes or neighborhoods in order to live closer to their job. Longer commutes affect everyone since they add to everyone’s traffic congestion and auto-related pollution. Longer commutes also diminish time available to spend with family and friends. And when workforce employees leave the community at the end of the work day, it leaves a hole in the social fabric as these valuable members of society take their availability and interaction to another community.

The dichotomy between the need for human infrastructure jobs in every community and the large portions of metropolitan areas where homes are not affordable to people working in those jobs is striking and troubling. If communities do not contain a mix of homes that provide housing for the mix of jobs required to make them function, filling those jobs and maintaining essential fiscal services becomes more expensive and more difficult. Everyone in the community is affected with either higher taxes to support essential services or lower service levels or both. Neither outcome is acceptable.

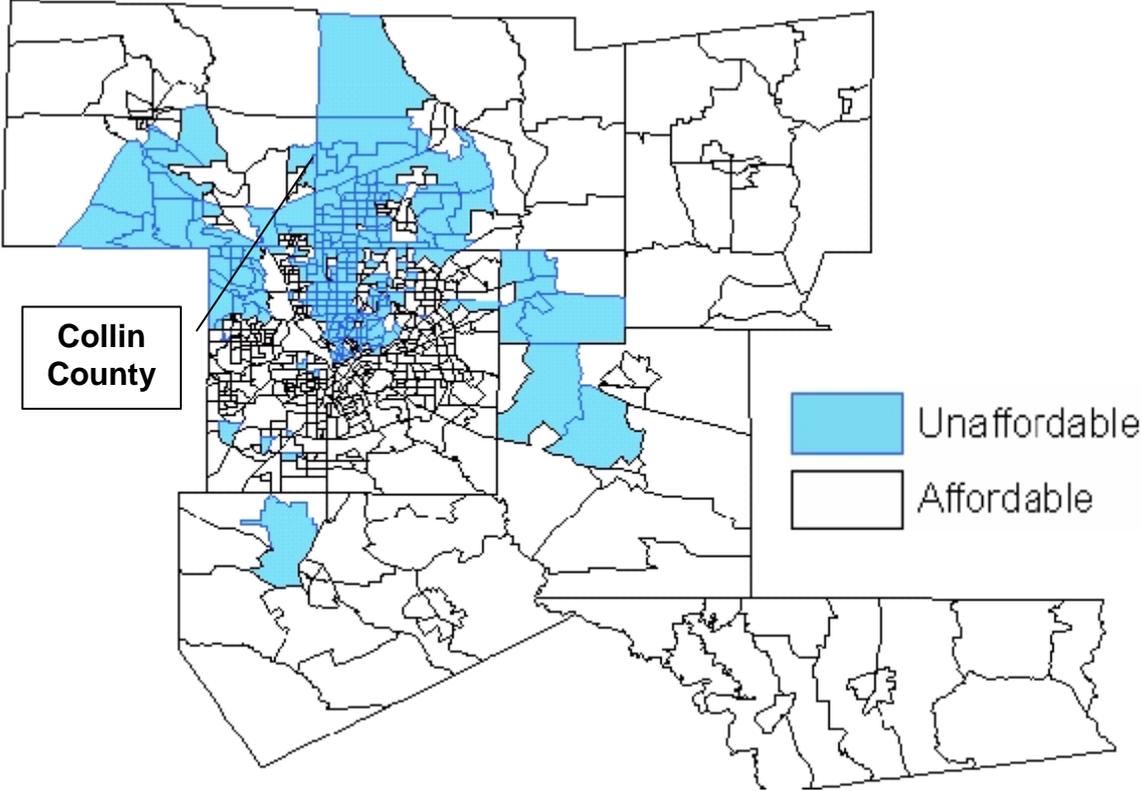
Tracts Affordable to Teachers in Dallas, Texas



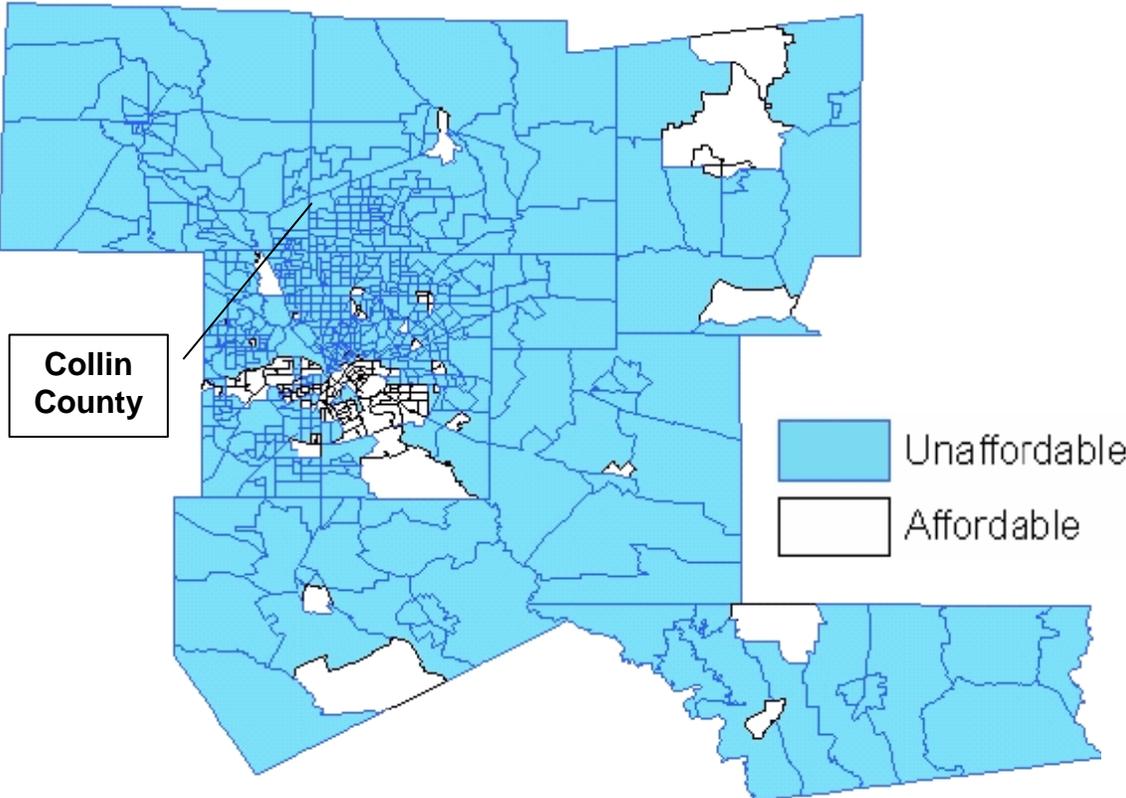
Tracts Affordable to Police Officers in Dallas, Texas



Tracts Affordable to Nurses in Dallas, Texas



Tracts Affordable to Sales Persons in Dallas, Texas



Workforce Housing Summary Statistics

Commute Data (Source: North Central Texas Council of Governments)

Where people who work in Plano live and how they travel							
Place of Residence	Workers	Percent of Total Workers	Travel Time (minutes)	Drove alone	Carpooled	Rode Transit	Other taxi mode
Plano	45,390	39	16	33,275	4,525	115	
Dallas	17,890	15	29	14,195	3,205	290	
Garland	6,100	5	29	5,160	810	65	
Allen	4,825	4	21	4,445	355	15	
Richardson	4,750	4	19	4,170	470	60	
McKinney	4,570	4	27	3,995	515	0	
Frisco	3,980	3	22	3,545	415	15	
Carrollton	3,075	3	26	2,870	195	4	
Wylie	1,545	1	27	1,380	145	0	
Lewisville	1,365	1	33	1,275	90	0	
Mesquite	1,320	1	44	1,160	160	0	
Rowlett	1,105	1	36	940	165	0	
Irving	1,075	1	46	850	215	4	
Outside North Central TX	972	1	47	824	103	0	
Sachse	760	1	27	700	50	0	
Flower Mound	725	1	42	690	25	0	
Arlington	590	1	53	470	110	4	

Where people who live in Plano work and how they travel						
Place of Work	Workers	Percent of Total Workers	Travel Time (minutes)	Drove alone	Carpooled	Rode Transit
Plano	45,390	39	16	33,275	4,525	115
Dallas	31,650	27	36	28,390	2,240	915
Richardson	12,205	11	24	11,160	970	20
Irving	3,570	3	45	3,300	220	15
Farmers Branch	3,405	3	37	3,025	360	20
Addison	3,035	3	32	2,755	255	15
Carrollton	3,025	3	30	2,830	190	0

McKinney	2,425	2	24	2,075	305	4
Garland	2,110	2	31	1,790	245	60
Allen	1,715	1	17	1,520	180	0
Frisco	945	1	25	855	85	0
Lewisville	700	1	34	625	75	0
Mesquite	670	1	39	615	55	0
Outside Texas	620	1	42	342	85	32
Outside North Central TX	592	1	58	444	48	30

Demographic, Employment and Housing Data (Source: U.S. Census 2000)

HOUSEHOLDS BY TYPE

Total households	80,875	100.0
Family households (families)	60,578	74.9
With own children under 18 years	33,973	42.0
Married-couple family	52,029	64.3
With own children under 18 years	28,802	35.6
Female householder, no husband present	6,069	7.5
With own children under 18 years	3,922	4.8
Nonfamily households	20,297	25.1
Householder living alone	16,359	20.2
Householder 65 years and over	2,369	2.9
Households with individuals under 18 years	35,371	43.7
Households with individuals 65 years and over	7,807	9.7
Average household size	2.73	(X)
Average family size	3.18	(X)

HOUSING OCCUPANCY

Total housing units	86,078	100.0
Occupied housing units	80,875	94.0
Vacant housing units	5,203	6.0
For seasonal, recreational, or occasional use	238	0.3
Homeowner vacancy rate (percent)	1.4	(X)
Rental vacancy rate (percent)	12.6	(X)

YEAR STRUCTURE BUILT

1999 to March 2000	7,831	9.1
1995 to 1998	19,470	22.6
1990 to 1994	13,379	15.5
1980 to 1989	23,808	27.6
1970 to 1979	16,983	19.7
1960 to 1969	3,619	4.2
1940 to 1959	823	1.0
1939 or earlier	194	0.2

Specified owner-occupied units	53,260	100.0
VALUE		
Less than \$50,000	506	1.0
\$50,000 to \$99,999	6,267	11.8
\$100,000 to \$149,999	16,205	30.4
\$150,000 to \$199,999	12,609	23.7
\$200,000 to \$299,999	10,775	20.2
\$300,000 to \$499,999	5,134	9.6
\$500,000 to \$999,999	1,518	2.9
\$1,000,000 or more	246	0.5
Median (dollars)	162,300	(X)

MORTGAGE STATUS AND SELECTED MONTHLY OWNER COSTS

With a mortgage	47,398	89.0
Less than \$300	40	0.1
\$300 to \$499	238	0.4
\$500 to \$699	1,157	2.2
\$700 to \$999	4,222	7.9
\$1,000 to \$1,499	15,881	29.8
\$1,500 to \$1,999	12,409	23.3
\$2,000 or more	13,451	25.3
Median (dollars)	1,573	(X)
Not mortgaged	5,862	11.0
Median (dollars)	513	(X)

SELECTED MONTHLY OWNER COSTS AS A PERCENTAGE OF HOUSEHOLD INCOME IN 1999

Less than 15 percent	16,729	31.4
15 to 19 percent	11,963	22.5
20 to 24 percent	9,122	17.1
25 to 29 percent	5,580	10.5
30 to 34 percent	3,110	5.8
35 percent or more	6,623	12.4
Not computed	133	0.2

Specified renter-occupied units	25,182	100.0
GROSS RENT		
Less than \$200	283	1.1
\$200 to \$299	63	0.3
\$300 to \$499	453	1.8
\$500 to \$749	6,529	25.9
\$750 to \$999	9,421	37.4
\$1,000 to \$1,499	6,249	24.8
\$1,500 or more	1,760	7.0
No cash rent	424	1.7
Median (dollars)	862	(X)

GROSS RENT AS A PERCENTAGE OF HOUSEHOLD INCOME IN 1999

Less than 15 percent	4,771	18.9
15 to 19 percent	4,692	18.6
20 to 24 percent	4,062	16.1
25 to 29 percent	3,358	13.3
30 to 34 percent	2,043	8.1
35 percent or more	5,592	22.2
Not computed	664	2.6

EMPLOYMENT STATUS

Population 16 years and over	164,895	100.0
In labor force	124,183	75.3

OCCUPATION

Management, professional, and related occupations	66,777	55.5
Service occupations	9,647	8.0
Sales and office occupations	32,833	27.3
Farming, fishing, and forestry occupations	46	0.0
Construction, extraction, and maintenance occupations	5,568	4.6
Production, transportation, and material moving occupations	5,359	4.5

INDUSTRY

Agriculture, forestry, fishing and hunting, and mining	973	0.8
Construction	5,102	4.2
Manufacturing	16,352	13.6
Wholesale trade	5,395	4.5
Retail trade	15,397	12.8

Transportation and warehousing, and utilities	3,225	2.7
Information	10,442	8.7
Finance, insurance, real estate, and rental and leasing	12,590	10.5
Professional, scientific, management, administrative, and waste management services	19,701	16.4
Educational, health and social services	17,333	14.4
Arts, entertainment, recreation, accommodation and food services	7,053	5.9
Other services (except public administration)	4,494	3.7
Public administration	2,173	1.8

INCOME IN 1999

Households	81,179	100.0
Less than \$10,000	1,982	2.4
\$10,000 to \$14,999	1,595	2.0
\$15,000 to \$24,999	3,998	4.9
\$25,000 to \$34,999	5,670	7.0
\$35,000 to \$49,999	9,446	11.6
\$50,000 to \$74,999	15,798	19.5
\$75,000 to \$99,999	12,851	15.8
\$100,000 to \$149,999	16,880	20.8
\$150,000 to \$199,999	6,145	7.6
\$200,000 or more	6,814	8.4
Median household income (dollars)	78,722	(X)

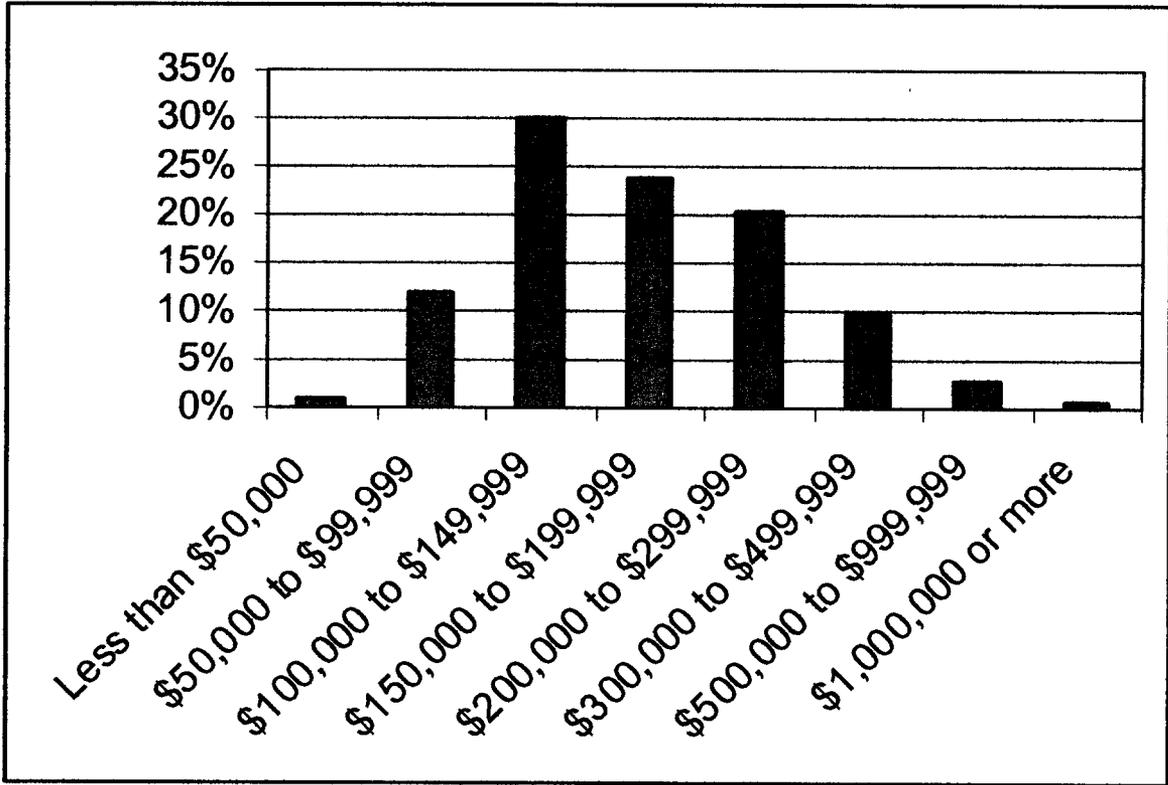


Figure 1: Plano Housing Stock by Value (1999). Source: US Census

Discussion/Action Items for Future Council Agendas

Additional rescheduling of Council meetings may be necessary due to elections and the PISD calendar. These changes will be made as soon as the dates are confirmed.

August 24

1st Public Hearing on Tax Rate, Council Chambers, 5 p.m.

District 4 Roundtable, Haggard Library Program Room, 7 p.m.

September 4 – Labor Day Holiday

September 10 – 13, International City Management Association, San Antonio

September 11

DART Report

Self Sufficiency Report

Adopt Operating Budget, Community Investment Program, Set Tax Rate

Public Hearing: Zoning Case 2006-06 - A request to amend Section 3.1600 (Sign Regulations) of Article 3 (Supplementary Regulations) of the Zoning Ordinance to create a definition and standards for multistory office building sign.

September 25

Dart Report

Mobility Report

Comprehensive Monthly Financial Report

Plano Housing Report

NTMWD Presentation – Jim Parks

Presentation on Patriotic Etiquette – Dick Belmore, VFW

October 9

TIF 1 and 2 Report

October 10 - Council/P&Z Retreat, noon to 5 p.m., location TBD

October 23

Dart Report

Mobility Report

Comprehensive Monthly Financial Report

Youth Advisory Committee Report

October 25-28, Texas Municipal League, Austin, Texas

November 9 – District 2 Roundtable Plano Sports Authority StarCenter, 7 p.m.

November 13

Technology Commission Report

November 23, 24 – Thanksgiving Holidays

November 27

Dart Report

Mobility Report

Comprehensive Monthly Financial Report

December 5 - 9, National League of Cities, Reno, Nevada

December 11

December 14, City of Plano Employee Holiday Luncheon, Plano Centre, 11 am – 1 pm

December 19

Dart Report

Mobility Report

Comprehensive Monthly Financial Report

December 22, 25 Christmas Holidays

January 1, 2007 – New Year Holiday



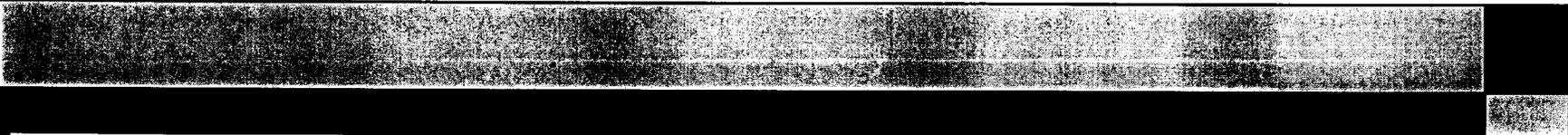
CITY OF PLANO COUNCIL AGENDA ITEM

CITY SECRETARY'S USE ONLY		Reviewed by Purchasing	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> Not Applicable
<input type="checkbox"/> Consent <input type="checkbox"/> Regular <input type="checkbox"/> Statutory		Reviewed by Budget	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> Not Applicable
Council Meeting Date:	8/28/06	Reviewed by Legal	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> Not Applicable
Department:	City Manager's Office	Initials	Date	
Department Head	Tom Muehlenbeck	Executive Director		
Dept Signature:		City Manager	<i>JPM</i> <i>8/28/06</i>	
Agenda Coordinator (include phone #): Sharon Wright ext. 7107				
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				
CAPTION				
Special Recognition: Henry Delafield, Volunteer of the Month				
FINANCIAL SUMMARY				
<input checked="" type="checkbox"/> NOT APPLICABLE <input type="checkbox"/> OPERATING EXPENSE <input type="checkbox"/> REVENUE <input type="checkbox"/> CIP				
FISCAL YEAR:	Prior Year (CIP Only)	Current Year	Future Years	TOTALS
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:				
SUMMARY OF ITEM				
List of Supporting Documents:		Other Departments, Boards, Commissions or Agencies		



**CITY OF PLANO
COUNCIL AGENDA ITEM**

CITY SECRETARY'S USE ONLY		Reviewed by Purchasing	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> Not Applicable
<input type="checkbox"/> Consent <input type="checkbox"/> Regular <input type="checkbox"/> Statutory		Reviewed by Budget	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> Not Applicable
Council Meeting Date:	08/28/06	Reviewed by Legal	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> Not Applicable
Department:	City Manager's Office	Initials	Date	
Department Head	Tom Muehlenbeck	Executive Director		
Dept Signature:		City Manager	<i>JM</i>	<i>ebaley</i>
Agenda Coordinator (include phone #):		Sharon Wright ext. 7107		
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				
CAPTION				
Proclamation: Library Card Sign-up Month, September 2006				
FINANCIAL SUMMARY				
<input type="checkbox"/> NOT APPLICABLE <input type="checkbox"/> OPERATING EXPENSE <input type="checkbox"/> REVENUE <input type="checkbox"/> CIP				
FISCAL YEAR:	Prior Year (CIP Only)	Current Year	Future Years	TOTALS
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:				
SUMMARY OF ITEM				
List of Supporting Documents:		Other Departments, Boards, Commissions or Agencies		



Retirement Security Plan Committee

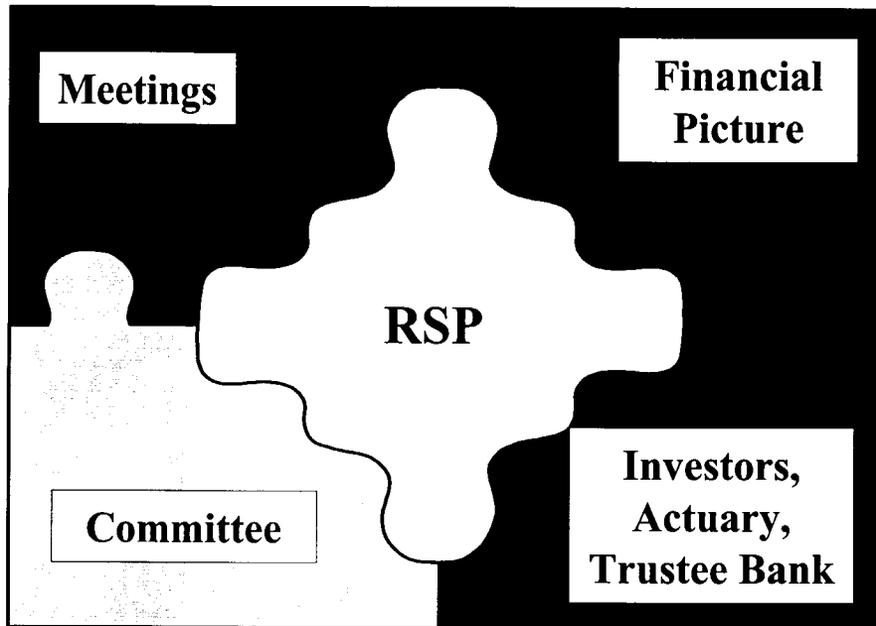
*City Council Presentation
August 28, 2006*



2

Establishment & Purpose of the Plan

- Established by the City Council on January 1, 1983 when the City of Plano opted out of Social Security
- Purpose is to provide retirement and incidental benefits to all full-time employees who meet eligibility requirements
- All benefits provided by the plan are paid from the RSP Trust Fund which is funded totally by the City



Meeting Schedule:

- 4 times annually; January, April, July, October

Current Committee Members:

- Kien Liew (citizen), Chairperson
- Ron Timmons (employee), Vice Chairperson
- Karen Rhodes (employee), Committee Member
- Steve Doud (citizen), Committee Member
- John McGrane (employee), Committee Member

The pieces to the RSP puzzle...

Investment Manager:

- U.S. Trust

Actuary:

- Gabriel, Roeder, Smith & Co.

Trustee Bank:

- JP Morgan

Financial Information: (as of 6-30-2006)

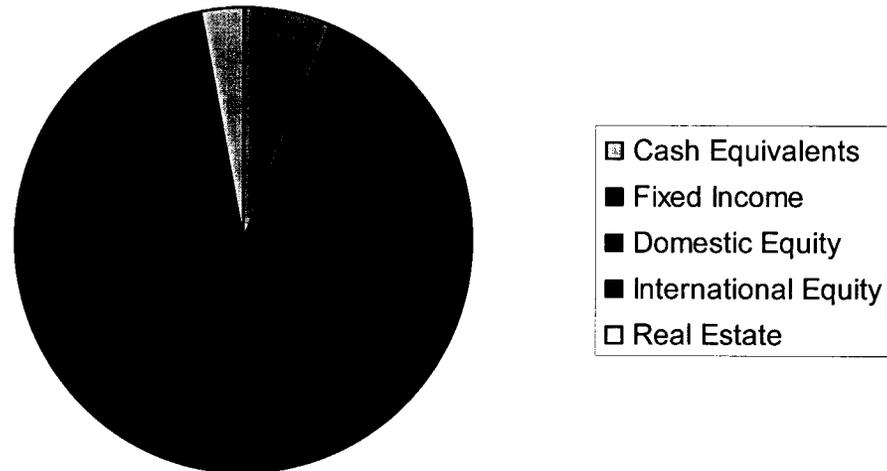
- Assets: \$55,671,005
- Covered retirees: 248
- 2005 City contributions: \$2,638,959
- 2005 Contribution Rate: 2.7%
- 2005 Retiree Benefits Paid: \$875,990

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7

Current Asset Allocation & Estimated Income

City of Plano RSP as of September 30, 2005



	Market Value	% Portfolio	% Current Guidelines
Cash Equivalents	2 974 503	5%	
Fixed Income	15 059 137	27%	40-25%
Domestic Equity	29 894 995	54%	45-60%
International Equity	5 983 180	11%	10%
Real Estate	1 759 190	3%	5%
Total	\$ 55,671,005	100%	100%



Committee Work

- In 2006, an Actuarial Valuation was performed, as required, to set the contribution rate for the next two years. The contribution rate will increase from 2.7% of pay to 3.13% of pay.
- The increase in contribution is primarily due to market results which was partially offset by annual pay increase (4%) being lower than assumed rate (6%).
- Another factor was the change to the post-retirement mortality tables.

UT

**PLANO CITY COUNCIL
PRELIMINARY OPEN MEETING
August 14, 2006**

COUNCIL MEMBERS

Pat Evans, Mayor
Scott Johnson, Mayor Pro Tem
Sally Magnuson, Deputy Mayor Pro Tem
Shep Stahel
Loretta Ellerbe
Harry LaRosiliere
Jean Callison
Lee Dunlap

STAFF

Thomas H. Muehlenbeck, City Manager
Frank Turner, Executive Director
Bruce Glasscock, Executive Director
Rod Hogan, Executive Director
Diane C. Wetherbee, City Attorney
Elaine Bealke, City Secretary

Mayor Evans called the meeting to order at 5:10 p.m., Monday, August 14, 2006, in Training Room A of the Municipal Center, 1520 K Avenue. All Council Members were present with the exception of Council Member LaRosiliere. Mayor Evans 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 and matters of Litigation for which a certified agenda is not required.

Mayor Evans reconvened the meeting back into the Preliminary Open Meeting at 5:58 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.

Presentation, Discussion and Direction on the Downtown Plano Retail Task Force Report

Downtown Retail Task Force Chairman Rick Fambro spoke to the future of downtown Plano and requested Council support of the Downtown Plano Retail Action Plan. He spoke to incorporating the arts, entertainment, commerce, shopping and dining in a historic and livable urban center combined with a pedestrian friendly transit village valuing community and accessibility.

Mr. Fambro spoke to previous consultant recommendations to incorporate arts and culture and restaurants and entertainment as market niches to complement assets existing today in Downtown Plano. He spoke to the proposal to create a City staff position, provide economic funding from the City on a matching basis, and the potential for businesses and founding families who have a connection with the downtown area to become involved and begin the process of raising seed monies. Mr. Fambro spoke to continuing the expansion of the Downtown Association and formally establishing the Historic Downtown Plano Association. He spoke to recruiting new businesses, maximizing the presence of DART, conducting major community events, and developing a marketing program to increase public and visitor awareness. Mr. Fambro spoke to there being ample parking available downtown and to the importance of keeping the ambiance of downtown.

Council Member Ellerbe spoke to the good job done and Council Member Stahel spoke in support of the recommendation and to moving ahead. Director of Planning Jarrell stated that an existing planner position is in the budget and will be categorized with different responsibilities, and responded to the Council that funding of some of the items proposed will be Staff initiated. She further stated that the Downtown Association will be fund raising and identifying projects to the Council for which matching funds will be requested. Ms. Jarrell stated that numbers identified at this time are not set in stone. Mayor Evans spoke to consideration of things which will to serve the downtown population such as a grocery and drug store to which Ms. Jarrell responded that niches have been identified to provide residents with basic services. Ms. Jarrell stated that no large building exists in the downtown area for a modern supermarket at this time. Deputy Mayor Pro Tem Magnuson spoke to discussions regarding a neighborhood type grocery. The Council concurred to move forward.

Discussion and Direction Regarding the Five Year Public Art Plan

Creative Arts Manager Wear spoke to the hard work of the Public Art Committee and to presentation tonight of the five-year plan by Public Art Committee Chair Coleman.

Public Art Committee Chair Coleman spoke to a five-year Public Art Plan and approved projects and applicable funding, the approval of Community Investment Program (CIP) projects for Memorial Park, Oak Point Park and Nature Preserve, and Haggard Library Improvements allowing for funding at 2% of the project budget. He stated that non-CIP projects approved are Parr, Davis, Harrington, and Schimelpfenig Libraries, the Downtown Fire Station, and the Animal Shelter. Mr. Coleman spoke to future qualifying CIP projects for 2007 through 2011 for Carpenter Park Recreation Center, Pecan Hollow Golf Course, Archgate Park, Trail Connections, and Fire Station 13 and non-CIP projects which are Oak Point and Liberty Recreation Centers, Police Department, the Senior Center, and the Tennis Center.

Mr. Coleman spoke to managing a sustainable program, securing funding allocations as needed, not requesting funding for 2006-07 art projects, and to refinement of a five-year plan. The Council concurred to move forward with the five-year plan.

Discussion and Direction Regarding the Memorial Park Improvements and Art Element

Director of Parks and Recreation Wendell spoke to the redevelopment of Memorial Park and the construction of a veteran's memorial, and to seeking Council's approval to move forward with the next phase. He stated that the Parks and Recreation Planning Board recommended approval of this item.

Public Art Committee Chair Coleman spoke to the design team, research put into the art, advised that Landscape Architect Michael Kendall will present the site program and concepts for the park improvements, and that Artist David Newton will present scale models of the sculptures for the veterans memorial. He spoke to researching memorials, and working with veterans and the community. Mr. Coleman stated that they are nearing the end of the design phase and spoke to starting construction this winter with a completion day in late summer or early fall of 2007.

Landscape Architect Michael Kendall spoke to the site location on Custer Road, surrounding streets and landmarks, and donor plaques on the site. He spoke to the Veterans Memorial, local heroes, necessary creek improvements, parking considerations, restrooms, dedication grove, trails, lighting and signage, and to a \$2 million budget. Mr. Kendall spoke to veterans and committee members input to connect the sacrifice of the past to the freedom of the present and the future while placing an emphasis on a personal and individual space that will also accommodate a large gathering. He spoke to landscaping plans for the Memorial Grove, central locations for listed dedications, unstructured play area, and stated that adequate parking arrangements have been made.

Artist David Newton spoke to incorporating the wishes of the veterans in contemplating the art phases and design, stated that the basic theme is the sacrifice made by the veterans and the families and further pointed out the particulars of the sculptures. Mr. Kendall presented an animated view of the Memorial Park and requested Council support of the project.

Council Member Stahel spoke in support of the project and to the good work done by all those who participated. Mayor Evans spoke to the good work done and in support of the project. The Council concurred to move forward.

Update on PISD and Parks Watering Variances

Director of Public Works Foster advised the Council regarding high temperatures, the small amount of rainfall received, Lake Lavon levels, and stated that due to conservation efforts 581 million gallons of water have been saved. He presented a slide demonstration of lake levels and water usage reductions by commercial, residential, school district, and City operation sectors. He stated that approximately 100 citations have been issued per day and that indications are that approximately 5,800 total citations have been issued since June 19. Mr. Foster spoke to related telephone calls received and to the good job done by administrative Staff. Mr. Foster responded to the Council that about 45 residences have had the irrigation system disconnected due to non-compliance along with the requirement to attend a conservation class and pay a reconnect fee. He further responded that the North Texas Municipal Water District (NTMWD) advised that work is underway to bring new water sources on line as well as requesting additional water rights to existing lakes and a permit from the state for the construction of a reuse project which would provide additional water. He further responded to the Council that the NTMWD has given thought to dredging portions of Lake Lavon at the intake points to better facilitate water availability but not to scooping out and selling newly exposed dirt in an effort to increase additional water capacity. Mr. Foster advised that he would pass the suggestion on to the District.

Parks Services Manager Fox spoke to time line variances existing for park watering, providing for flexibility and protecting the City assets from future renovation. He spoke to the scale of park sites and average residential lot sizes in comparison, home irrigation system watering design particulars in comparison to park systems which are not designed to water at the same level necessary to sustain landscaping as are residential systems. Mr. Fox also spoke to daytime park activities impacting the watering, education opportunities regarding drought irrigation particulars, modifying irrigation systems, changes in cultural practices, and less mowing needed. He spoke to the impact on sporting events, proactive responses with irrigation systems, central computer control of irrigation systems, and meeting with colleagues. Mr. Fox encouraged reports of irrigation malfunctions.

Nothing further was said. Mayor Evans convened the Preliminary Meeting directly into the Regular Meeting where remaining items were addressed.

Pat Evans, MAYOR

ATTEST:

Elaine Bealke, City Secretary

PLANO CITY COUNCIL
August 14, 2006

COUNCIL MEMBERS

Pat Evans, Mayor
Scott Johnson, Mayor Pro Tem
Sally Magnuson, Deputy Mayor Pro Tem
Shep Stahel
Jean Callison
Loretta L. Ellerbe
Harry LaRosiliere
Lee Dunlap

STAFF

Thomas H. Muehlenbeck, City Manager
Frank Turner, Executive Director
Bruce Glasscock, Executive Director
Rod Hogan, Executive Director
Diane C. Wetherbee, City Attorney
Elaine Bealke, City Secretary

Mayor Evans convened the Council directly into the Regular Session on Monday, August 14, 2006, at 7:06 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 LaRosiliere.

The invocation was led by Rabbi Stefan Weinberg of Congregation Ansai Torah.

The Pledge of Allegiance was led by Cub Scout Pack 283 of Brinker Elementary and Centennial Elementary.

Mayor Evans presented a proclamation recognizing "Join Scout Night."

The Council resumed discussion of the Preliminary Open Meeting at this time.

Personnel Reappointments

Animal Shelter Advisory Committee

Upon a motion made by Council Member Callison and seconded by Council Member Ellerbe, the Council voted 7-0 to reappoint Keith Clark and Eloisa Sue Muzquiz.

Cultural Affairs Commission

Upon a motion made by Deputy Mayor Pro Tem Magnuson and seconded by Council Member Callison, the Council voted 7-0 to reappoint Cathy Kuo and Logan Sankaran.

Heritage Commission

Upon a motion made by Council Member Callison and seconded by Council Member Dunlap, the Council voted 7-0 to reappoint Brian Chaput, Clinton L. Osteen and Justin Parker Nichols.

Parks and Recreation Planning Board

Upon a motion made by Council Member Ellerbe and seconded by Council Member Dunlap, the Council voted 7-0 to reappoint Bill Neukranz, Mary F. Long and Susan Plonka.

Plano Transition & Revitalization Commission

Upon a motion made by Council Member Ellerbe and seconded by Deputy Mayor Pro Tem Magnuson, the Council voted 7-0 to reappoint Tino Trujillo.

Public Arts Committee

Upon a motion made by Council Member Ellerbe and seconded by Council Member Callison, the Council voted 7-0 to reappoint Robert B. Drotman and Jacie Moore.

Transportation Advisory Committee

Upon a motion made by Council Member Callison and seconded by Deputy Mayor Pro Tem Magnuson, the Council voted 7-0 to reappoint Michael W. Copeland and Borivoje P. Dedeitch.

Council Items for Discussion/Action on Future Agendas

No items were requested.

Consent and Regular Agenda

No items were discussed.

Council Reports

Mayor Evans spoke to meetings held with other cities related to grant funding and to the City of Frisco budgeting \$1 per capita for CITY House, CASA and the Collin County Children's Advocacy Center. She advised that the City of McKinney has budgeted \$200,000 with \$50,000 for the same three agencies and \$150,000 to be divided among other agencies and the City of Melissa is \$1 per capita with \$.75 going to the three agencies and \$.25 to the Samaritan Inn. Mayor Evans spoke to participation by the cities of Wylie, Anna and Allen but stated that funding has not yet been determined. She spoke to asking for additional support from the county.

Mayor Evans advised the Council regarding an E85 ethanol gas station located at S.H. 121 and Coit Road and the lower price and non-polluting nature of this type of fuel.

Mayor Evans spoke regarding attendance at a Hindu Raksha Bandan Ceremony and to inclusion of the Council in prayers. She spoke to the group's efforts during the Hurricane Rita evacuation.

Comments of Public Interest

No one appeared to speak.

CONSENT AGENDA

Upon a motion made by Mayor Pro Tem Johnson and seconded by Deputy Mayor Pro Tem Magnuson, the Council voted 7-0 to approve and adopt all items on the Consent Agenda as recommended and as follows:

Approval of Minutes [Consent Agenda Item (A)]

July 24, 2006

July 26, 2006

Approval of Expenditures

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

Bid No. 2006-194-C for Nitrile Emergency Medical Gloves to Lone Star Safety & Supply, Inc., in the estimated annual amount of \$42,197. This will establish an annual fixed price contract with three optional one-year renewals. [Consent Agenda Item (B)] (See Exhibit "A")

Bid No. 2006-177-C for Street Sign Blades and Blanks to Vulcan Signs in the estimated annual amount of \$44,547. This will establish an annual fixed price contract with three optional one-year renewals. [Consent Agenda Item (C)] (See Exhibit "B")

Bid No. 2006-171-C for Traffic Signal Controller Cabinets to Paradigm Traffic Systems, Inc. in the estimated annual amount of \$32,364. This will establish an annual fixed price contract with three optional one-year renewals. [Consent Agenda Item (D)] (See Exhibit "C")

Bid No. 2006-172-B for construction of a brick masonry fence with piers, landscaping and irrigation around the Heritage Farmstead Museum and tunnel repairs to the pedestrian tunnel under Park Boulevard near Winding Hollow Lane to Hardscape Construction Specialist in the amount of \$346,076. [Consent Agenda Item (E)] (See Exhibit "D")

Rejection of Bid No. 2006-170-B for Best Value Bid for Automated Meter Reading Audit. [Consent Agenda Item (F)] (See Exhibit "E")

Purchase from Existing Contract/Agreement: (Purchase of products/services through Cooperative Purchasing Interlocal Contract with another governmental/quasi-governmental agency or an additional purchase from current City of Plano annual purchase agreement).

To approve the purchase of one (1) Cat 416E Backhoe Loader in the amount of \$60,975 from Holt Cat through an existing contract/agreement with Texas Association of School Board Cooperative Purchasing Program, and authorizing the City Manager to execute all necessary documents. (205-04) [Consent Agenda Item (G)]

To approve the purchase of upholstered stack chairs in the amount of \$39,760 from Virco, Inc. through an existing contract with US Communities, and authorizing the City Manager to execute all necessary documents. (US Communities Contract No. 0204011) [Consent Agenda Item (H)]

To approve the purchase of irrigation maintenance parts and supplies in the amount of \$40,000 from Wickham Supply, Inc. through an existing contract with the City of Carrollton, and authorizing the City Manager to execute all necessary documents. (Contract No. 2006-207-1). [Consent Agenda Item (I)]

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

To approve a Landscape Architectural Service contract by and between the City and Jones & Boyd, Inc. in an amount not to exceed \$43,000 for the preparation of plans and specifications for recreational trails at Legacy Greenbelt, and authorizing the City Manager to execute all necessary documents. [Consent Agenda Item (J)]

Contract Modification

To approve a modification of the contract with Datamatic, Ltd. for automated meter reading equipment and installation of all related parts and equipment. This modification provides that the City will receive \$40 credit for each trade in and credit may be applied to the contracted purchase price for hardware and installation of a new unit with a 10 year warranty. [Consent Agenda Item (K)]

To approve a second modification of the contract with Datamatic, Ltd. for maintenance of automated water meter reading hardware and software and utility customer billing and accounting system. This modification provides more stringent requirements for vendor responsiveness and liquidation damages when vendor does not meet specific time tables for repairs. [Consent Agenda Item (L)]

Termination of Contract

To terminate a contract for Bid No. 2006-128-C for Public Works Mowing and Landscaping Services (Rebid) awarded to Priority Landscape Management, Inc. [Consent Agenda Item (M)]

Approval of Change Order

To Mario Sinacola & Sons Excavating, Inc., increasing the contract by \$45,936 for Los Rios Boulevard – Phase I (Jupiter Road to Parker Road), Change Order #8. (Original Bid # B096-04). [Consent Agenda Item (N)]

Grade Crossing Improvements Agreement

To approve a Grade Crossing Improvements Agreement with the Kansas City Southern Railway Company in the amount of \$130,497 for replacement of existing grade crossing at Plano Parkway just east of US 75. [Consent Agenda Item (O)]

Execution of Deed

To approve the execution of a deed with TXU Electric Delivery Company for the acquisition of 8,892 square feet of land in the F.J. Vance Survey, Abstract No. 933, for N Avenue, located north of S.H. 190, for \$26,676. [Consent Agenda Item (P)]

Adoption of Resolutions

Resolution No. 2006-8-1(R): To approve the terms and conditions of an Interlocal Agreement by and between the City of Plano, Texas and the Frisco Independent School District for the operation of the Police/School Liaison Program; authorizing its execution by the City Manager; and providing an effective date. [Consent Agenda Item (Q)]

Resolution No. 2006-8-2(R): To approve and authorize the refunds of property tax overpayments; and providing an effective date. [Consent Agenda Item (R)]

Resolution No. 2006-8-3(R): To approve receipt of funds in the amount of \$22,500 from the Texas State Library and Archives Commission – Gates Public Access Computer Hardware Upgrade Grant (“PAC HUG”) to Plano Public Library System to fund replacement of Plano Public Library System computer lab public access computers at Gladys Harrington Library; and authorizing the City Manager to execute all necessary documents for receipt of the funding. [Consent Agenda Item (S)]

Resolution No. 2006-8-4(R): To approve the terms and conditions of an Interlocal Cooperation Agreement by and between the City of Plano and the City of Allen providing the terms and conditions for the library courier services between Allen Public Library and Plano Public Library System in Plano; and providing an effective date. [Consent Agenda Item (T)]

Resolution No. 2006-8-5(R): To accept the Certified Appraisal Roll for Fiscal Year 2006-2007, and providing an effective date. [Consent Agenda Item (U)]

Resolution No. 2006-8-6(R): To approve the sole source purchase of eight (8) Life Pak 12 Defibrillators from Medtronic Emergency Response Systems in the amount of \$116,644; authorizing the City Manager to take such action as necessary to effectuate the purchase; and providing an effective date. [Consent Agenda Item (V)]

Resolution No. 2006-8-7(R): To approve the emergency replacement purchase of two Chevrolet Impala Black and White Police Vehicles in the amount of \$42,324 from Caldwell Country Chevrolet, approving all actions taken by the City Manager; and providing an effective date. [Consent Agenda Item (W)]

Adoption of Ordinances

Ordinance No. 2006-8-8: An ordinance of the City of Plano, Texas, amending Chapter 12, Motor Vehicles and Traffic, Article IV, Speed, Section 12-74(b) Subsection Plano Parkway (1) of the City of Plano Code of Ordinances that establishes the prima facie speed limit for motor vehicles operating along a portion of Plano Parkway within the corporate limits of the City of Plano; authorizing and directing the traffic engineer to cause placement of traffic control devices indicating the speed limit; providing a fine for criminal penalties not to exceed \$200.00 for each offense; and providing a repealer clause, a severability clause, a savings clause, a penalty clause and an effective date. [Consent Agenda Item (X)]

Ordinance No. 2006-8-9: To amend Article X “Automated Traffic Signal Enforcement” of Chapter 12, “Motor Vehicles and Traffic” at Section 12-263(e) to extend the payment due date until 31 days after a finding of liability and amending 12-263(i) to provide that appeals to Municipal Court shall be non-jury trials only; providing a severability clause; providing a savings clause; and providing an effective date. [Consent Agenda Item (Y)]

END OF CONSENT

Discussion of the FY 2006-07 Proposed Community Investment Program. [Regular Agenda Item (1)]

City Manager Muehlenbeck spoke to the program planning for the next five years and to funding being requested for the first year. He spoke to funding provided by passage of bond referendums, the Capital Reserve Fund, Water and Sewer Fund and other miscellaneous funds.

Parks and Recreation Director Wendell spoke to the Park Improvement Bond Program, Park Fee Program and Park Capital Reserve Fund. He reviewed bond program projects including Archgate Park (\$4 million), Athletic Field Improvements (\$850,000), Carpenter Expansion/Senior Center (\$400,000), Chisholm Trail (\$200,000), Memorial Park (\$1.8 million), Oak Point Park (\$6.2 million), Pecan Hollow Golf Course (\$200,000), Tom Muehlenbeck Center (\$11.3 million) and Trail Connections (\$1.6 million). He spoke to Park Fee Projects including Greenbelt Acquisition and Trail Development (\$1.3 million) and the reviewed some of the projects from the Park Capital Reserve Fund including Athletic Field Renovations (\$850,000), Park Restoration and Cleanup (\$125,000) and Silt Removal (\$120,000).

Discussion of the FY 2006-07 Proposed CIP (cont'd)

Mr. Wendell responded to Council Member Stahel that the directed lights at Russell Creek Park have proven effective. He advised that the trail system at Oak Point Park will come from Bob Woodruff Park and connect to the visitors' center which is expected to open early in 2008.

City Engineer Upchurch advised that the Planning and Zoning Commission has reviewed the proposed Community Investment Program finding that it is consistent with the Comprehensive Plan's recommendations for growth management and facility and infrastructure maintenance. He spoke to street improvement projects totaling \$39 million which include rehabilitation projects in the amount of \$8 million and responded to Council Member Stahel that during rehabilitation, water and sewer lines are replaced. Mr. Upchurch spoke to design projects of \$2 million which include the U.S. 75/190 bottleneck, capacity improvements of \$21.9 million to include the Parker Road/U.S. 75 Interchange, Parkwood Boulevard extension and Rasor Road extension. He spoke to funding continuation for those projects currently under way and funding for miscellaneous projects. Mr. Upchurch advised that the City is receiving almost \$11.5 million from other agencies.

Mr. Upchurch spoke to municipal drainage projects totaling \$3.7 million, water improvement projects which are mainly rehabilitation in nature totaling \$4.9 million, sewer improvements being mostly reconstruction totaling \$3.8 million, facilities projects in the amount of almost \$11 million and the Capital Reserve Fund in the amount of \$2.5 million to repair existing structures. He responded to the Council that repairs are needed to the roof system of the Courtyard Theater and that a lift station at Des Moines Road and U.S. 75 is no longer needed.

Director of Public Works Foster spoke to the "pay as you go" concept for the Capital Reserve Fund which totals \$8.4 million, reviewed those areas where street/alley repairs have taken place and spoke to continuing the effort. Mr. Foster spoke to planned arterial concrete repairs totaling \$2.3 million and additional locations for illuminated street signs.

Public Hearing on the Proposed FY 2006-07 Budget and FY 2006-07 Community Investment Program (CIP). [Regular Agenda Item (2)]

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

Vote on a proposal to consider an increase in total tax revenue. [Regular Agenda Item (3)]

Budget Director Rhodes advised the Council that Chapter 26 of the Property Tax Code requires taxing units to comply with truth in taxation laws in adopting tax rates. She spoke to the purpose of the laws to make the tax payer aware of the tax rate proposal and allowing tax payers in certain cases to rollback or limit a tax increase. Ms. Rhodes described the effective tax rate as being equal to the prior year's taxes divided by the current taxable value of properties that were on the tax roll during the prior year and the effective tax rate being the rate that would produce the same amount of tax revenue as the prior year. She advised that according to the Central Appraisal District the City's effective tax rate is 44.32 cents per \$100 of assessed property value.

Vote on a proposal to consider an increase in total tax revenue (cont'd)

Ms. Rhodes advised that the rollback rate is divided into maintenance/operations (M/O) and debt service and that its calculation allows units to raise the same amount of M/O monies plus an 8% cushion. She advised that if the City adopts a tax rate that exceeds the rollback rate, which is currently 46.80 cents per \$100 of assessed property value, voters may petition for an election to limit the rate.

Ms. Rhodes advised that in 2005 the legislature implemented changes to the tax code requiring Public Hearings and publication if the effective tax rate rises even one cent and requiring the governing body must hold two Public Hearings if they are over either rate. Ms. Rhodes spoke to other changes to the notice for newspapers and the web site, revising the number of petition signatures for a rollback petition to 7% of the number of registered voters and adopting required wording and type size for tax rate adoption ordinances for units adopting rates above the effective tax rate. She spoke to Public Hearings scheduled for August 24 and August 28, publication of the tax rate decided at this meeting and advised that after this evening the rate can be lowered but not raised. Ms. Rhodes advised that the City Manager has recommended a budget based on a rate of 46.35 cents per \$100 of assessed property value which is one cent over the current rate.

Mayor Pro Tem Johnson spoke to the City's attitude, determination and leadership along with the willingness of the community to invest in itself. He spoke to the importance of the business tax base and efforts to attract companies. Mr. Johnson spoke to the good investment the City has made by contributing towards mass transit, but stated that it has affected its ability to attract unique businesses to the community. He spoke to incentives offered by other communities that do not participate in DART and their efforts to broaden their tax bases. Mr. Johnson spoke to keeping Plano in a premier position with the lowest effective tax rate in the area along with the best services. He proposed increasing the tax rate 2 cents from 45.35 to 47.35 cents per \$100 of assessed property value and dedicating the increase to economic development/redevelopment thus maintaining and supporting the tax base and benefiting the citizens of the community.

Deputy Mayor Pro Tem Magnuson spoke to staying competitive, to the importance of the commercial base and in support of the 2 cent increase. She spoke to the possibility that it may be adjusted downward, but in support of having the opportunity for discussion and options. City Manager Muehlenbeck advised Council Member Ellerbe that each penny generates \$2 million and Mayor Pro Tem Johnson spoke to the rate still being lower than other cities. Ms. Rhodes responded to the Council that 2 cents would equal a \$40 increase for the year for the average homeowner. Mayor Evans spoke to the strong commercial base keeping taxes low, incentives given by other cities and to having incentives for new development. She spoke to the importance of redevelopment in the City to keep it new and revitalized. Mayor Pro Tem Johnson spoke to being selective in the use of the funds.

Council Member Stahel spoke to offering incentives for companies to stay or relocate to the City and stated that the increase in the tax rate would have an effect on business's budget and to a low tax rate helping employees choose to live in Plano. Mr. Stahel spoke in support of redevelopment and bringing business to the City and spoke to using sales tax revenue for economic incentives if necessary and to reevaluation next year to determine if a more aggressive plan is needed.

Vote on a proposal to consider an increase in total tax revenue (cont'd)

Mr. Stahel stated support for keeping the rate at 45.35 cents per \$100 of assessed property value and using sales tax monies on a selective incentive basis.

Mayor Evans spoke to the volatility of sales tax revenues and to positioning the City with a dedicated fund to guarantee to citizens that everything is being done to keep the tax base strong and taxes low. City Manager Muehlenbeck clarified that additional funding for incentives has been obligated out of the General Fund. Council Member Stahel stated concern that if an amount of revenue is earmarked for incentives/redevelopment then it is held out for the asking and stated further that he preferred the City target opportunities. City Manager Muehlenbeck spoke to businesses looking at the City and trying to be responsive. Council Member Stahel spoke to taking a different approach to the goal of retention and recruitment.

Council Member Ellerbe stated support for a dedicated amount of funding rather than utilizing sales tax monies. She spoke to the other factors companies consider in addition to monetary incentives. Council Member Stahel spoke to the level of funding provided to DART and benefits received by residents of other communities that do not contribute. Deputy Mayor Pro Tem Magnuson spoke to setting the increase at 2 cents to provide room for discussion. Council Member Dunlap spoke to consideration of the budget's composition, conversations he has had with citizens regarding an increase who indicated it should be discussed, and the advantages of public/private partnerships. He spoke to the importance of "cash up front" to companies and supported the increase as a discussion point for the Council and the public.

A motion was made by Mayor Pro Tem Johnson and seconded by Council Member Dunlap to consider an increase total tax revenue by raising the tax rate 2 cents from 45.35 to 47.35 cents per \$100 of assessed property value. The Council voted 6-1 with Council Member Stahel voting in opposition. The motion carried.

Ordinance No. 2006-8-10: to amend and extend the existing gas franchise between the City of Plano and Atmos Energy Corporation, a Texas and Virginia Corporation, to provide for a different consideration; providing for new expiration dates; providing for acceptance by Atmos Energy Corporation; finding and determining that the meeting at which this ordinance is passed is open to the public as required by law; providing a repealer clause, a severability clause, and an effective date. Second Reading – First Reading held and approved 06/26/06 [Regular Agenda Item (4)]

Director of Customer/Utility Services Israelson advised that this request provides a five-year extension to the Atmos Energy Corporation franchise, that there are no material changes and that the item is supported by both parties. Steve Matthews of Atmos Energy responded to Mayor Pro Tem Johnson that rates are regulated by delivery rates and that they are only allowed to charge the consumer the price that is paid. He spoke to prudence reviews done every three years and to a fluctuation on monthly bills of gas cost recovery.

Ordinance No. 2006-8-10 (cont'd)

Upon a motion made by Deputy Mayor Pro Tem Magnuson and seconded by Mayor Pro Tem Johnson, the Council voted 7-0 to amend and extend the existing gas franchise between the City of Plano and Atmos Energy Corporation, a Texas and Virginia Corporation, to provide for a different consideration; providing for new expiration dates; providing for acceptance by Atmos Energy Corporation; finding and determining that the meeting at which this ordinance is passed is open to the public as required by law; providing a repealer clause, a severability clause, and an effective date; and further to adopt Ordinance No. 2006-8-10.

Direction Regarding Repair/Replacement of Screening Walls with Buttresses [Regular Agenda Item (5)]

Director of Public Works Foster spoke to a previous presentation regarding replacement of a screening wall along Park Boulevard and Council's direction to come back with a recommendation. He stated that 70 of the 120 miles of screening walls in Plano are the responsibility of the City with 9.8 miles being concrete and 4,200 feet being reinforced with buttresses. Mr. Foster spoke to direction received in 2003 to conserve walls that are structurally sound and if there is adequate right-of-way to consider landscaping. He advised that the estimated cost to replace the 4,200 feet throughout the City would be \$650,000 and that options to consider on Park Boulevard are to leave the wall as is, replace only a 210 foot section, replace the entire 1,000 foot wall along Park Boulevard with a concrete wall or replace all 1,000 feet with thin-wall brick construction meeting current standards at a cost of \$136,000. Mr. Foster spoke to screening walls being the most visible infrastructure element in the City and reflecting the quality of subdivisions and further stated his recommendation that all existing concrete screening walls with buttresses be replaced with thin-wall brick construction as planning and funding will permit.

Mr. Foster responded to the Council regarding the longevity of concrete walls and factors including soil conditions and winds. Council Member Stahel spoke to structures other than concrete where citizens will come forward and request replacement. Mr. Foster spoke to amending the policy with regard to buttresses and stated that locations would be reviewed on a priority basis with those on the thoroughfare side having a higher consideration. Council Member Dunlap spoke to the difficulty in matching brick should a repair be necessary and to issues of thermal movement. Mr. Foster stated that designing walls to float may alleviate structural problems and spoke regarding updated reinforcement standards. Mr. Stahel spoke to limiting consideration to those walls where buttresses are on the thoroughfare side and excluding (by language) those that are on the alley side.

Mr. Foster responded to Council Member Callison stating that the proposal is to replace the entire length of screening walls with buttresses and that currently only sections are replaced. He advised that the policy will still be to repair any walls that are unsafe and further to replace walls with buttresses as funding and planning will allow. Mr. Foster stated that the cost for the wall on Park Boulevard would be \$20,000 repairing the 210 foot section and the buttresses would remain. He advised that the timeframe for replacing all walls with buttresses would depend on the budget and other issues.

Direction Regarding Repair/Replacement of Screening Walls with Buttresses (cont'd)

Mr. Foster responded to Council Member Ellerbe that the entire wall could be replaced with concrete at a lower price but that he would recommend thin-brick construction to bring it up to current standards.

Deputy Mayor Pro Tem Magnuson made a motion to move forward with thin-brick construction on a priority basis as needed. No vote was taken at this time. Council Member Stahel spoke to making a decision about one specific case without making a long-term plan. City Manager Muehlenbeck spoke to looking for direction with regard to the screening wall on Park Boulevard and stated that Staff would bring back an amended policy to address walls with buttresses. Council Member Dunlap spoke regarding the problems matching brick when it is broken.

Upon a motion made by Council Member Callison and seconded by Deputy Mayor Pro Tem Magnuson, the Council voted 7-0 to replace all 1,000 feet of the screening wall on Park Boulevard between Willowbrook Way and Cedar Elm Drive with a thin-wall brick construction that meets current standards. Mr. Foster advised that Staff would bring back a long-term policy relative to screening walls with buttresses.

There being no further discussion, Mayor Evans adjourned the meeting at 9:11 p.m.

Pat Evans, MAYOR

ATTEST:

Elaine Bealke, City Secretary

PLANO CITY COUNCIL
Budget Worksession
August 19, 2006

COUNCIL MEMBERS

Pat Evans, Mayor
Scott Johnson, Mayor Pro Tem
Sally Magnuson, Deputy Mayor Pro Tem
Shep Stahel
Loretta Ellerbe
Harry LaRosiliere
Jean Callison
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STAFF

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Bruce Glasscock, Executive Director
Rod Hogan, Executive Director
Diane C. Wetherbee, City Attorney
Elaine Bealke, City Secretary

Mayor Evans convened the meeting into open session at 8:02 a.m. Saturday, August 19, 2006, in the Council Chambers of the Plano Municipal Center, 1520 K Avenue. All Council Members were present.

Request for Public Input on Budget and CIP

Mayor Evans invited those in attendance to provide comments.

Keith Dagen, citizen of the City, spoke in opposition to a property tax increase based on revenue projections for this year's budget and stated that all revenue sources should be looked at. He stated that the amount proposed for economic development identified in the tax increase will not go far and recommended keeping the tax rate either where it is or at a lower rate.

No one else spoke. Mayor Evans stated that comments may be taken further on during other items.

Budget Worksession Overview

Highlights of 2005-06/Outlook for 2006-07

City Manager Muehlenbeck stated that sales tax is projected to increase \$6.5 million over last year's actual collections and is re-estimated at \$58.8 million.

He spoke to \$1.2 million in prior audit adjustments, seeing double digit increases in sales tax, seeing only a 1% increase in sales tax for the month of July, and further spoke to remaining conservative. Mr. Muehlenbeck spoke to interest earning projections, the improvement in the economy as a whole, building and development related revenues exceeding original budget expectations due to commercial development, and to this all working in conjunction with the recommendations to increase economic development efforts. He stated that salary and benefit savings equaled approximately \$3 million due to employee attrition, departmental hiring delays and to decreased health insurance costs.

Mr. Muehlenbeck stated that the total budget of \$369 million represents an increase of \$29.8 million over the 2005-06 re-estimated budget, final projections from the Central Appraisal District state that assessed property values after deductions will total \$22.8 billion for 2006-07, and that approximately \$4.8 billion would have been added without exemptions. He spoke to the recommendation to increase the current tax rate of 45.35 cents by two cents to 47.35 cents per \$100 of assessed property value, stated that this is the first time in sixteen years that a tax rate increase has been proposed, and that the two-cent increase recommended will be completely devoted to economic development in Plano. Mr. Muehlenbeck stated that these additional economic development funds are controlled and administered by the Council and will provide incentives to attract new companies and to redevelop existing commercial properties. He stated that the economic development incentive program totals \$6 million and will be funded through the tax rate increase and the existing budget. The City Manager spoke to the upcoming Public Hearings on August 24 and August 28.

City Manager Muehlenbeck spoke to a 5% water and sewer increase due to increased costs passed on to the City from the North Texas Municipal Water District (NTMWD), the proposal of a \$1.10 increase to the environmental waste rate for a total of \$13.85 for a 95-gallon container with the 68-gallon container remaining the same at \$11.25. He spoke to the recommendation for salary increases at an average of 4% of dollars available for civil service employees and to fund merit increases for non-civil service employees and further spoke to the importance of recruiting and retaining a high-quality workforce and to remaining competitive.

Mr. Muehlenbeck stated that information today will be provided regarding the implementation of GASB 45 which significantly changes the way municipal and state governments account for post retirement benefits. He stated that the recommended budget adds a total of 61 new employees including 29 for public safety and 27 for community investment projects coming on line, spoke to \$3 million for public safety increases and \$2.5 million for CIP projects coming on line which include the west side recreation center (Thomas Muehlenbeck Recreation Center), ArchGate Park and the Oak Point Nature Center. The City Manager stated that \$1.5 million has been included for retiree payouts, and that other highlights include \$3 million for NTMWD cost increases, \$800,000 for additional library books, \$557,000 for Parks and Recreations Program additions, and \$169,000 for the establishment of a Sustainability Program. Director of Budget and Research Rhodes responded to the Council that this year's budget, which is 8.8% over the re-estimated budget, is 10.92% over the budget proposed one year ago.

Funding Requests

Presentation of Heritage Commission

Heritage Commission Chair Warren spoke to two agencies requesting dollars, the Heritage Farmstead having other organizations under their umbrella, hotel/motel dollars available this year, stated that the goals of the Council and the Commission were looked at with regard to historic preservation and stated that the Commission determined to fund 95% of operating expenses of the two agencies requesting dollars. She stated that projects were looked at from the two organizations and that prioritization was made with the Heritage Farmstead at 87% and the Plano Conservancy at 90% of the funding requested. Ms. Warren stated that the Blackland Prairie Festival is funded at \$10,000 for administrative costs under the Heritage Farmstead umbrella.

Presentation of Cultural Affairs Commission & Special Events Grants

Creative Arts Division Manager Wear spoke to seventeen major grant applications and three small grant applications with six special event grant applications. He reviewed the 2006-07 Cultural Arts recommendations and dollar amounts and stated that \$601,301 is the recommended budget total for grants. Cultural Affairs Commission Chair Madigan responded to the Council regarding various agency funding requests, spoke to the agencies providing advertising and educational programs, limitations of some of the organizations such as age (Younger Generation) or gender (Men of Note) and stated that all organizations making a request this year received funding and spoke to cases where the organizations are bringing visitors to hotels and restaurants. Ms. Madigan reviewed the special event grants and dollars to be allocated, and also spoke to the decreasing rate allocated each year as the organizations acquire stability.

Ms. Rhodes spoke to the use of non-departmental funding for the special event grants. Ms. Madigan stated that the FiestaCultural Latinoamericana event is new this year. Council Member Stahel spoke to previous dollars being set aside for the Courtyard Theater, the opportunity for a replacement for the Plano Repertory Theater coming forward and to any reserve funding that might accommodate this. Mr. Wear stated that no group has emerged as of yet and that funds are most likely available to assist a group in making a transition should one become available. Mayor Evans spoke to the FiestaCultural Latinoamericana event and stated that this organization travels to different cities to perform and spoke to a spring festival. City Manager Muehlenbeck responded to the Council that no previous funding was given for this group as this is the first year that application has been made. The FiestaCultural Latinoamericana, a first time applicant, was placed on the chart for consideration in the amount of \$9,084. Ms. Madigan thanked the Council for their continued support.

Presentation of Community Relations Commission

Community Relations Commission Chair Moss spoke to funding allocations in the Community Services Grant, stated that the dollar amount represents about 65% of funding requested by the agencies, and responded to questions of the Council regarding services provided and determination of funding levels.

Neighborhood Services Manager Buffington and Ms. Moss further responded to questions with regard to emergency services and health care being the focus of funding requests. The Council spoke to the value of some of the programs and to concerns regarding funding levels, and organizations that might receive funding from other sources. Mr. Buffington spoke to emergency services requests in the past and stated that it has evolved to represent approximately 80% of the funding now being directed. Council Member LaRosiliere spoke to seeing dollars spread out and to supporting the agencies. Ms. Moss spoke to factors determining allocations.

Ms. Moss advised the Council regarding concerns for next year and stated that foreclosure rates, energy and fuel cost increases, unemployment and flat wages, and the drought are all factors to be aware of. She spoke to job losses at low wage levels, heat factors, the declining health status and to this bringing forward the potential for a 20% to 30% increase in grant allocation requests coming forward for next year.

Urban Town Center Grants

Shops at Legacy Marketing Community Relations Manager Connie Vernon-Chase spoke to the focus intent on outreach, growth and marketing opportunities and to most importantly promoting business and tourism for the overall area. She spoke to raising funding for the Children's Medical Center Legacy scheduled to open in 2008 and to inviting the community to join in the celebration by offering donations and participating in the lighting of the tree during the Lights of Legacy Tree Lighting Festival.

Ms. Vernon-Chase spoke to using the website as an official donation form for the Children's Medical Center and stated that a single light or an entire light strand can be purchased for the tree by the community with all proceeds going back to the medical center. She spoke to involving musical groups and WFAA-TV and Dallas Morning News to advertise, support, and communicate the event, and further stated that the event will be held on a Sunday afternoon this year. Ms. Vernon-Chase stated that activities will be held on the south and north side of Legacy Drive this year, spoke to previous attendance, and responded to the Council that previously dollars have been generated for the Children's Medical Center from the Shops at Legacy. She stated that the event will hopefully generate funds and that it is estimated that \$25,000 to \$30,000 can be generated just from on-line donations with additional monies coming from ongoing games throughout the event. City Manager Muehlenbeck spoke to the previous funding amount of \$39,000, and responded to the Council that the Dickens Christmas event is funded at approximately 100%. Marketing and Special Events Manager Dana Conklin spoke to the Dickens event, budgeting \$10,000 for decorations and lights month-long in the downtown area, \$8,000 for the actual event, and additional dollars for fireworks for a total event cost of \$28,000.

Ms. Vernon-Chase responded to the Council that funding going to the Shops at Legacy covers the logistical requirements to put on the event, works to raise awareness, funds the actual celebration itself, and coordination of the activities of the day.

City Manager Muehlenbeck stated that funding was provided previously as a community event and spoke to the success of the event, to providing an opportunity to highlight another part of the City and to spreading activities out and providing a balance. Ms. Vernon-Chase stated that funding for the logistics of the event allows for a greater media plan and staging opportunities by the shops.

Ms. Vernon-Chase responded to the Council regarding attendance projections, stated that work is being done to provide a food court area and seek business participation with one participant confirmed. Ms. Rhodes advised that \$39,000 is allocated in the budget for this event. The Council spoke to the event providing a balance in the City, the importance of the advertising, bringing people into the City, bringing value all year round, the importance of revenues that would be realized and further recommended that The Lights of Legacy be placed on the chart in the amount of \$21,000 (in addition to the \$39,000 budgeted).

Council Member Dunlap spoke to possible funding for the east side downtown Dickens Christmas event. The Council spoke to possible limitations in the number of people that the downtown area could handle and to there being no matching contributions. Ms. Conklin stated that additional funding would be helpful, spoke regarding parking concerns, and stated that prior to the DART rail line, 6,000 to 7,000 people attending was the limit. She also advised that a new downtown planner is being hired to more readily focus on the east side downtown area and work with the retailers, and that currently no program sponsorships exist. Ms. Conklin responded to the Council regarding advertising done by the City for the Dickens event and stated that DART lists the event in their publications as a destination, but provides no advertising monies. Council Member Stahel spoke to consideration of seed money to fund a radio ad for the Dickens event.

Plano Early Lions

Plano Early Lions Club Secretary Ken Gleason spoke to sponsorship of the Fourth of July Parade, participation by the Lions Club in the Plano Chamber of Commerce, and to the Lions Club gaining visibility in the City by sponsoring the parade. He spoke to the success of this year's parade and to assistance received from the City, and requested assistance from the City for next year's parade. The Council recommended placement of the request on the chart for the Lions Club Parade in the amount of \$6,500.

Economic Development – Operating Budget

Plano Economic Development Board Executive Director Sally Bane spoke to the mission of the board to identify, attract and retain companies that contribute to the economic health of the City. She spoke to progress made, reviewed the 2005 projects, capital improvements made, reinvestment zones created, jobs created and kept in the City, and to business relocations.

Ms. Bane spoke to current advertising strategies to attract businesses and to the importance of business retention and to dollars added to the tax role. She spoke to generating surveys, attending trade shows, participating in an advertising “blitz” and further stated that the proposed budget has been endorsed by the board of directors.

Ms. Bane responded to the Council that the *Breakfast with the Mayor* program is an event for new companies. Mayor Evans stated that the Economic Development Board is invited to the breakfast in addition to the business persons and that it is held every other month. Mayor Pro Tem Johnson spoke to the importance of dollars spent for expansion and redevelopment and to the good job done by the board.

Economic Development - Incentives

City Manager Muehlenbeck spoke to discussion of this item in conjunction with discussion of the proposed ad valorem tax rate towards the end of the agenda. He spoke to additional dollars recognized with the proposed increase in the tax rate for development and redevelopment opportunities.

Council Items and Issues for Discussion

Council Member Stahel recommended that consideration be given to increase the Council stipend, spoke to unpaid time away from jobs, costs realized by Council Members, and recommended that the Council Member stipend be increased to \$1,000 and an increase be made to \$1,400 for the Mayor. The Council spoke to attracting more persons to the table, the impact of gas prices, varying job flexibility with Council Members, higher stipends being an incentive for some, some Council Members not being impacted, only increasing the Mayor’s stipend at this time, and to this being overdue for consideration. Mayor Evans spoke to there not being an election scheduled for this year, not increasing the stipend this year if the thought is to attract more persons to run for Council, and waiting until the next budget year. The Council spoke to things not being equitable with regard to the stipend, the history of the stipend, stated that the Mayor’s stipend is the most under compensated, being against increasing the Council Member stipend and to just increasing the stipend for the Mayor, there being no perception in the community that offering a stipend opens the door to run for office, not being in agreement with increasing the stipend at all, and stated that expenses far exceed the stipend. The Council requested that consideration of the Council/Mayor Stipend be placed on the chart in the amount of \$50,400.

Mayor Evans recessed the worksession at 10:04 a.m. and reconvened at 10:25 a.m.

Operating Budget

Revenues/Ad Valorem Tax Base/Tax Rate/Rollback Tax Rate/Effective Tax Rate/Sales Tax

Ms. Rhodes spoke to the assessed property value of \$22.8 billion representing an increase of 5.45% in total value for next year, an increase in property value of \$623.4 million and new property coming on line at \$556 million.

Ms. Rhodes spoke to calculations allowing for the Homestead, Over-65, and Disabled Person Exemptions, and to transfers to the Tax Increment Financing Reinvestment Zones #1 and #2. She stated that the ad valorem tax rate has not been increased in sixteen years, spoke to the proposal to increase the tax rate to 47.35 cents per \$100 of assessed property value and to the 2-cent tax increase funding economic development, and further spoke to requirements to hold two Public Hearings and publish the intent to increase the tax rate. Ms. Rhodes stated that the tax rate will be voted on by the Council at the September 11 Council meeting.

Ms. Rhodes spoke to the average home value of \$244,661 which will reflect a tax bill of \$927, and stated that the difference between the current tax rate of 45.35 cents and the proposed 47.35 cents reflects roughly an increase of \$40 per year to the homeowner. She spoke to other taxing entities (school district/county/college) when combined with the City and to the tax differences between the neighboring cities with Plano reflecting a lower tax rate after exemptions are taken out.

Ms. Rhodes spoke to the effective tax rate of 44.32 cents and stated that with a proposed tax rate of 47.35 the City will be approximately 3 cents over the effective tax rate. She spoke to calculations of the rollback rate, stated that the rollback rate is 46.80 cents and that at a proposed tax rate of 47.35 cents the City will be 0.55 cents over the rollback rate. Ms. Rhodes spoke to the petition requirements to hold an election to roll back the tax rate to 46.80 cents and stated that should this occur, \$1.2 million would be reduced from dollars proposed to fund economic development.

Ms. Rhodes spoke to sales tax being re-estimated at \$58 million representing a 16% increase over last year, and further spoke to the difficulties in obtaining sales tax information outside the City and to remaining conservative in sales tax projections.

Fee Increases/Water & Sewer Rate Model/Environmental Services – Rate Increase

Ms. Rhodes spoke to the rental registration program and to dollars that will be collected, offsetting expenditures, and stated that what is collected is what will be spent in this area. She spoke to the Amphitheater collections anticipated and to increases in pavilion reservation fees.

Ms. Rhodes spoke to a sewer rate increase by the NTMWD, comparisons of residential and commercial water rate charges with various cities in the Metroplex and stated that some cities such as the City of Frisco subsidize water and sewer with the General Fund and stated that based on these variances, comparisons are not equal. The City Manager spoke to the take-or-pay contract with the water district and stated that the City fell about 900 million gallons short of the contract which means that citizens will be charged for water not received. Council Member Stahel spoke to the confusing issues of water conservation and having to pay for water conserved but not used and to this being contrary to conservation. Mayor Pro Tem Johnson spoke to the requirement of all nineteen member cities agreeing to change the pricing policy of the water district. Mr. Stahel spoke to a NTMWD consultant coming forward to the member cities to address concerns with the current contract. Mayor Pro Tem Johnson spoke to being provided an update and Mr. Stahel spoke to a new lake being years in the future and to re-working the existing soil at Lake Lavon in an effort to provide for more capacity.

Executive Director Hogan spoke to the newly defined Sustainability/Environmental Services Department. He spoke to the proposed rate increase equaling \$1.10 per month, comparisons between Plano and other communities, stated that this fund is not subsidized by the General Fund and spoke to factors affecting the rates. City Manager Muehlenbeck spoke to the financial policy which addresses a certain number of days of operation working capital and stated that the recommendation for funding working capital days this year is zero due to the stability of this fund.

Program Changes

Salary Increase

City Manager Muehlenbeck spoke to the recommendation for merit increases from 0 to 5% at 4% of payroll for non-civil service employees and to consideration of a 10% increase in the Health Fund due to GASB 45 requirements. He stated that TMRS increased \$300,000 and the RSP increased \$586,567.

Elections

City Manager Muehlenbeck spoke to there being no dollars placed in the Election Fund due to the fact that no General Election is scheduled for 2007 and that should there be an initiative election, funding in the amount of approximately \$100,000 will be needed. The City Manager and City Secretary spoke to working with Collin County Elections regarding conducting the Denton County portion of the election. Ms. Bealke responded to the Council regarding difficulties that would be experienced by the City in conducting the election independently of the County.

Council Member Stahel spoke to the proposed salary increases and to the importance of employee retention. The City Manager stated that the proposed percentage amount for salary increases is sufficient and that the City is remaining competitive. Mayor Pro Tem Johnson spoke to Plano paying at the top of the scale comparatively with other cities. The City Manager spoke to Plano opting out of social security. Mr. Stahel spoke to non-civil service administrative employees and to 4% being on the high side compared to other percentages. The City Manager spoke to the merit increase being between 0 to 5% rather than an "across the board" number.

Safe Streets Program

City Engineer Upchurch spoke to the growth of the Safe Streets Program, previous problems with the petition process in the neighborhoods, and stated that this past year the program has moved ahead with success. He spoke to an installation back log and to the need for additional funding, changing from asphalt to rubberized devices, stated rubber is more costly but is re-usable, and further that they are better liked by the fire department.

Mr. Upchurch advised that current Staff cannot keep up with the installations at the rate they are requested, and that \$210,000 is being requested for materials only as well as \$85,000 for a contractor to install the devices for next year's program. He responded to the Council that neighborhoods are going in the direction of wanting speed and traffic control, that there is no cost to the neighborhoods and that this is funded in the proposed budget.

Public Safety Tech Projects

Executive Director Glasscock spoke to the current public safety radio communication system which is scheduled for replacement in 2009 and which will be in use for eighteen years at that time and be obsolete. He stated that the cities of Allen and Frisco share this system with Plano, spoke to the particulars of the system, and stated that it is maxed out on capacity. Mr. Glasscock stated that an estimated cost for the replacement of the current system is about \$16 million. He responded to the Council that the new system will be interoperable with other agencies when needed and that it is hoped that at least ten years will be realized with the new system. The City Manager stated that it is his understanding that both the cities of Allen and Frisco have budgeted dollars to upgrade their systems.

Mr. Glasscock spoke to a multi-radio wireless broadband, MotoMesh, which is a public safety system designed for police automated fuel reporting, spoke to including future enhancements of video capability and scene based tracking of first responders. He stated it will support other applications and have public Wi-Fi capabilities, spoke to connectivity location projections, and replacement of in-car video camera systems. Mr. Glasscock spoke to future phases coming on-line in 2009, development of mobility corridors and networking capabilities and to an estimated build-out cost of \$25 million. Council Member Stahel spoke to consideration of a connection at the Richardson Medical Center. Mr. Glasscock spoke to monitoring technology and looking at reliability levels of the product. The City Manager spoke to the possibility of using a certificate of obligation sale or 2008 bond referendum to fund the MotoMesh project.

Technology Services – Electrical Project

Executive Director Glasscock spoke to an electrical problem in the annex building where the data center is located. He stated that the electrical power exceeds the current capacity, all technical expansion is on hold due to the problem, and that the chance of a power failure would bring the data center into an inoperable status. Mr. Glasscock stated that an electrical engineer is looking at the problem and modifications are being made to accommodate the situation. He stated that the total cost is about \$850,000 and is a short-term fix that will function for three to five years and that ultimately a new facility for the data center will be necessary and may be looked at as a bond issue. Mr. Glasscock spoke to proposed funding sources to address the immediate situation, responded to the Council regarding potential lease space, stated that lease arrangements are extremely high and that ultimately what will be necessary is a multi-use facility that houses the Public Safety Communications Department and Technical Services.

GASB 45 Funding

Ms. Rhodes stated that GASB 45 requires state and local governments to begin accruing post retirement benefits for retirees instead of funding on a pay-as-you-go basis. She stated that according to an actuarial study the City will be required to set aside approximately \$7.5 million in an irrevocable trust and spoke to the transfer of \$7.5 million from the Health Claims Fund into the trust next year. Ms. Rhodes advised that the Health Claims Fund has stabilized since moving to United Healthcare Insurance, spoke to the current \$15 million balance in the Health fund and to the requirement to only keep a \$6 million fund balance.

Ms. Rhodes responded to the Council that in the future, should an excessive amount of funds result from over contributing to the Health fund, the contribution rate can be lowered. The City Manager spoke to the real impact being in the future and spoke to the liability involved. He stated that the trust will be set up and administered and that investment advice will most likely be required. Mr. Muehlenbeck responded to the Council that the employees will not see a rate increase with this change.

CIP Coming On-line

Executive Director Hogan advised the Council that items identified in the packet were previously presented to the Council and provided a brief overview of the CIP operation and maintenance expenses for Fire Stations #11, #12, and #13, Amphitheater, Tom Muehlenbeck Center, Cox Building, Oak Point Park Development, Archgate Park, and Park Improvements. Mr. Hogan further reviewed Haggard Library, Interurban Station, Parkway Operations, and Animal Shelter expansions, and the Environmental Education Building.

Mr. Hogan responded to Council Member Stahel regarding the 50 part-time life guards identified in the budget and regarding allocating dollars in the 06-07 budget when the opening of Oak Point Park is not scheduled until January, 2008. With regard to Oak Point Park, Ms. Conklin stated that personnel are being absorbed when Clark Recreation Center closes next summer and are being assigned to Oak Point Park and Nature Preserve where programs will be operating even though there are no buildings as of yet. She stated that there will be a deduction in dollars in the Clark Recreation Center fund. Staff advised Mr. Stahel that 50 part-time life guards is a correct number to sufficiently staff all pools and adhere to the law.

Incentives (Items on the chart)

Mr. Muehlenbeck spoke to the proposed tax rate of 47.35 cents representing a two-cent increase that would provide funding for incentives to new corporations and redevelopment of existing projects. He spoke to work that will need to be done at Collin Creek Mall and to participation in another area at Park Boulevard and Preston Road along with other retail centers in the City. The City Manager spoke to \$6 million going very quickly.

Council/Mayor Stipend - \$50,400

Council Member Callison spoke in opposition to the Council/Mayor Stipend increase this year based on an increase being an incentive to run for office stating that it is not an election year. She spoke to receiving input from those persons who would like to run for office and who feel that this would enable them to do so. Council Member Dunlap concurred and stated that it is his perspective that if the stipend is increased, there is no benefit to potential candidates due to heavy expenses in just running for office. Mayor Evans spoke to agreeing with Ms. Callison and Mr. Dunlap and to not supporting an increase in the stipend this year.

Council Member Stahel spoke in support of increasing the stipend. Mayor Pro Tem Johnson spoke to the size of other cities and to salaries received by other Council Members. Council Member LaRosiliere spoke to \$1,000 (for Council Members) not overcoming the cost of time spent and stated that if this is an opportunity for others to participate then it is reducing their losses and not making it a break even situation and further spoke to supporting this item. A majority of the Council, by a show of hands, concurred to keep this item on the chart.

Fiesta Cultural Latioamericana - \$9,084

Mayor Evans stated that funding this item would include Plano in the week long international events. Ms. Conklin stated that there are multiple events across the Metroplex, the organization has been in existence for sixteen or so years, the intent is to add a Latino/American background to the City, and further stated that it is anticipated they will come back next year for a special event grant and stay in the cycle. She responded to the Council that the event is held in the spring and that the location could change each year. Mayor Evans stated that the \$9,084 amount was recommended by the Cultural Affairs Commission and is below what was requested. A majority of the Council, by a show of hands, concurred to keep this item on the chart.

Legacy Holiday - \$21,000 (in addition to budgeted amount)

Deputy Mayor Pro Tem Magnuson and Mayor Evans spoke in support of keeping this item on the chart. Ms. Magnuson spoke to this event bringing attention to Plano and to providing a family event for the citizens. Council Member Ellerbe stated that other items have not received 100% of their funding request and spoke to other businesses participating in funding the costs. Mayor Evans spoke to the local merchants' association at the Shops at Legacy putting in dollars. The Council discussed funding dollar amounts for the other events in the City and to the potential for the Legacy event, spoke to a steady growth rate, this being a good location close to the competition, dollars having been invested in the "Cattle Drive" (statues) across Legacy Drive, the event appearing to be a forerunner to the growth north of Legacy Drive, and this being a good investment and further supporting the event. The Council spoke to being in support of the day-time hours. The majority of the Council, by a show of hands, concurred to keep this item on the chart.

Lion's Club (Fourth of July Parade) - \$6,500

Council Member Stahel spoke to being grateful for a volunteer organization that is willing to take on the responsibility of the parade and to doing it well and further stated he is in support of the request. A majority of the Council, by a show of hands, concurred to keep this item on the chart.

Council Member Stahel spoke to holding off on allocating additional funds (beyond dollars reflected in the proposed budget) for the Dickens Christmas event until the downtown reorganization becomes better formed and stated that this might be one year too soon. Council Member Ellerbe concurred and spoke to the downtown group getting better organized.

Mayor Evans recessed the worksession for lunch at 12:10 p.m. and reconvened at 12:58 p.m.

Proposed Ad Valorem Tax Rate

Mr. Muehlenbeck spoke to the two upcoming Public Hearings on the tax rate. Council Member Ellerbe spoke in support of the recommended tax rate. Deputy Mayor Pro Tem Magnuson spoke in support of providing economic development tools. Council Member Stahel stated that economic development incentives are an important tool and that his personal preference this year is to fund economic development out of excess revenue and address a tax increase next year if necessary. Mayor Evans spoke to the sales tax being budgeted as flat and to there being no dollars for economic development. Mr. Stahel spoke to \$6.5 million being available this year and recommended using this to fund the economic development incentive rather than placing the money in the Capital Reserve Fund. Mr. Muehlenbeck stated that this money actually is used to fund and balance the budget this year and that extra dollars are being used to fund a portion of the incentive. Mr. Stahel spoke to current policy of moving dollars into the Capital Reserve Fund, spoke to older sections of the community and a large number of citizens who are not yet 65 and not protected by the tax freeze but are living on fixed or tight incomes. He spoke to being faced with high utility bills, high foreclosure rates, and to middle income individuals who will realize a difference with extra dollars and recommended looking at it again next year. Mr. Stahel stated he is not arguing the need for economic development just questioning the best way to get there.

Council Member Ellerbe spoke to being uncomfortable in planning a budget with funds that may not be available, stated that sales tax is too volatile, the proposed rate is a small impact, and further spoke to being in agreement with the two-cent increase.

Council Member LaRosiliere spoke to the dedicated fund being necessary, and using the sales tax revenue as a strategy and an opportunity to augment the two-cents. He spoke to the right situation coming forward and to this being an opportunity to use the sales tax excesses along with the tax increase dollar amounts, and further spoke to being uncomfortable with using the sales tax as a funding source due to its volatility, but to thinking of it as an extra fund for a special situation. Mr. LaRosiliere spoke to dedicated funds providing a basis for redevelopment and new businesses.

Council Member Callison spoke to having discussed this for the past two years, and stated that this is the right year to move forward with a dedicated fund of two-cents.

Mayor Evans spoke to making economic development and redevelopment the top priorities at the Council retreats and to reflecting these priorities in the budget and acting on them. Mr. LaRosiliere spoke to clearly giving direction to the City Manager to support economic development and looking for the right opportunities and spoke to the tax rate being less than the neighboring communities. Mayor Evans spoke to building a strong tax base as a tool to keep the residential taxes low. Mr. Stahel stated that part of the attraction of Plano is having a low tax rate, not just for business properties but for the citizens that follow the business or are already here and stated that raising one decreases the attractiveness on the other end. Deputy Mayor Pro Tem Magnuson spoke to the effective tax rate in the region being the lowest and to people coming into the area and making a decision based on these considerations. Mr. Stahel spoke to keeping the tax rate low.

Mayor Pro Tem Johnson spoke to the rate being notably lower than other cities and to this being an important factor for businesses and homeowners alike. He spoke to the increase providing dedicated funds that are predictable and stated that the funds will be used appropriately and that opportunities are unique. Mr. Johnson spoke to the importance of redevelopment and to this being a bigger part of Plano and spoke to shopping centers that may need redevelopment. He stated that Collin Creek Mall is a property tax generator for the City as well as for the school district and an asset that needs to be protected and enhanced and recommended going forward with the two-cent tax increase.

Council Member LaRosiliere spoke to a partnership and to providing infrastructure, stated that a risk is present for both parties while representing a vested interest on both sides. He spoke to public and private endeavors and stated that this is a good value. He spoke to the excellent services and departments in the City.

Nothing further was discussed. Mayor Evans adjourned the meeting at 1:16 p.m.

Pat Evans, MAYOR

ATTEST:

Elaine Bealke, City Secretary



**CITY OF PLANO
COUNCIL AGENDA ITEM**

CITY SECRETARY'S USE ONLY		Reviewed by Purchasing	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> Not Applicable	
<input type="checkbox"/> Consent	<input type="checkbox"/> Regular	<input type="checkbox"/> Statutory	Reviewed by Budget	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> Not Applicable
Council Meeting Date: 8/28/06		Reviewed by Legal	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> Not Applicable	
Department:	Purchasing		Initials	Date	
Department Head	Mike Ryan		Executive Director		
Dept Signature:			City Manager		
Agenda Coordinator (include phone #):		January Cook X7376			
ACTION REQUESTED: <input type="checkbox"/> ORDINANCE <input type="checkbox"/> RESOLUTION <input type="checkbox"/> CHANGE ORDER <input type="checkbox"/> AGREEMENT					
<input checked="" type="checkbox"/> APPROVAL OF BID <input type="checkbox"/> AWARD OF CONTRACT <input type="checkbox"/> OTHER					
CAPTION					
Award, rejection of Bid/Proposal for Competitive Online Reverse Auction No. 2006-153-B for the Purchase of Two (2) Trailer Mounted Message Boards to K K Systems, Inc. in the amount of \$30,000.					
FINANCIAL SUMMARY					
<input type="checkbox"/> NOT APPLICABLE <input checked="" type="checkbox"/> OPERATING EXPENSE <input type="checkbox"/> REVENUE <input checked="" type="checkbox"/> CIP					
FISCAL YEAR:	05/06	Prior Year (CIP Only)	Current Year	Future Years	TOTALS
Budget		0	0	0	0
Encumbered/Expended Amount		0	0	0	0
This Item		0	-30,000	0	-30,000
BALANCE		0	-30,000	0	-30,000
FUND(S): EQUIPMENT REPLACEMENT FUND					
COMMENTS: Funds are available in the FY 2005-06 ERF budget for the unscheduled replacement purchase of (2) trailer mounted message boards. It is not cost effective to repair the current message board equipment. This equipment will be funded through savings on other Rolling Stock purchases.					
STRATEGIC PLAN GOAL: Replacement of message boards relates to the City's goal of "Service Excellence".					
SUMMARY OF ITEM					
Staff recommends bid of K K Systems, Inc. in the amount of \$30,000 be accepted as lowest responsive, responsible bid meeting specifications conditioned upon timely execution of any necessary contract documents. This is for the purchase of Two (2) Trailer Mounted Message Boards that are unscheduled replacements for #98017 and #99554 in Streets Department.					
List of Supporting Documents: Bid Recap			Other Departments, Boards, Commissions or Agencies		

b-1

CITY OF PLANO

Competitive Online Reverse Auction No. 2006-153-B Purchase of Two (2) Trailer Mounted Message Boards

BID RECAP

Auction End Date/Time: June 6, 2006 @ 3:30pm

Number of Vendors Notified: 975

Vendors Submitting "No Bids": None

Number of Bids Submitted: 4

K K Systems, Inc.
BKW Environmental
City Build Utility Supply
Buyers Barricades Inc.

Bids Evaluated Non-Responsive to Specification: None

Recommended Vendor(s):

K K Sytems, Inc. \$30,000.00

January M. Cook

January M. Cook, CPPB
Senior Buyer
Purchasing Division

August 14, 2006
Date

b-2



CITY OF PLANO COUNCIL AGENDA ITEM

CITY SECRETARY'S USE ONLY		Reviewed by Purchasing	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> Not Applicable	
<input type="checkbox"/> Consent <input type="checkbox"/> Regular <input type="checkbox"/> Statutory		Reviewed by Budget	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> Not Applicable	
Council Meeting Date:	8/28/06	Reviewed by Legal <i>[Signature]</i>	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> Not Applicable	
Department:	Purchasing Division		Initials	Date	
Department Head	Mike Ryan		Executive Director		
Dept Signature:	<i>[Signature]</i>		City Manager		
Agenda Coordinator (include phone #):		January Cook X7376			
ACTION REQUESTED: <input type="checkbox"/> ORDINANCE <input type="checkbox"/> RESOLUTION <input type="checkbox"/> CHANGE ORDER <input type="checkbox"/> AGREEMENT <input checked="" type="checkbox"/> APPROVAL OF BID <input type="checkbox"/> AWARD OF CONTRACT <input type="checkbox"/> OTHER					
CAPTION					
Award/Rejection of Bid/Proposal for RFP No. 2006-134-B for Consultant for Service Prioritization Assessment to Andrea Margaret Thomas, dba National Service Research in the amount of \$17,800.					
FINANCIAL SUMMARY					
<input type="checkbox"/> NOT APPLICABLE <input checked="" type="checkbox"/> OPERATING EXPENSE <input type="checkbox"/> REVENUE <input type="checkbox"/> CIP					
FISCAL YEAR:	2005-2006	Prior Year (CIP Only)	Current Year	Future Years	TOTALS
Budget		0	20,000	0	20,000
Encumbered/Expended Amount		0	0	0	0
This Item		0	-17,800	0	-17,800
BALANCE		0	2,200	0	2,200
FUND(S): GENERAL FUND					
COMMENTS: Funding for this item is included in the approved FY 2005-06 Non-Departmental Budget					
STRATEGIC PLAN GOAL: Assessing the services provided by the City of Plano relates to the City's goals of "Service Excellence and Premier City for Families".					
SUMMARY OF ITEM					
Staff recommends proposal of Andrea Margaret Thomas, dba National Service Research in the amount of \$17,800 be accepted as the best proposal meeting specifications for a Consultant for Service Prioritization Assessment. The consultant will develop, administer, and analyze a comprehensive assessment of City of Plano citizen attitudes and opinions on City services and programs. The assessment will ascertain how the citizens of Plano rank City service and programs, focus on prioritization of services considering cost and value, and provide an opportunity for citizen input on their vision of Plano's future services.					
List of Supporting Documents:		Other Departments, Boards, Commissions or Agencies			
Memo					
Recap					

MEMORANDUM:

DATE: August 1, 2006

TO: Mike Ryan, Chief Purchasing Officer 

FROM: 2004 MP3 Class:
LaShon Ross
Brian Collins
Gay Schaffer
Christina Day
Robert Smouse
Casey Srader

SUBJECT: Award to Consultant for Service Prioritization Assessment (2006-134-B)

The 2004 MP3 Class assigned for review of proposals submitted for a city-wide Service Prioritization Assessment is recommending the proposal be awarded to National Service Research. The 2004 MP3 Class reviewed proposals from four vendors. Evaluations were conducted individually and each member completed an evaluation matrix. Based on the combined evaluations, two vendors were chosen for interviews: National Service Research and Issues & Answers Network, Inc. From this, the 2004 MP3 Class determined National Service Research could provide the level of service to meet the objectives of the assessment.

The project cost submitted by National Service Research is \$17,800. Funding in the amount of \$20,000 is included in the FY 2005-06 Budget for this project.

Please advise if you have any questions.

Cc: January Cook, Purchasing

C-2

CITY OF PLANO

CSP No. 2006-134-B RFP – Consultant for Service Prioritization Assessment

RECAP

Opening Date/Time: May 15, 2006 @ 3:00pm

Number of Vendors Notified: 1,117

Vendors Submitting "No Response": 1

Vendors Submitting Proposal

Final Combined Evaluation Score

Box Free Thinking	2.48
Issues & Answers Network, Inc.	3.80
National Service Research	4.09
Profile Marketing Research, Inc.	3.06

Recommended Vendor(s):

National Service Research \$17,800.00

January M. Cook

January M. Cook, CPPB
Senior Buyer
Purchasing Division

August 16, 2006
Date

C-3



**CITY OF PLANO
COUNCIL AGENDA ITEM**

CITY SECRETARY'S USE ONLY		Reviewed by Purchasing	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> Not Applicable	
<input type="checkbox"/> Consent	<input type="checkbox"/> Regular	<input type="checkbox"/> Statutory	Reviewed by Budget	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> Not Applicable
Council Meeting Date: 08/28/06		Reviewed by Legal	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> Not Applicable	
Department:	Purchasing		Initials	Date	
Department Head	Mike Ryan	<i>[Signature]</i>	Executive Director		
Dept Signature:	OHS - CJ Howard		City Manager	<i>[Signature]</i> 8/28/06	
Agenda Coordinator (include phone #): Glenna Hayes x 7074					

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

CAPTION

Bid No. 2006-221-G for Collin County Solicitation #06098-06 - To approve an expenditure and authorize the City Manager to execute such documents as to effectuate the purchase with Audience Central Corporation for PIER Software Subscription License in the amount of \$30,600 for a crisis-ready, web-based system for managing public information and internal communications; 2005 UASI Grant.

FINANCIAL SUMMARY

NOT APPLICABLE OPERATING EXPENSE REVENUE CIP

FISCAL YEAR: 05/06	Prior Year (CIP Only)	Current Year	Future Years	TOTALS
Budget	0	0	0	0
Encumbered/Expended Amount	0	0	0	0
This Item	0	30,600.00	0	30,600.00
BALANCE	0	30,600.00	0	30,600.00

FUND(S): GRANT FUND

COMMENTS: Funds are available in the 2005 UASI Homeland Security Grant Fund for the purchase of a PIER software subscription license for crisis-ready, web-based, public information management software. The balance of grant funds will be used for other equipment purchases and items as allowed under the UASI grant.

STRATEGIC PLAN GOAL: Software subscription licensing purchases relate to the City's goal of "Service Excellence."

SUMMARY OF ITEM

Staff recommends approval of expenditure to enter into a contract with Audience Central Corporation in the amount of \$30,600.00, as stipulated by a joint bid with Collin County (Solicitation # 06098-06) for the purchase of a PIER Software License for a crisis-ready, web-based system for managing public information and internal communications, conditioned upon timely execution by the City Manager of any necessary document. The City will apply for reimbursement of this expenditure under the 2005 UASI Grant. 2006-221-G.

List of Supporting Documents:	Other Departments, Boards, Commissions or Agencies
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CITY OF PLANO COUNCIL AGENDA ITEM

CITY SECRETARY'S USE ONLY		Reviewed by Purchasing	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> Not Applicable
<input type="checkbox"/> Consent	<input type="checkbox"/> Regular	<input type="checkbox"/> Statutory	Reviewed by Budget	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> Not Applicable
Council Meeting Date: 8/28/06		Reviewed by Legal	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> Not Applicable
Department:	Equipment Services		Initials	Date
Department Head	Mark Jerome	<i>M. Supplewicz</i>	<i>MS</i>	8-16-06
Dept Signature:	<i>Mark Jerome</i>	City Manager	<i>MS</i>	8/16/06
Agenda Coordinator (include phone #):		Linda M. Robinson x4180		

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 PURCHASE OFF EXISTING CONTRACT	

CAPTION

Approval of the purchase of one (1) Heil 10 yard Refuse Side Loader in the amount of \$55,114.00 from Heil of Texas, and one (1) GMC TT7500 Cab/Chassis in the amount of \$49,712.00 from Rush Truck Center through an existing contact/agreement with H-GAC Cooperative Purchasing Program and authorizing the City Manager or his designee to execute all necessary documents. (RC08-06/HT11-05)

FINANCIAL SUMMARY

<input type="checkbox"/> NOT APPLICABLE <input checked="" type="checkbox"/> OPERATING EXPENSE <input type="checkbox"/> REVENUE <input type="checkbox"/> CIP					
FISCAL YEAR:	05/06	Prior Year (CIP Only)	Current Year	Future Years	TOTALS
Budget		0	110,000	0	110,000
Encumbered/Expended Amount		0	0	0	0
This Item		0	-104,826	0	-104,826
BALANCE		0	5,174	0	5,174

FUND(S): EQUIPMENT REPLACEMENT FUND

COMMENTS: Funds are included in the FY 2005-06 adopted budget for the replacement of (1) Cab/Chassis with (1) Side Load Body for the Special Waste Department. The balance of funds will be used for other rolling stock purchases.

STRATEGIC PLAN GOAL: Equipment replaces relates to the City's goal of "Service Excellence".

SUMMARY OF ITEM

Equipment Services request the purchase of one Heil 10 yard Refuse Side Loader, contract no RC08-06 awarded to Heil of Texas and one GMC TT7500 Cab/Chassis, contract no HT11-05 awarded to Rush Truck Center through the H-GAC Cooperative Purchasing Program. These are scheduled replacements per fiscal year 05/06 for units 00900 and 00901 for Dept. 751/Special Waste. Account: #071-8421. Supplement: #00071001.

The City is authorized to purchase from a Local Cooperative Organization pursuant to Section 271, Subchapter F of the Tex.Loc.Govt.Code and by doing so satisfies any State Law requiring local governments to seek competitive bids for items. (Contract RC08-06 and HT11-05)

Total purchase price of the Cab/Chassis combination including H-GAC admin fee is \$104,826.00.

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

Date: August 16, 2006
To: January Cook, Senior Buyer
From: Reid Choate, Technical Coordinator
Subject: Request to purchase two (2) separate items through the H-GAC Cooperative Purchasing Program as follows:

ITEM-1: One (1) GMC TT 7500 Cab and Chassis (DH) per **H-GAC** Contract HT11-05 awarded to Rush Truck Center. Requisition No. **903747** .

Base Price:	\$36,650.00
Published Options:	\$10,482.00
Unpublished Options:	\$ 1,980.00
H-GAC Admin Fee:	\$ 600.00
Total Purchase Price:	\$49,712.00

ITEM-2: One (1) Heil 10 yard Refuse Side Loader (C-10) per **H-GAC** Contract RC08-06 awarded to Heil Of Texas. Requisition No. **903748** .

Base Price:	\$27,610.00
Published Options:	\$27,104.00
H-GAC Admin Fee:	\$ 400.00
Total Purchase Price:	\$55,114.00

TOTAL OF ITEMS 1 & 2: **\$104,826.00**

Note: This purchase consists of a Cab/Chassis with 10 yard Refuse Body combination. This is a scheduled replacement for FY 05/06 to replace units 00900 and 00901 for Department 751/Special Waste. Total amount budgeted for this supplement is **\$110,000.00**. RE: Account: #071-8421 Supplement: #00071001

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

Cc: Jimmy Foster
Mark Jerome
Nancy Nevil
Robert Smouse
Diane Palmer
Mike Ryan
Stephen Teiper

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CITY OF PLANO

08/16/06

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P.O. Number 903747 OR

Cost Center 071

Supplier RUSH TRUCK CENTERS OF TEXAS LP
dba RUSH TRUCK CENTER HOUSTON
16870 SOUTH IH 35
BUDA TX 78610

Ship To CITY OF PLANO
FLEET & EQUIPMENT SERVICES DIVISION
4200 W PLANO PARKWAY
PLANO TX 75093

Ordered 08/16/06 Freight
Requested 08/16/06 Order Taken By
Delivery

Description	Ordered	UOM	Unit Price	Extended Price	Request Date
GMC TT 7500 CAB & CHASSIS (DH) INVOICE TO FOLLOW ITEM 1. H-GAC CONTRACT #HT11-05. AWARDED TO RUSH TRUCK CENTER. THIS PURCHASE CONSISTS OF A CAB/CHASSIS WITH 10 YARD REFUSE BODY COMBINATION. THIS IS A SCHEDULED REPLACEMENT FOR FY05/06 TO REPLACE UNIT 00900 AND 00901 FOR DEPT. 751/SPECIAL WASTE. TOTAL AMOUNT BUDGETED FOR THIS SUPPLEMENT IS \$110,000.00. ACCOUNT # 071-8421. SUPPLEMENT #00071001. THERE WILL BE A SEPARATE REQ. THAT WILL ACCOMPANY THIS PURCHASE, THAT REQUISITION # IS 903748. REQUISITION REQUESTED BY REID CHOATE.	1	EA	36,650.0000	36,650.00	08/16/06
EXHAUST BRAKE PUBLISHED OPTION DH11	1	EA	485.0000	485.00	08/16/06
AIR CONDITIONING PUBLISHED OPTION DH19	1	EA	925.0000	925.00	08/16/06
12,000# FRONT AXLE PUBLISHED OPTION DH47	1	EA	650.0000	650.00	08/16/06

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CITY OF PLANO

08/16/06

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Description	Ordered	UOM	Unit Price	P.O. Number Extended Price	903747 Request Date	OR
80,000 PSI FRAME PUBLISHED OPTION DH70	1	EA	250.0000	250.00	08/16/06	
AM/FM STEREO PUBLISHED OPTION DH72	1	EA	297.0000	297.00	08/16/06	
14PLY FRT/REAR TIRES PUBLISHED OPTION DH76	1	EA	850.0000	850.00	08/16/06	
60 DAY FLOOR PLAN PUBLISHED OPTION DH84	1	EA	750.0000	750.00	08/16/06	
DEALER SERVICE PACK PUBLISHED OPTION DH94	1	EA	850.0000	850.00	08/16/06	
DESTINATION CHARGE PUBLISHED OPTION DH118	1	EA	1,150.0000	1,150.00	08/16/06	
DIESEL/AUTO MOD SPEC PUBLISHED OPTION DH119	1	EA	3,500.0000	3,500.00	08/16/06	
DRIVER AIR SEAT PUBLISHED OPTION DH39 INCLUDES ACCESSORY AIR COMPRESSOR.	1	EA	775.0000	775.00	08/16/06	
TRANSPORTATION FEE UNPUBLISHED OPTION TRANSPORTATION FROM N.C. TO FT. PAYNE.	1	EA	630.0000	630.00	08/16/06	
SHORTEN WHEELBASE UNPUBLISHED OPTION	1	EA	1,350.0000	1,350.00	08/16/06	
H-GAC ADMIN. FEE		EA	600.0000	600.00	08/16/06	

Total Order

TermNet 30 Days

49,712.00

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CITY OF PLANO

08/16/06

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P.O. Number 903748 OR

Cost Center 071

Supplier HEIL OF TEXAS
300 SOUTH LOOP 12
IRVING TX 75060

Ship To CITY OF PLANO
FLEET & EQUIPMENT SERVICES DIVISION
4200 W PLANO PARKWAY
PLANO TX 75093

Ordered 08/16/06 Freight
Requested 08/16/06 Order Taken By
Delivery

Description	Ordered	UOM	Unit Price	Extended Price	Request Date
10 YD. REFUSE SIDE LOADER INVOICE TO FOLLOW ITEM 2. H-GAC CONTRACT # RC08-06. AWARDED TO HEIL OF TEXAS. THIS PURCHASE CONSISTS OF ONE (1) HEIL 10-YARD REFUSE SIDE LOADER. SEE REQUISITION 903747 FOR ITEM 1; CAB AND CHASSIS. THIS IS A SCHEDULED REPLACEMENT FOR FY05/06 TO REPLACE UNIT 00900 AND 00901 FOR DEPT. 751/SPECIAL WASTE. TOTAL AMOUNT BUDGETED FOR THIS SUPPLEMENT \$110,000.00. ACCOUNT #071-8421. SUPPLEMENT #00071001. REQUISITION REQUESTED BY REID CHOATE.	1	EA	27,610.0000	27,610.00	08/16/06
WORK LIGHT PUBLISHED OPTION	1	EA	312.0000	312.00	08/16/06
CAMERA BRACKET W/DUAL FLOODS PUBLISHED OPTION	1	EA	312.0000	312.00	08/16/06
BAYNE GTL-1120 CURBSIDE PUBLISHED OPTION	1	EA	9,763.0000	9,763.00	08/16/06

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CITY OF PLANO

08/16/06

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Description	Ordered	UOM	Unit Price	P.O. Number Extended Price	903748 Request Date	OR
BAYNE GTL-1120 STREETSIDE PUBLISHED OPTION	1	EA	9,763.0000	9,763.00	08/16/06	
SPECIAL IN-CAB CONTROLS PUBLISHED OPTION	1	EA	750.0000	750.00	08/16/06	
HOPPER TOP COVER PUBLISHED OPTION	1	EA	455.0000	455.00	08/16/06	
ELEC. SHIFT PTO W/OVERSPEED PUBLISHED OPTION ELECTRIC SHIFT PTO W/ OVERSPEED CONTROL.	1	EA	2,122.0000	2,122.00	08/16/06	
STEEL MUD GUARDS PUBLISHED OPTION	1	EA	182.0000	182.00	08/16/06	
LED STROBES IN TAILGATE PUBLISHED OPTION	1	EA	950.0000	950.00	08/16/06	
REAR VIEW CAMERA SYSTEM PUBLISHED OPTION REAR VIEW CAMERA SYSTEM W/COLOR LCD MONITOR.	1	EA	2,577.0000	2,577.00	08/16/06	
H-GAC ADMIN. FEE		EA	.0000	400.00	08/16/06	
				Total Order		
TermNet 30 Days					55,196.00	

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**CITY OF PLANO
COUNCIL AGENDA ITEM**

CITY SECRETARY'S USE ONLY		Reviewed by Purchasing	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> Not Applicable	
<input checked="" type="checkbox"/> Consent	<input type="checkbox"/> Regular	<input type="checkbox"/> Statutory	Reviewed by Budget	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> Not Applicable	
Council Meeting Date:	8/28/06		Reviewed by Legal <i>JS</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> Not Applicable	
Department:	FINANCE		Initials	Date	
Department Head	JOHN McGRANE		Executive Director		
Dept Signature:	<i>John McGrane</i>		City Manager	<i>JS</i> 8/28/06	
Agenda Coordinator (include phone #):					
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					
CAPTION					
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PLANO, TEXAS, REVIEWING AND APPROVING THE CITY'S WRITTEN PUBLIC FUNDS INVESTMENT POLICY; AND PROVIDING AN EFFECTIVE DATE.					
FINANCIAL SUMMARY					
<input checked="" type="checkbox"/> NOT APPLICABLE <input type="checkbox"/> OPERATING EXPENSE <input type="checkbox"/> REVENUE <input type="checkbox"/> CIP					
FISCAL YEAR:	2006-2007	Prior Year (CIP Only)	Current Year	Future Years	TOTALS
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: No fiscal impact					
SUMMARY OF ITEM					
Review and approval of the City's written Public Funds Investment Policy in accordance with State law. There are no changes from the prior year.					
List of Supporting Documents:			Other Departments, Boards, Commissions or Agencies		
Resolution, Public Funds Investment Policy					

J-1

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PLANO, TEXAS, REVIEWING AND APPROVING THE CITY'S WRITTEN PUBLIC FUNDS INVESTMENT POLICY; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, Section 2256.005(e) of the Texas Government Code requires the governing body of an investing entity to adopt a written investment policy regarding the investment of its funds and funds under its control and to review said written investment policy on an annual basis; and,

WHEREAS, on August 22, 2005, by Resolution No. 2005-8-8(R), the City Council approved and adopted a written Investment Policy for the City of Plano regarding investment of public funds; and,

WHEREAS, the City Council has been presented the existing and duly approved Public Funds Investment Policy which contains investment strategies, a copy of which is attached hereto as Exhibit "A" and incorporated herein by reference; and,

WHEREAS, the City Council has reviewed the Public Funds Investment Policy attached hereto as Exhibit "A" and the investment strategies contained therein and finds that it is consistent with prudent fiscal policy.

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

Section I. The City Council of the City of Plano, Texas, has reviewed the Public Funds Investment Policy attached hereto as Exhibit "A" and the investment strategies contained therein.

Section II. The Public Funds Investment Policy as contained in Exhibit "A" attached hereto shall remain the official policy of the City of Plano regarding investment of public funds.

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

DULY PASSED AND APPROVED this the 28th day of August, 2006.

Pat Evans, MAYOR

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ATTEST:

Elaine Bealke, CITY SECRETARY

APPROVED AS TO FORM:

Diane C. Wetherbee, CITY ATTORNEY

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**City of Plano
Public Funds Investment Policy**

08/28/06

Purpose And Need For Policy

The City is required under the Public Funds Investment Act Chapter 2256, Texas Government Code, to adopt a written investment policy. The City is required to comply with the investment policy as approved by the governing body, in accordance with the standard of care, as set forth in Chapter 2256.006, Texas Government Code.

Statement Of Intent

It is the policy of the City of Plano to invest public funds in a manner which will insure maximum security and provide the highest investment return, while meeting the daily cash flow demands of the City and conforming to all state and local statutes governing the investment of public funds.

Scope

This investment policy applies to all financial assets of the City of Plano, except certain reserve, trust, and pension funds contractually invested by outside managers, e.g. Retirement/Pension, Employee Deferred Compensation, and Revenue Bond Reserve Funds.

All funds are accounted for in the City of Plano's Comprehensive Annual Financial Report.

Prudence

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

The standard of prudence to be used by investment officials shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. The investment officers, acting in accordance with written procedures and the investment policy, and exercising due diligence, shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations are reported in a timely fashion and appropriate action is taken to control adverse developments.

Objectives

The primary objectives of the City of Plano's investment activities shall be as follows:

1. Safety of principal is the foremost objective of the City's investment program. Investment transactions of the City of Plano shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversification is required in order that actual losses on individual securities do not exceed the income generated from the remainder of the portfolio.

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2. The City of Plano's investment portfolio will remain sufficiently liquid to enable the City of Plano to meet all operating requirements which can be reasonably anticipated.
3. The City of Plano's investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the City of Plano's investment risk constraints and the cash flow characteristics of the portfolio.

Delegation Of Authority

City employees authorized to engage in investment transactions are the City Manager, and/or his designee. Management responsibility for the investment program is delegated from the City Manager to the Treasurer who shall serve as Investment Officer, or the City Manager's designee, who shall establish written procedures for the operation of the investment program consistent with this investment policy. Investment procedures should include reference to the following transactions and agreements: safekeeping, repurchase agreements, wire transfer agreements, collateral agreements, depository service contracts and agreements, broker/dealer selection criteria, and security bidding and purchase processes. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Investment Officer. The Investment Officer shall be responsible for routine authorization of investments and the Controller shall be responsible for proper accounting of investments in order to maintain appropriate internal controls. The Director of Finance or his designee, shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.

Ethics And Conflict Of Interest

Officers and employees involved in the investment process who have a personal business relationship with a business organization offering to engage in an investment transaction with the City of Plano shall submit a statement disclosing that personal business interest to the City Council and the Texas Ethics Commission. An investment officer who is related within the second degree of affinity or consanguinity to an individual seeking to sell an investment to the City of Plano shall submit a statement disclosing that relationship to the City Council and the Texas Ethics Commission. A personal business relationship with a business organization is defined as 1) owning 10 percent or more of the voting stock or shares of the business organization or owning \$5,000 or more of the fair market value of the business organization; 2) receiving funds from the business organization exceeding 10 percent of gross income for the previous year; or 3) acquiring from the business organization during the previous year investments with a book value of \$2,500 or more for a personal account.

Depository Selection

A qualified depository shall be selected through the City's professional services contract process in compliance with state bidding requirements, and shall include a formal request for proposal. The centralization of depository services is designed to maximize investment capabilities while minimizing service costs as well as staff time spent on activities such as reconciliation.

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The selection of a depository shall be based on the financial institution offering the most favorable terms and conditions at the least cost, while adhering to the guidelines and provisions within the request for proposal. In selecting a depository, City shall give consideration to the financial institution's credit characteristics, financial history, service capabilities, and costs for required services.

The City's depository contract shall be for three years with an option to extend for an additional two years upon mutual agreement of the depository and the City. Specialized services may be contracted for by the City with another financial institution or company if the depository cannot provide such service or charges more for the same service with little or no appreciable benefit.

Authorized Securities Dealers

The Investment Committee will review and adopt annually a list of qualified brokers authorized to engage in investment transactions with the City. The City of Plano will provide any person offering to engage in an investment transaction with the City, including investment pools, with a copy of the City's Public Funds Investment Policy.

A qualified representative of the business organization offering to engage in an investment transaction must execute a written statement acknowledging receipt and review of the policy and a statement acknowledging that reasonable procedures and controls have been implemented to preclude investment transactions that are unauthorized by this investment policy except, to the extent that this authorization is dependent on an analysis of the makeup of the City's entire portfolio or requires an interpretation of subjective investment standards. All approved broker/dealer firms must have a completed City of Plano broker/dealer questionnaire, written acknowledgment per above guidelines, executed master repurchase agreement, if applicable, and current audited financial statements on file.

Authorized Investments

The City of Plano is authorized to invest in the following types of securities, as specified in the Public Funds Investment Act, (Chapter 2256, Sections 9 through 16, Texas Government Code). Examples of eligible securities include the following:

1. obligations, including letters of credit, of the United States or its agencies and instrumentalities;
2. direct obligations of the State of Texas or its agencies and instrumentalities;
3. other obligations, the principal of and interest on which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, the State of Texas or the United States or their respective agencies and instrumentalities;
4. obligations of states, agencies, counties, cities, and other political subdivisions of any state having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than A or its equivalent;

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5. collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States; with the following restrictions:
 - a) 10 year or less stated final maturity date
 - b) cannot be either an Interest-Only or Principle-Only CMO
 - c) cannot be an inverse floater
6. certificates of deposit, issued by a depository institution that has its main office or a branch office in this state, that are:
 - a) guaranteed or insured by the Federal Deposit Insurance Corporation, or its successor; or the National Credit Union Share Insurance Fund, or its successor;
 - b) secured by obligations that are described by Section 2256.009, which are intended to include all direct federal agency or instrumentality issued mortgage backed securities that have a market value of not less than the principal amount of the certificates or in any other manner and amount provided by law for deposits of the investing entities;
 - c) issued by a depository institution that arranges for the deposit of funds in certificates of deposit in one or more federally insured depository institutions, wherever located, for the account of the City, with the full amount of principal and accrued interest of each of the certificates of deposit insured by the United States or an instrumentality of the United States; the depository institution selected by the City for the purchase of the certificates of deposit acts as custodian for the City with respect to the certificates of deposit issued for the City; and, at the same time that the funds are deposited and the certificates of deposit are issued for the account of the City, the issuing depository institution receives, from other federally insured depository institutions, wherever located, an amount equal to or greater than the amount of funds invested by the City through the depository institution issuing the certificates of deposit to the City;
7. commercial paper with a stated maturity of 270 days or fewer from the date of its issuance and:
 - a) is rated not less than A-1, P-1, or the equivalent by at least two nationally recognized credit rating agencies; or
 - b) is rated at least A-1, P-1, or the equivalent by at least one nationally recognized credit rating agency and is fully secured by an irrevocable letter of credit issued by a bank organized and existing under the laws of the United States or any state thereof;
8. fully collateralized repurchase agreements having a defined termination date, secured by obligations described by Section 2256.009(a) (1), pledged to the political entity held in the entity's name, and deposited at the time the investment is made with the entity or with a third party selected and approved by the entity, and is placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in this state;
9. mutual funds
 - a) a no-load money market mutual fund that is registered with and regulated by the Securities and Exchange Commission; has a dollar-weighted average stated maturity of 90 days or fewer; provides the investing entity with a prospectus and other information required by the Securities Exchange Act of 1934 or the Investment Company Act of

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1940; and in its investment objectives the maintenance of a stable net asset value of \$1.00 for each share; and investing entity owns 10% or less of the fund's total assets; or

b) a no-load mutual fund that it is registered with the Securities and Exchange Commission; has an average weighted maturity of less than two years; is invested exclusively in obligations approved by 2256. sections 9 through 16; is continuously rated as to investment quality by at least one nationally recognized investment rating firm of not less than AAA or its equivalent; and conforms to the requirements set forth in Sections 2256.016 (b) and (c) relating to the eligibility of investment pools to receive and invest funds of investing entities; with the following restrictions:

- 1) amount is limited to 15% of investing entity's monthly average fund balance, excluding bond proceeds, reserves, and debt service funds
- 2) ineligible for investment of bond proceeds, reserves, and debt service funds
- 3) investing entity may not own more than 10% of the fund's total assets.

10. any other type of securities as allowed under Section 2256, Sections 9 through 16, Texas Government Code.

Investment Strategy

The City of Plano maintains one portfolio in which all funds under the City's control, as specified in this policy, are pooled for investment purposes. One of the fund's primary objectives is to insure that maturities are matched with anticipated cash flows. Both short and longer-term maturities are laddered to meet general operating, capital project and debt service expenditures, based on known and projected cash flows. Five years is the maximum maturity for securities purchased after the effective date of this investment policy.

Another primary objective of the fund is the preservation and safety of principal by insuring that all securities are of a sufficiently high quality and duration so as to limit exposure to credit and market risks. Securities of all types are purchased with the intention of holding until maturity. The portfolio should therefore experience minimal volatility during varying economic cycles.

Other objectives include maintaining liquidity, including the ability to reasonably meet unanticipated needs by purchasing securities with an active secondary/resale market. Diversification is maintained in order to minimize possible credit risk in a specific security type.

The final objective of obtaining a market rate of return while considering risk constraints and cash flow needs, is much less important than safety of principal and liquidity. The majority of investments are limited to low risk securities earning an equitable rate of return relative to the amount of risk.

Collateralization

Collateralization is required for all City funds held in the depository as available funds, in certificates of deposit, and for repurchase agreements. In order to anticipate market changes and provide a level of security for all funds, the collateralization level will be 102% of market value of principal and accrued interest.

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Acceptable collateral includes securities as specified in the Public Funds Collateral Act, Chapter 2257, Texas Government Code.

Collateral will be held by an independent third party with whom the entity will sign a custodial agreement. Safekeeping receipts must be supplied to the entity and must be retained.

Additional collateral may be purchased as required, released when it is not needed, and substituted, if necessary, with the written consent of the Director of Finance, or his designee.

Safekeeping And Custody

All security transactions entered into by the City of Plano, with the exception of investment pools and mutual funds shall be conducted on a delivery-versus-payment (DVP) basis. Securities will be held by a third party custodian designated by the Investment Officer and Director of Finance. Safekeeping receipts and clearance documents will be required for all securities purchased by the City of Plano and held in safekeeping by an authorized third party.

Diversification

The City of Plano will diversify the portfolio at all times to ensure the reduction of risk while still maintaining average rates of return, and to ensure a certain degree of liquidity. The City of Plano will diversify its investments by security type in the following manner:

With the exception of United States Treasury securities and authorized pools, no more than 50% of the total investment portfolio will be invested in a single security type. (Such as FNMA, FHLB, FHLMC, CD's at one institution, etc.)

Maximum Maturities

To the extent possible, the City of Plano will attempt to match its investments with anticipated cash flow requirements. The City will not directly invest in securities maturing more than five years from the date of purchase. The portfolio's maximum average dollar-weighted maturity will be two and one half years based on the stated maturity date of the investment. The City is not required to liquidate investments that were authorized investments at the time of purchase.

Performance Standards

The investment portfolio will be designed to obtain a market average rate of return during unpredictable budgetary and economic cycles at the local and federal levels, taking into account the City of Plano's investment risk constraints and cash flow needs.

The City's investment strategy is primarily passive. Given this strategy, the basis, or benchmark, used by the Investment Officer to determine whether market yields are being achieved shall be the 3 month or 6 month Treasury Bill or 1 or 2 year Treasury Note, whichever is closest to the weighted average maturity of the portfolio.

Reporting

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The Investment Officer is responsible for providing monthly information on investment activity in the Comprehensive Monthly Finance Report, to include the size of the portfolio, the distribution by maturity, the distribution by market sector, interest income earned during the current month and fiscal year to date, and the current portfolio yield.

The Investment Officer will provide all additional reporting information as required by Section 2256.023 of the Texas Government Code.

Market Pricing

The investment portfolio will be marked to market monthly. Pricing information will come from Bloomberg, IDC, or any other source deemed reliable by the Treasurer. If the price of a particular security is not available from any of these sources, the price may be estimated by analyzing similar securities' market values.

Training

The Finance Director, Treasurer and Treasury Analyst must receive not less than 10 hours of instruction every two years relating to investment responsibilities from an independent source approved by the Investment Committee. In addition, each must attend at least one training session relative to their responsibilities under the Public Funds Investment Act of the State of Texas within twelve months after taking office or assuming duties.

Internal Controls

The Director of Finance is responsible for establishing appropriate internal controls. The Investment Officer is responsible for executing investment transactions and the Accounting division is responsible for preparation of general ledger journal entries based on documentation prepared by the Investment Officer.

Public Funds Investment Policy Review And Adoption

The City's Public Funds Investment Policy shall be reviewed periodically by the City Manager, Director of Finance, and Investment Officer and revised when necessary. In addition the policy must be reviewed not less than annually by the City Council. This review will include adoption of a written resolution stating that the Council has reviewed the Public Funds Investment Policy and investment strategies and include any changes made to the policy or strategies.

Investment Committee

An investment committee comprised of the City Manager, Director of Finance, and the Investment Officer, will meet on a quarterly basis. In addition to monthly and quarterly reporting to City Council, the Investment Officer will present a brief report of pertinent investment activities to the Investment Committee.

The primary objective of the Committee will be to review general strategies and policies and monitor investment program results.

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GLOSSARY

ASKED: The price at which securities are offered.

BANKERS' ACCEPTANCE (BA): A draft or bill or exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer.

BID: The price offered for securities.

BOOK VALUE: Original acquisition cost of an investment plus or minus the accrued amortization or accretion

BROKER: A broker brings buyers and sellers together for a commission paid by the initiator of the transaction or by both sides; in contrast to a "principal" or a "dealer," he does not own or take a position in the security. In the money market, brokers are active in markets in which banks buy and sell money and in interdealer markets.

CERTIFICATE OF DEPOSIT (CD): A time deposit with a specific maturity evidenced by a certificate. Large-denomination CD's are typically negotiable.

COLLATERAL: Securities, evidence of deposit or other property which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

COLLATERALIZED MORTGAGE OBLIGATION (CMO): Mortgage-backed security that separates mortgage pools into short, medium, and long-term portions. Depending on individual needs, an investor can select a CMO of an appropriate duration.

COMMERCIAL PAPER: Short-term, unsecured promissory notes issued by corporations to finance short-term credit needs. Commercial paper is usually sold on a discount basis and has a maturity at the time of issuance not exceeding nine months.

COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR): The official report for the City of Plano. It includes five combined statements and basic financial statements for each individual fund and account group prepared in conformity with GAAP. It also includes supporting schedules necessary to demonstrate compliance with finance-related legal and contractual provisions, extensive introductory material, and a detailed Statistical Section.

COUPON: (a) The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value. (b) A certificate attached to a bond evidencing interest due on a payment date.

CUSIP: A unique security identification number assigned to securities maintained and transferred on the Federal Reserve book-entry system.

DEALER: A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account.

DEBENTURE: A bond secured only by the general credit of the issuer.

DELIVERY VERSUS PAYMENT: Delivery of securities with an exchange of money for the securities.

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DEPOSITORY: The bank, credit union, or savings association selected by a municipality to provide depository services. Under Texas State statute, "bank" means a state bank or a national bank domiciled in this state; "credit union" means a state credit union or federal credit union domiciled in this state; and "depository services" means the receipt and disbursement of funds by a depository in accordance with the terms of a depository services contract.

DISCOUNT SECURITIES: Non-interest bearing money market instruments that are issued at a discount and redeemed at maturity for full face value, e.g., U.S. Treasury bills.

DISCOUNT: The difference between the cost price of a security and its value at maturity when quoted at lower than face value. A security selling below original offering price shortly after sale also is considered to be at a discount.

DIVERSIFICATION: Investment in a number of different security issues for the purpose of spreading and reducing the risks inherent in all investing.

FARM CREDIT SYSTEM: Created by Congress in 1916, this nationwide system of banks and associations provides mortgage loans, credit and related services to farmers, rural homeowners and agricultural and rural cooperatives.

FEDERAL CREDIT AGENCIES: Agencies of the Federal government set up to supply credit to various classes of institutions and individuals, e.g., S&L's, small business firms, students, farmers, farm cooperatives, and exporters.

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC): A federal agency that insures bank deposits, currently up to \$100,000 per deposit.

FEDERAL FUNDS RATE: The rate of interest at which Fed funds are traded. This rate is currently pegged by the Federal Reserve through open-market operations.

FEDERAL HOME LOAN BANK SYSTEM: Created in 1932, this system consists of 12 regional banks, which are owned by private member institutions and regulated by the Federal Housing Finance Board. Functioning as a credit reserve system, the system facilitates extension of credit through its owner-members in order to provide access to housing and to improve the quality of communities. Federal Home Loan Bank issues are joint and several obligations of the 12 Federal Home Loan Banks.

FEDERAL HOME LOAN MORTGAGE CORPORATION (FHLMC) OR FREDDIE MAC: A stockholder-owned corporation established by Congress in 1970 to provide a continuous flow of funds to mortgage lenders, primarily through developing and maintaining an active nationwide secondary market in conventional residential mortgages, Freddie Mac purchases a large volume of conventional residential mortgages and uses them to collateralize mortgage-backed securities. Freddie Mac is a publicly held corporation whose stock trades on the New York Stock Exchange.

FEDERAL NATIONAL MORTGAGE ASSOCIATION (FNMA) OR FANNIE MAE: FNMA, like GNMA, was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal corporation working under the auspices of the Department of Housing and Urban Development, HUD. It is the largest single provider of residential mortgage funds in the United States. Fannie Mae is a private stockholder-owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans in addition to fixed-rate mortgages. FNMA's securities are also highly liquid and are widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.

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FEDERAL OPEN MARKET COMMITTEE (FOMC): Consists of seven members of the Federal Reserve Board and five of the twelve Federal Reserve Bank Presidents. The President of the New York Federal Reserve Bank is a permanent member while the other Presidents serve on a rotating basis. The Committee periodically meets to set Federal Reserve guidelines regarding purchases and sales of Government Securities in the open market as a means of influencing the volume of bank credit and money.

FEDERAL RESERVE SYSTEM: The central bank of the United States created by Congress and consisting of a seven member Board of Governors in Washington, D.C., 12 regional banks and about 5,700 commercial banks that are members of the system.

GOVERNMENT AGENCY ISSUES: Debt securities issued by government-sponsored enterprises, federal agencies, and international institutions. Such securities are not direct obligations of the Treasury and involve government sponsorship or guarantees.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION (GNMA OR GINNIE MAE): Securities guaranteed by GNMA and issued by mortgage bankers, commercial banks, savings and loan associations, and other institutions. Security holder is protected by full faith and credit of the U.S. Government. Ginnie Mae securities are backed by FHA, VA or FMHM mortgages. The term pass-through is often used to describe Ginnie Maes.

LIQUIDITY: A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be done at those quotes.

LOCAL GOVERNMENT INVESTMENT POOL (LGIP): The aggregate of all funds from political subdivisions that are placed in the custody of a state managed pool, or other qualifying pool(s) that meet state statute criteria, for investment and reinvestment.

MARK-TO-MARKET: The practice of valuing a portfolio or security on a regular scheduled basis (e.g. daily, weekly, monthly, quarterly), according to market value.

MARKET VALUE: The current face or par value of an investment multiplied by the net selling price of the security as quoted by a recognized market pricing source quoted on the valuation date.

MATURITY: The date upon which the bond principal or stated value of an investment becomes due and payable in full to the bondholder.

MONEY MARKET: The market in which short-term debt instruments (bills, commercial paper, bankers' acceptances, etc.) are issued and traded.

MUTUAL FUNDS: Mutual fund providers are investment companies that sell shares to investors, offering investors diversification and professional portfolio management. Prices fluctuate with the performance of the fund. Money market mutual funds invest in short-term securities such as treasury bills, bank CD's and commercial paper.

OPEN MARKET OPERATIONS: Purchases and sales of government and certain other securities in the open market by the New York Federal Reserve Bank as directed by the FOMC in order to influence the volume of money and credit in the economy. Purchases inject reserves into the bank system and stimulate growth of money and credit; sales have the opposite effect. Open market operations are the Federal Reserve's most important and most flexible monetary policy tool.

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PAC BANDS OR RANGES: A range of constant PSA (Public Securities Association) prepayment speeds defined by a minimum and maximum under which the PAC scheduled prepayment will remain unchanged. There can be multiple levels of PACs in a REMIC, each having successively narrower PAC bands. The widest band PACs are primary PACs, the next are secondary or tertiary PACs.

PAC: Planned Amortization Class (PAC) tranches provide investors with scheduled payments (PAC Schedule) over a range of prepayment speeds (PAC band or range). PAC tranches typically are combined with companion tranches that reduce the risk of prepayments varying from a constant speed or range.

PAR: The value of a security as expressed on its face ("face value") without consideration of a discount or premium.

PORTFOLIO: Collection of securities held by an investor.

POSITIVE YIELD CURVE: A condition where interest rates are higher on long-term debt securities than on short-term debt securities of the same quality.

PREMIUM: The price that a security demands over its PAR. This is the difference between the price of a bond and its value at maturity (PAR) when the price is higher than the maturity. It is the opposite of discount.

PRIMARY DEALER: A group of government securities dealers that submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC) registered securities broker-dealers, banks, and a few unregulated firms.

PRUDENT PERSON RULE: An investment standard. In some states the law requires that a fiduciary, such as a trustee, may invest money only in a list of securities selected by the state, (the-so-called legal list). In other states, the trustee may invest in a security if it is one which would be bought by a prudent person of discretion and intelligence who is seeking a reasonable income and preservation of capital.

PSA PREPAYMENT SPEEDS: Prepayments on mortgage loans commonly are expressed relative to a prepayment standard or model. The model used for REMICs generally is the Public Securities Association's standard prepayment model (PSA). This model represents an assumed rate of prepayment each month of the then outstanding principal balance of a pool of new mortgage loans.

QUALIFIED REPRESENTATIVE: A person who holds a position with a business organization, who is authorized to act on behalf of the business organization, and who is one of the following: A) for a business organization doing business that is regulated by or registered with a securities commission, a person who is registered under the rules of the National Association of Securities Dealers; B) for a state or federal bank, savings bank, or state or federal credit union, a member of the loan committee for the bank or branch of the bank or a person authorized by corporate resolution to act on behalf of and bind the banking institution; or C) for an investment pool, the person authorized by the elected official or board with authority to administer the activities of the investment pool to sign the written instrument on behalf of the investment pool.

RATE OF RETURN: The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond or the current income return.

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RATING: A formal opinion by an outside professional service on the credit reputation of an issuer and the investment quality of its securities. This opinion is expressed in letter values (e.g. AAA, Baa-1).

REMIC: A real estate mortgage investment conduit is a multiple-class security backed by MBS (Mortgage-Backed Securities) and formed as a trust, corporation, partnership, or segregated pool of assets, that elects to be treated as a REMIC for federal tax purposes. Fannie Mae REMICs are formed as trusts.

REPURCHASE AGREEMENT (REPO): A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date. The security "buyer" in effect lends the "seller" money for the period of the agreement, and the terms of the agreement are structured to compensate him for this. Dealers use REPOs extensively to finance their positions.

SAFEKEEPING: A service to customers rendered by banks for a fee whereby securities owned by the City are safekept. Securities are recorded in the customer's name and are inaccessible to anyone else. Collateral to secure repurchase agreements is also safekept, usually at the same financial institution.

SEC RULE 15C3-1: See uniform net capital rule.

SECONDARY MARKET: A market made for the purchase and sale of outstanding issues following the initial distribution.

SECURITIES & EXCHANGE COMMISSION: Agency created by Congress to protect investors in securities transactions by administering securities legislation.

STUDENT LOAN MARKETING ASSOCIATION (SALLIE MAE): A government-sponsored entity created by the Higher Education Act of 1965 to provide liquidity for private lenders (banks, savings and loan associations, educational institutions, state agencies and other lenders), Sallie Mae participates in the Federal Guaranteed Student Loan Program, and is owned by its stockholders and its shares trade on the New York Stock Exchange.

TENNESSEE VALLEY AUTHORITY: A wholly owned corporation of the United States government, the TVA was established in 1933 to develop the resources of the Tennessee Valley region in order to strengthen the regional and national economy and the national defense. TVA securities represent obligations of TVA, payable solely from TVA's net power proceeds, and are neither obligations of nor guaranteed by the United States. TVA is currently authorized to issue debt up to \$30 billion. Under this authorization, TVA also may obtain advances from the Treasury of up to \$150 million.

TREASURY BILLS: A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months, or one year.

TREASURY BOND: Long-term U.S. Treasury securities having initial maturities of more than ten years.

TREASURY NOTES: Intermediate term coupon bearing U.S. Treasury securities having initial maturities of from one to ten years.

U.S. GOVERNMENT SECURITIES: Various types of marketable securities issued by the U.S. Treasury, including bills, notes, and bonds. Such securities are direct obligations of the U.S. government and differ mainly in the length of their maturity. Treasury bills, the most frequently

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issued marketable government security, have a maturity of up to one year and are issued on a discount basis.

WEIGHTED-AVERAGE LIFE: The weighted-average life refers to the average amount of time that will elapse from the date of a security's issuance until each dollar of principal is repaid to the investor. The weighted-average life of each class of REMIC is influenced by, among other factors, the rate at which principal, both scheduled and unscheduled, is paid on the mortgage loans underlying the MBS (Mortgage-Backed Securities) that back the REMIC.

UNIFORM NET CAPITAL RULE: Securities and Exchange Commission requirement that member firms as well as non-member broker-dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called *net capital rule* and *net capital ratio*. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash.

YIELD: The rate of annual income return on an investment, expressed as a percentage. Income yield is obtained by dividing the current dollar income by the current market price for the security. Net yield or yield to maturity is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

ZERO-COUPON SECURITY: A security that makes no periodic interest payments but instead is sold at a deep discount from its face value. Because zero-coupon bondholders do not receive interest payments, these bonds are the most volatile of all fixed-income securities.

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**CITY OF PLANO
COUNCIL AGENDA ITEM**

CITY SECRETARY'S USE ONLY		Reviewed by Purchasing	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> Not Applicable
<input type="checkbox"/> Consent <input type="checkbox"/> Regular <input type="checkbox"/> Statutory		Reviewed by Budget	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> Not Applicable
Council Meeting Date: 8/28/06		Reviewed by Legal <i>pu</i>	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> Not Applicable
Department:	Human Resources		Initials	Date
Department Head	LaShon Ross <i>for</i>	Executive Director	<i>[Signature]</i>	8-16-06
Dept Signature:		City Manager	<i>[Signature]</i>	8/16/06
Agenda Coordinator (include phone #):				
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				
CAPTION				
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PLANO, TEXAS, APPROVING THE TERMS AND CONDITIONS OF A PROFESSIONAL SERVICES CONTRACT BY AND BETWEEN THE CITY OF PLANO, TEXAS AND GRANT THORNTON, LLC FOR AUDITING SERVICES WITH REGARD TO THE 401(A) PLAN; AUTHORIZING ITS EXECUTION BY THE CITY MANAGER OR, IN HIS ABSENCE, AN EXECUTIVE DIRECTOR; AND PROVIDING AN EFFECTIVE DATE.				
FINANCIAL SUMMARY				
<input type="checkbox"/> NOT APPLICABLE <input type="checkbox"/> OPERATING EXPENSE <input type="checkbox"/> REVENUE <input type="checkbox"/> CIP				
FISCAL YEAR:	Prior Year (CIP Only)	Current Year	Future Years	TOTALS
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:				
SUMMARY OF ITEM				
This item approves the professional services agreement by and between the City of Plano and Grant Thornton, LLP for auditing services with regard to the plan years 2005 and 2006 for the 401(a) Plan. These services are required by law and must be furnished. This will be the final audit of the Plan as it was liquidated this year.				
List of Supporting Documents:		Other Departments, Boards, Commissions or Agencies		
n/a		n/a		

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RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PLANO, TEXAS, APPROVING THE TERMS AND CONDITIONS OF A PROFESSIONAL SERVICES CONTRACT BY AND BETWEEN THE CITY OF PLANO, TEXAS AND GRANT THORNTON, LLC FOR AUDITING SERVICES WITH REGARD TO THE 401(A) PLAN; AUTHORIZING ITS EXECUTION BY THE CITY MANAGER OR, IN HIS ABSENCE, AN EXECUTIVE DIRECTOR; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Council has been presented a proposed Professional Services Contract for auditing services with regard to the City's 401(a) Plan, 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, in his absence, an Executive Director, 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 in his absence, an Executive Director, 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 _____, 2006.

Pat Evans, MAYOR

ATTEST:

Elaine Bealke, CITY SECRETARY

APPROVED AS TO FORM:

Diane C. Wetherbee, CITY ATTORNEY

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Accountants and Business Advisors

May 13, 2006

Mr. Thomas H. Muehlenbeck
City Manager

Ms. Darlene McAndrew
Plan Administrator
City of Plano
1520 Avenue K
Plano, Texas 75086

Dear Mr. Muehlenbeck and Ms. McAndrew:

Thank you for meeting with us to discuss the requirements of our forthcoming engagement. This letter (the "Engagement Letter") documents our mutual understanding of the arrangements for the services described herein.

Scope of services

Grant Thornton LLP ("Grant Thornton") will perform an audit of the financial statements of the Savings and Retirement Plan for Employees of the City of Plano (the "Plan") as of December 31, 2005, and for the year then ended and for the period preceding liquidation during 2006, which are to be included in the Plan's filings with the Texas Pension Review Board.

Our audits will be conducted in accordance with auditing standards generally accepted in the United States of America ("US GAAS") established by the Auditing Standards Board of the American Institute of Certified Public Accountants ("AICPA"). Our audits will include our examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant judgments and estimates made by management, as well as evaluating the overall financial statement presentation.

An audit includes obtaining an understanding of internal control sufficient to plan the audit and to determine the nature, timing and extent of audit procedures to be performed. An audit is not designed to provide assurance on internal control or to identify internal control deficiencies. However, we are responsible for communicating to the Plan Committee (the "Committee") significant deficiencies and material weaknesses in internal control over financial reporting that come to our attention during the course of our engagement.

When conducting an audit on a test basis, US GAAS requires the auditor to obtain reasonable assurance that the financial statements are free of material misstatement, whether caused by error or fraud. An audit is not a guarantee of the accuracy of the financial statements and is subject to the inherent risk that errors, fraud or illegal acts, including prohibited transactions with parties-in-interest and other violations of rules and regulations, if they exist, might not be detected. Accordingly, a material misstatement may remain undetected. Although not absolute assurance, reasonable assurance is, nevertheless, a high level of assurance. However, an audit is not a special engagement designed to detect errors or fraud that is immaterial to the financial statements. If you wish us to direct special audit procedures to particular matters, we would be pleased to work with you to develop a separate engagement for that purpose.

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Grant Thornton LLP

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Mr. Thomas H. Muehlenbeck and Ms. Darlene McAndrew

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As a part of our audits, we will also perform certain procedures, as required by US GAAS, directed at considering the Plan's compliance with applicable Internal Revenue Code requirements for tax-exempt status, including inspecting the Plan's latest tax determination letter from the Internal Revenue Service ("IRS"). As we conduct our audits, we will be aware of the possibility that events affecting the Plan's tax status may have occurred. You should recognize, however, that our audits do not contemplate an opinion on plan tax qualification. However, if matters come to our attention regarding lack of compliance with those requirements, such matters will be discussed with you. Such noted matters may affect our report on the basic financial statements.

Our overall objective will be the completion of the foregoing audits and, upon their completion and subject to their findings, the rendering of our reports, which will express our opinion on the financial statements. However, it is possible that because of unexpected circumstances, we may determine that we are unable to complete the engagement or that we are unable to or cannot form an opinion. In those circumstances, we may decline to express an opinion or decline to issue a report as a result of the engagement. If, in our professional judgment, the circumstances require, we may resign from the engagement prior to completion.

Plan Administrator's responsibilities

As you are aware, the financial statements are the responsibility of the Plan Administrator. The Plan Administrator is responsible for the data and information set forth therein, as well as for the evaluation of the capability and integrity of the Plan Administrator's personnel and the City of Plano's ("Plan Sponsor") personnel".

The Plan Administrator should discuss with the Committee the:

- appointment, compensation and oversight of our work as independent auditors. The Plan Administrator should ensure that the Committee understands their responsibility to periodically review all audit and non-audit services that we perform.
- adequacy of the Plan's internal control over financial reporting and the identification of any significant deficiencies or material weaknesses, including the related corrective action proposed
- Plan's critical accounting policies and, for the initial selection of or changes to significant accounting policies or their application, the reasons for the selection or the change
- process used by the Plan Administrator in formulating particularly sensitive accounting judgments and estimates and whether the possibility exists that future events affecting these estimates may differ markedly from current judgments
- basis used by the Plan Administrator in determining that uncorrected misstatements, including missing disclosures, proposed by us, but not recorded by the Plan, are immaterial, both individually and in the aggregate, to the financial statements taken as whole. The Plan Administrator should also discuss whether any of these uncorrected misstatements could potentially cause future financial statements to be materially misstated.

The Plan Administrator is also responsible for:

- fairly presenting the financial statements in conformity with generally accepted accounting principles and with applicable regulations, which includes adopting sound accounting practices and complying with changes in accounting principles, rules and regulations and related guidance

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- making all financial records, documentation of internal control over financial reporting and related information available to us during our engagement
- ensuring that the Plan complies with all laws, regulations, contracts and grants, and for informing us of any known violations of such laws, regulations, contracts and grants
- establishing and maintaining effective internal control over financial reporting, which includes adequate accounting records and procedures to safeguard the Plan's assets, and for informing us of all known significant deficiencies and material weaknesses in, and changes in, internal control over financial reporting
- informing us of its views about the risk of fraud within the Plan and its awareness of any known or suspected fraud and the related corrective action proposed
- adjusting the financial statements, including disclosures, to correct material misstatements and for affirming to us in a representation letter that the effects of any uncorrected misstatements, including missing disclosures, aggregated by us during the current engagement, including those pertaining to the latest period presented, are immaterial, both individually and in the aggregate, to the financial statements taken as a whole
- informing us of any subsequent discovery of facts that may have existed at the date of our auditors' report, which may have affected the financial statements or the related disclosures.

Accordingly, we will require the Plan Administrator's and Plan Sponsor's cooperation to complete our services in sufficient time for the inclusion of our reports on the financial statements with the appropriate Plan's filings. In addition, US GAAS requires us to obtain written representations regarding such matters, which we will rely upon.

Our responsibilities

Professional standards require us to determine that certain matters related to the conduct of the audit that come to our attention are communicated to the Committee, including:

- fraud involving the Plan Administrator and fraud, whether caused by the Plan Administrator, the Plan Sponsor or other parties-in-interest that causes a material misstatement of the financial statements taken as a whole
- illegal acts, unless clearly inconsequential. To fulfill our responsibilities, we may need to consult with the Plan's legal counsel and/or counsel of our choosing about any such illegal acts that we become aware of. Additional fees, including legal fees, if any, will be billed to the Plan Sponsor (or Plan). The Plan Administrator and Plan Sponsor agree to ensure full cooperation with any procedures that we may deem necessary to perform.
- disagreements with the Plan Administrator and other serious difficulties encountered in performing the audit
- various matters related to the Plan's accounting policies and financial statements, such as the basis for our conclusions regarding the reasonableness of significant judgments and estimates made by the Plan Administrator, audit adjustments, uncorrected misstatements and accounting policies.

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Use of our report**Other filings**

The inclusion, publication or reproduction by the Plan or Plan Sponsor of our report in documents containing information in addition to the financial statements and our report thereon (for example, annual reports and summary plan documents) may require us to perform additional procedures to fulfill our professional or legal responsibilities. Accordingly, our report should not be used for any such purposes without our prior written permission. In addition, to avoid unnecessary delay or misunderstandings, it is important that you give us timely notice of the Plan's or Plan Sponsor's intention to issue any such document.

Other non-audit services

Our engagement may include certain bookkeeping services for the Plan. The objective of such bookkeeping services will be to assist you in drafting the Plan's financial statements based on information in the trial balance and other information to be provided to us that is approved by you.

As mentioned previously, the financial statements, including the data and information set forth therein, are the responsibility of the Plan Administrator. With respect to our bookkeeping services, the Plan Administrator is also responsible for:

- making all management decisions and performing all management functions
- designating an individual who possesses suitable skills, knowledge and/or experience, preferably within senior management, to oversee the services
- evaluating the adequacy and the results of the services performed
- accepting responsibility for the results of the services
- establishing and maintaining internal controls, including monitoring on-going activities.

Accordingly, our bookkeeping services will not include management functions or making management decisions. However, we may provide advice, research materials and recommendations to assist you in performing your responsibilities.

Any other non-audit services that you request will be covered in a separate engagement letter.

Fees**Standard billings**

This engagement will be undertaken based on our normal hourly rates. Our billings for the services set forth in this Engagement Letter, which are payable within 20 days of receipt, will be rendered as follows:

<u>Billing</u>	<u>2005 Audit</u>	<u>2006 Audit</u>	<u>Total fees</u>
First billing	\$10,000	\$ 7,000	\$17,000
Second billing	3,000	2,000	5,000
Final billing	<u>2,500</u>	<u>1,000</u>	<u>3,500</u>
	<u>\$15,500</u>	<u>\$10,000</u>	<u>\$25,500</u>

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In addition, we will bill for our expenses, including an administrative charge of 4 percent of fees to cover items such as copies, postage, supplies, computer and technology usage, software licensing, research and library databases and similar expense items.

If it appears that the estimated fee will be exceeded, we will bring this to your attention.

Additional billings

Of course, circumstances may arise that will require us to do more work. Some of the more common circumstances include: changing auditing and reporting requirements from the AICPA, the Financial Accounting Standards Board (FASB) or other principles-setting bodies, incorrect accounting applications or errors in Plan records, failure to furnish accurate and complete information to us on a timely basis and unforeseen events, including regulatory changes.

At Grant Thornton, we pride ourselves on our ability to provide outstanding service and meet our clients' deadlines. To help accomplish this goal, we work hard to have the right professionals available. This involves complex scheduling models to balance the needs of our clients and the utilization of our people, particularly during peak periods of the year. Last minute client requested scheduling changes result in costly downtime due to our inability to make alternate arrangements for our staff.

We have mutually agreed to commence final fieldwork for the services described in this Engagement Letter on July 31, 2006. If you do not provide proper notice, which we consider to be one week, of your inability to meet these dates for any reason, or do not provide us with sufficient information required to complete the work in a timely manner, additional billings will be rendered for any downtime of our professional staff.

Adoption of new standards

The FASB, the Emerging Issues Task Force and other regulatory bodies frequently issue new accounting standards and guidance. In some circumstances, standards may be issued and become effective in the same period, providing a limited implementation phase. Accordingly, the estimated fees do not include the impact of changes to accounting standards and guidance on this year's audit. In such circumstances, we will discuss the additional audit procedures and related fees with you.

Other costs

Except with respect to a dispute or litigation between Grant Thornton and the Plan or Plan Sponsor as it relates to the services provided herein, our costs and time spent in legal and regulatory matters or proceedings arising from our engagement, such as subpoenas, testimony, or consultation involving private litigation, arbitration, industry or government regulatory inquiries, whether made at the Plan's request or by subpoena, will be billed to the Plan Sponsor (or Plan) separately.

Other matters

Relationship to Grant Thornton International

Grant Thornton is the U.S. member firm of Grant Thornton International ("GTI"), a global organization of member firms in 110 countries. Member firms are not members of one international partnership or otherwise legal partners with each other. There is no common ownership, control, governance, or agency relationship between member firms.

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Audit documentation

The documentation for this engagement is the property of Grant Thornton and constitutes confidential information. To the extent that the Public Information Act requires disclosure of information, the parties agree to comply with the law but reserve all rights to object to disclosure and pursue any remedies in law to protect their respective interests. We have a responsibility to retain the documentation for a period of time sufficient to satisfy any applicable legal or regulatory requirements for records retention. However, we may be requested to make certain documentation available to the IRS or other applicable governmental agency ("Regulators") pursuant to law or regulations. If requested, access to the documentation will be provided to the Regulators under the supervision of Grant Thornton audit personnel and at a location designated by us. Furthermore, upon request, we may provide photocopies of selected documentation to the Regulators. The Regulators may intend, or decide, to distribute the photocopies or information contained therein to others, including other governmental agencies. The Plan Administrator and Plan Sponsor hereby authorize us to allow the Regulators access to, and photocopies of, the documentation in the manner discussed above.

Electronic transmittals

During the course of our engagement, Grant Thornton, the Plan or the Plan Sponsor may need to electronically transmit confidential information to each other and to other entities engaged by either party. E-mail is a fast and convenient way to communicate. However, e-mail is not a secure means of communication and thus, confidentiality could be compromised. You agree to the use of e-mail and other electronic methods to transmit and receive information, including confidential information, between Grant Thornton, the Plan and the Plan Sponsor and between Grant Thornton and third-party service providers or other entities engaged by Grant Thornton, the Plan or the Plan Sponsor.

Standards of performance

We will perform our services in conformity with the terms expressly set forth in this Engagement letter, including all applicable professional standards. Accordingly, our services shall be evaluated solely on our substantial conformance with such terms and standards. Any claim of nonconformance must be clearly and convincingly shown.

Grant Thornton's liability under the terms of this letter will not include responsibility for any claimed exemplary or punitive damages even if Grant Thornton was advised in advance of such potential damages. In the event of any controversy or claim against us arising from or related to the services described herein, we shall be entitled, at our option and our expense, to defend ourselves from such controversy or claim or to participate in any settlement, administrative or judicial proceedings.

Compliance with City of Plano's Charter and Ethics Ordinance

In compliance with the City of Plano's Charter and Ethics Ordinance, Grant Thornton agrees to execute the attached affidavit of no prohibited interest by a representative who has authority to make such representation on behalf of it.

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Authorization

This Engagement Letter sets forth the entire understanding between the Plan, the Plan Sponsor and Grant Thornton regarding the services described herein and supersedes any previous proposals, correspondence and understandings, whether written or oral. If any portion of this Engagement Letter is held invalid, it is agreed that such invalidity shall not affect any of the remaining portions.

Compliance with City Ethics Code regarding Conflict of Interest

Grant Thornton agrees that it will execute the attached Conflict of Interest Affidavit, as shown in Exhibit A, as a condition of providing services to the City and as required by City Ethics Code.

Please confirm your acceptance of this Engagement Letter by signing below and returning one copy to us in the enclosed self-addressed envelope. We appreciate the opportunity to continue to work with you and assure you that this engagement will be given our closest attention.

Very truly yours,

GRANT THORNTON LLP

Ben D. Kohnle
Partner

Enc. Exhibit A

Agreed and Accepted by:

CITY OF PLANO AND THE SAVINGS AND RETIREMENT PLAN FOR EMPLOYEES OF THE CITY OF PLANO

Mr. Thomas H. Muehlenbeck, City Manager

Date: _____

Ms. Darlene McAndrew, Plan Administrator

Date: _____

APPROVED AS TO FORM:

BY
Diane C. Wetherbee, City Attorney



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AFFIDAVIT OF NO PROHIBITED INTEREST

I, the undersigned declare and affirm that no person or officer of Grant Thornton LLP (herein "Contractor") is either employed by the City of Plano or is an elected official of the City of Plano and who has a financial interest, direct or indirect, in any contract with the City of Plano or has a financial interest, directly or indirectly, in the sale to the City of Plano of any land, or rights or interest in any land, materials, supplies or service. As per Section 11.02 of the Plano City Charter, interest represented by ownership of stock by a City of Plano employee or official is permitted if the ownership amounts to less than one (1) per cent of the corporation stock.

I further understand and acknowledge that the existence of a prohibited interest at any time during the term of this contract will render the contract voidable.

Grant Thornton LLP
Name of Contractor

By: Ben D. Kohnle
Signature

Ben D. Kohnle
Print Name

Partner
Title

May 13, 2006
Date

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CITY OF PLANO COUNCIL AGENDA ITEM

CITY SECRETARY'S USE ONLY		Reviewed by Purchasing	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> Not Applicable	
<input type="checkbox"/> Consent	<input type="checkbox"/> Regular	<input type="checkbox"/> Statutory	Reviewed by Budget	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> Not Applicable
Council Meeting Date: 8/28/06		Reviewed by Legal	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> Not Applicable	
Department:	Planning		Initials	Date	
Department Head	Phyllis M. Jarrell		Executive Director	<i>[Signature]</i> 8/22/06	
Dept Signature:	<i>[Signature]</i>		City Manager	<i>[Signature]</i> 8/22/06	
Agenda Coordinator (include phone #): Lynn Woodall, ext. 7156					

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

CAPTION

APPROVING A LICENSE AGREEMENT BY AND BETWEEN THE CITY OF PLANO AND 15TH STREET CAFÉ AND BAKERY FOR USE OF A PORTION OF PUBLIC PROPERTY FOR OUTDOOR PATIO DINING ON THE WEST SIDE OF THE RESTAURANT.

FINANCIAL SUMMARY

NOT APPLICABLE OPERATING EXPENSE REVENUE CIP

FISCAL YEAR: 2005-2006	Prior Year (CIP Only)	Current Year	Future Years	TOTALS
Budget	0	0	0	0
Encumbered/Expended Amount	0	0	0	0
This Item	0	306.00	384.00	690.00
BALANCE	0	306.00	384.00	690.00

FUND(S): **PROPERTY MANAGEMENT FUND**

COMMENTS: Approval of this item will enter the City into a license agreement for the use of public right-of-way in the amount of \$306.00 for the first two years and \$384.00 per year for each subsequent year.

STRATEGIC PLAN GOAL: Entering into this license agreement relates to the City's Goal of Livable Neighborhoods and Urban Centers.

SUMMARY OF ITEM

The operators of 15th Street Café and Bakery wish to add an outdoor dining area on the west side of the restaurant at 1112 15th Street. A portion of the outdoor dining area would be on public property. The license agreement sets forth the terms and conditions for use of public property, including an annual license fee. The outdoor dining area will not encroach into the public sidewalk.

List of Supporting Documents:

Resolution
License Agreement

Other Departments, Boards, Commissions or Agencies

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RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PLANO, TEXAS, APPROVING A LICENSE AGREEMENT BY AND BETWEEN THE CITY OF PLANO, TEXAS, AND JEFF BARNES, DBA 15TH STREET CAFÉ, A SOLE PROPRIETORSHIP, FOR USE OF A 276± SQUARE FOOT PORTION OF PROPERTY OWNED BY THE CITY OF PLANO AND SITUATED ON THE WEST SIDE OF THE RESTAURANT LOCATED AT 1112 EAST 15TH STREET.

WHEREAS, the City Council has been presented a License Agreement by and between the City of Plano, Texas, and Jeff Barnes, dba 15th Street Café, a sole proprietorship, ("Licensee") governing Licensee's usage of a 276± square foot portion of property owned by the City of Plano situated on the west side of the Licensee's Restaurant at 1112 East 15th Street for purposes of patio dining, a substantial copy of which is attached hereto as Exhibit "A" and incorporated herein by reference; and;

WHEREAS, upon full review and consideration of the License 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 License 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 License 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 License Agreement.

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

DULY PASSED AND APPROVED THIS THE 28TH DAY OF AUGUST, 2006.

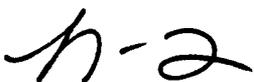
ATTEST:

Pat Evans, MAYOR

Elaine Bealke, CITY SECRETARY

APPROVED AS TO FORM:

Diane C. Wetherbee, CITY ATTORNEY



LICENSE AGREEMENT

STATE OF TEXAS

§

§

KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF COLLIN

§

THIS LICENSE AGREEMENT is made and entered into by and between the **CITY OF PLANO, TEXAS**, a home-rule municipal corporation, hereinafter called Licensor and Jeff Barnes, dba 15th Street Café, a Sole Proprietorship, hereinafter called Licensee. In consideration of the mutual covenants and agreements set forth herein, and other good and valuable consideration, Licensor does hereby grant to Licensee, a revocable nonexclusive license to use a 276± square foot area of property owned by the City of Plano, located on the west side of the Licensee's restaurant, located at 1112 East 15th Street, Plano, Texas 75074, more particularly described by metes and bounds in Exhibit "A" which is attached hereto and made a part hereof for all intents and purposes (hereinafter "Premises").

This License is granted subject to the terms and conditions set out below:

1. License Term. The term of this License shall continue in force for a period of seven (7) years from the last date of execution of this Agreement indicated below and may thereafter be renewed and extended for successive terms of three (3) years subject to Licensor's written agreement to renew and extend the term.

2. Permitted Use. Licensee's use of the Premises is limited to patio dining, the serving of food and beverages in compliance with Licensee's Certificate of Occupancy, applicable zoning regulations, applicable City ordinances and permits and all State and Federal laws and regulations. In no event shall Licensee obstruct or interfere with the public's use of any sidewalk or public right-of-way, except as specifically permitted by this License Agreement.

3. Nonexclusive License. This License is nonexclusive and is subject to (i) any existing utility, drainage, or communication facility located in, under, or upon the Premises; (ii) to any existing license, easement or other similar interest in the Premises granted by Licensor to any individual, corporation or other entity, public or private; and (iii) to all other matters of record.

4. Superior Right. This License is subject and subordinate to the prior and continuing right of Licensor, its successors and assigns to use all of the public property for the public benefit. Licensor, for itself and other permitted users, reserves full rights, consistent with the rights herein granted to construct, reconstruct, locate, relocate, maintain and operate existing and additional facilities upon, across, over and beneath the Premises.

5. Revocable. This License is revocable and may be terminated by either party for convenience upon thirty (30) days written notice.

6. License Fee. Licensee shall pay Licensor the sum of \$1.11 per square foot per year, during the first two (2) years of this Agreement and \$1.39 per square foot during each year thereafter. The first payment shall be due and payable within ten (10) days of Licensee executing this Agreement, and with all subsequent payments being due and payable on or before February 1st of each succeeding year.

All annual license payments shall reference this License Agreement on the check and shall be paid to Licensor at the following address:

City of Plano, Texas
Attention: Accounting Department
PO Box 860279
Plano, TX 75086-0358

Annual License payments unpaid for thirty (30) days after their due date shall bear interest at the rate of eighteen percent (18%) per annum.

7. Liability Insurance. During the license term Licensee shall maintain a policy of general liability insurance at Licensee's expense insuring Licensee against liability assumed by Licensee hereunder and insuring Licensee and Licensor against liability arising out of or in any way incident to ownership, use, occupancy or maintenance of the Premises made the subject of this License. Such policy or policies shall also provide that the policy is primary and shall apply without regard to other policies separately carried. The initial amount of required insurance shall be at least \$1,000,000.00 Combined Single Limit for Personal Injury, Bodily Injury including death and Property Damage and shall be subject to period increases based upon inflation, recommendation of professional insurance advisors, and other relevant factors.

Licensor, its elected officials, officers, agents and employees must be named as an additional insured under all liability insurance policies required by this Agreement. All policies shall be endorsed to provide a waiver of subrogation in favor of the Licensor. All policies shall be endorsed to include the following provision: "It is agreed that this policy is not subject to cancellation, nonrenewal, material change, or reduction in coverage until ten (10) days prior written notice has been given to the City Manager of the City of Plano. The Insurance carrier must be authorized to do business in the State of Texas and the City prefers that the insurance company be rated B VII or better by AM Best rating. A certificate of insurance reflecting the required coverage shall be presented to Licensor prior to Licensor's approval and execution of this Agreement. Subsequent certificates of insurance shall be provided to Licensor whenever Licensee renews, changes or amends their insurance policies or upon request by Licensor.

8. Indemnity. Licensee shall defend, indemnify, protect and hold Licensor, its officers, directors, parents, subsidiaries, affiliates, agents, servants and employees harmless from and against any and all claims, expenses (including but not limited to attorney's fees), demands, judgments and causes of action of every kind and character, including but not limited to claims in contract, tort, including negligence, or strict liability arising in favor of any person (including but not limited to employees, servants, agents, customers or invitees of Licensee) or entity for personal injury, bodily injury, including death, or damage to property whether or not arising from the sole or concurrent negligence or fault of Licensor or employees or independent contractors directly responsible to Licensor arising out of, incident to, or in anyway connected with Licensee's exercise of rights herein granted or obligations pursuant thereto, including but not limited to separate operations being performed on the property or any condition of the property.



9. Compliance With Law. Licensee shall, at its own cost and expense, comply with all applicable laws, including but not limited to existing zoning ordinances, governmental rules and regulations enacted or promulgated by any governmental authority and shall promptly execute and fulfill all orders and requirements imposed by such governmental authorities for the correction, prevention and abatement of nuisances in or upon or connected with said premises because of Licensee's use thereof. Licensee shall also comply with all laws and regulations pertaining to hazardous waste, hazardous materials and the environment.

10. Condition Upon Termination. Upon termination or revocation of this Agreement, Licensee shall immediately vacate the subject premises, removing all improvements and personal property so as to return the Premises to the condition in which they existed on the date this Agreement was executed. All personal property not removed at Licensor's request shall become Licensor's property at no cost or expense to Licensor.

11. Assignment and Subletting. This Agreement is personal to Licensee and may not be sold, transferred, assigned or sublet without prior written approval by an authorized representative of Licensor.

12. Lien on Property. During the period that this Agreement is in effect, Licensee shall take whatever steps are necessary to prevent any liens, including but no limited to, mechanics liens and materialmen's liens, from attaching to Licensor's property. Licensee shall immediately pay such sums as may be necessary to discharge liens and encumbrances filed with respect to all or any portion of the Licensor's property resulting from the construction, maintenance or presence of any of Licensee's property.

13. Maintenance of Property. Licensee, at its own cost and expense, shall at all times during the term of this Agreement keep clean and maintain or cause to be kept clean and maintained, the Premises and all property which may be placed on the Premises by Licensee with Licensor's consent, in a good state of appearance and repair.

14. Notices. All written notices required under this License must be hand delivered or sent by certified mail, return receipt requested, and addressed to the proper party at the following addresses:

LICENSOR

City of Plano, Texas
Attention: City Manager
PO Box 860358
Plano, TX 75086-0358

with copy to:

City of Plano, Texas
Attention: City Attorney
PO Box 860358
Plano, TX 75086-0358

LICENSEE

Mr. Jeff Barnes
15th Street Cafe
1112 East 15th Street
Plano, Texas 75074

Each party may change the address to which notices are to be sent by giving the other party notice, within ten (10) days, of the new address in the manner provided by this paragraph.

15. Default. It is understood and agreed that, in case of default by Licensee in any of the terms and conditions herein stated and such default continues for a period of ten (10) calendar days after Licensor notifies Licensee of such default, Licensor may, at its election, terminate this Agreement and upon such termination all rights of the Licensee hereunder shall cease and come to an end. If such termination results from Licensee's default there shall be no prorated refund to Licensee of the unearned portion of the license fee for the then current term; however, in the event that termination of this Agreement is for the convenience Licensor, Licensor shall refund to Licensee the prorated portion of the rental fee for the then current term.

16. Prior Agreements. This Agreement constitutes the sole and only Agreement of the parties to the License and supersedes any prior understandings or written or oral agreements between the parties respecting the subject matter of this License.

17. Texas Law. This Agreement shall be construed under, and in accordance with, the laws of the State of Texas. Venue shall lie in Collin County, Texas.

18. Amendment. No amendment, modification, or alteration of the terms of this License shall be binding unless it is in writing, dated subsequent to this License, and duly executed by the parties to this License.

EXECUTED as of the _____ day of _____, 2006

LICENSOR

CITY OF PLANO, TEXAS
a home-rule municipal corporation

By: _____
Thomas H. Muehlenbeck
CITY MANAGER

LICENSEE

15th Street Cafe

By: _____

Jeff Barnes

Owner and Sole Proprietor

ACKNOWLEDGMENTS

STATE OF TEXAS §

§

COUNTY OF COLLIN §

This instrument was acknowledged before me on the _____ day of _____, 2006, by **Thomas H. Muehlenbeck**, City Manager of the **CITY OF PLANO, TEXAS**, a home-rule municipal corporation, on behalf of said corporation.

Notary Public, State of Texas

STATE OF TEXAS §

§

COUNTY OF COLLIN §

This instrument was acknowledged before me on the _____ day of _____, 2006, by Jeff Barnes, Owner and Sole Proprietor.

Notary Public, State of Texas



EXHIBIT "A"
Description of Area

A certain tract of land situated in the State of Texas, County of Collin, and City of Plano, being part of the Sanford Beck Survey, Abstract No. 73, and being more particularly described as follows:

COMMENCING at the northwest corner of an existing two-story building in the east right-of-way line of K Avenue, also being the northwest corner of Lot 2R, Block 10, of the Las Brisas Addition to the City of Plano as recorded in Cabinet P, Page 202, of the Collin County Plat Records;

THENCE with the south right-of-way line of 15th Street and the north line of Lot 10, South 88° 38' 53" East, 139.85 feet to the POINT OF BEGINNING, said point being along the west wall of a masonry building and the east line of City of Plano property;

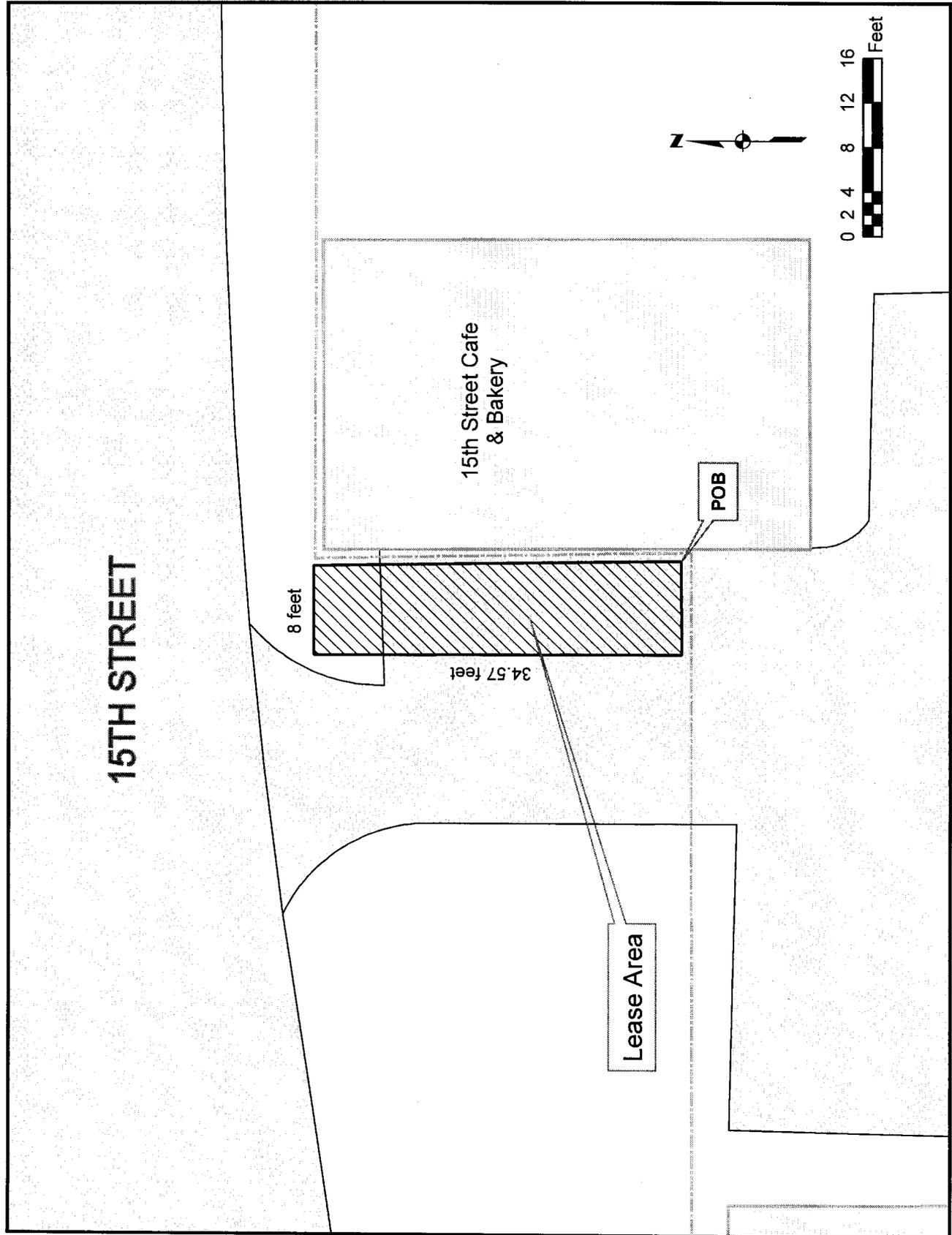
THENCE with the east line of the City of Plano property, along the west wall of the masonry building, North 01° 09' 19" East, 34.57 feet to a PK nail set for a corner, said corner being in the south right-of-way line of 15th Street;

THENCE North 88° 50' 41" West, 8 feet;

THENCE South 01° 09' 19" West, 34.57 feet to the north line of said Lot 10;

THENCE along the north line of Lot 10, South 88° 38' 53" East, 8 feet to the POINT OF BEGINNING and CONTAINING approximately 276 square feet of land.





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**CITY OF PLANO
COUNCIL AGENDA ITEM**

CITY SECRETARY'S USE ONLY		Reviewed by Purchasing	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> Not Applicable
<input type="checkbox"/> Consent <input type="checkbox"/> Regular <input type="checkbox"/> Statutory		Reviewed by Budget	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> Not Applicable
Council Meeting Date:	8/28/2006	Reviewed by Legal <i>JRS</i>	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> Not Applicable
Department:	Customer and Utility Services	Initials	Date	
Department Head	Mark Israelson	Executive Director		
Dept Signature:	<i>Mark Israelson</i>	City Manager	<i>JRS</i>	<i>8/28/06</i>
Agenda Coordinator (include phone #):		Nancy Rodriguez x7510		
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				
CAPTION				
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PLANO, TEXAS, AMENDING AN EXISTING PUBLIC RIGHT-OF-WAY USE AGREEMENT BY AND BETWEEN THE CITY OF PLANO, TEXAS AND TCDWF ACQUISITIONS, LP, A TEXAS LIMITED PARTNERSHIP, RELOCATING THE ELECTRICAL DUCT BANK CROSSING; PROVIDING FOR ANNUAL PAYMENTS; UPDATING EXHIBIT A TO THE AGREEMENT; AND PROVIDING AN EFFECTIVE DATE.				
FINANCIAL SUMMARY				
<input type="checkbox"/> NOT APPLICABLE <input type="checkbox"/> OPERATING EXPENSE <input checked="" type="checkbox"/> REVENUE <input type="checkbox"/> CIP				
FISCAL YEAR:	2005-06	Prior Year (CIP Only)	Current Year	Future Years
Budget		0	0	0
Encumbered/Expended Amount		0	0	0
This Item		0	2,205	0
BALANCE		0	2,205	0
FUND(s): GENERAL FUND				
COMMENTS: Approval of this item will change the payment of fees from lump sum to annual amounts. The amount of \$2,205 will be received in the first year and will increase 3% per year for each subsequent year for a period of 25 years.				
STRATEGIC PLAN GOAL: Entering into this agreement relates to the City's Goal of Livable Neighborhoods and Urban Centers.				
SUMMARY OF ITEM				
This Resolution approves an Amendment to COP Resolution No. 2006-7-6(R) changing the payment of fees from lump sum to annual and deleting original Exhibit "A", and replacing with Exhibit "B". This is a twenty-five (25) year agreement.				
List of Supporting Documents:		Other Departments, Boards, Commissions or Agencies		
n/a		n/a		

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PLANO, TEXAS, AMENDING AN EXISTING PUBLIC RIGHT-OF-WAY USE AGREEMENT BY AND BETWEEN THE CITY OF PLANO, TEXAS AND TCDFW ACQUISITIONS, LP, A TEXAS LIMITED PARTNERSHIP, RELOCATING THE ELECTRICAL DUCT BANK CROSSING; PROVIDING FOR ANNUAL PAYMENTS; UPDATING EXHIBIT A TO THE AGREEMENT; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Council has been presented a proposed amendment ("Amendment") (attached hereto as Exhibit "A") to a Public Right-of-Way Use Agreement by and between the City of Plano, Texas, and TCDFW Acquisitions, LP, (hereinafter called "Agreement") previously approved by the City Council in Resolution No. 2006-7-6(R); and

WHEREAS, upon full review and consideration of the Amendment 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, in his absence, an Executive Director should be authorized to execute the Amendment 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 Amendment to 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, in his absence, an Executive Director, is hereby authorized to execute the Amendment 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 as amended.

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

DULY PASSED AND APPROVED on this the ____ day of _____, 2006.

Pat Evans, MAYOR

1-2

RESOLUTION NO. _____

ATTEST:

Elaine Bealke, CITY SECRETARY

APPROVED AS TO FORM:

Diane C. Wetherbee, CITY ATTORNEY

i-3

<p>THE STATE OF TEXAS § COUNTY OF COLLIN §</p>	<p>Amendment of Public Right-of-Way Use Agreement by and between the City of Plano, Texas and TCDFW Acquisitions, L.P.</p>
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THIS Amendment of Public Right-of-Way Use Agreement ("Amendment") is made and entered into on this the _____ day of _____, 2006, by and between TCDFW ACQUISITIONS, L.P, a Texas Limited Partnership ("TCDFW"), and the City of Plano, Texas, a home-rule municipal corporation ("City"), acting by and through its City Manager or his designee.

WITNESSETH:

WHEREAS, Resolution 2006-7-6(R) approved a public right-of-way use agreement ("Agreement") (attached as Exhibit "A") between the City and TCDFW providing for the installation and operation of a communication system, electrical system, and bank pneumatic transport system across Infinity Boulevard in three locations for a total of 192 linear feet; and

WHEREAS, the parties wish to amend the Agreement as set forth below.

NOW, THEREFORE, in consideration of the terms and conditions hereinafter set forth, the Parties agree as follows:

Section 1. Paragraph 4. Fees and Payments is amended to read as follows:

"4.1 Public Right-of-Way Use Fee. Upon execution of this Agreement, Company shall pay the City as compensation for its use of the Public Rights-of-Way the initial annual sum of TWO THOUSAND TWO HUNDRED FIVE DOLLARS AND FIFTY CENTS (\$2,205.50), which represents a payment of (i) ONE DOLLAR AND FIFTY CENTS (\$1.50) per linear foot of the Public Rights-of-Way plus (ii) ONE THOUSAND DOLLARS (\$1,000.00) per public street crossing. On the anniversary date of this Agreement and for each year thereafter for the remainder of the term of this Agreement, Company shall pay City an annual amount equal to the previous year's sum as adjusted to reflect an increase by THREE PERCENT (3%) or the annual CPI-U (Dallas/Ft Worth) adjustment, whichever is greater. Company hereby acknowledges and agrees that the amount of this Public Right-of-Way Use Fee constitutes just and reasonable compensation to the City for Company's use of the Public Rights-of-Way as provided by this Agreement."

Section 2. Exhibit "A" to the Agreement is deleted in its entirety and replaced by Exhibit "B" to this Amendment.

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Section 3. Except as is explicitly amended hereby, the Agreement shall remain in full force and effect and is hereby restated, ratified and confirmed in accordance with its original terms as amended by this Amendment.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed in duplicate the day and year first above written.

LICENSOR:

CITY OF PLANO, TEXAS, a home rule city and municipal corporation

By: _____
Thomas H. Muehlenbeck, City Manager

APPROVED AS TO FORM:

Diane Wetherbee, CITY ATTORNEY

LICENSEE:

TCDFW Acquisitions, L.P.
A Texas Limited Partnership

By: **TCDFW QUEST, INC.**, a Delaware Corporation, its General Partner

By: _____
Mark C. Allyn
Executive Vice President

1-5

ACKNOWLEDGMENTS

STATE OF TEXAS §
 §
COUNTY OF COLLIN §

This instrument was acknowledged before me on the ____ day of _____, 2006 by **THOMAS H. MUEHLENBECK**, City Manager of the **CITY OF PLANO, TEXAS**, a home-rule municipal corporation, on behalf of said corporation.

Notary Public, State of Texas

STATE OF TEXAS §
 §
COUNTY OF _____ §

This instrument was acknowledged before me on the ____ day of _____, 2006 by **MARK C. ALLYN**, Executive Vice President of **TCDFW QUEST, INC.**, a Delaware Corporation, General Partner of **TCDFW ACQUISITIONS, L.P.**, a Texas limited partnership, on behalf of said corporation and limited partnership.

Notary Public, State of Texas

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PUBLIC RIGHT-OF-WAY USE AGREEMENT

This Agreement is made this the 10th day of AUGUST, 2006, by and between the **City of Plano, Texas** ("City"), a Texas home rule municipal corporation, and **TCDFW Acquisitions, LP** a **Texas Limited Partnership** duly organized and existing under the laws of the State of Texas ("Company").

RECITALS:

WHEREAS, Company desires to locate, place, attach, install, operate and maintain, subject to the terms of this Public Right-of-Way Use Agreement, a communications system consisting of conduit and fiber, an electrical system and a bank pneumatic transport system, all of which will be located in a permanent concrete duct bank (hereinafter called "Structure") under Infinity Boulevard located in Plano, Collin County, Texas, as shown on the attached Exhibit "A," for the purpose of connecting its communications system between two facilities; and

WHEREAS, the City will allow Company to use the Public Rights-of-Way under the terms of this Agreement.

NOW, THEREFORE, the City and Company agree as follows:

1. Definitions.

Capitalized terms used in this Agreement and not otherwise defined within this Agreement shall have the following meanings:

- (a) *Affiliate* shall mean any individual, partnership, association, joint stock company, limited liability company, trust, corporation, or other person or entity who owns or controls, or is owned or controlled by, or is under common ownership or control with, the entity in question.
- (b) *Company* shall mean TCDFW Acquisitions, LP, a Texas limited partnership duly organized and existing under the laws of the State of Texas, only and shall not include any Affiliate or third party.
- (c) *City* shall mean the area within the corporate limits of the City of Plano, Texas, and the governing and administrative body thereof.
- (d) *Effective Date* shall mean the date of execution by the City.

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- (e) *Person* shall mean an individual, corporation, a limited liability company, a general or limited partnership, a sole proprietorship, a joint venture, a business trust or any other form or business entity or association.
- (f) *Public Rights-of-Way* shall mean only those portions of the public rights-of-way and street crossings in the City identified in Exhibit "A" of this Agreement, which is attached hereto and hereby made a part of this Agreement for all purposes.
- (g) *Structure* shall mean Company's Infinity Boulevard systems consisting of a communications system, electrical system, and bank pneumatic transport system located under Infinity Boulevard in Plano, Collin County, Texas, and installed in a permanent concrete duct bank.

2. Grant of Rights.

2.1 General Use of Public Rights-of-Way. Subject to the terms and conditions set forth in this Agreement, the City Charter, and the ordinances of the City, the City hereby grants Company a non-exclusive license to locate, place, attach, install, operate and maintain its Structure in the Public Rights-of-Way, as defined in Section 1 hereof. Company hereby acknowledges and agrees that the location, attachment, installation, operation, maintenance, removal, reattachment, reinstallation, relocation and/or replacement of its Structure or any other structure or equipment constitutes an actual use of the Public Rights-of-Way, that the City has the right to manage and regulate the use of such Public Rights-of-Way, and that the City is entitled to recover reasonable compensation from Company on account of such use of the Public Rights-of-Way.

Both the City and Company ("Parties") hereby acknowledge and agree that this Agreement addresses only the use of the Public Rights-of-Way by Company to locate, place, attach, install, operate and maintain its Structure and does not grant Company or any Affiliate or contractor of the Company the use of the Public Rights-of-Way for any other reason. If Company, an Affiliate of Company, or any assignee, successor in interest or contractor of Company contends that Company, an Affiliate of Company, or any assignee, successor in interest or contractor of Company wishes to construct and/or install additional facilities in any of the City's public rights-of-way other than the Public Rights-of-Way defined in Section 1, Company shall first notify the City in writing and shall obtain a written permit or agreement for the use of the Public Rights-of-Way in that respect.

2.2 Scope. Any and all rights granted to Company under this Agreement, which shall be exercised at Company's sole cost and expense, shall be subject and subordinate to the prior and continuing right of City, its successors and assigns, to use any and all parts of the Public Rights-of-Way exclusively or concurrently with any other Person or Persons having the legal right to use such Public Rights-of-Way. In addition, any and all rights granted to Company under this Agreement shall be subject to all deeds, easements, dedications, conditions, covenants, restrictions, encumbrances, and

claims of title of record that may affect the Public Rights-of-Way. Nothing in this Agreement shall be deemed to grant, convey, create, or vest in Company a real property interest in land, including, but not limited to, any fee, leasehold interest, or easement. Any work performed by or on behalf of Company shall be subject to the prior and customary review and regulation by the City. Company shall not allow any liens, including, but not limited to, mechanic's or materialman's liens, to be enforced against City's premises by reason of any such work.

2.3 Non-exclusive. This Agreement and all rights granted to Company herein are strictly non-exclusive. The City reserves the right to grant other and future agreements, consents and franchises for the use of public rights-of-way in the City, including the Public Rights-of-Way used by Company pursuant to this Agreement, to other Persons as the City deems appropriate. This Agreement does not establish any priority for the use of the Public Rights-of-Way by Company or by any present or future franchisees, users or other permit holders. In the event of any dispute as to the priority of use of the Public Rights-of-Way, the first priority shall be to the public generally, the second priority to the City in the performance of its various functions, and thereafter, as between franchisees, users and other permit holders, as determined by the City in the exercise of its powers, including the police power and other powers reserved to and conferred on it by the State of Texas.

2.4 Other Permits. This Agreement does not relieve Company of any obligation to obtain permits, licenses, and other approvals from the City necessary for the construction, repair, or maintenance of the Structure.

3. Term.

This License shall continue in force for a period of twenty-five (25) years from the Effective Date and may thereafter be renewed for such time and upon such terms as the parties may then agree. If any law or agency rule or regulation is adopted that affects the City's ability or right to manage the Public Rights-of-Way, Company agrees to meet with the City and to negotiate with diligence and in good faith an agreement or amendment to this Agreement that reasonably resolves the City's and Company's concerns regarding such law or agency rule or regulation.

4. Fees and Payments.

4.1 Public Right-of-Way Use Fee. On the Effective Date, Company shall pay the City as compensation for its use of the Public Rights-of-Way for the entire term of this Agreement, the sum of EIGHTY-TWO THOUSAND TWO HUNDRED DOLLARS (\$82,200.00), which represents an annual payment of (i) ONE DOLLAR AND FIFTY CENTS (\$1.50) per linear foot of the Public Rights-of-Way plus (ii) ONE THOUSAND DOLLARS (\$1,000.00) per public street crossing for a term of twenty-five (25) years. Company hereby acknowledges and agrees that the amount of this Right-of-Way Use Fee constitutes just and reasonable compensation to the City for Company's use of the Public Rights-of-Way as provided by this Agreement.

4.2 Other Payments. In addition to the Right-of-Way Use Fees, Company shall pay the City all sums that may be due the City for property taxes, license fees, permit fees, or other taxes, charges or fees that the City may from time to time impose.

4.3 Interest. All sums due the City under this Agreement that are not paid when due shall bear interest at the rate of ten percent (10%) per annum, computed monthly.

4.4 Company acknowledges that it understands that this Agreement and the fee charged in Section 4.1 above relate only to the Public Rights-of-Way specifically identified in Exhibit "A." Additional portions of the public rights-of-way and/or street crossings shall require a new license and an additional fee.

5. Use of Public Rights-of-Way

5.1 Construction and Maintenance. In all matters relating to this Agreement, Company shall comply with the City of Plano Right-of-Way Management Ordinance, as adopted by Ordinance No. 2001-3-20 and as amended from time to time, and all other pertinent laws, rules, and regulations of the City and the State of Texas. Approval by City of this Agreement shall not constitute a warranty by City that Company's plans conform with federal, state and/or local codes and regulations applicable thereto. Company shall comply with all laws or ordinances of the City of Plano, including, but not limited to, those relating to building and excavation permits.

5.2 Work by Others; Alterations Required if Needed to Conform with Public Improvements. The City reserves the right, subject to further conditions described in this paragraph, to lay and permit to be laid sanitary sewer, gas, water, electric, telephone and television cable and other pipelines or cables and conduits and to do and permit to be done any underground and overhead installation that may be deemed necessary or proper by the governing body of the City in, across, along, over or under any of Company's Public Rights-of-Way and to change any curb or sidewalk or the grade of any street. In permitting such work to be done, the City shall not be liable to Company, except to the extent provided under the Texas Tort Claims Act. Nothing herein shall relieve any other person or corporation from any liability for damage to the facilities or the Structure.

5.3 Testing. Company shall cooperate with City in making any test or tests it requires of any installation or condition that, in its reasonable judgment, may have adverse effects on any of the facilities of the City. All costs incurred by the test(s), or any corrections thereof, shall be borne by Company.

5.4 Location, Use or Purpose Changes. No change in the location, use or purpose of the Public Rights-of-Way shall be made by Company without City's written approval.

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6. Miscellaneous Obligations of Company.

6.1 Removal of Structure. Upon the termination or expiration of this Agreement, Company's right to use Public Rights-of-Way under this Agreement shall cease and Company shall immediately discontinue use of the Structure. Within six (6) months following such termination or expiration and in accordance with directions from the City, Company shall remove the Structure, including, but not limited to, all supporting structures, poles, transmission and distribution Structures and other appurtenances, fixtures or property from the Public Rights-of-Way but excluding the concrete duct bank which Company shall not be required to remove. If Company has not removed all Structure facilities and equipment (excepting the concrete duct bank) from the Public Rights-of-Way within six (6) months following termination or expiration of this Agreement, the City may deem all of the Company's Structure facilities and equipment remaining in the Public Rights-of-Way abandoned and, at the City's sole but reasonable discretion, (i) take possession of and title to such property; and/or (ii) take any and all legal action necessary to compel Company to remove such property.

Within six (6) months following termination or expiration of this Agreement, Company shall also restore any property, public or private, that is disturbed or damaged by removal of the Structure. If Company has not restored all such property within this time, the City, at the City's sole but reasonable discretion, may perform or have performed any necessary restoration work, in which case Company shall, within 10 days following receipt of an itemized invoice, reimburse the City for any and all costs incurred in performing or having performed such restoration work.

7. Indemnification and Insurance.

7.1 Disclaimer of Liability. EXCEPT TO THE EXTENT PROVIDED BY THE TEXAS TORT CLAIMS ACT, THE CITY SHALL NOT AT ANY TIME BE LIABLE FOR ANY INJURY OR DAMAGE OCCURRING TO ANY PERSON OR PROPERTY FROM ANY CAUSE WHATSOEVER THAT ARISES OUT OF THE ATTACHEMENT, INSTALLATION, OPERATION, MAINTENANCE, REMOVAL, REATTACHMENT, REINSTALLATION, RELOCATION AND/OR REPLACEMENT OF THE STRUCTURE OR THE CONSTRUCTION, MAINTENANCE, REPAIR, USE, OPERATION, CONDITION OR DISMANTLING OF THE STRUCTURE.

7.2 Indemnification. Company shall provide to the City the indemnification set out in the City's Right-of-Way Management Ordinance, Ordinance No. 2001-3-20, as amended. Company further releases and indemnifies the City from and against any and all liability, cost and expense, including attorney's fees for loss of or damage to the City's property and for injury to or death of Persons (including, but not limited to, the property and employees of each of the parties hereto) arising or resulting from a breach of this Agreement by Company, whether or not caused or contributed to by any act or omission, negligence or otherwise, of any employee or agent of City.

7.3 Assumption of Risk. COMPANY HEREBY UNDERTAKES AND ASSUMES, FOR AND ON BEHALF OF COMPANY, ITS OFFICERS, AGENTS, CONTRACTORS, SUBCONTRACTORS, AGENTS AND EMPLOYEES, ALL RISK OF DANGEROUS CONDITIONS, IF ANY, ON OR ABOUT ANY CITY-OWNED OR CITY-CONTROLLED PROPERTY OR FACILITIES, INCLUDING, BUT NOT LIMITED TO, THE PUBLIC RIGHTS-OF-WAY. IN ADDITION, COMPANY HEREBY AGREES TO AND SHALL INDEMNIFY AND HOLD HARMLESS THE CITY AGAINST AND FROM ANY CLAIM ASSERTED OR LIABILITY IMPOSED UPON THE CITY FOR ANY PERSONAL INJURY OR PROPERTY DAMAGES INCURRED OR ASSERTED BY COMPANY OR ANY OF ITS EMPLOYEES, AGENTS, CONTRACTORS OR SUBCONTRACTORS, AND ARISING FROM THE ATTACHMENT, INSTALLATION, OPERATION, MAINTENANCE, CONDITION, REMOVAL, REATTACHMENT, REINSTALLATION, RELOCATION AND/OR REPLACEMENT OF THE STRUCTURE.

7.4 Insurance. Company shall comply with the insurance requirements set out in the City's Right-of-Way Management Ordinance, Ordinance No. 2001-3-20, as amended.

8. Termination. This Agreement shall terminate:

- A. at the end of the term provided for in Section 3 above;
- B. upon abandonment of the Public Rights-of-Way or discontinuance of use thereof by Company;
- C. upon failure of Company to correct any default under this Agreement after expiration of the applicable cure period as set out in Section 9 and 10 below.

9. Defaults.

The occurrence at any time during the term of this Agreement of one or more of the following events shall constitute an "Event of Default" under this Agreement:

9.1 Failure to Pay Right-of-Way Use Fees. An Event of Default shall occur if Company fails to pay any Right-of-Way Use Fee on or before the respective due date.

9.2 Breach. An Event of Default shall occur if Company materially breaches or violates any of the terms, covenants, representations, or warranties set forth in this Agreement or fails to perform any duty or obligation required by this Agreement.

9.3 Violations of the Law. An Event of Default shall occur if Company violates any existing or future federal, state or local laws or any existing or future ordinances, rules and regulations of the City; provided, however, that no Event of Default shall be deemed to occur or exist during the pendency of any legal action which the City or Company may initiate against the other under or in connection with such law, ordinance, rule or regulation.

NTD

10. Uncured Defaults and Remedies.

10.1 Notice of Default and Opportunity to Cure. If an Event of Default occurs, the City shall provide Company with written notice and shall give Company the opportunity to cure such Event of Default. For an Event of Default which can be cured by the immediate payment of money to the City, Company shall have thirty (30) calendar days from the date it receives written notice from the City to cure the Event of Default. For any other Event of Default, Company shall have sixty (60) calendar days from the date it receives written notice from the City to cure the Event of Default. If any Event of Default is not cured within the time period specified herein, such Event of Default shall, without further notice from the City, become an "Uncured Default" and the City immediately may exercise the remedies provided in Section 10.2.

10.2 Remedies for Uncured Defaults. Upon the occurrence of an Uncured Default, the City shall be entitled to exercise, at the same time or at different times, any of the following remedies, all of which shall be cumulative and without limitation to any other rights or remedies the City may have:

10.2.1 Termination of Agreement. Upon the occurrence of an Uncured Default, the City may terminate this Agreement immediately upon written notice to Company. Upon such termination, Company shall forfeit all rights granted to it under this Agreement, and, except as to Company's unperformed obligations and existing liabilities as of the date of termination, this Agreement shall automatically be deemed null and void and shall have not further force or effect. Company shall remain obligated to pay, and the City shall retain any, Right-of-Way Use Fees and any other payments due up to the date of termination. In this event, Company shall comply with the provisions of Section 6.1 of this Agreement. The City's right to terminate this Agreement under this Section does not and shall not be construed to constitute any limitation on the City's right to terminate this Agreement for other reasons as provided by and in accordance with this Agreement.

10.2.2. Legal Action Against Company. Upon the occurrence of an Uncured Default, the City may commence against Company an action at law for monetary damages or in equity for injunctive relief or specific performance of any of the provisions of this Agreement that, as a matter of equity, are specifically enforceable.

11. Assignment of Agreement.

The rights granted by this Agreement inure to the benefit of Company. Except to an Affiliate of the Company, Company shall not (i) assign, transfer, sell, or otherwise convey any of its rights, privileges, duties or interests as granted to Company by this Agreement; or (ii) lease to any Person or allow use by any Person other than Company all or any portion of its Structure unless (i) Company first notifies the City in writing; (ii) Company obtains the City's advance written consent, which consent shall not unreasonably be withheld; and (iii) such Person enters into a written agreement with the,

City relating to that Person's use of the Public Rights-of-Way, including terms for any compensation that the City may charge for such use. In the event Company assigns or transfers the Agreement to an Affiliate of Company, Company shall provide City with written notice thereof.

12. Notices.

12.1 All notices that shall or may be given pursuant to this Agreement shall be in writing and delivered or transmitted (a) through the United States mail, by registered or certified mail, postage prepaid; (b) by means of prepaid overnight delivery service; or (c) by facsimile transmission, if a hard copy of the same is followed by delivery through the U.S. mail or by overnight delivery service as just described, addressed as follows:

If to the City:

City of Plano
Attn: Intergovernmental Relations
P.O. Box 860358
1520 Avenue K, Suite 340
Plano, TX 75086-0358
Fax Number (972) 423-9587

With a copy to:

City of Plano
Attn: City Attorney
P.O. Box 860358
1520 Avenue K, Suite 340
Plano, TX 75086-0358
Fax Number (972) 424-0099

If to Company:

TCDFW Acquisitions, LP
Mark Allyn
Executive Vice President
2100 Ross Avenue, Suite 400
Dallas, TX 75201
Fax Number (214) 979-5600

12.2 Date of Notices; Changing Notice Address. Notices shall be deemed given three (3) days after deposit in the mail; or the next day in the case of facsimile, or overnight delivery. Either party may from time to time designate any other address for this purpose by written notice to the other party delivered in the manner set forth above.

13. No Waiver.

The failure of the City to insist upon the performance of any term or provision of this Agreement or to exercise any rights that the City may have, either under this Agreement or the law, shall not constitute a waiver of the City's right to insist upon appropriate performance or to assert any such right on any future occasion.

14. Miscellaneous Provisions.

14.1 Amendment of Agreement. This Agreement may not be amended except pursuant to a written instrument signed by both parties.

14.2 Severability of Provisions. If any one or more of the Provisions of this Agreement shall be held by court of competent jurisdiction in a final judicial action to be void, voidable, or unenforceable, such Provision(s) shall be deemed severable from the remaining Provision(s) of this Use Agreement and shall not affect the legality, validity, or constitutionality of the remaining portions of this Agreement.

14.3 Governing Law; Jurisdiction. This Agreement shall be governed and construed by and in accordance with the laws of the State of Texas, without reference to its conflicts of law principles. If suit is brought by a party to this Agreement, the parties agree that venue for the trial of such action shall be vested exclusively in the state courts of Texas, County of Collin, or in the United States District Court for the Eastern District of Texas.

14.4 Consent Criteria. In any case where the approval or consent of one party hereto is required, requested or otherwise to be given under this Agreement, such party shall not unreasonably delay or withhold consent.

14.5 Waiver of Breach. The waiver by either party of any breach or violation of any Provision of this Agreement shall not be deemed to be a waiver or a continuing waiver of any subsequent breach or violation of the same or any other Provision of this Agreement.

14.6 Representations and Warranties. Each of the parties to this Agreement represent and warrant that at the time of signing of this Agreement it has the full right, power, legal capacity, and authority to enter into and perform the parties' respective obligations hereunder and that such obligations shall be binding upon such party without the requirement of the approval or consent of any other person or entity in connection herewith.

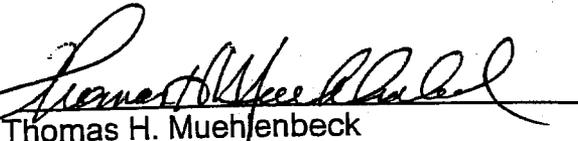
14.7 Entire Agreement. This Agreement contains the entire understanding between the parties with respect to the subject matter herein. There are no representations, agreements, or understandings (whether oral or written) between or among the parties relating to the subject matter of this Agreement which are not fully expressed herein.

14.8 No Third Party Beneficiaries. This Agreement is for the benefit of Company, any transferee or assignee in accordance with the provisions contained herein, and the City, and not for the benefit of any third party. No Provision of this Agreement shall be construed as creating any third party beneficiaries.

14.9 Force Majeure. City and Company shall not be required to perform any covenant or obligation in this Agreement, nor be liable to the other in damages, so long as the cause of such failure to perform, or delay in performance, is caused or prevented by an act of God or force majeure.

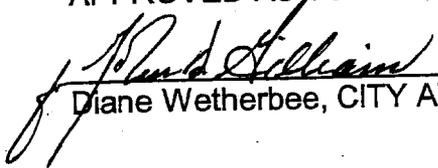
IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed in duplicate the day and year first above written.

LICENSOR:
CITY OF PLANO, TEXAS,
A Home Rule Municipal Corporation

By: 
Thomas H. Muehlenbeck
City Manager

By Authority of Resolution
No. 2006-7-6 (R)

APPROVED AS TO FORM:


Diane Wetherbee, CITY ATTORNEY

i-16

LICENSEE:
TCDFW Acquisitions, LP
A Texas Limited Partnership

Mark Allyn
By: Mark Allyn
Title: Executive Vice President

ATTEST:

Amy M. Brackenridge
8/9/06
DATE

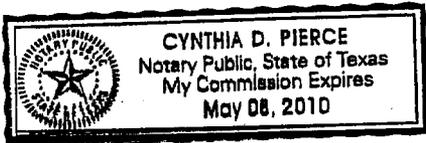
ACKNOWLEDGMENTS

STATE OF TEXAS

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COUNTY OF COLLIN

This instrument was acknowledged before me on the 10 day of August, 2006, by **THOMAS H. MUEHLENBECK**, City Manager of the **CITY OF PLANO, TEXAS**, a home-rule municipal corporation, on behalf of said corporation.



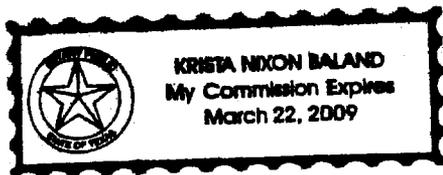
Cynthia D. Pierce
Notary Public in and for the State of Texas

STATE OF TEXAS

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COUNTY OF COLLIN

This instrument was acknowledged before me on the 9th day of AUGUST, 2006, by **MARK ALLYN**, Executive Vice President of **TCDFW ACQUISITIONS, LP**, a Texas limited partnership, on behalf of said company.

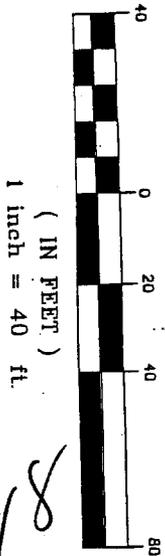
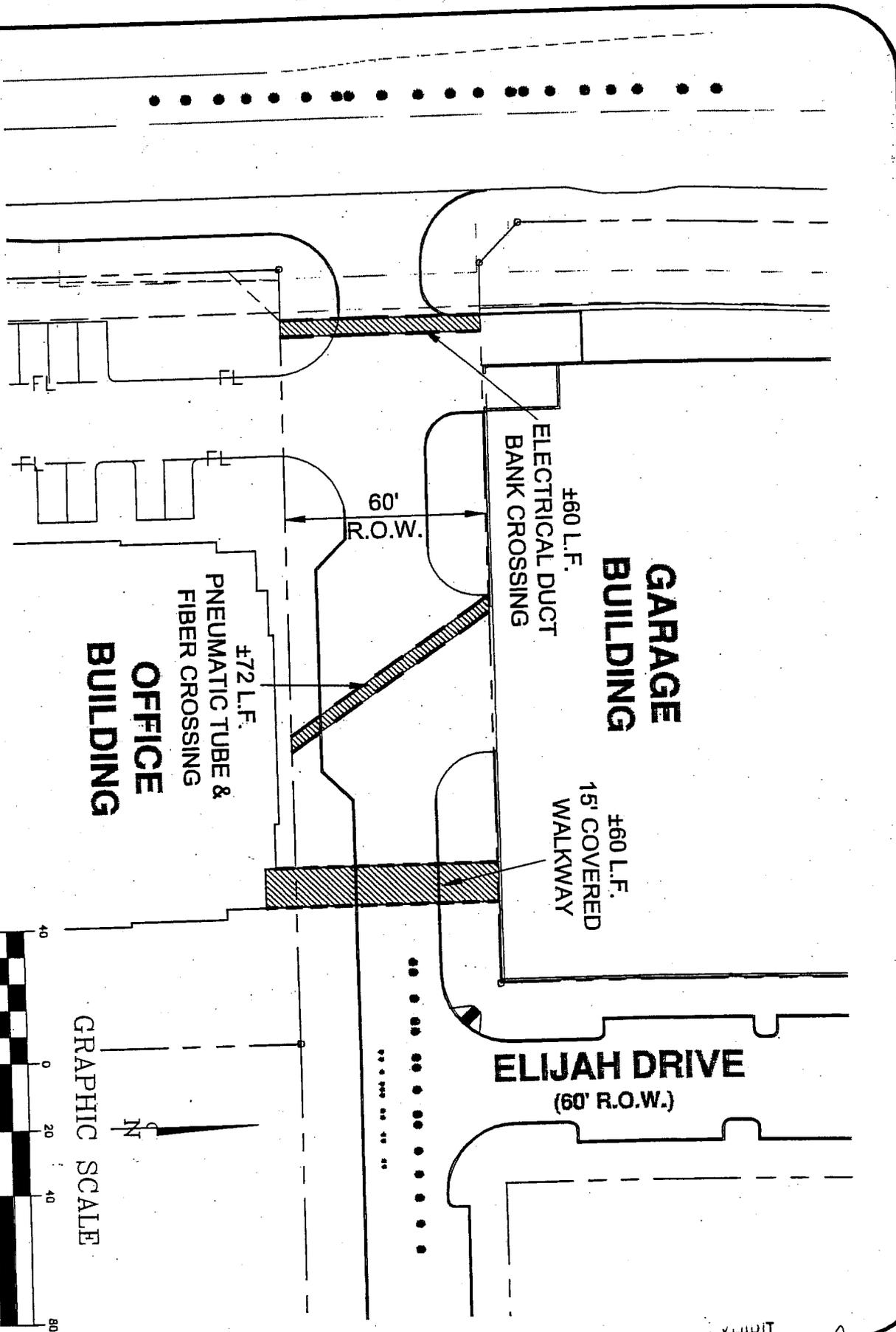


Krista Nixon Baland
Notary Public in and for the State of Texas
The State of TEXAS

1179



EXHIBIT "A"
STRUCTURES EXHIBIT



128

Exhibit "B"

DALLAS NORTH TOLLWAY



STRUCTURES EXHIBIT

EXHIBIT "B"

OFFICE BUILDING

PNEUMATIC TUBE & FIBER CROSSING

±72 L.F.

GARAGE BUILDING
ELECTRICAL DUCT BANK CROSSING
±65 L.F.

INFINITY AVENUE
(60' R.O.W.)

ELIJAH DRIVE
(60' R.O.W.)

60' R.O.W.



GRAPHIC SCALE



(IN FEET)
1 inch = 40 ft.

Handwritten signature/initials



**CITY OF PLANO
COUNCIL AGENDA ITEM**

CITY SECRETARY'S USE ONLY		Reviewed by Purchasing	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> Not Applicable
<input type="checkbox"/> Consent <input type="checkbox"/> Regular <input type="checkbox"/> Statutory		Reviewed by Budget	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> Not Applicable
Council Meeting Date:	8/28/06	Reviewed by Legal	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> Not Applicable
Department:	Building Inspections	Initials	Date	
Department Head	Selso Mata	Executive Director	8/22/06	
Dept Signature:	<i>[Signature]</i>	City Manager	8/22/06	
Agenda Coordinator (include phone #):		Diana Gallegos #5993		
ACTION REQUESTED: <input checked="" 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 type="checkbox"/> OTHER				
CAPTION				
AN ORDINANCE OF THE CITY OF PLANO, TEXAS, AMENDING ORDINANCE NO. 2004-8-16 CODIFIED AS ARTICIAL II, FIRE CODE, SECTION 8-17 OF CHAPTER 8 OF THE CITY OF PLANO CODE OF ORDINANCES TO REQUIRE SPRINKLER PROTECTION IN COMBUSTIBLE ATTICS OF BUILDINGS TWO (2) OR MORE STORIES IN HEIGHT AND PROVIDING A REPEALER CLAUSE, A SEVERABILITY CLAUSE, A SAVINGS CLAUSE, A PENALTY CLAUSE, AND AN EFFECTIVE DATE.				
FINANCIAL SUMMARY				
<input checked="" type="checkbox"/> NOT APPLICABLE <input type="checkbox"/> OPERATING EXPENSE <input type="checkbox"/> REVENUE <input type="checkbox"/> CIP				
FISCAL YEAR:	Prior Year (CIP Only)	Current Year	Future Years	TOTALS
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:				
SUMMARY OF ITEM				
Amending Ordinance 2004-8-8 and Ordinance No. 2004-8-16 to include requirements for attic sprinkler systems in wood framed apartments. The Building Standards commission held a public hearing on June 20, 2006 to discuss and receive input from all interested parties. On August 15, 2006 the Commission voted unanimously to support amendments to the ordinance and further recommended submittal to the City Council for adoption.				
List of Supporting Documents:		Other Departments, Boards, Commissions or Agencies		

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF PLANO, TEXAS, AMENDING ORDINANCE NO. 2004-8-16 CODIFIED AS ARTICLE II, FIRE CODE, SECTION 8-17 OF CHAPTER 8 OF THE CITY OF PLANO CODE OF ORDINANCES TO REQUIRE SPRINKLER PROTECTION IN COMBUSTIBLE ATTICS OF BUILDINGS TWO (2) OR MORE STORIES IN HEIGHT AND PROVIDING A REPEALER CLAUSE, A SEVERABILITY CLAUSE, A SAVINGS CLAUSE, A PENALTY CLAUSE, AND AN EFFECTIVE DATE.

WHEREAS, on August 9, 2004 the City Council approved Ordinance No. 2004-8-16 adopting the 2003 International Fire Code and

WHEREAS, to amend provisions for sprinkler systems in wood framed apartments in accordance with amendments to the International Code and

WHEREAS, upon full review and consideration of all matters attendant and related thereto, the City Council is of the opinion that amending the existing text of the provision is necessary to provide for effective administration and enforcement of building standards.

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

Section I. Section 8-17 of Division 2, Article II, Fire Code of Chapter 8 of the Code or Ordinance is hereby amended to read as follows;

ARTICLE II. FIRE CODE

DIVISION 2.

“ Subsection 903.3.1.2 NFPA 13R sprinkler systems; is amended to read as follows:

Where allowed in buildings of Group R, up to and including four stories in height, automatic sprinkler systems shall be installed throughout in accordance with NFPA 13R. Sprinkler systems installed in accordance with 13R shall include sprinkler protection in combustibile attics of buildings two (2) or more stories in height”

Section II. All provisions of the Code of Ordinances of the City of Plano in conflict with the provisions of this Ordinance are hereby repealed, and all other provisions of the Code of Ordinances of the City of Plano, not in conflict with the provisions of this Ordinance, shall remain in full force and effect.

Section III. The City Council intends that this Ordinance, and every provision thereof, is severable, and the invalidity or unconstitutionality of any section, clause, provision or portion of this Ordinance shall not affect the validity or constitutionality of any other portion of this Ordinance.

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

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accruing or to accrue, or as affecting any rights of the municipality under any section or provisions of any Ordinances at the time of passage of this Ordinance.

Section V. Any person, firm or corporation violating any term or provision of this Ordinance is 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. This Ordinance shall become effective from and after its passage and publication as required by law.

DULY PASSED AND APPROVED this the _____ day of _____, 2006.

Pat Evans, MAYOR

ATTEST:

Elaine Bealke, CITY SECRETARY

APPROVED AS TO FORM:

Diane C. Wetherbee, CITY ATTORNEY

J-3



**CITY OF PLANO
COUNCIL AGENDA ITEM**

CITY SECRETARY'S USE ONLY		Reviewed by Purchasing	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> Not Applicable	
<input type="checkbox"/> Consent	<input type="checkbox"/> Regular	<input type="checkbox"/> Statutory	Reviewed by Budget	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> Not Applicable
Council Meeting Date: 8/28/06		Reviewed by Legal: <i>M</i>	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> Not Applicable	
Department:	Building Inspections		Initials	Date	
Department Head	Selso Mata		Executive Director	<i>[Signature]</i> 8/22/06	
Dept Signature:	<i>[Signature]</i>		City Manager	<i>[Signature]</i> 8/22/06	
Agenda Coordinator (include phone #):		Diana Gallegos 5993			

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

CAPTION

AN ORDINANCE OF THE CITY OF PLANO, TEXAS, AMENDING ORDINANCE NO. 2004-8-8, CODIFIED AS ARTICLE II, BUILDING CODE, DIVISION 2, SECTION 6-37, SUBSECTION 8 OF CHAPTER 6 OF THE CITY OF PLANO CODE OF ORDINANCES TO REQUIRE SPRINKLER PROTECTION IN COMBUSTIBLE ATTICS OF BUILDINGS TWO (2) OR MORE STORIES IN HEIGHT AND PROVIDING A REPEALER CLAUSE, A SEVERABILITY CLAUSE, A SAVINGS CLAUSE, A PENALTY CLAUSE, AND AN EFFECTIVE DATE.

FINANCIAL SUMMARY

NOT APPLICABLE OPERATING EXPENSE REVENUE CIP

FISCAL YEAR:	Prior Year (CIP Only)	Current Year	Future Years	TOTALS
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:

SUMMARY OF ITEM

Amending Ordinance 2004-8-8 and Ordinance No. 2004-8-16 to include requirements for attic sprinkler systems in wood framed apartments. The Building Standards commission held a public hearing on June 20, 2006 to discuss and receive input from all interested parties. On August 15, 2006 the Commission voted unanimously to support amendments to the ordinance and further recommended submittal to the City Council for adoption.

List of Supporting Documents:

Other Departments, Boards, Commissions or Agencies

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF PLANO, TEXAS, AMENDING ORDINANCE NO. 2004-8-8, CODIFIED AS ARTICLE II, BUILDING CODE, DIVISION 2, SECTION 6-37, SUBSECTION 8 OF CHAPTER 6 OF THE CITY OF PLANO CODE OF ORDINANCES TO REQUIRE SPRINKLER PROTECTION IN COMBUSTIBLE ATTICS OF BUILDINGS TWO (2) OR MORE STORIES IN HEIGHT AND PROVIDING A REPEALER CLAUSE, A SEVERABILITY CLAUSE, A SAVINGS CLAUSE, A PENALTY CLAUSE, AND AN EFFECTIVE DATE.

WHEREAS, on August 9, 2004 the City Council approved Ordinance No. 2004-8-8, adopting the 2003 International Building Code; and

WHEREAS, to amend provisions for sprinkler systems in wood framed apartments in accordance with amendments to the International Code and

WHEREAS, upon full review and consideration of all matters attendant and related thereto, the City Council is of the opinion that amending the existing text of the provision is necessary to provide for effective administration and enforcement of building standards.

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

Section I. Subsection 8 of Section 6-37 of Division 2, Article II, Building Code, of Chapter 6 of the Code of Ordinances is hereby amended to read as follows:

ARTICLE II. BUILDING CODE

DIVISION 2. AMENDMENTS

“(8) Chapter 9, Fire Protection

Subsection 903.3.1.2 NFPA 13R sprinkler systems; is amended to read as follows:

Where allowed in buildings of Group R, up to and including four stories in height, automatic sprinkler systems shall be installed throughout in accordance with NFPA 13R. Sprinkler systems installed in accordance with 13R shall include sprinkler protection in combustible attics of buildings two (2) or more stories in height”

Section II. All provisions of the Code of Ordinances of the City of Plano in conflict with the provisions of this Ordinance are hereby repealed, and all other provisions of the Code of Ordinances of the City of Plano, not in conflict with the provisions of this Ordinance, shall remain in full force and effect.

Section III. The City Council intends that this Ordinance, and every provision thereof, is severable, and the invalidity or unconstitutionality of any section, clause,

R-2

provision or portion of this Ordinance shall not affect the validity or constitutionality of any other portion of this Ordinance.

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 Ordinances at the time of passage of this Ordinance.

Section V. Any person, firm or corporation violating any term or provision of this Ordinance is 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. This Ordinance shall become effective from and after its passage and publication as required by law.

DULY PASSED AND APPROVED this the _____ day of _____, 2006.

Pat Evans, MAYOR

ATTEST:

Elaine Bealke, CITY SECRETARY

APPROVED AS TO FORM:

Diane C. Wetherbee, CITY ATTORNEY

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**CITY OF PLANO
COUNCIL AGENDA ITEM**

CITY SECRETARY'S USE ONLY		Reviewed by Purchasing	<input type="checkbox"/> Yes	<input type="checkbox"/> Not Applicable
<input type="checkbox"/> Consent <input type="checkbox"/> Regular <input type="checkbox"/> Statutory		Reviewed by Budget	<input type="checkbox"/> Yes	<input type="checkbox"/> Not Applicable
Council Meeting Date:	8/28/06	Reviewed by Legal	<input type="checkbox"/> Yes	<input type="checkbox"/> Not Applicable
Department:	Budget		Initials	Date
Department Head	Karen Rhodes	Executive Director		
Dept Signature:	<i>Karen Rhodes</i>	City Manager	<i>[Signature]</i>	<i>8/16/06</i>
Agenda Coordinator (include phone #): Anita Aldridge				
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 PUBLIC HEARING				
CAPTION				
NOTICE OF A SECOND PUBLIC HEARING ON TAX INCREASE.				
FINANCIAL SUMMARY				
<input type="checkbox"/> NOT APPLICABLE <input type="checkbox"/> OPERATING EXPENSE <input checked="" type="checkbox"/> REVENUE <input type="checkbox"/> CIP				
FISCAL YEAR:	2006-2007	Prior Year (CIP Only)	Current Year	Future Years
Budget		0	0	0
Encumbered/Expended Amount		0	0	0
This Item		0	0	108,095,984
BALANCE		0	0	108,095,984
FUND(s): GENERAL FUND; GENERAL OBLIGATION DEBT FUND; TIF				
COMMENTS: The 2006-07 appraisal roll will generate revenues of approximately \$108,095,984, which have been included in the proposed 2006-07 Budget.				
SUMMARY OF ITEM				
List of Supporting Documents:		Other Departments, Boards, Commissions or Agencies		
ag06taxrateincreasessecondpublichearing				



**CITY OF PLANO
COUNCIL AGENDA ITEM**

CITY SECRETARY'S USE ONLY		Reviewed by Purchasing	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> Not Applicable
<input type="checkbox"/> Consent	<input checked="" type="checkbox"/> Regular	<input type="checkbox"/> Statutory	Reviewed by Budget	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> Not Applicable
Council Meeting Date:	8/28/06		Reviewed by Legal	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> Not Applicable
Department:	Customer and Utility Services		Initials	Date
Department Head	Mark Israelson	Executive Director	<i>[Signature]</i>	7-31-06
Dept Signature:	<i>[Signature]</i>	City Manager	<i>[Signature]</i>	<i>[Signature]</i>
Agenda Coordinator (include phone #): Nancy Rodriguez X7510				
ACTION REQUESTED: <input checked="" 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 type="checkbox"/> OTHER				
CAPTION				
AN ORDINANCE OF THE CITY OF PLANO, TEXAS AMENDING EXISTING FRANCHISE ORDINANCE NO. 2003-12-12 BETWEEN THE CITY OF PLANO AND TXU ELECTRIC DELIVERY COMPANY, A TEXAS CORPORATION, ITS SUCCESSORS AND ASSIGNS, TO PROVIDE FOR A DIFFERENT PAYMENT SCHEDULE; PROVIDING AN EXTENSION OF THE FRANCHISE TERM; PROVIDING FOR TXU ELECTRIC DELIVERY ACCEPTANCE; FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS ORDINANCE IS PASSED IS OPEN TO THE PUBLIC AS REQUIRED BY LAW; AND PROVIDING A REPEALER CLAUSE, A SEVERABILITY CLAUSE AND AN EFFECTIVE DATE.				
SECOND READING – FIRST READING HELD AND APPROVED JULY 24, 2006.				
FINANCIAL SUMMARY				
<input type="checkbox"/> NOT APPLICABLE <input type="checkbox"/> OPERATING EXPENSE <input checked="" type="checkbox"/> REVENUE <input type="checkbox"/> CIP				
FISCAL YEAR: 06-07	Prior Year (CIP Only)	Current Year	Future Years	TOTALS
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): GENERAL FUND				
COMMENTS:				
SUMMARY OF ITEM				
This ordinance converts the annual payment of franchise fees to quarterly payments and extends the franchise period an additional five (5) years.				
List of Supporting Documents: Memo to City Council		Other Departments, Boards, Commissions or Agencies		

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF PLANO, TEXAS AMENDING EXISTING FRANCHISE ORDINANCE NO. 2003-12-12 BETWEEN THE CITY OF PLANO AND TXU ELECTRIC DELIVERY COMPANY, A TEXAS CORPORATION, ITS SUCCESSORS AND ASSIGNS, TO PROVIDE FOR A DIFFERENT PAYMENT SCHEDULE; PROVIDING AN EXTENSION OF THE FRANCHISE TERM; PROVIDING FOR TXU ELECTRIC DELIVERY ACCEPTANCE; FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS ORDINANCE IS PASSED IS OPEN TO THE PUBLIC AS REQUIRED BY LAW; AND PROVIDING A REPEALER CLAUSE, A SEVERABILITY CLAUSE AND AN EFFECTIVE DATE.

WHEREAS, TXU Electric Delivery Company, successor in interest to Oncor Electric Delivery Company (hereinafter called "Electric Delivery") is engaged in the business of providing electric utility service within the City and is using the public rights-of-ways within the City for that purpose under the terms of a franchise ordinance heretofore duly passed by the governing body of the City and duly accepted by Electric Delivery; and

WHEREAS, pursuant to Agreement to Resolve Outstanding Franchise Issues dated January 27, 2006, the City has requested and Electric Delivery has agreed to amend said franchise ordinance to provide for a different payment schedule and an extension of the term.

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

Section I. The franchise between the City and TXU Electric Delivery is amended as follows:

- A. A final annual payment will be made on or before August 31, 2006, based on each kilowatt hour of electricity delivered by TXU Electric Delivery during the twelve-month period ending July 31, 2006, to each retail customer whose consuming facility's point of delivery is located within the City's municipal boundaries. This payment is for the rights and privileges granted under the franchise for the twelve month period September 1, 2006 – August 31, 2007.

Effective November 30, 2006, the annual prospective payment schedule is hereby changed to a quarterly prospective schedule as follows:

Payment Due Date	Basis Period	Privilege Period (Following Year)
Nov. 30	Aug. 1 – Oct. 31	Sept. 1 – Nov. 30
Feb 28	Nov. 1 – Jan. 31	Dec. 1 – Feb. 28
May 31	Feb. 1 – Apr. 30	Mar. 1 – May 31
Aug. 31	May 1 – July 31	June 1 – Aug. 31

2-2

The first quarterly payment will be due and payable on or before November 30, 2006, based on the period beginning August 1, 2006, and ending October 31, 2006, for the rights and privileges granted under the franchise during the period beginning September 1, 2007, and ending November 30, 2007. Subsequent payments will be made on a quarterly basis as provided in the above schedule. The final payment under the franchise will be made on or before August 31, 2017, based on the period beginning May 1, 2017, and ending July 31, 2017, for the rights and privileges beginning June 1, 2018, and ending August 31, 2018.

After the final payment date of August 31, 2018, TXU Electric Delivery may continue to make additional quarterly payments in accordance with the above schedule. City acknowledges that such continued payments will correspond to privilege periods that extend beyond the term of this franchise and that such continued payments will be recognized in any subsequent franchise agreement as full payment for the relevant quarterly periods; and

- B. The term of the franchise is hereby extended for an additional five years to expire on August 31, 2018.

Section II. In all respects, except as specifically and expressly amended by this ordinance, the franchise heretofore duly passed by the governing body of the City and duly accepted by Company shall remain in full force and effect according to its terms until said franchise ordinance terminates as provided herein.

Section III. It is hereby officially found and determined that the meeting at which this Ordinance is passed is open to the public as required by law and that public notice of the time, place and purpose of said meeting was given as required.

Section IV. All provisions of the Code of Ordinances of the City of Plano in conflict with the provisions of this Ordinance are hereby repealed, and all other provisions of the Code of Ordinances of the City of Plano, not in conflict with the provisions of this Ordinance, shall remain in full force and effect.

Section V. It is the intention of the City Council that this Ordinance, and every provision thereof, shall be considered severable, and the invalidity or unconstitutionality of any section, clause, provision or portion of this Ordinance shall not affect the validity or constitutionality of any other portion of this Ordinance.

Section VI. This Ordinance shall be read at two separate regular meetings of the City Council of the City of Plano with the second meeting to be at least 30 days from the first

reading, and shall be published once each week for four consecutive weeks in the official newspaper of the City of Plano.

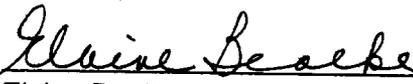
Section VII. This ordinance shall become effective 30 days after its final passage and publication as required by City Charter and conditioned upon TXU Electric Delivery executing the written acceptance of this Ordinance attached hereto prior to the effective date; otherwise this Ordinance shall be null and void.

DULY PASSED AND APPROVED ON FIRST READING THIS 24th day of July, 2006.



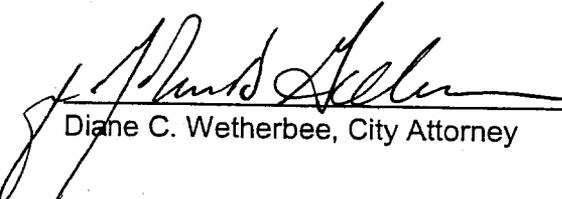
Pat Evans, MAYOR

ATTEST:



Elaine Bealke, City Secretary

APPROVED AS TO FORM:



Diane C. Wetherbee, City Attorney

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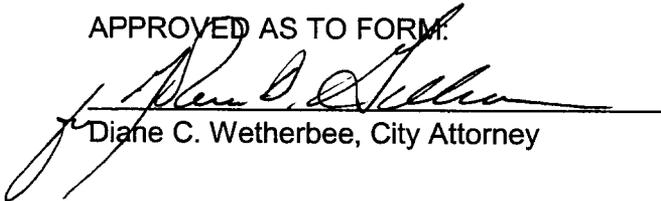
DULY PASSED AND APPROVED ON SECOND READING (which date is at least 30 days from the First Reading) THIS _____ DAY OF _____, 2006.

Pat Evans, MAYOR

ATTEST:

Elaine Bealke, City Secretary

APPROVED AS TO FORM:



Diane C. Wetherbee, City Attorney

ACCEPTED BY TXU ELECTRIC DELIVERY COMPANY

By: _____
Name: _____
Title: _____
Date: _____

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DATE: August 8, 2006
TO: Honorable Mayor & City Council
FROM: Carolyn Kalchthaler, Chairman, Planning & Zoning Commission **TE**
SUBJECT: Results of Planning & Zoning Commission Meeting of August 7, 2006

AGENDA ITEM NO. 9A - PUBLIC HEARING
ZONING CASE 2006-16
APPLICANT: ACRES OF SUNSHINE, LTD.

DESCRIPTION:

A request to rezone 34.1± acres located on the north side of Windhaven Parkway, 2,900± feet east of Dallas North Tollway **from** Planned Development-242-Multifamily-2 and Planned Development-243-Retail/General Office **to** Planned Development-154-Single-Family Residence-6.

APPROVED: 7-0 **DENIED:** _____ **TABLED:** _____

LETTERS RECEIVED WITHIN 200 FOOT NOTICE AREA: **SUPPORT:** 4 **OPPOSE:** 0

LETTERS RECEIVED OUTSIDE 200 FOOT NOTICE AREA: **SUPPORT:** 1 **OPPOSE:** 0

PETITION(s) RECEIVED: N/A **# OF SIGNATURES:** N/A

STIPULATIONS:

Recommended for approval as PD-154-SF-6 subject to:

1. The minimum lot area shall be 5,600 square feet.
2. The minimum lot width for corner lots shall be 80 feet. The minimum lot widths for interior lots shall be 75 feet.
3. The minimum lot depth shall be 75 feet.
4. The minimum front yard setback shall be ten feet. For front-entry garages, the minimum front yard setback for the garage only shall be 20 feet. For side-entry garages, the minimum front yard setback shall be ten feet.
5. The minimum side yard setback for corner lots shall be ten feet. The minimum side yard setbacks for interior lots shall be five feet.
6. The minimum rear yard setback shall be 15 feet.
7. The maximum lot coverage shall be 55% total for primary and accessory buildings.
8. Lots backing to the creek, at the eastern boundary of the PD district, may develop in conformance to base SF-6 standards.

FOR CITY COUNCIL MEETING OF: August 28, 2006 (To view the agenda for this meeting, see www.planotx.org)

PUBLIC HEARING - ORDINANCE

BT/pp

xc: Toby Haggard, Acres of Sunshine, Ltd.
Ashley Frysinger, Kimley-Horn & Associates
Lynn Woodall, Administrative Support Supervisor

CITY OF PLANO
PLANNING & ZONING COMMISSION

August 7, 2006

Agenda Item No. 9A

Public Hearing: Zoning Case 2006-16

Applicant: Acres of Sunshine, Ltd.

DESCRIPTION:

A request to rezone 34.1± acres located on the north side of Windhaven Parkway, 2,900± feet east of Dallas North Tollway **from** Planned Development-242-Multifamily-2 and Planned Development-243-Retail/General Office **to** Planned Development-154-Single-Family Residence-6.

REMARKS:

The applicant is requesting to rezone 34.1± acres to Planned Development-154-Single-Family Residence-6 (PD-154-SF-6) to allow for the development of a single-family detached residential subdivision with open space lots. The proposed zoning is a continuation of the PD-154-SF-6 zoning to the west. A Phase II land study accompanies this request.

The current zoning is Planned Development-242-Multifamily Residence-2 (PD-242-MF-2) and Planned Development-243-Retail/General Office (PD-243-R/O-2). The MF-2 district is intended to accommodate condominiums and apartments at a density of 18 residential units per acre providing sufficient areas for usable open space and landscaping. The R district is intended to provide areas for neighborhood, local, and regional shopping facilities for the retail sales of goods and services including convenience stores, shopping centers, and regional malls but not including wholesaling or warehousing. The O-2 district is intended to allow for a variety of low-, mid- and high-rise office developments providing for professional, financial, medical and similar services to local residents, corporate offices for regional and national operations, and major centers of employment for Plano and surrounding communities.

A PD district provides the ability to amend use, height, setback, and other requirements at the time of zoning to promote innovative site design and better development controls appropriate to both offsite and onsite conditions. PD-242-MF-2 stipulates the maximum residential density shall be 15 dwelling units per acre. PD-243-R/O-2 stipulates:

3-2

1. A total floor area ratio of 0.4:1 with a maximum floor area ratio of 1:1 for any individual lot.
2. A maximum of 1,406,000 square feet may be utilized for retail uses.

The proposed zoning is PD-154-SF-6. The SF-6 district is intended to provide for small-lot, urban, single-family development protected from excessive noise, illumination, odors, visual clutter, and other objectionable influences to family living. The request proposes to amend the lot size, lot coverage, and building setback standards of SF-6.

Surrounding Land Use and Zoning

The area of the request is bounded on the north by an electrical transmission line crossing undeveloped property and the property is zoned PD-243-R/O-2. The property to the south, across Windhaven Parkway, is zoned Planned Development-237-Single Family Residence-7/Patio Home and SF-9 and is developed with single-family houses. To the west, Avignon Windhaven, Phase 1, is currently under construction with single-family houses and is zoned PD-154-SF-6. The property to the east is zoned PD-242-MF-2 and is undeveloped.

Conformance to the Comprehensive Plan

Future Land Use Plan - The Future Land Use Plan designates this property as Low Intensity Office (LIO). The LIO designation is intended to serve local office needs and to act as a transition between residential areas and community and neighborhood commercial areas. Neither this request nor the existing PD-243-R/O-2 and PD-242-MF-2 zoning are consistent with the LIO designation.

Adequacy of Public Facilities - Water and sanitary sewer services are available.

Traffic Impact Analysis (TIA) - A TIA is not required for a single-family residential zoning request.

ISSUES:

Rezoning of Nonresidential Property to Residential

The majority of the property is currently zoned for multifamily residential uses; however, a portion of the property is currently zoned for nonresidential use. The applicant is requesting to rezone this portion of the property to a residential classification. Policy Paper No. 2.0, Rezoning Property to Meet Demand, included in the Land Use Element of the Comprehensive Plan, provides guidelines for assessing such rezoning requests.

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The request generally complies with Policy Paper No. 2.0. The area is physically appropriate for residential use. The area is not affected by adverse environmental conditions such as noise, light, fumes, or related nuisances. The rezoning of land would not result in a shortage of land for neighborhood retail or service uses and would not diminish the land base considered prime for economic expansion. The rezoning of excess retail land to residential use is consistent with the intent of reducing the overall impact of zoning imbalance on the city's land use system.

Request for Planned Development Zoning

The rezoning request is to continue the use of an existing PD district with SF-6 base zoning, which includes the following amendments to the SF-6 district:

1. To reduce the minimum lot area from 6,000 square feet to 5,600 square feet.
2. To increase the minimum lot width for corner lots from 60 feet to 80 feet, and to increase the minimum lot width for interior lots from 55 feet to 75 feet.
3. To decrease the minimum lot depth from 100 feet to 75 feet.
4. To decrease the minimum front yard setback from 25 feet to ten feet. For front-entry garages, the minimum front yard setback for the garage only shall be 20 feet. For side-entry garages, the minimum front yard setback shall be ten feet.
5. To decrease the minimum side yard setback for corner lots from 15 feet to ten feet and to decrease the side yard setback for interior lots from six feet or ten percent of the lot width, whichever is greater, to five feet.
6. To increase the minimum rear yard setback from ten feet to 15 feet.
7. To increase the maximum lot coverage from 35% plus ten percent for accessory buildings to 55% total for primary and accessory buildings.

The applicant intends to continue developing a single-family housing product that is different than other housing products in Plano. The proposed zoning is a continuation of the zoning in Avignon Windhaven, Phases 1 & 2. The proposed increase in lot width, decrease in lot depth, and decrease in side and front yard setbacks will result in a home with a greater street presence. The increase in lot coverage will create a home with minimal maintenance, while the increase in rear yard setback will ensure a usable back yard. This request is consistent with a major concept of the Housing Element of the Comprehensive Plan to have a wide variety of housing types to serve a diverse population.

In addition to the residential lots, the development proposes ten open space lots. The lot density is approximately four dwelling units per acre. This density is consistent with the density for SF-6 development allowed by right in the MF-3 and PD-242-MF-2 zoning districts.

Lots Along the Creek

Per the land study, the applicant proposes to develop the lots along the creek as standard SF-6 lots. The additional lot depth of the base SF-6 district, as compared to the shallower lot depth of the PD lots, will allow preservation of the natural topography of the creek bed and native trees and vegetation.

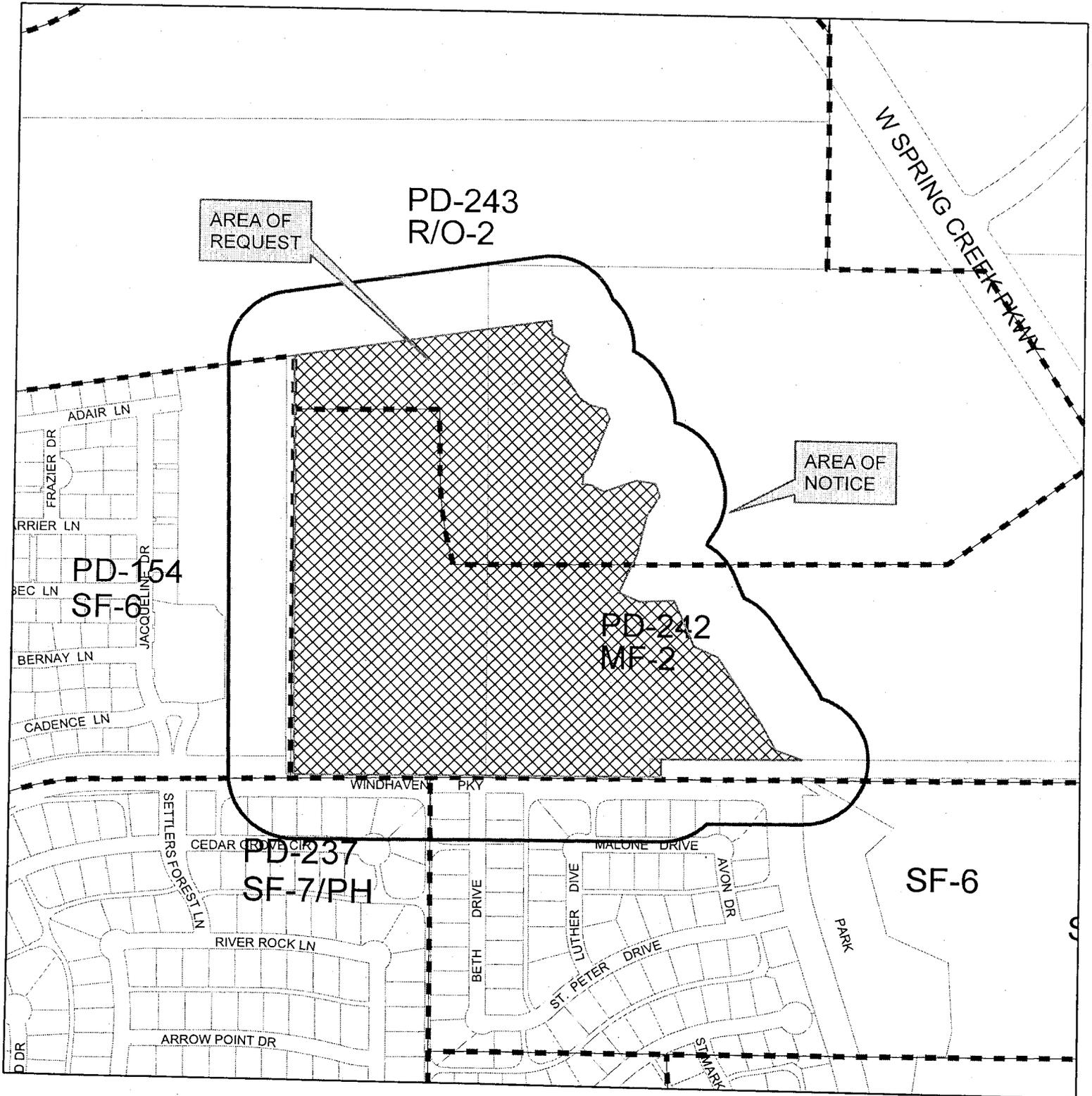
SUMMARY:

The request for PD-154-SF-6 is not consistent with LIO designation of the Future Land Use Plan; however, it is consistent with the existing multifamily zoning and adjacent residential uses. The physical character of the property is appropriate for single-family residential uses. The proposed development stipulations will result in a unique residential product that is consistent with the Housing Element goal of providing a variety of housing types.

RECOMMENDATION:

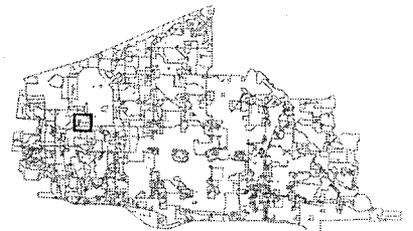
Recommended for approval as PD-154-SF-6 subject to:

1. The minimum lot area shall be 5,600 square feet.
2. The minimum lot width for corner lots shall be 80 feet. The minimum lot widths for interior lots shall be 75 feet.
3. The minimum lot depth shall be 75 feet.
4. The minimum front yard setback shall be ten feet. For front-entry garages, the minimum front yard setback for the garage only shall be 20 feet. For side-entry garages, the minimum front yard setback shall be ten feet.
5. The minimum side yard setback for corner lots shall be ten feet. The minimum side yard setbacks for interior lots shall be five feet.
6. The minimum rear yard setback shall be 15 feet.
7. The maximum lot coverage shall be 55% total for primary and accessory buildings.
8. Lots backing to the creek, at the eastern boundary of the PD district, may develop in conformance to base SF-6 standards.



Zoning Case #: 2006-16

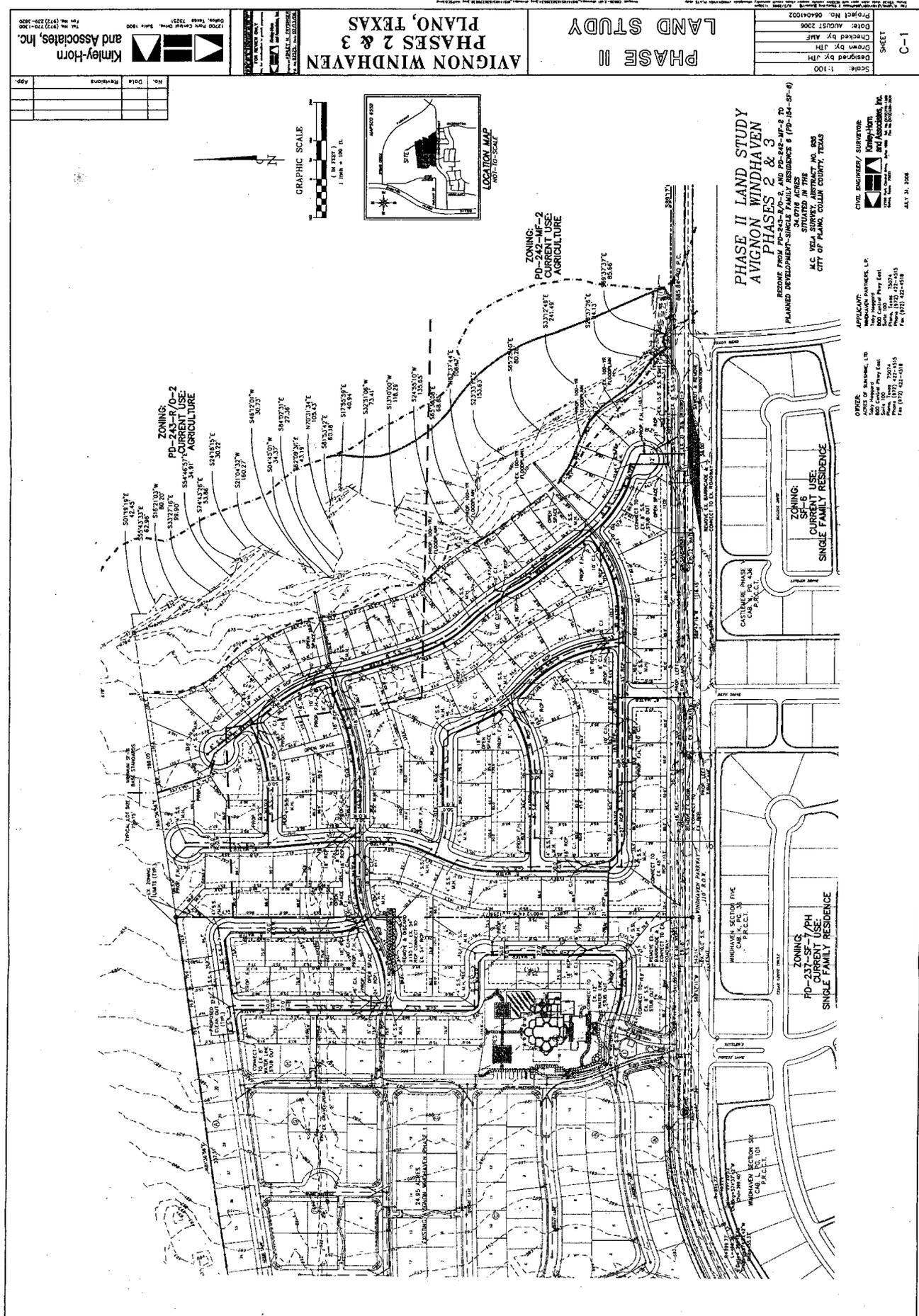
Existing Zoning: PLANNED DEVELOPMENT-242-
MULTIFAMILY RESIDENCE-2 &
PLANNED DEVELOPMENT-243-
RETAIL/GENERAL OFFICE



3-6

○ 200' Notification Buffer

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**PHASE II LAND STUDY
AVIGNON WINDHAVEN
PHASES 2 & 3**
34.9786 ACRES
SITUATED IN THE
PLANNED DEVELOPMENT-SINGLE FAMILY RESIDENCE 6 (PD-64-SF-6)
REGIONS FIVE AND SIX OF THE CITY OF PLANO, TEXAS
M.C. WEA, SITUATED IN THE
CITY OF PLANO, COLLIN COUNTY, TEXAS

CIVIL ENGINEER/SURVEYOR
Kimley-Horn
and Associates, Inc.
10000 North Central Expressway, Suite 200
Dallas, Texas 75243
Phone: (972) 477-1000
Fax: (972) 477-1001

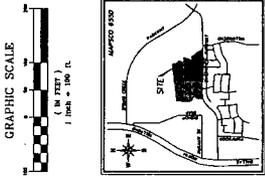
APPLICANT:
WINDHAVEN PARTNERS, L.P.
1000 Central Expressway, Suite 200
Dallas, Texas 75243
Phone: (972) 477-1000
Fax: (972) 477-1001

OWNER:
AVIGNON WINDHAVEN, LTD.
1000 Central Expressway, Suite 200
Dallas, Texas 75243
Phone: (972) 477-1000
Fax: (972) 477-1001

**PHASE II
LAND STUDY
AVIGNON WINDHAVEN
PHASES 2 & 3
PLANO, TEXAS**

**Kimley-Horn
and Associates, Inc.**
17000 North Central Expressway, Suite 1000
Dallas, Texas 75243
Phone: (972) 477-1000
Fax: (972) 477-1001

Scale:	1:100
Designed by:	JHM
Checked by:	AMF
Order:	August 2006
Project No.:	06404002



GRAPHIC SCALE
1" = 100' 0"

No.	Date	Revisions	App.

ORDINANCE NO. _____
(Zoning Case 2006-16)

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 34.1± ACRES OUT OF THE M. C. VELA SURVEY, ABSTRACT NO. 935, LOCATED ON THE NORTH SIDE OF WINDHAVEN PARKWAY, 2,900± FEET EAST OF DALLAS NORTH TOLLWAY IN THE CITY OF PLANO, COLLIN COUNTY, TEXAS, FROM PLANNED DEVELOPMENT-242-MULTIFAMILY-2 AND PLANNED DEVELOPMENT-243-RETAIL/GENERAL OFFICE TO PLANNED DEVELOPMENT-154-SINGLE-FAMILY RESIDENCE-6; 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 28th day of August, 2006, for the purpose of considering rezoning 34.1± acres out of the M. C. Vela Survey, Abstract No. 935, located on the north side of Windhaven Parkway, 2,900± feet east of Dallas North Tollway in the City of Plano, Collin County, Texas, from Planned Development-242-Multifamily-2 and Planned Development-243-Retail/General Office to Planned Development-154-Single-Family Residence-6; 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 28th day of August, 2006; 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 34.1± acres out of the M. C. Vela Survey, Abstract No. 935, located on the north side of Windhaven Parkway, 2,900± feet east of Dallas North Tollway in the City of Plano, Collin County, Texas, from Planned Development-242-Multifamily-2 and Planned Development-243-Retail/General Office to Planned Development-154-Single-Family Residence-6, said property being described in the legal description on Exhibit "A" attached hereto.

Section II. The change granted in Section I is granted subject to:

1. The minimum lot area shall be 5,600 square feet.
2. The minimum lot width for corner lots shall be 80 feet. The minimum lot widths for interior lots shall be 75 feet.
3. The minimum lot depth shall be 75 feet.
4. The minimum front yard setback shall be ten feet. For front-entry garages, the minimum front yard setback for the garage only shall be 20 feet. For side-entry garages, the minimum front yard setback shall be ten feet.
5. The minimum side yard setback for corner lots shall be ten feet. The minimum side yard setbacks for interior lots shall be five feet.
6. The minimum rear yard setback shall be 15 feet.
7. The maximum lot coverage shall be 55% total for primary and accessory buildings.
8. Lots backing to the creek, at the eastern boundary of the PD district, may develop in conformance to base SF-6 standards.

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.

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Section V. The repeal of any ordinance or part of ordinances affectuated 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 28TH DAY OF AUGUST, 2006.

Pat Evans, MAYOR

ATTEST:

Elaine Bealke, CITY SECRETARY

APPROVED AS TO FORM:

Diane C. Wetherbee, CITY ATTORNEY

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EXHIBIT "A"
LEGAL DESCRIPTION

BEING a tract of land out of the M.C. Vela Survey, Abstract Number 935, in the City of Plano, Collin County, Texas, and being a part of a called 108.9 acre tract of land described in deed to Acres of Sunshine, Ltd., recorded in Volume 4227, Page 835 of the Deed Records of Collin County, Texas, being a part of a tract of land described in deed to Haggard Enterprises Limited, recorded in Volume 2523, Page 172 of the Land Records of Collin County, Texas, and being more particularly described as follows (bearing system based on brass disks found on the easterly property line of a tract of land described in deed to City of Plano, recorded in deed Volume 3062, Page 38 of the Deed Records of Collin County, Texas);

COMMENCING at a point for the northeast corner of Avignon Windhaven, Phase I, an addition to the City of Plano, Collin County, Texas, according to the plat thereof recorded in Cabinet R, Slide 204 of the Map Records of Collin County, Texas, the same being in the south line of a 70-foot wide TU Electrical easement, recorded in Collin County Clerk's File No. 92-0005646 of the Land Records of Collin County, Texas, and the north line of a called 33.001 acre tract described in deed to Windhaven Development, LTD, recorded in Volume 5895, Page 3137 of the Land Records of Collin County, Texas;

THENCE with the south line of the 70-foot wide TU Electrical easement, the north line of the 33.001 acre tract, and across the before mentioned 108.9 acre tract, North $81^{\circ} 36' 56''$, a distance of 337.51 feet to a point for the POINT OF BEGINNING.

THENCE continuing with the south line of the 70-foot wide TU Electrical easement and across the 108.9 acre tract and the Haggard Enterprises Limited tract, North $81^{\circ} 36' 56''$, a distance of 789.05 feet to a point for corner in the centerline of an existing creek;

THENCE leaving the south line of the 70-foot wide TU Electrical easement with the meanders of the creek and continuing across the Haggard Enterprises Limited tract, the following courses and distances to wit:

South, $01^{\circ} 19' 19''$ East, a distance of 42.45 feet to a point for corner;
South, $55^{\circ} 43' 33''$ East, a distance of 62.96 feet to a point for corner;
South, $16^{\circ} 21' 03''$ West, a distance of 80.20 feet to a point for corner;
South, $33^{\circ} 27' 16''$ East, a distance of 99.90 feet to a point for corner;
South, $54^{\circ} 46' 57''$ East, a distance of 34.91 feet to a point for corner;
South, $74^{\circ} 43' 26''$ East, a distance of 53.86 feet to a point for corner;
South, $24^{\circ} 18' 15''$ East, a distance of 30.22 feet to a point for corner;
South, $21^{\circ} 04' 32''$ West, a distance of 160.27 feet to a point for corner;
South, $46^{\circ} 12' 01''$ West, a distance of 30.73 feet to a point for corner;
South, $04^{\circ} 45' 01''$ West, a distance of 34.37 feet to a point for corner;
South, $84^{\circ} 02' 31''$ East, a distance of 27.36 feet to a point for corner;

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South, 62° 09' 38" East, a distance of 43.19 feet to a point for corner;
North, 70° 31' 34" East, a distance of 105.43 feet to a point for corner;
South, 81° 53' 42" East, a distance of 60.18 feet to a point for corner;
South, 17° 55' 59" East, a distance of 40.94 feet to a point for corner;
South, 32° 51' 06" West, a distance of 73.41 feet to a point for corner;
South, 13° 10' 00" West, a distance of 118.29 feet to a point for corner;
South, 24° 55' 10" West, a distance of 135.65 feet to a point for corner;
South, 65° 36' 08" East, a distance of 68.85 feet to a point for corner;
North, 87° 37' 44" East, a distance of 106.17 feet to a point for corner;
South, 23° 33' 17" East, a distance of 153.63 feet to a point for corner;
South, 65° 25' 10" East, a distance of 80.28 feet to a point for corner;
South, 33° 12' 49" East, a distance of 241.49 feet to a point for corner;
South, 28° 37' 26" East, a distance of 94.13 feet to a point for corner;
South, 69° 37' 37" East, a distance of 85.66 feet to a point for corner in the north right-of-way line of Windhaven Parkway (a 110-foot wide public right-of-way at this point);

THENCE leaving the centerline of the creek with the north right-of-way line of Windhaven Parkway, the following courses and distances to wit:

South, 89° 47' 16" West, a distance of 429.23 feet to a point for corner;
South, 00° 12' 44" East, a distance of 55.00 feet to a point for corner;
South, 89° 47' 16" West, a distance of 1,116.45 feet to a point for corner in the existing east right-of-way line of Windhaven Parkway;

THENCE leaving the north right-of-way line of Windhaven Parkway with the east right-of-way line of Windhaven Parkway and the east line of a 33.001 acre tract, North, 00° 12' 44" West, a distance of 1,298.73 feet to the POINT OF BEGINNING and CONTAINING 34.0716 acres of land.