



Sachse, Texas

Sachse City Hall
3815-B Sachse Road
Sachse, Texas 75048

Meeting Agenda City Council

Monday, February 2, 2015

7:30 PM

Council Chambers

The Mayor and Sachse City Council request that all cell phones and pagers be turned off or set to vibrate. Members of the audience are requested to step outside the Council Chambers to respond to a page or to conduct a phone conversation.

The City Council of the City of Sachse will hold a Regular Meeting on Monday, February 2, 2015, at 7:30 p.m. in the Council Chambers at the Sachse City Hall, 3815 Sachse Road, Building B, Sachse, Texas to consider the following items of business:

Invocation and Pledges of Allegiance to U.S. and Texas Flags.

A. Pledge of Allegiance to the Flag of the United States of America: I pledge allegiance to the flag of the United States of America, and to the Republic for which it stands: one nation under God, indivisible, with liberty and justice for all.

B. Pledge of Allegiance to the Texas State Flag: Honor the Texas flag; I pledge allegiance to thee, Texas, one state under God, one and indivisible.

1. CONSENT AGENDA.

1.a ALL ITEMS LISTED ON THE CONSENT AGENDA WILL BE CONSIDERED BY THE CITY COUNCIL AND WILL BE ENACTED BY ONE MOTION, THERE WILL BE NO SEPARATE DISCUSSION OF THESE ITEMS UNLESS A COUNCIL MEMBER OR CITIZEN SO REQUESTS.

[15-2666](#) Consider approval of the minutes of the January 26, 2015, special meeting.

Executive Summary

Minutes from the recent special Council meeting.

Attachments: [Minutes.01.26.15.pdf](#)

[15-2660](#) Consider approval of the minutes of the January 19, 2015, regular meeting.

Executive Summary

Minutes from the recent Council meeting.

Attachments: [Minutes 01.19.15.pdf](#)

[15-2668](#) Consider receiving the Monthly Revenue and Expenditure Report for the period ending December 31, 2014.

Executive Summary

The Finance Department will prepare a report each month to update the City Council regarding revenues and expenditures for the City. The attached reports are for the month ended December 31, 2014.

Attachments: [GF 12-31-14.pdf](#)

[UF 12-31-14.pdf](#)

[DS 12-31-14.pdf](#)

[SEDC 12-31-14.pdf](#)

[Sales Tax Analysis January.pdf](#)

[15-2645](#)

Consider acceptance of the Quarterly Budget and Investment Reports for the quarter ended December 31, 2014.

Executive Summary

Cash on hand at 12/31/2014 was \$30,020,459 in all funds; of this amount \$25,020,459 was available for investing. The remaining \$5,000,000 is held in a non-interest bearing analysis account per contract with American National Bank. The average interest/yield on all investments was .29%, and investment earnings totaled \$12,074.

General Fund revenues are at 55% of budget and expenditures are at 24% as of 12/31/2014. Utility Fund revenues are at 26% of budget and expenditures are at 22%. Both funds are at anticipated levels for this period in the fiscal year.

Attachments: [1st Quarter 2015 Budget Report](#)

[October-Dec 2014 1st qtr 2015.pdf](#)

[15-2661](#)

Consider approval of an ordinance calling for the May 9, 2015 City Officers' (City Council) election.

Executive Summary

This ordinance formally calls for the City Council election on May 9, 2015. This year the positions of Council Place 1, and Council Place 2 are on the ballot.

Attachments: [Election ordinance.pdf](#)

[15-2657](#)

Consider a resolution of the City Council of the City of Sachse, Texas, approving and authorizing the Mayor to execute the Microsoft Enterprise Software Licensing Agreement through the State of Texas' Agreement with SHI Government Solutions.

Executive Summary

It is necessary for the City to maintain licensing for all computer network servers, Exchange, user authentication, firewall-security, workstation operating systems and productivity software that each end-user utilizes on a daily basis. In addition to these licensing requirements, the City has to maintain licensing for anti-spam and anti-virus protection. The Microsoft Enterprise agreement and licensing renewal is proposed for purchase through SHI Government Solutions, which is the City's current Microsoft software vendor. This company is a licensed contract vendor of the State of Texas, Department of Information Services. The term of the renewal agreement will be three years, and will expire in February 2018.

Attachments: [SHI Quote-Single Year.pdf](#)

[SHI 3 year quote.pdf](#)

[SHI TrueUp Invoice.pdf](#)

[SHI Product Selection.pdf](#)

[SHI Enrollment.pdf](#)

[SHI signature page.pdf](#)

[SHI Sub250 Program Amendment.pdf](#)

[51SACHSE Resolution Microsoft Licensing Renewal.pdf](#)

15-2669

Consider receiving the City's Comprehensive Annual Finance Report (CAFR) for the fiscal year ending September 30, 2014.

Executive Summary

Brooks, Cardiel, & Company, PLLC, an independent audit firm, has audited the City's Financial Statements for the period ending September 30, 2014 and has issued an Unmodified or "clean" opinion. Anthony Cardiel, CPA gave a presentation and comments on the reports during the workshop session.

Attachments: [Sachse CAFR-Final 2014.pdf](#)

[Management Rep Letter.pdf](#)

[Auditors Communication with Governance.pdf](#)

[Communication of Material Weaknesses.pdf](#)

15-2665

Consider a resolution of the City Council of the City of Sachse, Texas, approving the terms and conditions of an agreement and first addendum thereto, by and between the City of Sachse, Texas, and Zambelli Fireworks Manufacturing Co. for a fireworks display on July 3, 2015, at Heritage Park.

Executive Summary

This Agenda item authorizes the City Manager to execute a contract and addendum to the contract with Zambelli Fireworks in the amount of \$13,900 and set the date of July 3, 2015 for this year's Red, White & Blue Blast event.

Attachments: [ADDENDUM TO AGREEMENT FOR FIREWORKS PDF.pdf](#)
[TX-Sachse 7-3-15 contract PDF.pdf](#)
[RWBB presentation 02-02-15 PDF.pdf](#)
[RESOLUTION PDF.pdf](#)

[15-2673](#)

A Resolution of the City Council of the City of Sachse, Texas, approving the purchase of real property for the construction of widening and paving improvements to Ranch Road from Harlan Drive to Clearmeadow Lane; said property to be conveyed to the City of Sachse through a title company; authorizing the execution of all necessary documents by the city manager; and providing an effective date.

Executive Summary

The widening and paving improvements for Ranch Road from Harlan Drive to Clearmeadow Lane is a Capital Improvement Project for the City of Sachse. The project is funded through an Interlocal Agreement by and between the City of Sachse and Collin County. The widening of Ranch Road from a 2-lane road to a 4-lane road requires additional right-of-way. This item authorizes the use of a title company to close on the five parcels, and also authorizes the purchase of the five parcels of real property needed for the project.

Attachments: [Exhibit A PDF](#)
[Exhibit B PDF](#)
[Ranch Road Right-of-way Presentation PDF](#)
[RESO Ranch Road ROW PDF](#)

2. MAYOR AND CITY COUNCIL ANNOUNCEMENTS REGARDING SPECIAL EVENTS, CURRENT ACTIVITIES, AND LOCAL ACHIEVEMENTS.

[15-2667](#)

Recognition of service to the for City for Mr. William K. George, with short recess for refreshments.

Executive Summary

Billy George has resigned as City Manager, and this item is to recognize his service to the City.

[15-2671](#)

Police Department Annual Briefing

Executive Summary

Police Department Annual Briefing

Attachments: [Presentation PDF](#)

3. CITIZEN INPUT.

The public is invited at this time to address the Council. The Mayor will ask you to come to the Microphone and state your name and address for the record. If your remarks pertain to a specific Agenda item, please hold them until that item, at which time the Mayor may solicit your comments. Time limit is 3 minutes per speaker.

The City Council is prohibited from discussing any item not on the posted agenda according to the Texas Open Meetings Act.

4. REGULAR AGENDA ITEMS.

[15-2676](#)

Consider an ordinance authorizing the issuance of City of Sachse, Texas, General Obligation Refunding Bonds; establishing procedures and delegating authority for the sale and delivery of the bonds; providing for the security and payment of said bonds; providing an effective date; and enacting other provisions relating to the subject.

Executive Summary

The City's 2015 Strategic Plan Goal 2--Be a model of financial stewardship through growth management, responsible investment and financial transparency--Strategy 5 includes a task of reviewing opportunities for refunding existing bond debt. The current interest rates are low enough to realize a significant savings to the City by refunding the 2003 Certificates of Obligation, which are currently callable, and a portion of the Series 2009 GO Bonds with the highest coupon rates. The projected savings are \$1.8 million over the remaining life of the bonds, with a present value savings of \$1.3 million.

Attachments: [Refunding Bond Ordinance.pdf](#)

[Sachse parameter refunding 2-2 presentation.pdf](#)

[15-2662](#)

Consider a resolution of the City Council of the City of Sachse, Texas approving the terms and conditions of a consulting services agreement, by and between the City of Sachse and Evergreen Solutions, LLC to provide human resource management consulting services to the city in an amount not to exceed \$35,000.

Executive Summary

The City of Sachse requested proposals for a Comprehensive Compensation and Benefits Study. The City received and reviewed eight (8) bids and narrowed the list down to the top two firms based

on the local market serviced by the company in addition to the base price. The purpose of this item is to present staff findings and to make a recommendation.

Attachments: [Compensation Study Presentation 2-2-15.pdf](#)

[51SACHSE Evergreen Solutions Consulting Services Agreement.pdf](#)

[Section 3 - Approach and Work Plan.pdf](#)

[51SACHSE Evergreen Solutions Resolution Approving Consulting Agreement6](#)

5. ADJOURNMENT.

Vision Statement: Sachse is a friendly, vibrant community offering a safe and enjoyable quality of life to all who call Sachse home.

The City of Sachse reserves the right to reconvene, recess or realign the regular session or called Executive Session or order of business at any time prior to adjournment. Note: The Sachse City Council reserves the right to convene into Executive Session pursuant to the Texas Government Code, Chapter 551 regarding posted items on the regular meeting agenda.

State law prohibits the introduction or discussion of any item of business not posted at least seventy-two (72) hours prior to the meeting time. Therefore, during Citizen Input for example, the Council is prohibited by state law to deliberate or take action on any issues introduced by the public other than to take them under advisement. Posted: January 30, 2015; 5:00 p.m.

Terry Smith, City Secretary _____.

If you plan to attend this public meeting and you have a disability that requires special arrangements at the meeting, please contact Terry Smith, City Secretary, at (972) 495-1212, 48 business hours prior to the scheduled meeting date. Reasonable accommodations will be made to assist your needs.



Legislation Details (With Text)

File #:	15-2666	Version:	1	Name:	Consider approval of the minutes of the January 26, 2015, special meeting.
Type:	Agenda Item	Status:			Agenda Ready
File created:	1/26/2015	In control:			City Council
On agenda:	2/2/2015	Final action:			
Title:	Consider approval of the minutes of the January 26, 2015, special meeting.				
	Executive Summary Minutes from the recent special Council meeting.				

Sponsors:

Indexes:

Code sections:

Attachments: [Minutes.01.26.15.pdf](#)

Date	Ver.	Action By	Action	Result
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Title

Consider approval of the minutes of the January 26, 2015, special meeting.

Executive Summary

Minutes from the recent special Council meeting.

Background

Minutes from a recent Council meeting on January 26, 2015, for review and approval.

Policy Considerations

Not applicable.

Budgetary Considerations

Not applicable.

Staff Recommendations

Approval of the minutes of the January 26, 2015, special meeting.

**SPECIAL MEETING
OF THE
CITY COUNCIL OF THE CITY OF SACHSE**

JANUARY 26, 2015

The City Council of the City of Sachse held a Special Meeting on Monday, January 26, 2015, at 6:30 p.m. at the Sachse City Hall after proper notice. The roll of the duly constituted City Council members was called which members are as follows, to wit:

Mayor Mike Felix
Mayor Pro Tem Jeff Bickerstaff
Councilman Charles Ross
Councilman Brett Franks
Councilman Paul Watkins
Councilman Cullen King
Councilman Bill Adams

and all were present.

Staff present: City Manager Billy George; City Secretary Terry Smith; Executive Assistant Michelle Sirianni and Stacy Buckley, Human Resources Manager.

Mayor Felix opened the special meeting.

1. Agenda Items:

15-2663 Discuss and consider a resolution of the City Council of the City of Sachse, Texas approving the terms and conditions of the Agreement for Services between the City of Sachse, Texas, and Waters & Company Executive Recruitment/A Springstead Company:

Mayor Pro Tem Jeff Bickerstaff moved to approve 15-2663 as presented (Resolution No. 3648). The motion was seconded by Councilman Adams and carried unanimously.

15-2664 Convene into executive session pursuant to the provisions of Section 551.074 the Texas Government Code "Personnel Matters": To discuss and consider the appointment, employment and duties of an Interim City Manager. Consider any action necessary as a result of Executive Session:

At 6:45 p.m. Councilman Adams moved to recess to executive session. The motion was seconded by Councilman Watkins and carried unanimously.

At 7:14 p.m. Councilman Ross moved to return to open session. The motion was seconded by Councilman Adams and carried unanimously.

Councilman King moved to appoint Alan Dickerson as Interim City Manager and approve the temporary employment agreement as presented. The motion was seconded by Councilman Watkins and carried unanimously.

2. Adjourn:

There being no further business, Councilman Adams moved to adjourn at 7:15 p.m. The motion was seconded by Councilman Ross and carried unanimously.

ATTEST:

APPROVED:

CITY SECRETARY

MAYOR



Legislation Details (With Text)

File #:	15-2660	Version:	1	Name:	Consider approval of the minutes of the most recent Council meeting.
Type:	Agenda Item	Status:		Status:	Agenda Ready
File created:	1/21/2015	In control:		In control:	City Council
On agenda:	2/2/2015	Final action:		Final action:	
Title:	Consider approval of the minutes of the January 19, 2015, regular meeting.				
	Executive Summary Minutes from the recent Council meeting.				

Sponsors:

Indexes:

Code sections:

Attachments: [Minutes 01.19.15.pdf](#)

Date	Ver.	Action By	Action	Result
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Title

Consider approval of the minutes of the January 19, 2015, regular meeting.

Executive Summary

Minutes from the recent Council meeting.

Background

Minutes from a recent Council meeting on January 19, 2015, for review and approval.

Policy Considerations

Not applicable.

Budgetary Considerations

Not applicable.

Staff Recommendations

Approval of the minutes of the January 19, 2015, regular meeting as a Consent Agenda Item.

**REGULAR MEETING
OF THE
CITY COUNCIL OF THE CITY OF SACHSE**

JANUARY 19, 2015

The City Council of the City of Sachse held a Regular Meeting on Monday, January 19, 2015 at 7:30 p.m. at the Sachse City Hall after proper notice. The roll of the duly constituted City Council Members was called which members are as follows, to wit:

Mayor Mike Felix
Mayor Pro Tem Jeff Bickerstaff
Councilman Charles Ross
Councilman Brett Franks
Councilman Paul Watkins
Councilman Cullen King
Councilman Bill Adams

and all were present.

Staff present: City Manager Billy George, City Secretary Terry Smith, Executive Assistant Michelle Sirianni, Community Development Director Dan McGinn, Police Chief Dennis Veach, Human Resources Manager Stacy Buckley, Parks and Recreation Director Lance Whitworth, Library Manager Mignon Morse, City Engineer Greg Peters, Public Works Director Joe Crase, Fire Chief Rick Coleman, and Finance Director Teresa Savage.

Invocation and Pledge of Allegiance to U.S. and Texas Flags:

The invocation was offered by Councilman Franks and the pledges were led by Boy Scout Troop 100.

1. Consent Agenda:

Councilman Adams moved to approve the Consent Agenda consisting of: 14-2583 Consider approval of the minutes of the December 1, 2014, regular Meeting; 15-2642 Consider approval of the minutes of the January 5, 2015, regular Meeting; 15-2646 Resolution No. 3644 of the City Council of the City of Sachse, Texas, approving the terms and conditions of an Interlocal cooperation agreement, by and between the City of Sachse, Texas and Collin County, Texas for improvements to the City's roads and bridges located within Collin County; and providing for an effective date, as a Consent Agenda Item; 15-2653 Resolution No. 3645 of the City Council of the City of Sachse, Texas, approving the terms and conditions of an agreement between the City of Sachse and Nortex Concrete & Stabilization, Inc. for pavement repairs on Ben Davis and Murphy Road located within Sachse; 15-2647 Resolution No. 3646 of the City Council of the City of Sachse, Texas, approving Purchase Orders in the amount not to exceed two hundred eighty-two thousand dollars (\$282,000.00) to Reynolds Asphalt and Construction Company, Incorporated for asphalt roadway improvement projects; and 15-2654 Consider acceptance of the resignation of City Manager William K. George effective February 8, 2015. The motion was seconded by Councilman Ross and carried unanimously.

2. Mayor and City Council Announcements regarding special events, current activities and local achievements:

15-2655 Presentation of Life Saving Awards for Firefighters involved in a CPR save.

15-2643 Present Proclamation recognizing Walgreens community programs.

15-2644 Recognize employees for their service to the City of Sachse.

Councilman King reminded the audience to keep your pets inside and warm. And register your pets and keep their tags on for location purposes.

Mayor Felix noted the following events: January 28th is the Board and Commission appreciation banquet; January 30th is the Chamber of commerce annual banquet; March 28th is the Easter egg hunt and April 11th is the Great American Cleanup.

3. Citizen Input:

Dianne Smith 4802 Sachse Road, suggested the City have a holiday on Martin Luther King Day.

Jeff Peters 2717 McDearmon, requested a clarification of Ordinance No. 3560, which implies a Cigar Lounge is not allowed.

4. Regular Agenda Items:

15-2641 Consider the application of Woodbridge Properties, LLC for approval of a Preliminary Plat for Woodbridge Gate Addition, being a 10.1098-acre tract consisting of five (5) individual lots. The subject property is located on the southwest corner of Woodbridge Parkway and State Highway 78:

Following discussion, Councilman Ross moved to approve 15-2641. The motion was seconded by Councilman Franks and carried unanimously.

15-2651 Discuss and consider a resolution of the City Council of the City of Sachse, Texas, adopting the City of Sachse Citizens Handbook for Requesting Traffic Calming Devices:

Following discussion, Councilman King moved to approve 15-2651 (Resolution No. 3647) with changes as noted (\$50 application fee). The motion was seconded by Councilman Watkins and carried unanimously.

15-2656 Convene into executive session pursuant to the provisions of Section 551.074 the Texas Government Code "Personnel Matters": To discuss the appointment, employment and duties for the City Manager position. Consider any action necessary as a result of Executive Session.

At 8:20 p.m. Councilman Adams moved to recess to Executive Session. The motion was seconded by Councilman Ross and carried unanimously.

At 8:55 p.m. Councilman Ross moved to return to open session. The motion was seconded by Mayor Pro Tem Bickerstaff and carried unanimously.

Mayor Felix stated there was no action necessary.

5. Adjournment:

There being no further business, Councilman Ross moved to adjourn. The motion was seconded by Councilman Watkins and carried unanimously. The meeting adjourned at 8:56 p.m.

ATTEST:

APPROVED:

CITY SECRETARY

MAYOR



Legislation Details (With Text)

File #: 15-2668 **Version:** 1 **Name:** Monthly Revenue and Expense Report
Type: Agenda Item **Status:** Agenda Ready
File created: 1/27/2015 **In control:** City Council
On agenda: 2/2/2015 **Final action:**
Title: Consider receiving the Monthly Revenue and Expenditure Report for the period ending December 31, 2014.

Executive Summary

The Finance Department will prepare a report each month to update the City Council regarding revenues and expenditures for the City. The attached reports are for the month ended December 31, 2014.

Sponsors:

Indexes:

Code sections:

Attachments: [GF 12-31-14.pdf](#)
[UF 12-31-14.pdf](#)
[DS 12-31-14.pdf](#)
[SEDC 12-31-14.pdf](#)
[Sales Tax Analysis January.pdf](#)

Date	Ver.	Action By	Action	Result
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Title

Consider receiving the Monthly Revenue and Expenditure Report for the period ending December 31, 2014.

Executive Summary

The Finance Department will prepare a report each month to update the City Council regarding revenues and expenditures for the City. The attached reports are for the month ended December 31, 2014.

Background

Included in the report are unaudited summaries for the General Fund, Utility Fund, Debt Service Fund, and Sachse Economic Development Corporation, for the period ended December 31, 2014, as well as an analysis of sales tax receipts for the first four months of the fiscal year.

Policy Considerations

City Charter requires that the City Manager submit monthly a report covering revenues and expenditures.

Budgetary Considerations
None.

Staff Recommendations

Staff recommends that the City Council receive the Monthly Revenue and Expenditure Report for the period ending December 31, 2014 as a Consent Agenda item.

City of Sachse
Monthly Revenue and Expenditure Report
December 31, 2014
(Unaudited)

GENERAL FUND

	25% of Year Completed					
	Annual Budget	Current Month Actual	Actual YTD	YTD Actual as a Percent of Budget	Note Reference 25%	
Revenue Summary						
Property Tax	\$ 7,700,541	\$ 5,215,418	\$ 5,668,658	73.61%	A	
Sales Tax	1,184,444	92,624	312,415	26.38%		
Franchise Fees	1,486,816	35,015	356,676	23.99%		
Licenses and Permits	527,220	90,593	213,588	40.51%		
Service Fees	614,027	66,319	188,062	30.63%		
Fines	250,000	16,923	50,362	20.14%		
Interest Income	5,000	983	2,166	43.33%		
Miscellaneous Income	154,613	16,346	47,711	30.86%		
Intergovernmental Revenue	899,864	74,989	224,966	25.00%		
Total Revenue	\$ 12,822,525	\$ 5,609,210	\$ 7,064,605	55.10%		
Expenditure Summary						
City Manager	\$ 345,708	\$ 26,847	\$ 79,583	23.02%	B	
City Secretary	169,012	11,410	40,364	23.88%		
Human Resources	292,304	20,394	55,227	18.89%		
Finance	552,435	37,938	143,758	26.02%		
Municipal Court	185,400	11,878	30,150	16.26%		
Parks & Recreation	899,087	73,301	186,850	20.78%		
Senior Programs	115,061	7,339	24,166	21.00%		
Library Services	327,083	22,632	74,946	22.91%		
Community Development	677,969	51,856	163,976	24.19%		
Streets & Drainage	1,057,273	85,840	221,111	20.91%		
Facility Maintenance	389,947	25,480	72,091	18.49%		
Police	3,808,914	275,647	909,297	23.87%		
Animal Control	177,431	13,353	43,042	24.26%		
Fire/EMS	2,869,257	180,828	595,111	20.74%		
Combined Services	561,690	16,663	273,942	48.77%		
City Engineer	290,568	20,295	61,568	21.19%		
Total Expenditures	\$ 12,719,139	\$ 881,698	\$ 2,975,181	23.39%		
Total Revenue Over/Under Expenses	\$ 103,386	\$ 4,727,511	\$ 4,089,424			

Explanation of Major Variances:

- A** Property Tax receipts peak in December and January
B Total annual property and liability premium paid in October

City of Sachse
Monthly Revenue and Expenditure Report
December 31, 2014
(Unaudited)

UTILITY FUND

	25% of Year Completed				Note Reference
	Annual Budget	Current Month Actual	Actual YTD	YTD Actual as a Percent of Budget	
Revenue Summary					
Water Revenue	\$ 4,135,178	\$ 341,554	\$ 1,149,185	27.79%	
Sewer Revenue	3,712,681	297,662	889,387	23.96%	
Fees	168,200	15,645	49,891	29.66%	
Interest Income	2,000	165	557	27.83%	
Miscellaneous Income	-	-	-		
Total Revenue	\$ 8,018,059	\$ 655,026	\$ 2,089,020	26.05%	
Expenditure Summary					
Utility Administration	\$ 262,207	\$ 12,016	\$ 58,124	22.17%	
Water Operations	4,252,457	341,692	1,025,781	24.12%	
Sewer Operations	3,061,482	121,388	554,139	18.10%	
Meter Reading	217,977	24,864	67,362	30.90%	
Total Expenditures	\$ 7,794,123	\$ 499,959	\$ 1,705,406	21.88%	A
Total Revenue Over/Under Expenses	\$ 223,936	\$ 155,067	\$ 383,613		

Explanation of Major Variances:

A YTD Expenses include meters purchased for new construction.

Monthly Revenue and Expenditure Report
December 31, 2014
(Unaudited)

Debt Service Fund

	25% of Year Completed				
	Annual Budget	Current Month Actual	Actual YTD	YTD Actual as a Percent of Budget	Note Reference 25%
Revenue Summary					
Property Tax	\$ 2,964,058	\$ 1,975,864	\$ 2,147,529	72.45%	
Interest Income	1,500	229	349	23.25%	
Total Revenue	<u>\$ 2,965,558</u>	<u>\$ 1,976,094</u>	<u>\$ 2,147,878</u>	<u>72.43%</u>	
Expenditure Summary					
Fees	\$ 1,000	\$ -		0.00%	
Principal	1,195,000	-		0.00%	A
Interest	1,762,191			0.00%	A
Total Expenditures	<u>\$ 2,958,191</u>	<u>\$ -</u>	<u>\$ -</u>	<u>0.00%</u>	
Total Revenue Over/Under Expenses	<u>\$ 7,367</u>	<u>\$ 1,976,094</u>	<u>\$ 2,147,878</u>		

A Principal payments are due in February and interest payments in February and August

City of Sachse
Monthly Revenue and Expenditure Report
December 31, 2014
(Unaudited)

SACHSE ECONOMIC DEVELOPMENT CORPORATION

25% of Year Completed

	Annual Budget	Current Month Actual	Actual YTD	YTD Actual as a Percent of Budget	Note Reference 25%
Revenue Summary					
Sales Tax	\$ 583,222	\$ 46,312	\$ 153,776	26.37%	
Other Income	\$ -	\$ -			
Interest Income	7,500	2,216	3,455	46.06%	
Total Revenue	\$ 590,722	\$ 48,528	\$ 157,231	26.62%	
Expenditure Summary					
Expenditures	586,553	33,294	69,894	11.92%	
Total Expenditures	\$ 586,553	\$ 33,294	\$ 69,894	11.92%	
Total Revenue Over/Under Expenses	\$ 4,169	\$ 15,234	\$ 87,337		

Explanation of Major Variances:

CITY OF SACHSE

2014/2015 SALES TAX ANALYSIS

	Total	General Fund	General Fund	YTD Percent		Total	General Fund	General Fund	YTD Percent
FY 2014	Sales Tax	Sales Tax	Year-To-Date	of Budget	FY 2015	Sales Tax	Sales Tax	Year-To-Date	of Budget
October	93,523	62,349	62,349	7.25%	October	149,053	85,169	85,169	7.30%
November	151,568	101,046	163,395	19.01%	November	227,089	129,759	214,928	18.43%
December	99,161	56,661	220,055	25.60%	December	162,100	92,624	307,552	26.37%
January	107,510	61,431	281,486	32.75%	January	158,992	90,848	398,400	34.16%
February	189,230	108,126	389,612	45.33%	February				
March	104,381	59,643	449,256	52.26%	March				
April	97,372	55,638	504,894	58.74%	April				
May	187,319	107,034	611,928	71.19%	May				
June	153,599	87,766	699,694	81.40%	June				
July	129,621	74,065	773,760	90.02%	July				
August	199,329	113,897	887,656	103.27%	August				
September	141,803	81,026	968,683	112.69%	September				
TOTAL	1,654,417	968,683			TOTAL	697,235	398,400		
BUDGET		859,583			BUDGET		1,166,444		



Legislation Details (With Text)

File #:	15-2645	Version:	1	Name:	1st Quarter Budget and Investment Report
Type:	Agenda Item	Status:		Status:	Agenda Ready
File created:	1/12/2015	In control:		In control:	City Council
On agenda:	2/2/2015	Final action:		Final action:	
Title:	Consider acceptance of the Quarterly Budget and Investment Reports for the quarter ended December 31, 2014.				
	Executive Summary Cash on hand at 12/31/2014 was \$30,020,459 in all funds; of this amount \$25,020,459 was available for investing. The remaining \$5,000,000 is held in a non-interest bearing analysis account per contract with American National Bank. The average interest/yield on all investments was .29%, and investment earnings totaled \$12,074.				
	General Fund revenues are at 55% of budget and expenditures are at 24% as of 12/31/2014. Utility Fund revenues are at 26% of budget and expenditures are at 22%. Both funds are at anticipated levels for this period in the fiscal year.				
Sponsors:					
Indexes:					
Code sections:					
Attachments:	1st Quarter 2015 Budget Report October-Dec 2014 1st qtr 2015.pdf				

Date	Ver.	Action By	Action	Result
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Title

Consider acceptance of the Quarterly Budget and Investment Reports for the quarter ended December 31, 2014.

Executive Summary

Cash on hand at 12/31/2014 was \$30,020,459 in all funds; of this amount \$25,020,459 was available for investing. The remaining \$5,000,000 is held in a non-interest bearing analysis account per contract with American National Bank. The average interest/yield on all investments was .29%, and investment earnings totaled \$12,074.

General Fund revenues are at 55% of budget and expenditures are at 24% as of 12/31/2014. Utility Fund revenues are at 26% of budget and expenditures are at 22%. Both funds are at anticipated levels for this period in the fiscal year.

Background

Every quarter, the Finance Department releases a report on the City's finances. The report is divided into two sections: Budget and Investments. The Budget section generally includes revenues and expenditures for the General, Utility, Debt Service, Special Revenue, Impact

Fee, Street Maintenance Tax, and Health Insurance Funds as well as a summary of Capital Project expenditures.

The Investment Report provides investment activity details for the Money Market, Investment Pool, and Certificate of Deposit accounts. It is the strategy of the City to maintain a high percentage of idle funds invested in safe, secure and liquid investment securities and pooled investment types in accordance with the Public Funds Investment Act (PFIA) and City policy.

Policy Considerations

The PFIA requires that the Investment Officers prepare and submit quarterly a written report of investment transactions for all funds covered by the Investment Policy.

Budgetary Considerations

There are no significant aberrations in the budget that would require budget amendments at this time.

Staff Recommendations

Staff recommends acceptance of the Quarterly Budget and Investment Reports for the quarter ending December 31, 2014 as a Consent Agenda item.

1st Quarter Budget Report (Unaudited)

As of December 31, 2014



The City of Sachse Finance Department is dedicated to excellence in local government, comprehensive fiscal management, compliance and reporting.

The Quarterly Budget Report complies with the City Charter's quarterly financial reporting requirement and is aimed at providing our users (internal and external), with a general awareness of the City's financial position.



Finance Department

TO: BILLY GEORGE, CITY MANAGER
FROM: SARA WORD, ACCOUNTANT
SUBJ: QUARTERLY BUDGET REPORT FOR 1ST QUARTER ENDING DECEMBER 31, 2014
DATE: JANUARY 15, 2015
CC: MAYOR AND CITY COUNCIL

Attached is the 1st Quarter Budget Report for the 2014-2015 fiscal year. The fiscal year for the City of Sachse is October 1st through September 30th. Three months, or 25% of the fiscal year was completed as of the end of December 2014.

Overall, the City received \$12.5 million for the 1st quarter, representing 49% of budgeted revenues.

CITY-WIDE REVENUES			
<i>Fund</i>	<i>Budget</i>	<i>YTD</i>	<i>% Collected</i>
General Fund	\$ 12,822,525	\$ 7,042,142	54.92%
Utility Fund	8,018,059	2,089,020	26.05%
Debt Service	2,965,558	2,147,878	72.43%
Special Revenue	86,300	14,790	17.14%
Impact Fee	254,000	902,323	355.25%
Street Maint. Tax	291,811	76,931	26.36%
Health Ins	866,013	216,525	25.00%
Total	\$ 25,304,266	\$ 12,489,609	49.36%

Expenditures totaled \$5 million for the 1st quarter, representing 19% of budgeted expenditures.

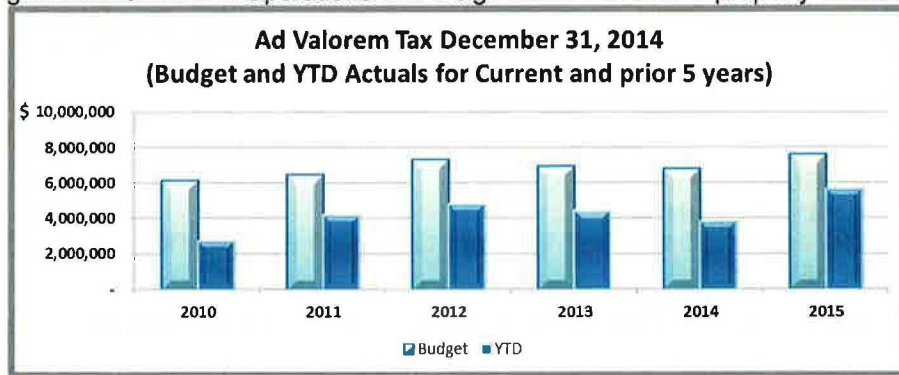
CITY-WIDE EXPENDITURES			
<i>Fund</i>	<i>Budget</i>	<i>YTD</i>	<i>% Expended</i>
General Fund	\$ 12,719,179	\$ 3,087,460	24.27%
Utility Fund	7,794,123	1,712,772	21.98%
Debt Service	2,958,191	-	0.00%
Special Revenue	229,500	2,023	0.88%
Impact Fee	885,000	-	0.00%
Street Maint. Tax	282,000	16,459	5.84%
Health Ins	865,978	166,034	19.17%
Total	\$ 25,733,971	\$ 4,984,747	19.37%

The Capital Project Fund year-to-date revenues are \$4,356.72 and expenditures are \$241,766, not expressed as a percentage of budget.

Revenue

- Through December, total General Fund revenues are at \$7,042,142 or 55% of expected collections. Total revenues increased \$1,790,079 compared to the same period last fiscal year.
- Sales tax revenues through December are at 26% of expected collections, an increase of \$87,497 over prior year.
- Franchise fees are at \$356,676, or 24% of budget, a \$19,678 increase over prior year.

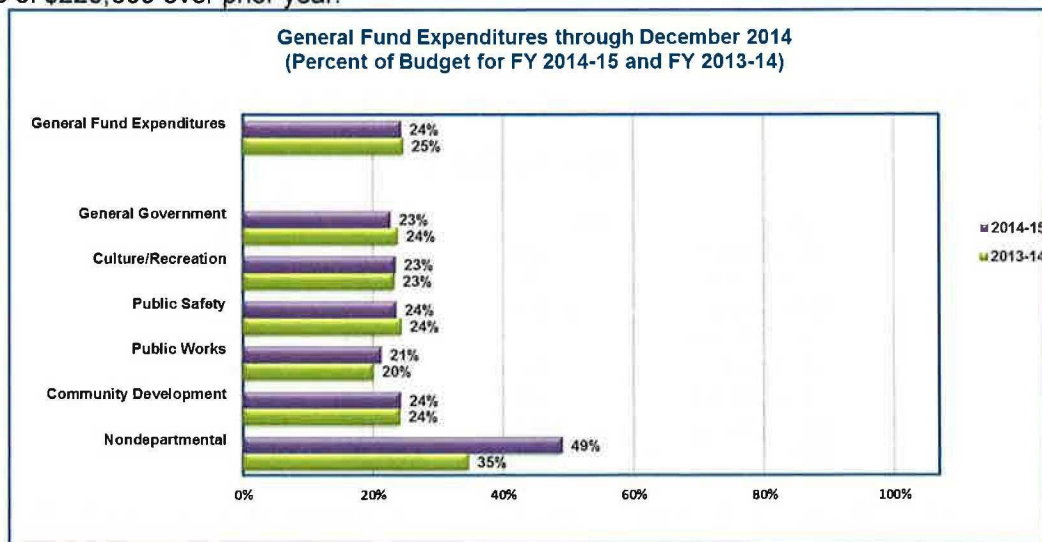
- General Fund ad valorem tax revenues are 74% collected at \$5,668,658, resulting in an increase of \$1,796,579 over prior year. This increase is the result of a shift in the tax rate from Interest & Sinking to Maintenance & Operations and a significant increase in property values.



- Through December, collections for Licenses & Permits have increased \$3,840 over prior year and are at 40% of budget. The City has continued to see an overall rise in building permits issued over previous years, with 84 Single Family residential permits being issued since October 1st.
- Charges for services and fees, year-to-date, are \$165,324 at 27% of budget. This is a decrease of \$122,541 from the same period in the prior year due primarily to a decrease in developer fees.
- Court fine revenues finished December at \$50,637 or 20% of anticipated collections, an increase of \$6,833 over the same period the year before.
- Through December, Utility Fund revenues total \$2,089,020 or 26% of budget, an increase of \$422,816 over prior year.

Expenditures

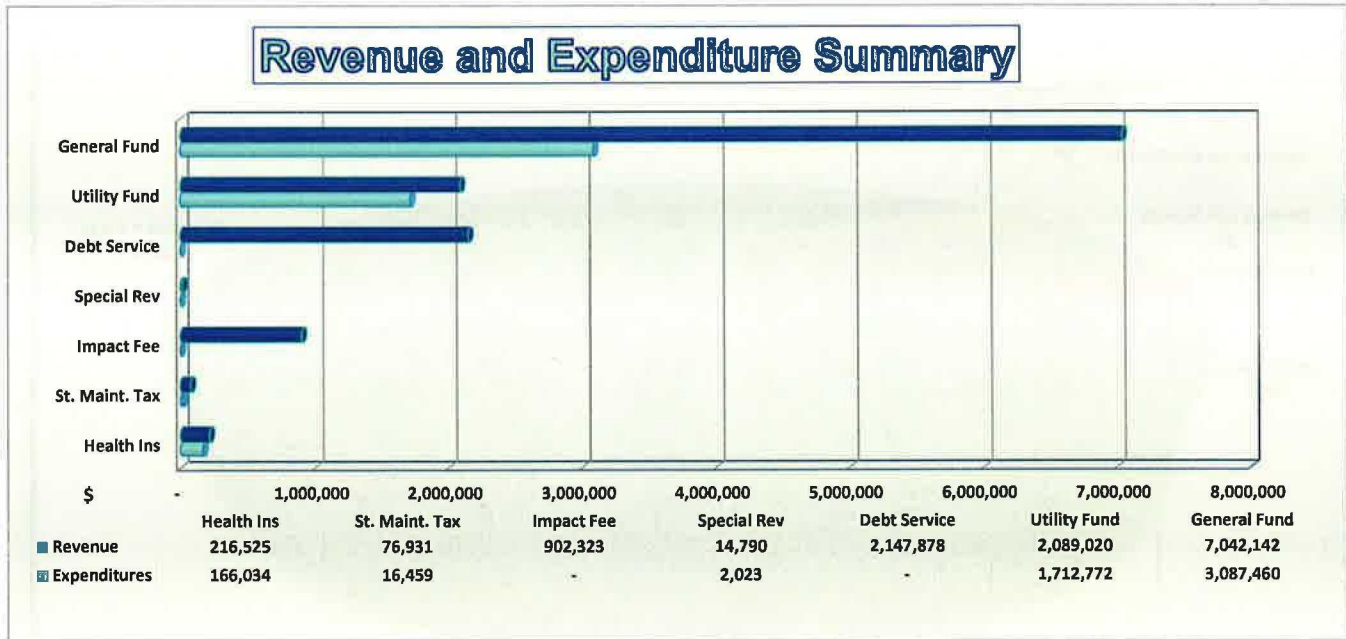
Through December, total General Fund expenditures are at \$3,087,460 or 24% expended. This is an increase of \$223,699 over prior year.



Utility Fund expenditures through December are at 22% of budget at \$1,712,772.

**CITY OF SACHSE
REVENUE AND EXPENDITURE SUMMARY
AND CHANGES IN FUND BALANCE RESERVES
QUARTER ENDED 12/31/14 - 25% OF YEAR COMPLETE (UNAUDITED)**

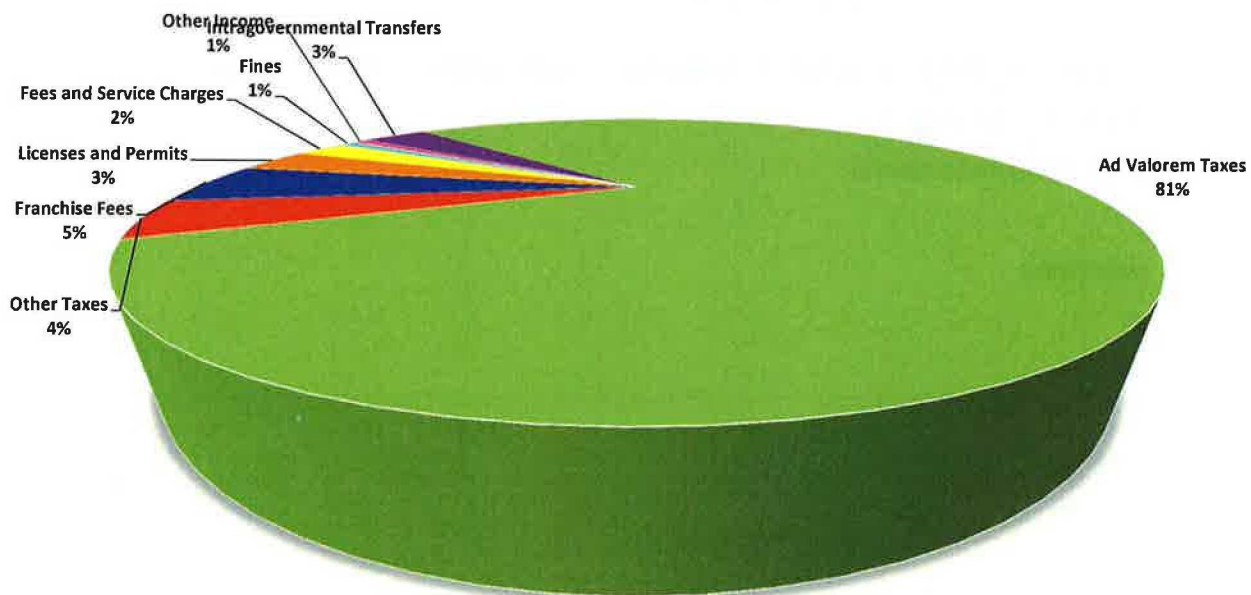
	General Fund	Utility Fund	Debt Service Fund	Special Revenue Fund	Impact Fee Fund	Street Maintenance Tax Fund	Health Insurance Fund	Total
Revenues								
Budget	\$ 12,822,525	\$ 8,018,059	\$ 2,965,558	\$ 86,300	\$ 254,000	\$ 291,811	\$ 866,013	\$ 25,304,266
YTD Actual	7,042,142	2,089,020	2,147,878	14,790	902,323	76,931	216,525	12,489,609
Budget Remaining	\$ 5,780,383	\$ 5,929,039	\$ 817,680	\$ 71,510	\$ (648,323)	\$ 214,880	\$ 649,488	\$ 12,814,657
% of Budget	54.92%	26.05%	72.43%	17.14%	355.25%	26.36%	25.00%	49.36%
Expenditures								
Budget	\$ 12,719,179	\$ 7,794,123	\$ 2,958,191	\$ 229,500	\$ 885,000	\$ 282,000	\$ 865,978	\$ 25,733,971
YTD Actual	3,087,460	1,712,772	-	2,023	-	16,459	166,034	4,984,747
Budget Remaining	\$ 9,631,719	\$ 6,081,351	\$ 2,958,191	\$ 227,477	\$ 885,000	\$ 265,541	\$ 699,944	\$ 20,749,224
% of Budget	24.27%	21.98%	0.00%	0.88%	0.00%	5.84%	19.17%	19.37%
Net Over/under	\$ 3,954,682	\$ 376,248	\$ 2,147,878	\$ 12,768	\$ 902,323	\$ 60,473	\$ 50,492	\$ 7,504,862



CITY OF SACHSE
GENERAL FUND REVENUES
QUARTER ENDED 12/31/14 - 25% OF YEAR COMPLETE (UNAUDITED)

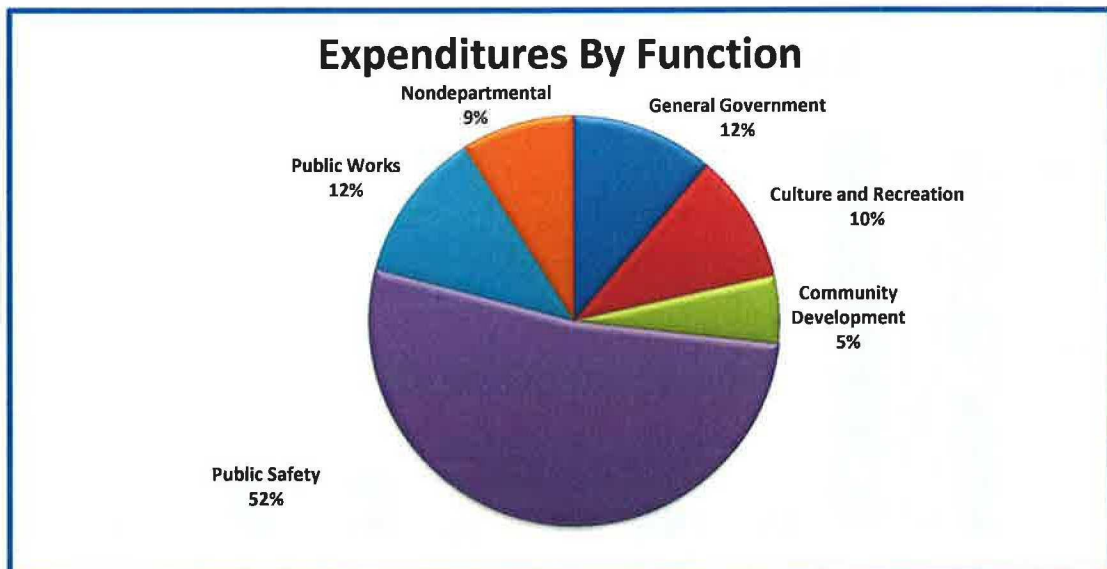
	FY 2014 BUDGET	FY 2014 YEAR- TO-DATE	FY 2015 BUDGET	FY 2015 YEAR- TO-DATE	BUDGET REMAINING	% OF BUDGET
Ad Valorem Taxes	\$ 6,866,469	\$ 3,872,080	\$ 7,700,541	\$ 5,668,658	\$ 2,031,883	73.61%
Other Taxes	875,193	224,847	1,184,444	312,415	872,029	26.38%
Franchise Fees	1,431,811	336,998	1,486,816	356,676	1,130,140	23.99%
Licenses and Permits	531,650	209,748	527,220	213,588	313,632	40.51%
Fees and Service Charges	531,173	287,865	614,027	165,324	448,703	26.92%
Fines	365,000	43,804	250,000	50,637	199,363	20.25%
Other Income	146,097	40,315	159,613	49,877	109,736	31.25%
Intragovernmental Transfers	945,617	236,404	899,864	224,966	674,898	25.00%
TOTAL REVENUES	\$ 11,693,010	\$ 5,252,062	\$ 12,822,525	\$ 7,042,142	\$ 5,780,383	54.92%

General Fund Revenue



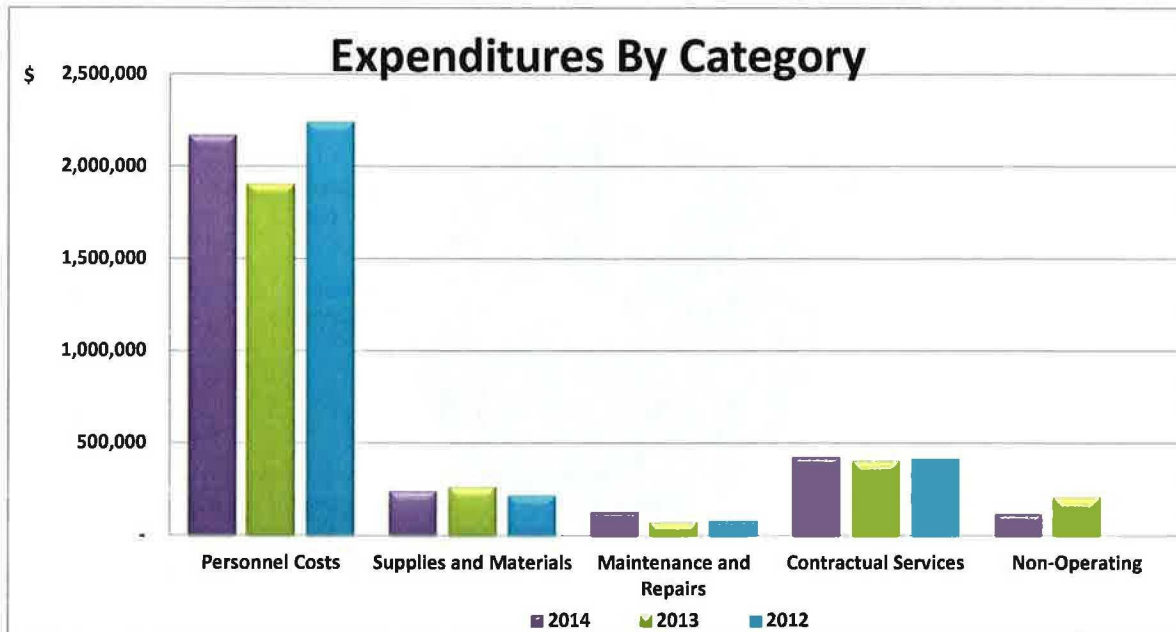
**CITY OF SACHSE
GENERAL FUND EXPENDITURES
QUARTER ENDED 12/31/14 - 25% OF YEAR COMPLETE (UNAUDITED)**

	FY 2014 BUDGET	FY 2014 YEAR- TO-DATE	FY 2015 BUDGET	FY 2015 YEAR- TO-DATE	BUDGET REMAINING	% OF BUDGET
General Government						
City Manager	\$ 313,446	\$ 76,538	\$ 345,708	\$ 79,583	\$ 266,125	23.02%
City Secretary	161,036	39,362	169,012	40,447	128,565	23.93%
Human Resources	238,777	51,579	292,304	55,227	237,077	18.89%
Finance	488,373	125,784	552,435	144,045	408,390	26.07%
Municipal Court	171,190	32,675	185,400	30,150	155,250	16.26%
	<u>1,372,822</u>	<u>325,938</u>	<u>1,544,859</u>	<u>349,451</u>	<u>1,195,408</u>	<u>22.62%</u>
Culture and Recreation						
Parks and Recreation	781,224	174,482	899,087	212,786	686,301	23.67%
Senior Citizen Programs	106,526	24,163	115,061	24,166	90,895	21.00%
Library Services	295,001	75,802	327,083	77,682	249,401	23.75%
	<u>1,182,751</u>	<u>274,448</u>	<u>1,341,231</u>	<u>314,635</u>	<u>1,026,596</u>	<u>23.46%</u>
Public Safety						
Police	3,165,608	802,542	3,808,914	978,918	2,829,996	25.70%
Animal Control	154,026	38,303	177,471	43,042	134,429	24.25%
Fire and Ambulance	2,295,839	525,087	2,869,257	592,712	2,276,545	20.66%
	<u>5,615,473</u>	<u>1,365,932</u>	<u>6,855,642</u>	<u>1,614,671</u>	<u>5,240,971</u>	<u>23.55%</u>
Public Works						
Streets and Drainage	1,060,526	213,974	1,057,273	224,666	832,607	21.25%
Facility Maintenance	331,638	63,998	389,947	83,162	306,785	21.33%
City Engineer	263,883	53,028	290,568	61,568	229,000	21.19%
	<u>1,656,047</u>	<u>331,000</u>	<u>1,737,788</u>	<u>369,396</u>	<u>1,368,392</u>	<u>21.26%</u>
Community Development	600,651	144,963	677,969	163,976	513,993	24.19%
Nondepartmental	1,217,006	421,481	561,690	275,331	286,359	49.02%
TOTAL EXPENDITURES	<u>\$ 11,644,750</u>	<u>\$ 2,863,761</u>	<u>\$ 12,719,179</u>	<u>\$ 3,087,460</u>	<u>\$ 9,631,719</u>	<u>24.27%</u>



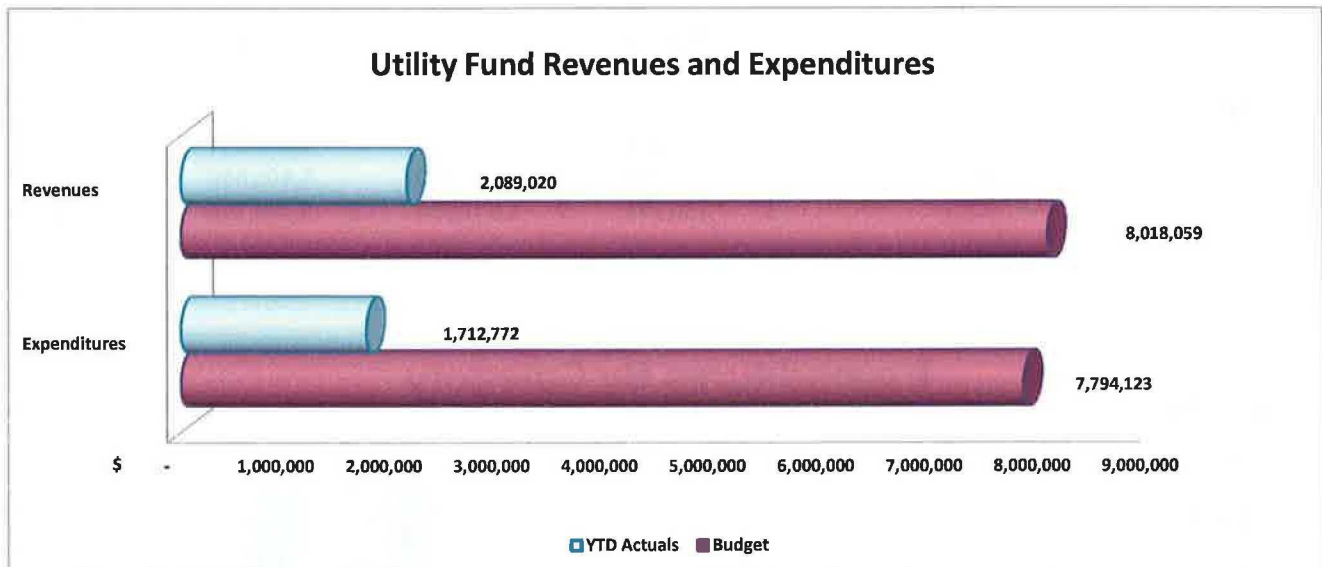
CITY OF SACHSE
GENERAL FUND EXPENDITURES BY CATEGORY
QUARTER ENDED 12/31/14 - 25% OF YEAR COMPLETE (UNAUDITED)

	FISCAL YEAR	BUDGET	YEAR-TO-DATE	BUDGET REMAINING	% OF BUDGET
Personnel Costs	2015	\$ 9,078,077	\$ 2,170,894	\$ 6,907,183	23.91%
	2014	7,876,666	1,907,162	5,969,504	24.21%
	2013	8,415,736	2,244,048	6,171,688	26.66%
Supplies and Materials	2015	1,392,380	241,246	1,151,134	17.33%
	2014	1,304,760	264,425	1,040,335	20.27%
	2013	1,200,729	219,459	981,270	18.28%
Maintenance and Repairs	2015	491,392	130,658	360,734	26.59%
	2014	469,084	74,783	394,301	15.94%
	2013	456,247	84,372	371,875	18.49%
Contractual Services	2015	1,180,977	425,331	755,646	36.02%
	2014	1,115,237	406,304	708,933	36.43%
	2013	1,138,572	418,730	719,842	36.78%
Non-Operating	2015	576,353	119,331	457,022	20.70%
	2014	879,003	211,087	667,916	24.01%
	2013	532,081	2,508	529,573	0.47%
TOTAL EXPENDITURES	2015	12,719,179	3,087,460	9,631,719	24.27%
	2014	11,644,750	2,863,761	8,780,989	24.59%
	2013	\$ 11,743,365	\$ 2,969,117	\$ 8,774,248	25.28%



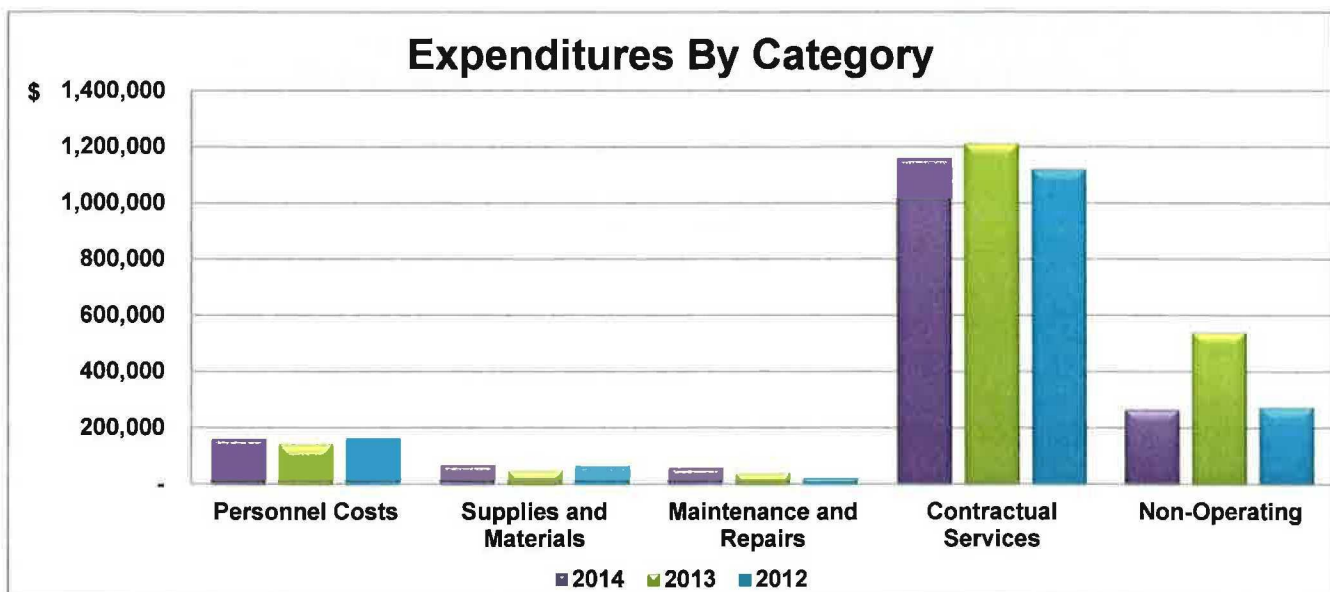
**CITY OF SACHSE
UTILITY FUND SUMMARY
QUARTER ENDED 12/31/14 - 25% OF YEAR COMPLETE (UNAUDITED)**

	FY 2014 BUDGET	FY 2014 YEAR- TO-DATE	FY 2015 BUDGET	FY 2015 YEAR- TO-DATE	BUDGET REMAINING	% OF BUDGET
REVENUES						
Water Revenue	\$ 4,034,949	\$ 804,277	\$ 4,102,178	\$ 1,126,365	\$ 2,975,813	27.46%
Sewer Revenue	3,092,242	787,502	3,712,681	889,237	2,823,444	23.95%
Fees and Service Charges	166,500	68,680	178,000	67,085	110,915	37.69%
Other Gov'ts & Sources	22,000	5,480	22,000	5,531	16,469	25.14%
Other Income	6,300	266	3,200	802	2,398	25.05%
TOTAL REVENUES	\$ 7,321,991	\$ 1,666,204	\$ 8,018,059	\$ 2,089,020	\$ 5,929,039	26.05%
EXPENDITURES						
Utility Administration	\$ 268,754	\$ 60,134	\$ 262,207	\$ 57,398	\$ 204,809	21.89%
Water Operations	3,990,717	961,979	4,252,457	1,025,636	3,226,821	24.12%
Sewer Operations	3,006,735	919,606	3,061,482	554,139	2,507,343	18.10%
Meter Reading	126,110	44,231	217,977	75,599	142,378	34.68%
TOTAL EXPENDITURES	\$ 7,392,316	\$ 1,985,950	\$ 7,794,123	\$ 1,712,772	\$ 6,081,351	21.98%



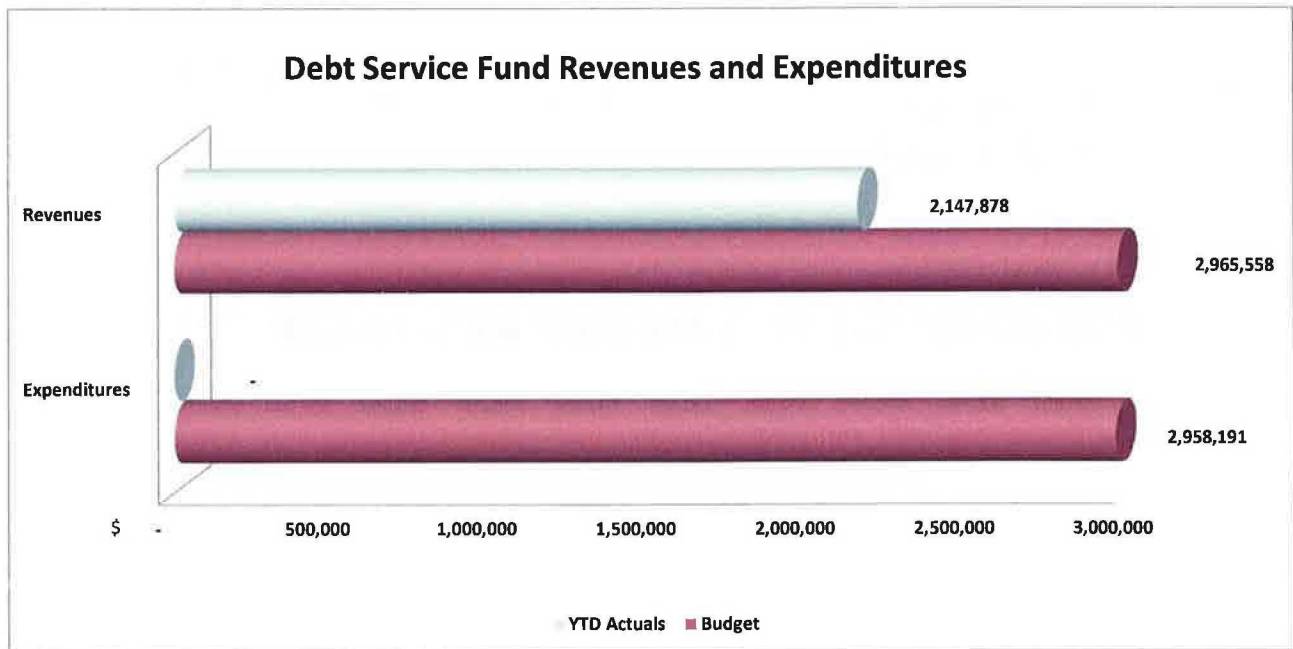
CITY OF SACHSE
UTILITY FUND EXPENDITURES BY CATEGORY
QUARTER ENDED 12/31/14 - 25% OF YEAR COMPLETE (UNAUDITED)

	FISCAL YEAR	BUDGET	YEAR-TO-DATE	BUDGET REMAINING	% OF BUDGET
Personnel Costs	2015	\$ 659,424	\$ 161,249	\$ 498,175	24.45%
	2014	572,937	142,608	430,329	24.89%
	2013	603,708	163,849	439,859	27.14%
Supplies and Materials	2015	327,747	68,885	258,862	21.02%
	2014	300,838	50,257	250,581	16.71%
	2013	295,907	66,752	229,155	22.56%
Maintenance and Repairs	2015	176,250	58,469	117,781	33.17%
	2014	175,850	40,391	135,459	22.97%
	2013	148,850	23,687	125,163	15.91%
Contractual Services	2015	5,540,717	1,158,562	4,382,155	20.91%
	2014	5,285,342	1,212,981	4,072,361	22.95%
	2013	4,995,092	1,120,882	3,874,210	22.44%
Non-Operating	2015	1,089,985	265,607	824,378	24.37%
	2014	1,057,439	539,713	517,726	51.04%
	2013	1,087,215	272,803	814,412	25.09%
TOTAL EXPENDITURES	2015	7,794,123	1,712,772	6,081,351	21.98%
	2014	7,392,406	1,985,950	5,406,456	26.86%
	2013	\$ 7,130,772	\$ 1,647,974	\$ 5,482,798	23.11%



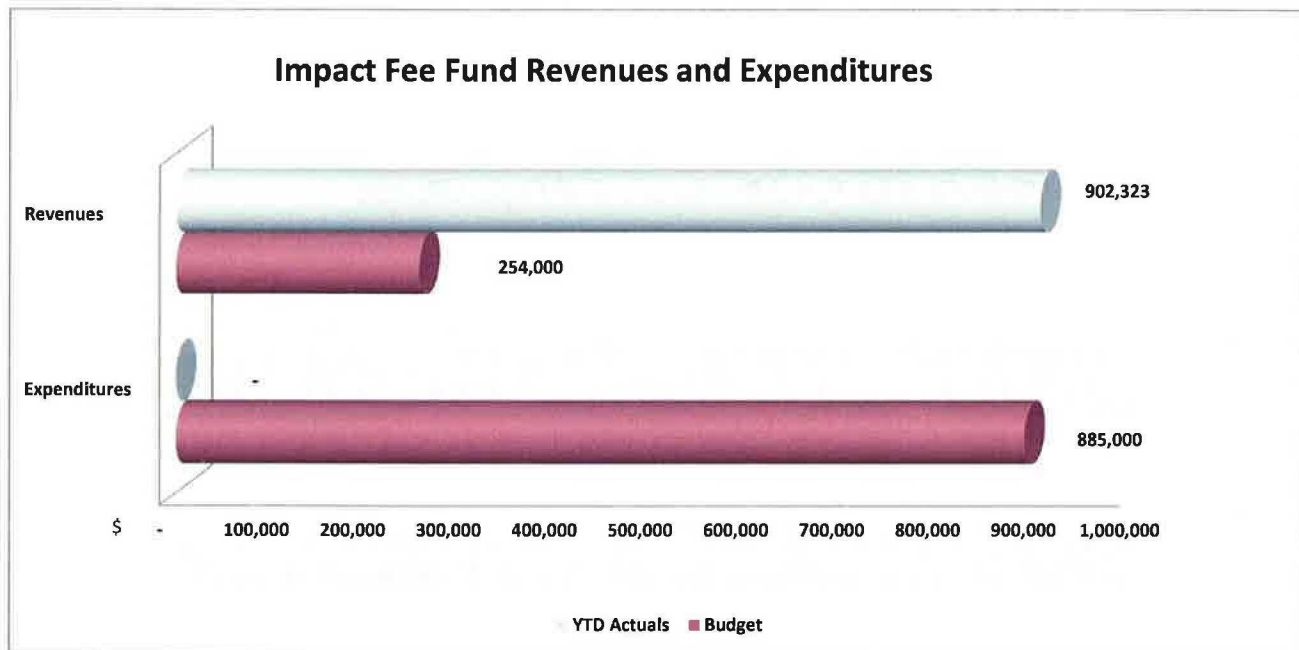
**CITY OF SACHSE
DEBT SERVICE FUND SUMMARY
QUARTER ENDED 12/31/14 - 25% OF YEAR COMPLETE (UNAUDITED)**

	<u>FY 2014 BUDGET</u>	<u>FY 2014 YEAR- TO-DATE</u>	<u>FY 2015 BUDGET</u>	<u>FY 2015 YEAR- TO-DATE</u>	<u>BUDGET REMAINING</u>	<u>% OF BUDGET</u>
REVENUES						
Ad Valorem Taxes	\$ 2,915,826	\$ 1,625,331	\$ 2,964,058	\$ 2,147,529	\$ 816,529	72.45%
Other Income	1,500	64	1,500	349	1,151	23.25%
TOTAL REVENUES	<u>\$ 2,917,326</u>	<u>\$ 1,625,396</u>	<u>\$ 2,965,558</u>	<u>\$ 2,147,878</u>	<u>\$ 817,680</u>	<u>72.43%</u>
EXPENDITURES						
Principal	\$ 1,125,000	\$ -	\$ 1,195,000	\$ -	\$ 1,195,000	0.00%
Interest	1,798,531	-	1,762,191	-	1,762,191	0.00%
Agent Fees	1,000	-	1,000	-	1,000	0.00%
TOTAL EXPENDITURES	<u>\$ 2,924,531</u>	<u>\$ -</u>	<u>\$ 2,958,191</u>	<u>\$ -</u>	<u>\$ 2,958,191</u>	<u>0.00%</u>



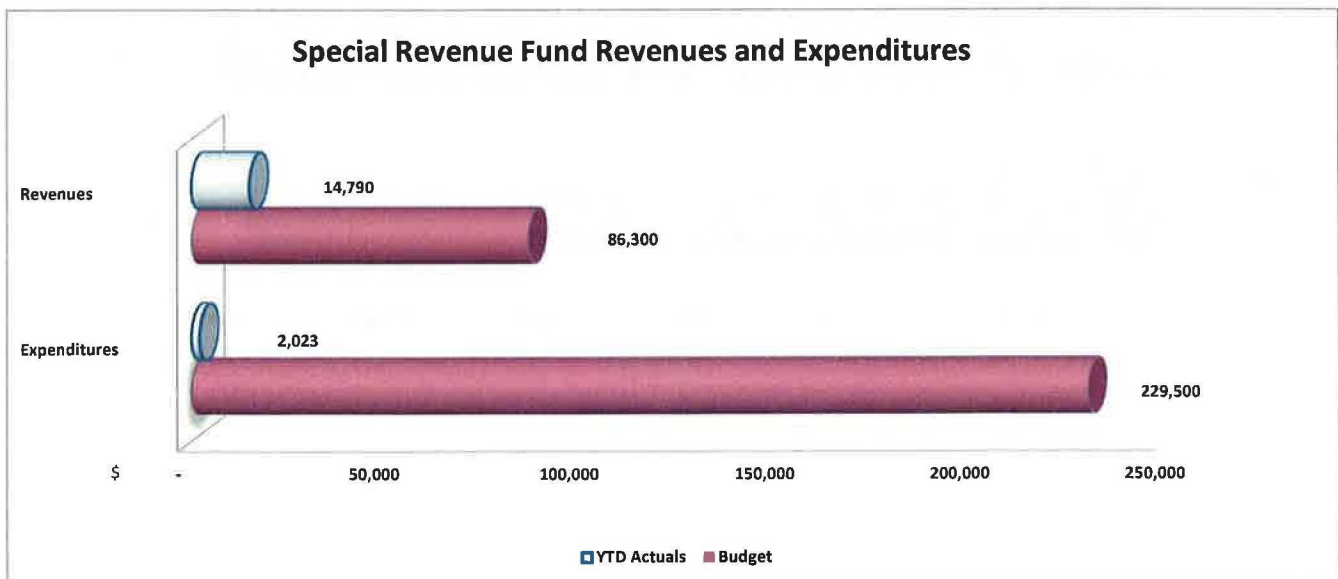
CITY OF SACHSE
IMPACT FEE FUND SUMMARY
QUARTER ENDED 12/31/14 - 25% OF YEAR COMPLETE (UNAUDITED)

	<u>FY 2014 BUDGET</u>	<u>FY 2014 YEAR- TO-DATE</u>	<u>FY 2015 BUDGET</u>	<u>FY 2015 YEAR- TO-DATE</u>	<u>BUDGET REMAINING</u>	<u>% OF BUDGET</u>
REVENUES						
Total Impact Fees	\$ 238,000	\$ (343,693)	\$ 250,000	\$ 899,992	\$ (649,992)	360.00%
Other Income	-	1,842	4,000	2,330	1,670	0.00%
TOTAL REVENUES	<u>\$ 238,000</u>	<u>\$ (341,851)</u>	<u>\$ 254,000</u>	<u>\$ 902,323</u>	<u>\$ (648,323)</u>	<u>355.25%</u>
EXPENDITURES						
Intergovernmental	\$ 350,000	\$ -	\$ 885,000	\$ -	\$ 885,000	0.00%
TOTAL EXPENDITURES	<u>\$ 350,000</u>	<u>\$ -</u>	<u>\$ 885,000</u>	<u>\$ -</u>	<u>\$ 885,000</u>	<u>0.00%</u>



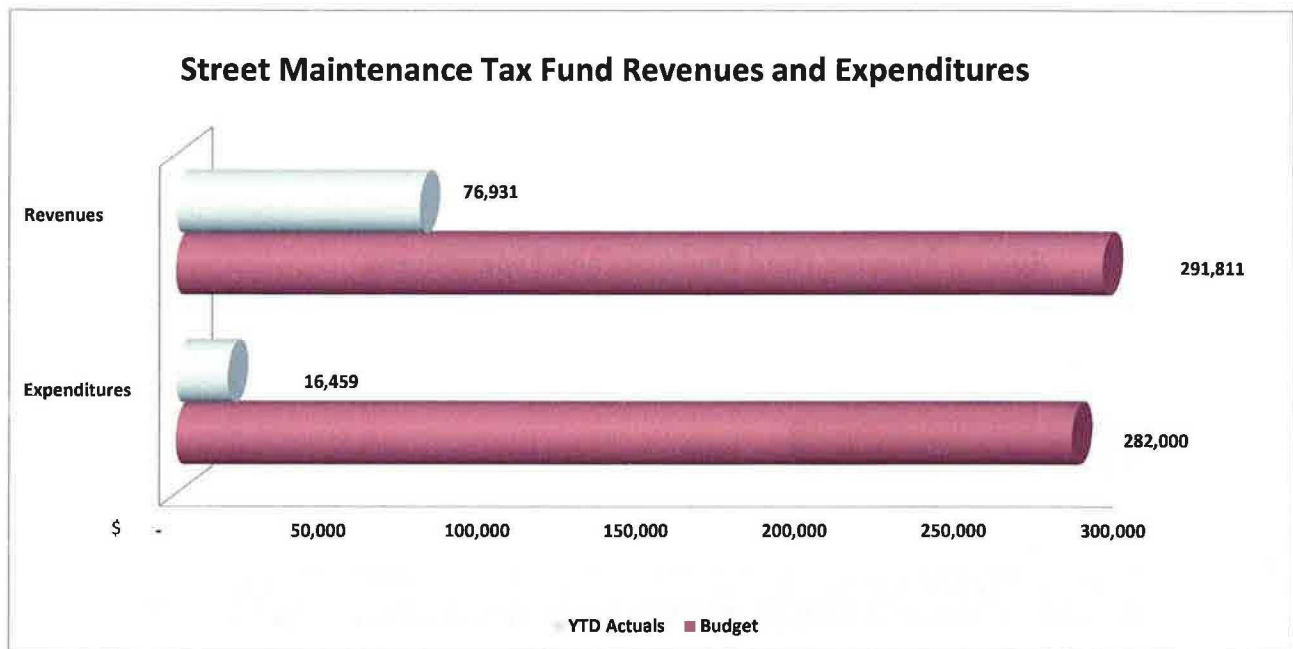
**CITY OF SACHSE
SPECIAL REVENUE FUND SUMMARY
QUARTER ENDED 12/31/14 - 25% OF YEAR COMPLETE (UNAUDITED)**

	<u>FY 2014 BUDGET</u>	<u>FY 2014 YEAR- TO-DATE</u>	<u>FY 2015 BUDGET</u>	<u>FY 2015 YEAR- TO-DATE</u>	<u>BUDGET REMAINING</u>	<u>% OF BUDGET</u>
REVENUES						
Fees	\$ 300,200	\$ 48,220	\$ 85,500	\$ 8,316	\$ 77,184	9.73%
Other Income	865	(112)	800	4,213	(3,413)	526.61%
Grants and Donations	-	548	-	2,262	(2,262)	100.00%
TOTAL REVENUES	<u>\$ 301,065</u>	<u>\$ 48,656</u>	<u>\$ 86,300</u>	<u>\$ 14,790</u>	<u>\$ 71,510</u>	<u>17.14%</u>
EXPENDITURES						
City Manager	\$ 52,000	\$ -	\$ 52,000	\$ -	\$ 52,000	0.00%
Finance	-	-	-	-	-	0.00%
Municipal Court	40,000	-	55,000	-	55,000	0.00%
Parks and Recreation	199,500	-	100,000	-	100,000	0.00%
Senior Citizen Programs	5,000	-	2,000	-	2,000	0.00%
Library Services	26,999	14,709	-	-	-	0.00%
Streets and Drainage	-	-	-	-	-	0.00%
Police	5,000	-	3,000	-	3,000	0.00%
Animal Control	15,000	-	5,000	-	5,000	0.00%
Fire and Ambulance	18,000	3,300	12,500	2,023	10,477	16.18%
Municipal Center	-	-	-	-	-	0.00%
TOTAL EXPENDITURES	<u>\$ 361,499</u>	<u>\$ 18,009</u>	<u>\$ 229,500</u>	<u>\$ 2,023</u>	<u>\$ 227,477</u>	<u>0.88%</u>



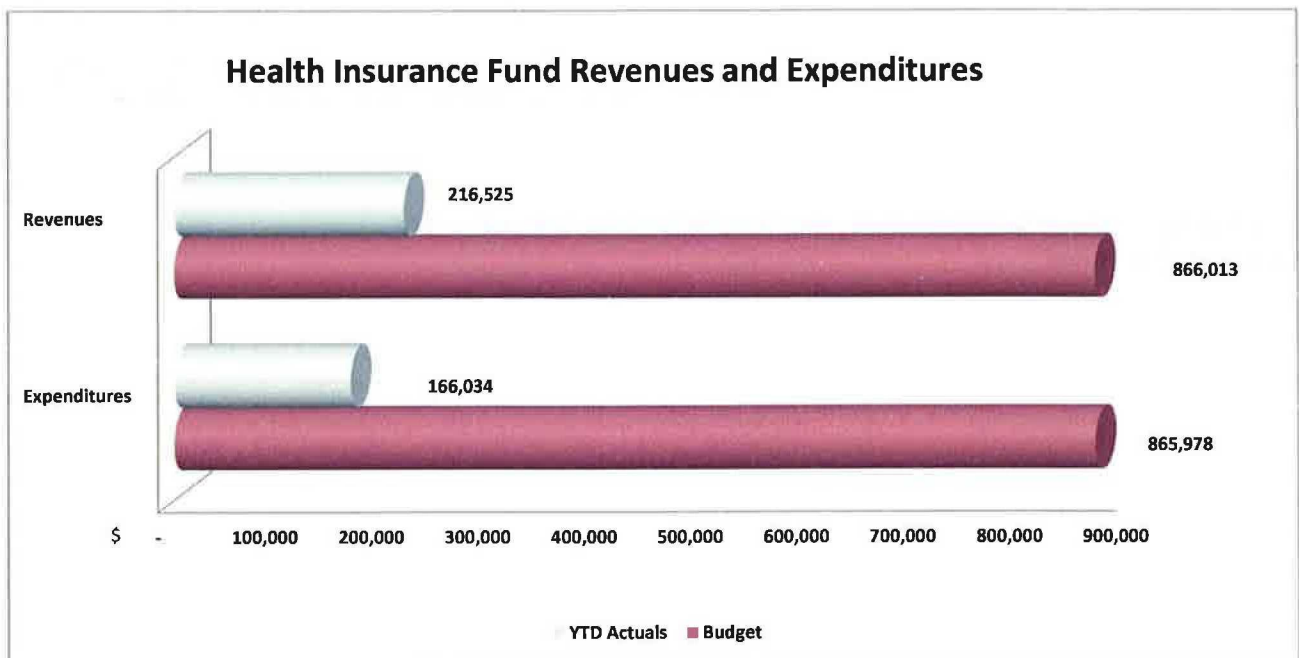
CITY OF SACHSE
STREET MAINTENANCE TAX FUND
QUARTER ENDED 12/31/14 - 25% OF YEAR COMPLETE (UNAUDITED)

	<u>FY 2014 BUDGET</u>	<u>FY 2014 YEAR- TO-DATE</u>	<u>FY 2015 BUDGET</u>	<u>FY 2015 YEAR- TO-DATE</u>	<u>BUDGET REMAINING</u>	<u>% OF BUDGET</u>
REVENUES						
Sales Tax	\$ 214,900	\$ 14,170	\$ 291,611	\$ 76,915	\$ 214,696	26.38%
Other Income	500	1	200	16	184	8.17%
TOTAL REVENUES	<u>\$ 215,400</u>	<u>\$ 14,171</u>	<u>\$ 291,811</u>	<u>\$ 76,931</u>	<u>\$ 214,880</u>	<u>26.36%</u>
EXPENDITURES						
Street Maintenance	\$ 210,000	\$ -	\$ 282,000	\$ 16,459	\$ 265,541	5.84%
TOTAL EXPENDITURES	<u>\$ 210,000</u>	<u>\$ -</u>	<u>\$ 282,000</u>	<u>\$ 16,459</u>	<u>\$ 265,541</u>	<u>5.84%</u>



**CITY OF SACHSE
HEALTH INSURANCE FUND SUMMARY
QUARTER ENDED 12/31/14 - 25% OF YEAR COMPLETE (UNAUDITED)**

	FY 2014 BUDGET	FY 2014 YEAR- TO-DATE	FY 2015 BUDGET	FY 2015 YEAR- TO-DATE	BUDGET REMAINING	% OF BUDGET
REVENUES						
Other Income	\$ -	\$ 4	\$ 35	\$ 30	\$ 5	0.00%
Transfers In - Utility Fund	-	-	70,796	17,700	53,096	25.00%
Operating Transfers In	765,503	190,875	865,978	216,495	649,483	25.00%
TOTAL REVENUES	\$ 765,503	\$ 190,879	\$ 866,013	\$ 216,525	\$ 649,488	25.00%
EXPENDITURES						
Health Insurance	\$ 649,874	\$ 136,181	\$ 726,351	\$ 149,195	\$ 577,156	20.54%
Dental Insurance	31,950	3,980	33,428	8,283	25,145	24.78%
H.S.A. Contribution	64,551	9,834	85,472	3,969	81,503	4.64%
Life and LTD Insurance	19,128	3,969	20,727	4,588	16,139	22.13%
TOTAL EXPENDITURES	\$ 765,503	\$ 153,963	\$ 865,978	\$ 166,034	\$ 699,944	19.17%



CITY OF SACHSE
CAPITAL PROJECT FUND SUMMARY*
QUARTER ENDED 12/31/14 - 25% OF YEAR COMPLETE (UNAUDITED)

	<u>PRIOR YEAR EXPENDITURES</u>	<u>FY 2014 YEAR- TO-DATE</u>	<u>PROJECT-TO-DATE</u>
Capital Projects			
Street CIP - Merritt Road	3,130,848		3,130,848
Ranch Road	55,145	123,973	179,118
Hudson Drive Extension	355,606		355,606
3rd St Sewer Replacement	2,700		2,700
Easement N. of Brookview Crt. Sewer Replacement	1,400		1,400
Firefighter's Park	142,617	24,901	167,518
Lighting Projects	70,038		70,038
Sachse/Merriitt Lift Station (transfer to UF)	1,388,782		1,388,782
Holly Crest Pavement	127,938		127,938
Merritt Rd Realignment	117,922		117,922
Major Asphalt Repairs	751,685	86,953	838,638
Sachse Quite Zone	20,583	438	21,021
	<u>\$ 6,165,263</u>	<u>\$ 236,265</u>	<u>\$ 6,401,528</u>
Municipal Campus			
Municipal Campus Features	<u>\$ 5,390,152</u>	<u>\$ 5,501</u>	<u>\$ 5,395,653</u>
	<u>\$ 5,390,152</u>	<u>\$ 5,501</u>	<u>\$ 5,395,653</u>
TOTAL EXPENDITURES	<u><u>\$ 11,555,415</u></u>	<u><u>\$ 241,766</u></u>	<u><u>\$ 11,797,181</u></u>

*Includes projects funded by 2006 Bond, RCC, Roadway Impact Fees, and Community Development Block Grant.

Memo

To: **Billy George, City Manager**
 From: **Berna Fitzpatrick, Finance Manager**
 CC: **Mayor and City Council**
 Date: **January 12, 2015**
 Re: **Investment Report for period ending December 31, 2014**

Attached is the Quarterly Investment Report for the quarter ending December 31 of the fiscal year 2014-2015. This report complies with the requirements of the City's Investment Policy and the Public Funds Investment Act as amended. For the period ending December 31, 2014, the City's portfolio¹ consisted of the following investments:

Portfolio at Quarter Close:	Rate at 12/31//2014	% Total	Total Investment
Money Market Account –ANB	.25%	60.1%	18,020,887
Money Market Account(EDC)-ANB	.07%	9.3%	2,795,576
Investment Pool – Tex Pool	.0418%	.7%	200,046
CD—Comerica Bank	.67%	3.3%	1,003,380
CD—Independent Bank	.55%	3.3%	1,000,196
CD—Independent Bank	.45%	3.3%	1,000,160
CD—Independent Bank	.60%	3.3%	1,000,214
Analysis Checking-ANB	0.00%	16.7%	5,000,000
Total Invested City Funds:		100.0%	\$30,020,459

The City does not carry any security instrument (investment type) on its books that is traded on the open market; therefore all investments are listed at 100% of market value. Interest earnings on all certificate of deposit accounts are accreted quarterly or at maturity. All Funds on deposit with American National Bank, Independent Bank, Comerica Bank, and Investment Pools are fully secured and safeguarded. **Total investment interest earned for the quarter ending December 31 was \$12,074.**

Citywide cash and investments for the period ending December 31 was \$30,020,459. Of this amount, \$4,280,153 is for the Sachse EDC; also included is \$5,000,000.00 which is held in a non-interest bearing analysis account. It is the strategy of the Finance Department to maintain a high percentage of its idle funds invested in safe and secure investment securities and pooled investment types in accordance with the Public Funds Investment Act.

87% of the City's current portfolio has liquidity of 30 days or less, which is more than adequate for daily operations. The City investments are liquid and have same day access. The City's investment and cash management strategy will be to maintain operational and capital needs in money market accounts and liquid asset pools. The City's funds are swept into the above accounts and withdrawn as needed for operational cash flow requirements.

The average interest rate/yield on the City's investments for the period was .29%. The Texpool Prime Fund interest rate was .0754% and the Texpool interest rate was .0418% at December 31, 2014. The 90 day T-bill rate was .04% with the 180 day T-bill at .12%.

¹ Includes the Sachse Economic Development Corporation



QUARTERLY INVESTMENT REPORT

For the Quarter Ended

December 31, 2014

**Prepared by
Valley View Consulting, L.L.C.**

The investment portfolio of the City is in compliance with the Public Funds Investment Act and the Investment Policy and strategies.

Director of Finance

Finance Manager

Disclaimer: These reports were compiled using information provided by the City of Sachse. No procedures were performed to test the accuracy or completeness of this information. The market values included in these reports were obtained by Valley View Consulting, L.L.C. from sources believed to be accurate and represent proprietary valuation. Due to market fluctuations these levels are not necessarily reflective of current liquidation values. Yield calculations are not determined using standard performance formulas, are not representative of total return yields and do not account for investment advisor fees.

Strategy Summary:

The Federal Open Market Committee (FOMC) maintained the Fed Funds target range between 0.00% and 0.25% (actual Fed Funds traded +/-10 bps). The FOMC ended Quantitative Easing (QE3) in October. Third quarter 2014 GDP was a very strong 5.0. New payroll and unemployment data also very positive. The FOMC remains concerned by lack of wage growth and overall participation. The US stock markets again touched new highs, but have recently retrenched. Shorter interest rates are rising, while International economical and political struggles weigh on longer term US interest rates. Financial institution deposit yields generally provide the best interest earnings opportunity, although spreads to security yields have tightened.

Quarter End Results by Investment Category:

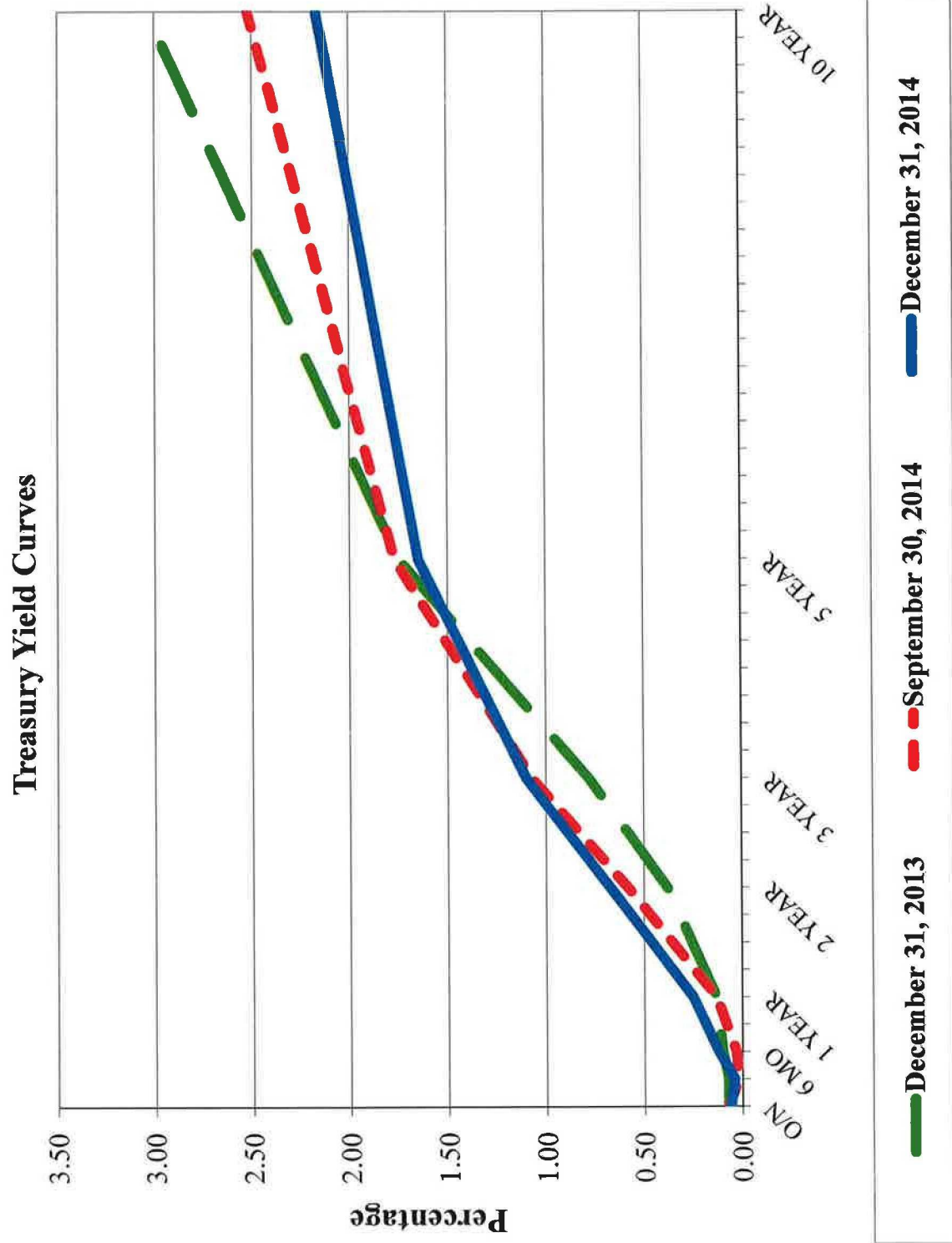
Asset Type	Ave. Yield	December 31, 2014		September 30, 2014	
		Book Value	Market Value	Book Value	Market Value
Bank/Pool	0.25%	\$ 26,016,509	\$ 26,016,509	\$ 21,300,320	\$ 21,300,320
CDs/Securities	0.57%	4,003,950	4,003,950	2,210,026	2,210,026
Totals		\$ 30,020,459	\$ 30,020,459	\$ 23,510,346	\$ 23,510,346

Average Yield (1)	Fiscal Year-to-Date Average Yield (2)	
Total Portfolio	0.29%	Total Portfolio
Rolling Three Mo. Treas. Yield	0.02%	Rolling Three Mo. Treas. Yield
Rolling Six Mo. Treas. Yield	0.07%	Rolling Six Mo. Treas. Yield
		Average Quarterly TexPool Yield
		0.04%

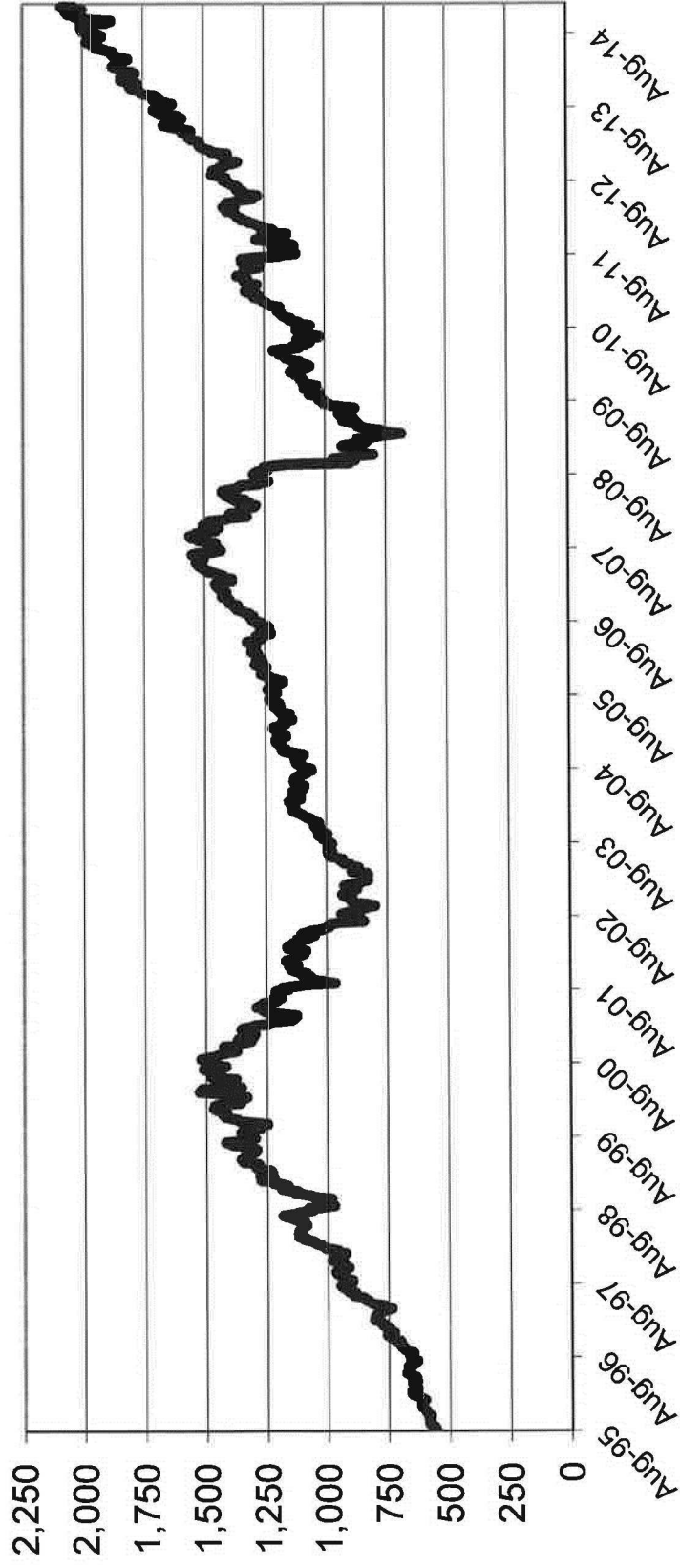
	City	EDC
Interest Earnings QTR	\$ 10,028	\$ 2,045
Interest Earnings YTD	\$ 10,028	\$ 2,045

(1) Average Yield calculated using quarter end report yields and adjusted book values and does not reflect a total return analysis or account for advisory fees.

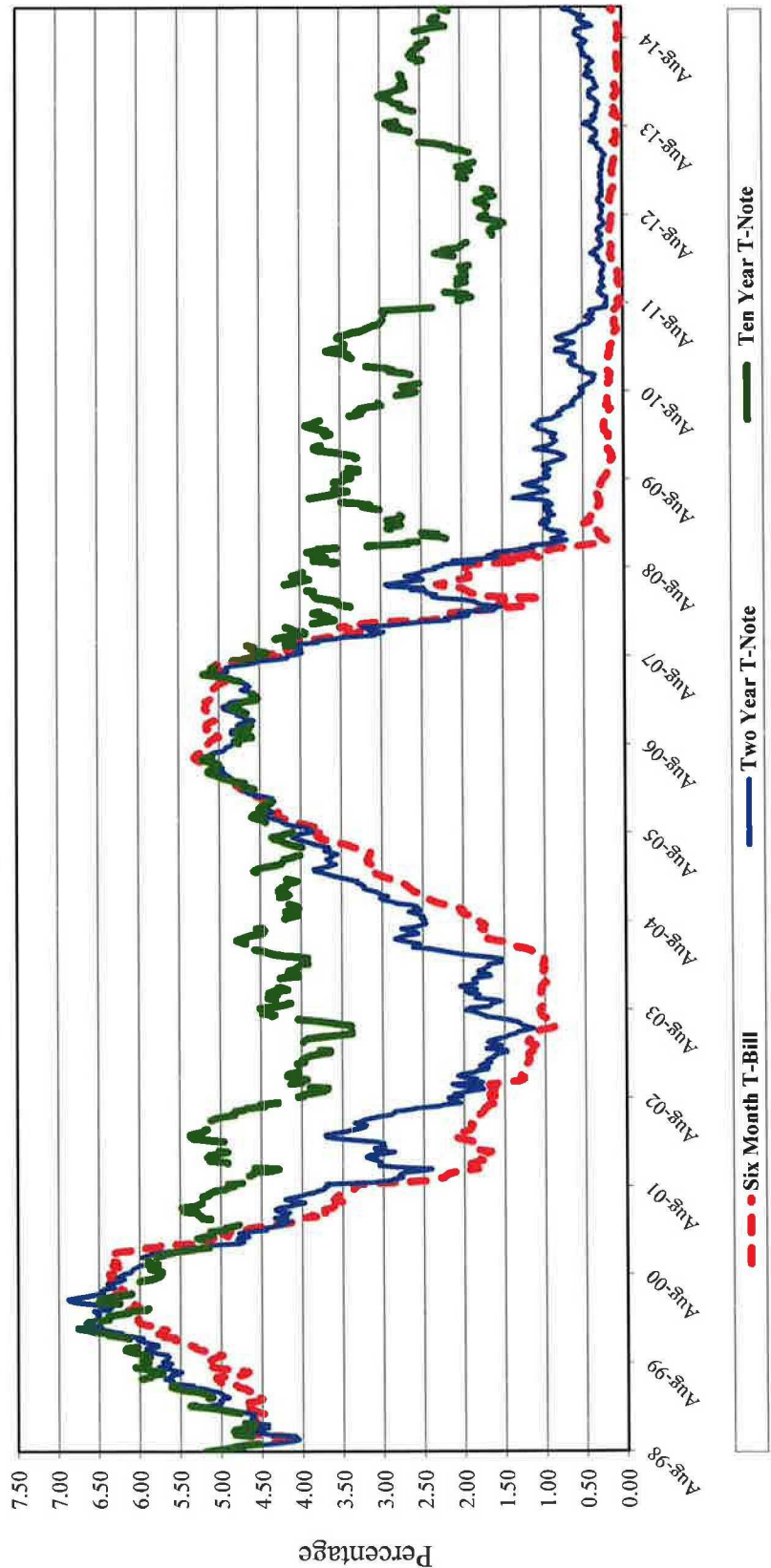
(2) Fiscal Year-to-Date Average Yields calculated using quarter end report yields and adjusted book values and does not reflect a total return analysis or account for advisory fees.



S&P 500



US Treasury Historical Yields



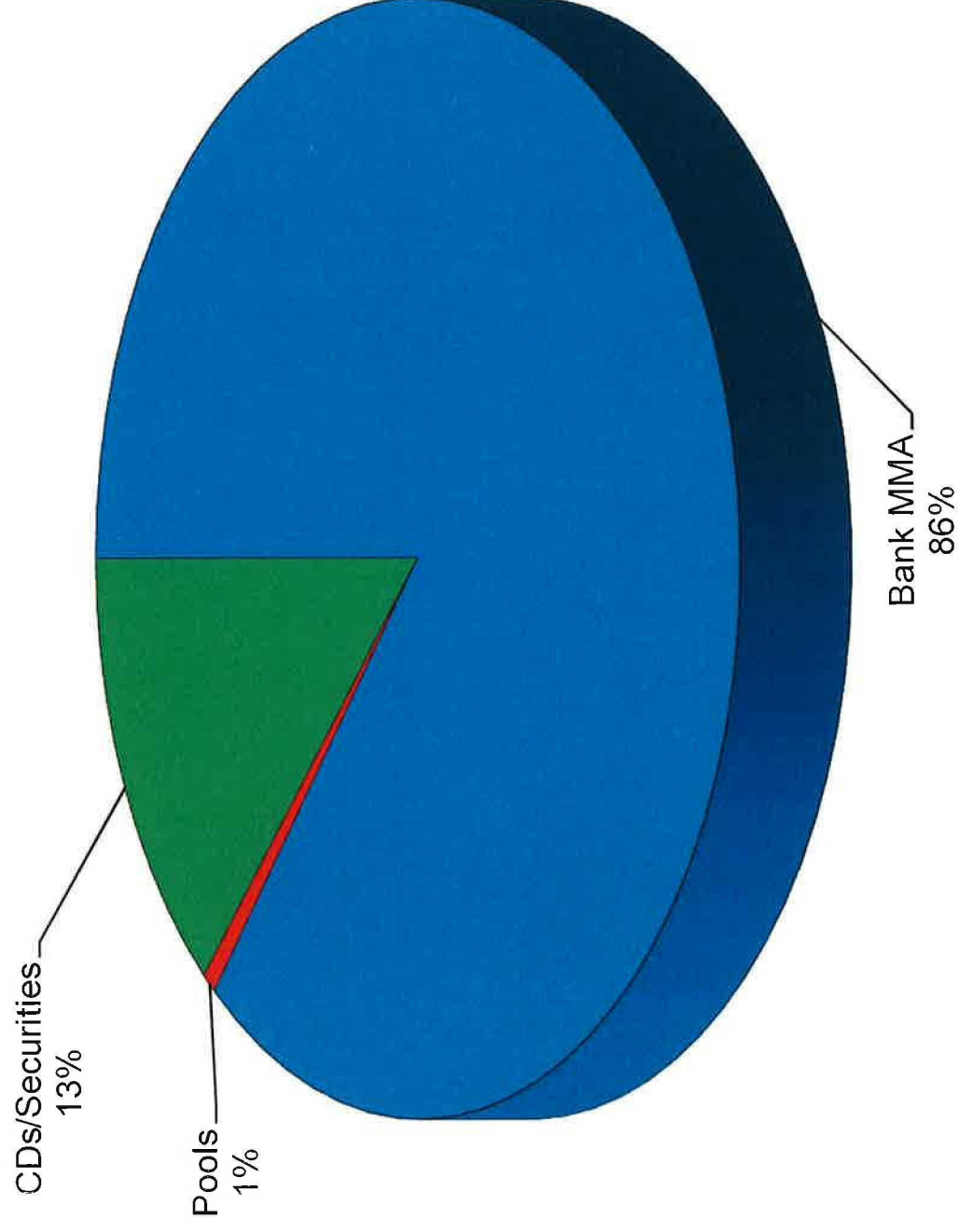
Detail of Investment Holdings December 31, 2014

Description	Rating	Coupon/ Discount	Maturity Date	Settlement Date	Original Face/ Par Value	Book Value	Market Price	Market Value	Life (days)	Yield
Bank MMA		0.25%	01/01/15	12/31/14	\$ 25,816,463	\$ 25,816,463	1.00	\$ 25,816,463	1	0.25%
TexPool	AAA	0.04%	01/01/15	12/31/14	200,046	200,046	1.00	200,046	1	0.04%
Independent CD		0.45%	12/31/15	12/18/14	1,000,160	1,000,160	100.00	1,000,160	365	0.45%
Independent CD		0.55%	03/31/16	12/18/14	1,000,196	1,000,196	100.00	1,000,196	456	0.55%
Comerica CD		0.67%	06/30/16	06/30/14	1,003,381	1,003,381	100.00	1,003,381	547	0.67%
Independent CD		0.60%	06/30/16	12/18/14	1,000,214	1,000,214	100.00	1,000,214	547	0.60%
						\$ 30,020,459		\$ 30,020,459	65	0.29%
									(1)	(2)

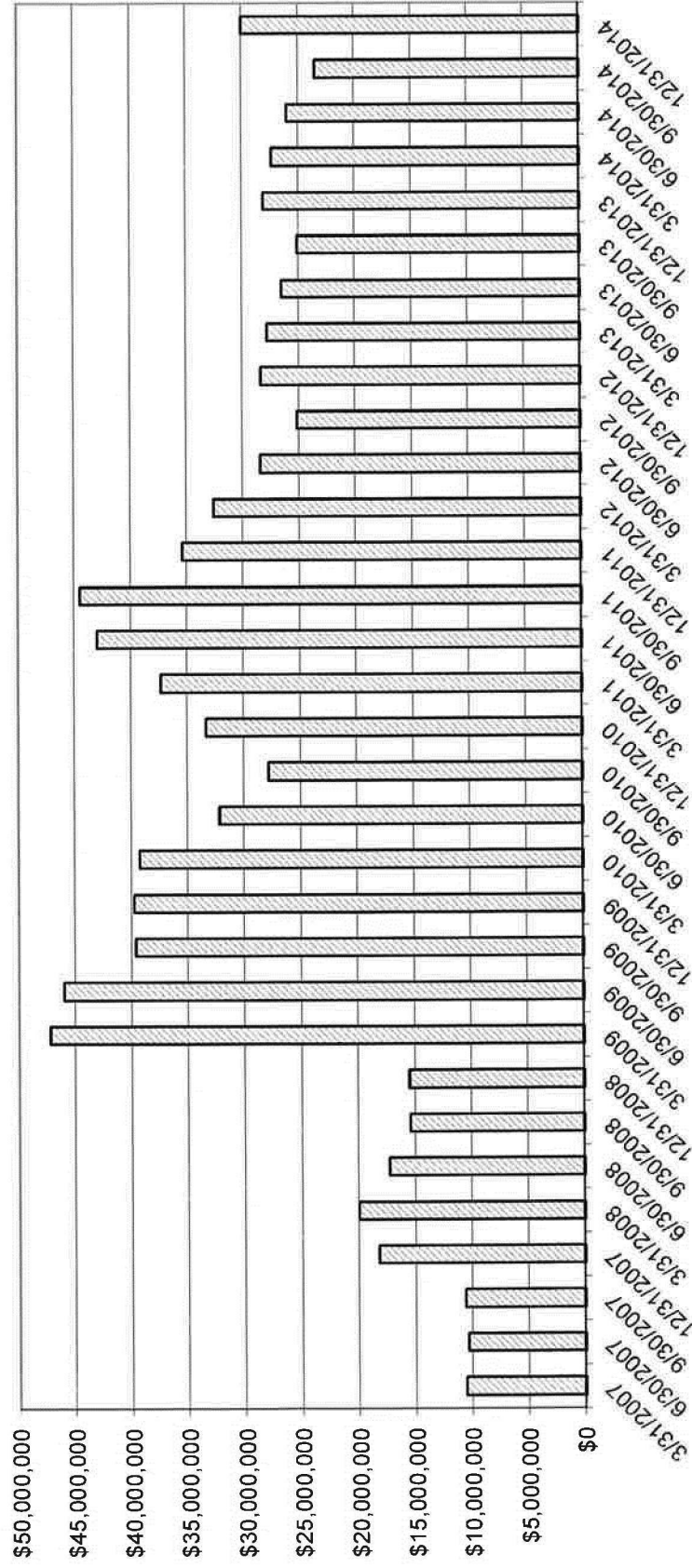
(1) **Weighted average life** - For purposes of calculating weighted average life, pool investments are assumed to have a one day maturity.

(2) **Weighted average yield to maturity** - The weighted average yield to maturity is based on adjusted book value, realized and unrealized gains/losses and investment advisory fees are not considered.

Portfolio Composition



Total Portfolio



Quarter End Book Value

Book Value Comparison

Description	Coupon/ Discount	Maturity Date	September 30, 2014			December 31, 2014		
			Original Face/Par Value	Book Value	Purchases/ Accretions	Amortizations/ Sales/Maturities	Original Face/Par Value	Book Value
Bank MMA TexPool	0.25% 0.04%	01/01/15 01/01/15	\$ 21,100,291 200,029	\$ 21,100,291 200,029	\$ 4,716,172 17	\$ (1,208,337)	\$ 25,816,463 200,046	\$ 25,816,463 200,046
Comerica CD Independent CD Independent CD Comerica CD Independent CD	0.46% 0.45% 0.55% 0.67% 0.60%	12/06/14 12/31/15 03/31/16 06/30/16 06/30/16	1,208,337 1,001,689 1,001,689	1,208,337 1,001,689 1,001,689	1,000,160 1,000,196 1,692 1,000,214	 (1,208,337)	 1,000,160 1,000,196 1,003,381 1,000,214	 1,000,160 1,000,196 1,003,381 1,000,214
TOTAL			\$ 23,510,346	\$ 23,510,346	\$ 7,718,450	\$ (1,208,337)	\$ 30,020,459	\$ 30,020,459

Market Value Comparison

Description	Coupon/ Discount	Original Face/Par Value	September 30, 2014			December 31, 2014		
			Market Price	Market Value	Qtr to Qtr Change	Original Face/Par Value	Market Price	Market Value
Bank MMA TexPool	0.25% 0.04%	\$ 21,100,291 200,029	1.00 1.00	\$ 21,100,291 200,029	\$ 4,716,172 17	\$ 25,816,463 200,046	1.00 1.00	\$ 25,816,463 200,046
Comerica CD Independent CD Independent CD Comerica CD Independent CD	0.46% 0.45% 0.55% 0.67% 0.60%	1,208,337 1,001,689 1,001,689	100.00 100.00 100.00	1,208,337 1,001,689 1,001,689	(1,208,337) 1,000,160 1,000,196 1,692 1,000,214	 1,000,160 1,000,196 1,003,381 1,000,214	 100.00 100.00 100.00 100.00	 1,000,160 1,000,196 1,003,381 1,000,214
TOTAL		\$ 23,510,346		\$ 23,510,346	\$ 6,510,113	\$ 30,020,459		\$ 30,020,459

Allocation

December 31, 2014

Book & Market Value	Total	GO I&S	General Fund	W/S Restricted	W/S Operations	Capital Project	2009 GO Bonds	Restricted Park Development
Bank MMA	25,816,463	\$ 2,439,681	\$ 8,807,553	\$ 176,159	\$ 1,818,317	\$ 476,299	\$ 3,423,142	\$ 217,329
Texpool	200,046		200,046					
12/31/15	1,000,160							
03/31/16	1,000,196						1,000,196	
06/30/16	1,003,381						1,003,381	
06/30/16	1,000,214		1,000,214					
Totals	\$ 30,020,459	\$ 2,439,681	\$ 10,007,813	\$ 176,159	\$ 1,818,317	\$ 476,299	\$ 5,426,718	\$ 217,329

**Allocation
December 31, 2014**

Book & Market Value	Restricted General	Restricted Water Impact	Restricted Sewer Impact	Restricted Roadway	Street Maintenance	Health Insurance	EDC
Bank MMA	\$ 516,993	\$ 1,140,427	\$ 1,527,474	\$ 1,805,975	\$ 70,142	\$ 116,979	\$ 3,279,993
Texpool							
12/31/15							1,000,160
03/31/16							
06/30/16							
06/30/16							
Totals	\$ 516,993	\$ 1,140,427	\$ 1,527,474	\$ 1,805,975	\$ 70,142	\$ 116,979	\$ 4,280,153

Allocation

September 30, 2014

Book & Market Value	Total	GO I&S	General Fund	W/S Restricted	W/S Operations	Capital Project	2009 GO Bonds	Restricted Park Development
Bank MMA	\$ 21,100,291	\$ 290,913	\$ 5,982,656	\$ 176,159	\$ 1,518,357	\$ 832,346	\$ 4,732,167	\$ 217,592
Texpool	200,029		200,029					
12/06/14	1,208,337							
06/30/16	1,001,689						1,001,689	
Totals	\$ 23,510,346	\$ 290,913	\$ 6,182,686	\$ 176,159	\$ 1,518,357	\$ 832,346	\$ 5,733,856	\$ 217,592

Allocation
September 30, 2014

Book & Market Value	Restricted General	Restricted Water Impact	Restricted Sewer Impact	Restricted Roadway	Street Maintenance	Health Insurance	EDC
Bank MMA	\$ 499,198	\$ 946,065	\$ 1,394,018	\$ 1,240,931	\$ 201,490	\$ 86,148	\$ 2,982,252
Texpool							
12/06/14							1,208,337
06/30/16							
Totals	\$ 499,198	\$ 946,065	\$ 1,394,018	\$ 1,240,931	\$ 201,490	\$ 86,148	\$ 4,190,589

Portfolio Summary
City of Sachse, TX
December 31, 2014

Safety - Investment Type

	Book Value	Percent
Investment Type		
Money Market Account*	\$ 25,816,463	86.0%
Investment Pools	200,046	0.7%
CD's	4,003,950	13.3%
Total*	\$ 30,020,459	100%
*(Includes Sachse EDC Money Market)		

Liquidity - Investments by Maturity Date

Under 30 days	\$ 26,016,509	87%
30 - 90 days	0	0%
91 - 180 days	0	0%
180 - 365 days	1,000,160	3%
366 - 760 days	3,003,790	10%
Total Principal Invested	\$ 30,020,459	100%

	Fiscal YTD Interest	Int Earned this QTR	(FYTD) Percent of total
Portfolio Yield			
Portfolio			
Debt Service	\$ 349	\$ 349	2.89%
General Fund	\$ 2,166	2,166	17.94%
Water and Sewer Fund	\$ 557	557	4.61%
Capital Project Fund	\$ 4,357	4,357	36.08%
Special Revenue Fund	\$ 223	223	1.85%
Impact Fee Fund	\$ 2,330	2,330	19.30%
Street Maintenance Fund	\$ 16	16	0.14%
Health Insurance Fund	\$ 30	30	0.25%
Sachse EDC	\$ 2,045	2,045	16.94%
Total Portfolios	\$ 12,074	\$ 12,074	100.00%

Portfolio Balance	Beginning Balances	Ending Book Balances	Change
Portfolio			
Debt Service	\$ 290,913	\$ 2,439,681	\$ 2,148,768.10
General Fund	6,178,800	10,007,813	3,829,012.93
Water and Sewer Fund	1,719,595	1,994,476	274,881.28
Capital Project Fund	6,547,174	5,903,018	(644,156.10)
Special Revenue Fund	716,790	734,322	17,532.36
Impact Fee Fund	3,598,508	4,473,876	875,367.79
Street Maintenance Fund	201,490	70,142	(131,347.86)
Health Insurance Fund	66,488	116,979	50,491.22
Sachse EDC	4,190,589	4,280,153	89,563.81
Total Portfolios	\$ 23,510,346	\$ 30,020,459	\$ 6,510,113

Historical Interest Rates

	October	November	December
Pooled Money Market Account	2014 0.2500%	0.2500%	0.2500%
	2013 0.2500%	0.2500%	0.2500%
	2012 0.2500%	0.2500%	0.2500%
Tex Pool	2014 0.0268%	0.0286%	0.0418%
	2013 0.0498%	0.0446%	0.0372%
	2012 0.1926%	0.1644%	0.1458%

City of Sachse, TX
Investment Portfolios
October 31, 2014

Source	Description	Cusip/ Ref	Purchase Date	Maturity Date	Coupon (Int. Rate)	Days to Maturity	Book Value			Market Value			
							Principal Invested	Beginning of Month	Change ¹	Beginning of Month	Change	End of Month	
Direct Service													
GO Bond I&S Fund	Money Market	114512	10/31/2014	11/1/2014	0.2500%	1	290,913	290,913	79,811	370,724	290,913	79,811	370,724
	Total						290,913	290,913	79,811	370,724	290,913	79,811	370,724
General Fund													
General Fund	TexPool	1111-000	10/31/2014	11/1/2014	0.0268%	1	200,029	200,029	5	200,034	200,029	5	200,034
	Money Market	114512	10/31/2014	11/1/2014	0.2500%	1	5,978,771	5,978,771	(545,470)	5,433,301	5,978,771	(545,470)	5,433,301
Total							6,178,800	6,178,800	(545,465)	5,633,335	6,178,800	(545,465)	5,633,335
Water and Sewer Fund													
W/S Restricted Fund	Money Market	114512	10/31/2014	11/1/2014	0.2500%	1	176,159	176,159	0	176,159	176,159	0	176,159
	Money Market	114512	10/31/2014	11/1/2014	0.2500%	1	1,543,436	1,543,436	108,113	1,651,549	1,543,436	108,113	1,651,549
Total							1,719,595	1,719,595	108,113	1,827,708	1,719,595	108,113	1,827,708
Capital Project Funds													
Special Sales Tax	Money Market	114512	10/31/2014	11/1/2014	0.2500%	1	0	0	0	0	0	0	0
	Money Market	114512	10/31/2014	11/1/2014	0.2500%	1	939,678	939,678	(225,928)	713,751	939,678	(225,928)	713,751
	Money Market	114512	10/31/2014	11/1/2014	0.2500%	1	0	0	0	0	0	0	0
2009 GO Bonds	CD	351-11429176	6/30/2014	6/30/2016	0.6700%	608	1,000,000	1,001,689	0	1,001,689	1,001,689	0	1,001,689
	Money Market	114512	10/31/2014	11/1/2014	0.2500%	1	4,605,807	4,605,807	(203,425)	4,402,383	4,605,807	(203,425)	4,402,383
	Total						6,545,485	6,547,174	(429,353)	6,117,823	6,547,174	(429,353)	6,117,823
Special Revenue Funds													
Restricted Park Development Fee Fur	Money Market	114512	10/31/2014	11/1/2014	0.2500%	1	217,592	217,592	(308)	217,284	217,592	(308)	217,284
	Money Market	114512	10/31/2014	11/1/2014	0.2500%	1	499,198	499,198	3,040	502,238	499,198	3,040	502,238
	Total						716,790	716,790	2,732	719,522	716,790	2,732	719,522
Impact Fee Fund													
Restricted Water Impact Fee	Money Market	114512	10/31/2014	11/1/2014	0.2500%	1	946,065	946,065	57,565	1,003,630	946,065	57,565	1,003,630
	Money Market	114512	10/31/2014	11/1/2014	0.2500%	1	1,394,018	1,394,018	37,887	1,431,905	1,394,018	37,887	1,431,905
	Money Market	114512	10/31/2014	11/1/2014	0.2500%	1	1,258,425	1,258,425	410,759	1,669,184	1,258,425	410,759	1,669,184
							3,598,508	3,598,508	506,211	4,104,719	3,598,508	506,211	4,104,719
Street Maintenance Fund													
Street Maintenance Tax	Money Market	114512	10/31/2014	11/1/2014	0.2500%	1	201,490	201,490	(170,517)	30,973	201,490	(170,517)	30,973
	Total						201,490	201,490	(170,517)	30,973	201,490	(170,517)	30,973
Health Insurance Fund													
Health Insurance	Money Market	114512	10/31/2014	11/1/2014	0.2500%	1	66,488	66,488	16,952	83,440	66,488	16,952	83,440
	Total						66,488	66,488	16,952	83,440	66,488	16,952	83,440
EDC Fund													
EDC	CD	351-11201955	3/6/2013	12/6/2014	0.4600%	36	1,200,000	1,208,337	0	1,208,337	1,208,337	0	1,208,337
	Money Market	114512	10/31/2014	11/1/2014	0.160%	1	2,982,252	2,982,252	17,120	2,999,372	2,982,252	17,120	2,999,372
							4,182,252	4,190,589	17,120	4,207,709	4,190,589	17,120	4,207,709
							23,500,320	23,510,346	(414,395)	23,095,954	23,510,346	(414,395)	23,095,954
Summary of Portfolios by Security Type													

Summary of Portfolios by Security Type

City of Sachse, TX
Investment Portfolios
October 31, 2014

Source	Description	Cusip/ Ref	Purchase Date	Maturity Date	Coupon (Int. Rate)	Days to Maturity	Principal Invested	Book Value		Market Value	
								Beginning of Month	End of Month	Beginning of Month	End of Month
10/31/14											
Security Type	Percent of Total (Book Value)	Average # of days	Average Yield	Principal Invested	Beginning of Month	End of Month	Change	Book Value		Market Value	
								Beginning of Month	End of Month	Beginning of Month	End of Month
Money Market Account	89.57%	1	0.2444%	21,100,291	21,100,291	20,685,894	-414,400	21,100,291	20,685,894	-414,400	20,685,894
TexPool	0.87%	1	0.0268%	200,029	200,029	200,034	5	200,029	200,029	5	200,034
CD's	9.57%	322	0.5650%	2,200,000	2,210,026	2,210,026	0	2,210,026	2,210,026	0	2,210,026
Total	100.00%			23,500,319	23,510,346	23,095,954	-414,395	23,510,346	23,510,346	-414,395	23,095,954

1,Change = Investment activity including earnings, deposits and withdrawals.

City of Sachse, TX
Investment Portfolios
November 30, 2014

Source	Description	Cusip/ Ref	Purchase Date	Maturity Date	Coupon (Int. Rate)	Days to Maturity	Principal Invested	Book Value		Market Value	
								Beginning of Month	Change ¹	Beginning of Month	Change
GO Bond I&S Fund Total	Money Market	114512	11/30/2014	12/1/2014	0.2500%	1	370,724	370,724	92,864	370,724	92,864
							370,724	370,724	92,864	370,724	92,864
General Fund General Fund Total	TexPool Money Market	1111-000 114512	11/30/2014 11/30/2014	12/1/2014 12/1/2014	0.02886% 0.2500%	1 1	200,034 5,433,301	200,034 5,433,301	5 (329,869)	200,034 5,433,301	5 (329,869)
							5,633,335	5,633,335	(329,864)	5,633,335	(329,864)
Water and Sewer Fund W/S Restricted Fund W/S Operations Total	Money Market	114512	11/30/2014	12/1/2014	0.2500%	1	176,159	176,159	0	176,159	0
	Money Market	114512	11/30/2014	12/1/2014	0.2500%	1	1,651,549	1,651,549	119,499	1,771,048	119,499
Capital Project Funds Capital Project Fund-TXDOT	Money Market	114512	11/30/2014	12/1/2014	0.2500%	1	0	0	0	0	0
	Money Market	114512	11/30/2014	12/1/2014	0.2500%	1	713,751	713,751	(127,602)	586,149	(127,602)
2009 GO Bonds 2009 GO Bonds Total	CD	351-11429176	6/30/2014	6/30/2016	0.6700%	578	1,000,000	1,001,689	0	1,001,689	0
	Money Market	114512	11/30/2014	12/1/2014	0.2500%	1	4,402,383	4,402,383	(2,673)	4,399,710	(2,673)
Special Revenue Funds Restricted Park Development Fee Fur. Money Market Restricted General Fund Total	Money Market	114512	11/30/2014	12/1/2014	0.2500%	1	6,116,133	6,117,823	(130,275)	5,987,548	(130,275)
Impact Fee Fund Restricted Water Impact Fee Restricted Sewer Impact Fee Restricted Roadway Impact Fee	Money Market	114512	11/30/2014	12/1/2014	0.2500%	1	217,284	217,284	25	217,309	25
	Money Market	114512	11/30/2014	12/1/2014	0.2500%	1	502,238	502,238	2,850	505,088	2,850
Street Maintenance Fund Street Maintenance Tax Total	Money Market	114512	11/30/2014	12/1/2014	0.2500%	1	719,522	719,522	2,875	719,522	2,875
Health Insurance Fund Health Insurance Total	Money Market	114512	11/30/2014	12/1/2014	0.2500%	1	1,003,630	1,003,630	58,174	1,061,804	58,174
	Money Market	114512	11/30/2014	12/1/2014	0.2500%	1	1,431,905	1,431,905	42,977	1,474,882	42,977
EDC Fund EDC EDC PIMMKT	Money Market	114512	11/30/2014	12/1/2014	0.2500%	1	1,689,184	1,689,184	56,651	1,725,835	56,651
							4,104,720	4,104,719	157,802	4,262,521	157,802
Health Insurance Fund Health Insurance Total	Money Market	114512	11/30/2014	12/1/2014	0.2500%	1	30,973	30,973	32,458	63,431	32,458
							30,973	30,973	32,458	63,431	32,458
EDC Fund EDC EDC PIMMKT	Money Market	114512	11/30/2014	12/1/2014	0.2500%	1	83,440	83,440	17,242	100,682	17,242
							83,440	83,440	17,242	100,682	17,242
EDC Fund EDC EDC PIMMKT	CD	351-11201955	3/6/2013	12/6/2014	0.4600%	6	1,200,000	1,208,337	0	1,208,337	0
	Money Market	114512	11/30/2014	12/1/2014	0.160%	1	2,999,372	2,999,372	51,653	3,051,025	51,653
EDC Fund EDC EDC PIMMKT	Money Market	114512	11/30/2014	12/1/2014	0.160%	1	4,199,372	4,207,709	51,653	4,259,362	51,653
							23,085,927	23,095,954	14,254	23,110,207	14,254

City of Sachse, TX
Investment Portfolios
November 30, 2014

Source	Description	Cusip/ Ref	Purchase Date	Maturity Date	Coupon (Int. Rate)	Days to Maturity	Principal Invested	Book Value			Market Value		
								Beginning of Month	Change 1	End of Month	Beginning of Month	Change	End of Month

Summary of Portfolios by Security Type
11/30/14

Security Type	Percent of Total (Book Value)	Average # of days	Average Yield	Principal Invested	Book Value			Market Value		
					Beginning of Month	Change	End of Month	Beginning of Month	Change	End of Month
Money Market Account	89.57%	1	0.2444%	13,430,353	20,685,894	14,249	20,700,142	20,685,894	14,249	20,700,142
TexPool	0.87%	1	0.0286%	0	200,034	5	200,039	200,034	5	200,039
CD's	9.56%	292	0.5650%	2,200,000	2,210,026	0	2,210,026	2,210,026	0	2,210,026
Total	100.00%			15,630,352	23,095,954	14,254	23,110,207	23,095,954	14,254	23,110,207

1Change = Investment activity including earnings, deposits and withdrawals.

City of Sachse, TX
Investment Portfolios
December 31, 2014

Source	Description	Cusip/ Ref	Purchase Date	Maturity Date	Coupon (Int. Rate)	Days to Maturity	Book Value			Market Value			
							Principal Invested	Beginning of Month	Change ¹	End of Month	Beginning of Month	Change	End of Month
Debt Service													
GO Bond I&S Fund	Money Market	114512	12/31/2014	1/1/2015	0.2500%	1	463,588	463,588	1,976,093	2,439,681	463,588	1,976,093	2,439,681
Total							463,588	463,588	1,976,093	2,439,681	463,588	1,976,093	2,439,681
General Fund													
General Fund	TexPool	1111-000	12/31/2014	1/1/2015	0.0418%	1	200,039	200,039	7	200,046	200,039	7	200,046
General Fund	Money Market	114512	12/31/2014	1/1/2015	0.2500%	1	5,103,432	5,103,432	3,704,121	8,807,553	5,103,432	3,704,121	8,807,553
General Fund	CD	1220005583.4	12/18/2014	6/30/2016	0.6000%	547	1,000,000	0	1,000,214	1,000,214	0	1,000,214	1,000,214
Total							6,303,471	5,303,471	4,704,342	10,007,813	5,303,471	4,704,342	10,007,813
Water and Sewer Fund													
W/S Restricted Fund	Money Market	114512	12/31/2014	1/1/2015	0.2500%	1	156,378	176,159	0	176,159	176,159	0	176,159
W/S Operations	Money Market	114512	12/31/2014	1/1/2015	0.2500%	1	1,771,048	1,771,048	47,269	1,818,317	1,771,048	47,269	1,818,317
Total							1,927,426	1,947,207	47,269	1,994,476	1,947,207	47,269	1,994,476
Capital Project Funds													
Special Sales Tax	Money Market	114512	12/31/2014	1/1/2015	0.2500%	1	0	0	0	0	0	0	0
Capital Project Funds	Money Market	114512	12/31/2014	1/1/2015	0.2500%	1	586,149	586,149	(109,850)	476,299	586,149	(109,850)	476,299
Capital Project Fund-TXDOT	Money Market	114512	12/31/2014	1/1/2015	0.2500%	1	0	0	0	0	0	0	0
2009 GO Bonds	CD	220005584.3	12/18/2014	3/31/2016	0.5500%	456	1,000,000	0	1,000,196	1,000,196	0	1,000,196	1,000,196
2009 GO Bonds	CD	351-11429176	6/30/2014	6/30/2016	0.6700%	547	1,000,000	1,001,689	1,692	1,003,381	1,001,689	1,692	1,003,381
2009 GO Bonds	Money Market	114512	12/31/2014	1/1/2015	0.2500%	1	4,399,710	4,399,710	(976,568)	3,423,142	4,399,710	(976,568)	3,423,142
Total							6,985,859	5,987,548	(84,530)	5,903,018	5,987,548	(84,530)	5,903,018
Special Revenue Funds													
Restricted Park Development Fee Fun	Money Market	114512	12/31/2014	1/1/2015	0.2500%	1	217,309	217,309	20	217,329	217,309	20	217,329
Restricted General Fund	Money Market	114512	12/31/2014	1/1/2015	0.2500%	1	505,088	505,088	11,905	516,993	505,088	11,905	516,993
Total							722,397	722,397	11,925	734,322	722,397	11,925	734,322
Impact Fee Fund													
Restricted Water Impact Fee	Money Market	114512	12/31/2014	1/1/2015	0.2500%	1	1,061,804	1,061,804	78,623	1,140,427	1,061,804	78,623	1,140,427
Restricted Sewer Impact Fee	Money Market	114512	12/31/2014	1/1/2015	0.2500%	1	1,474,882	1,474,882	52,592	1,527,474	1,474,882	52,592	1,527,474
Restricted Roadway Impact Fee	Money Market	114512	12/31/2014	1/1/2015	0.2500%	1	1,725,835	1,725,835	80,140	1,805,975	1,725,835	80,140	1,805,975
							4,262,521	4,262,521	211,355	4,473,876	4,262,521	211,355	4,473,875
Street Maintenance Fund													
Street Maintenance Tax	Money Market	114512	12/31/2014	1/1/2015	0.2500%	1	63,431	63,431	6,711	70,142	63,431	6,711	70,142
Total							63,431	63,431	6,711	70,142	63,431	6,711	70,142
Health Insurance Fund													
Health Insurance	Money Market	114512	12/31/2014	1/1/2015	0.2500%	1	100,682	100,682	16,297	116,979	100,682	16,297	116,979
Total							100,682	100,682	16,297	116,979	100,682	16,297	116,979
EDC Fund													
EDC	CD	951-11201955	3/6/2013	12/6/2014	0.4600%		1,200,000	1,208,337	(1,208,337)	0	1,208,337	(1,208,337)	0
EDC	CD	nk 220005585	12/18/2014	12/31/2015	0.4500%	365	1,000,000	0	1,000,160	1,000,160	0	1,000,160	1,000,160
EDC PIMMKT	Money Market	114512	12/31/2014	1/1/2015	0.160%	1	3,051,025	3,051,025	228,968	3,279,993	3,051,025	228,968	3,279,993
							5,251,025	4,259,362	20,791	4,280,153	4,259,362	20,791	4,280,153

City of Sachse, TX
Investment Portfolios
December 31, 2014

Source	Description	Cusip/ Ref	Purchase Date	Maturity Date	Coupon (Int. Rate)	Days to Maturity	Principal Invested	Book Value		Market Value	
								Beginning of Month	Change ¹	Beginning of Month	End of Month
							26,080,400	23,110,207	6,910,253	30,020,459	30,020,459

Summary of Portfolios by Security Type
12/31/14

Security Type	Percent of Total (Book Value)	Average # of days	Average Yield	Book Value		Market Value	
				Beginning of Month	Change	Beginning of Month	End of Month
Money Market Account	86.00%	1	0.2444%	20,700,142	5,116,321	20,700,142	25,816,463
TexPool	0.67%	1	0.2500%	200,039	7	200,039	200,046
CD's	13.34%	479	0.5460%	2,210,026	1,793,924	2,210,026	4,003,950
Total	100.00%			23,110,207	6,910,253	23,110,207	30,020,459

¹Change = Investment activity including earnings, deposits and withdrawals.



Legislation Details (With Text)

File #:	15-2661	Version:	1	Name:	Consider approval of an ordinance calling for the May City Officers' (City Council) election.
Type:	Agenda Item	Status:		Status:	Agenda Ready
File created:	1/21/2015	In control:		In control:	City Council
On agenda:	2/2/2015	Final action:		Final action:	
Title:	Consider approval of an ordinance calling for the May 9, 2015 City Officers' (City Council) election.				
	Executive Summary				
	This ordinance formally calls for the City Council election on May 9, 2015. This year the positions of Council Place 1, and Council Place 2 are on the ballot.				
Sponsors:					
Indexes:					
Code sections:					
Attachments:	Election ordinance.pdf				

Date	Ver.	Action By	Action	Result
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Title

Consider approval of an ordinance calling for the May 9, 2015 City Officers' (City Council) election.

Executive Summary

This ordinance formally calls for the City Council election on May 9, 2015. This year the positions of Council Place 1, and Council Place 2 are on the ballot.

Background

This ordinance calls the City Council election and authorizes the City Manager to execute a joint election agreement with Dallas County to conduct the election and provide training, and equipment. Attached are the ordinance and the election calendar.

Policy Considerations

Dallas County has provided election training and equipment for the past 20 years to the City.

Budgetary Considerations

Funds are budgeted in the 2014-15 budget for election expenses.

Staff Recommendations

Approval of an ordinance calling for the May 9, 2015 City Officers' (City Council) election, as a Consent Agenda Item.

ORDINANCE NO. _____

AN ORDINANCE CALLING FOR A GENERAL ELECTION FOR CITY OFFICERS (CITY COUNCIL) ON MAY 9, 2015; ESTABLISHING CERTAIN PROCEDURES FOR SAID GENERAL OFFICER ELECTION; CALLING FOR THE QUALIFIED VOTERS OF THE CITY OF SACHSE TO CONSIDER THE ELECTION OF TWO (2) COUNCIL MEMBERS FOR THREE (3) YEAR TERMS; AUTHORIZING A JOINT ELECTION WITH DALLAS COUNTY; PROVIDING FOR A SAVING CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

SECTION I.

IT IS ORDERED THAT a general election be held for City Officers (City Council) in the City of Sachse, Texas on the 9th day of May, 2015, the same being the second Saturday of said month, for the purpose of electing Council Members in Place 1 and Place 2 for three year terms.

SECTION II.

That the polling place for both early voting and election day for said election shall be the Sachse City Hall, 3815-B Sachse Road, Sachse, Texas, for all Dallas and Collin County legally qualified voters residing in the City of Sachse. Early voting locations will also include polling places Dallas County-wide, including early voting days and hours as shown on the attached "Exhibit A".

SECTION III.

That none but legally qualified voters shall be entitled to vote at said election. Legally qualified voters shall be those persons having a current voter registration and shall be residents of the City of Sachse according to the Texas Election Code for said municipal election.

SECTION IV.

That notice of said election shall be posted in three public places within the limits of the city according to the Texas Election Code. A return of such posting shall be documented by the City Secretary. Said notice to prescribe early voting by mail, early voting places and hours of operation, and election day hours of operation. Publication of said notice of the election shall be in accordance with the Texas Election Code.

SECTION V.

That the City Manager and City Secretary are authorized to execute an agreement for a Joint Election with the Dallas County Election Department and other entities that will provide for all election appointments, early voting by mail, the voting location as Sachse City Hall and hours of operation, payments for election officials, necessary election arrangements and a runoff election (if applicable).

That the City Secretary shall have the authority to approve any minor modifications as may be necessary in the best interest of the City and within the regulations of the Texas Election Code. The early voting mail clerk is: Toni Pippins-Poole, Dallas County Elections Department, 2377 Stemmons Freeway, Suite 820, Dallas, Texas 75207.

SECTION VI.

That the provisions of this ordinance are severable, so that the invalidity of one or more provisions shall not affect the validity of those valid portions.

SECTION VII.

That this ordinance shall become and be effective immediately upon its adoption and publication as required by law, and it is accordingly so ORDAINED.

PASSED AND APPROVED this 2nd day of February, 2015.

APPROVED:

MAYOR

ATTEST:

CITY SECRETARY

**City Secretary's
Office**

To: All Interested Parties
From: Terry Smith, City Secretary
Subject: Key Election Dates- May 9, 2015 Sachse City Council Election
Date: December 28, 2014

Candidates filing period January 28 – February 27

Early Voting Dates Voting Hours

April 27 (Mon) – May 1 (Fri) 8am- 5pm (Weekdays)

May 2 (Sat) 8am- 5pm

May 3 (Sun) 1pm- 6pm

May 4 (Mon) & May 5 (Tue) 7am- 7pm

Early Voting at Sachse City Hall and Dallas County-wide. See website below for locations.

Early Voting Clerk for mail ballots: Toni Pippins-Poole, Dallas County Elections 2377 N. Stemmons Freeway, Suite 820, Dallas, Texas 75207. Phone (214) 819-6300 (**From March 11th until May 1st**)

Election Day

May 9 (Sat) 7am- 7pm

Voting will be at Sachse City Hall 3815 –B Sachse Road, Sachse, Texas 75048.

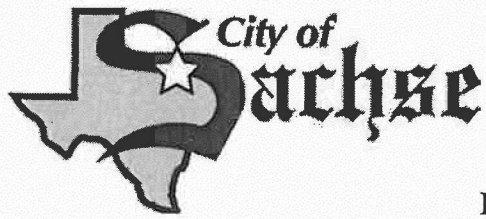
Council Meetings:

May 18 (Mon) 6:30 pm Regular Meeting- Election Canvass

June 1 (Mon) 7:30 pm. Regular meeting – new Council Members sworn-in (Assumes no runoff election)

Dallas County Elections web site: dallascountyvotes.org City's web site: cityofsachse.com

**3815 Sachse Road, Bldg. B, Sachse, Texas 75048 Phone: (972) 495-1212
Fax: (972) 530-0426**



ELECTION CALENDAR

CITY OF SACHSE, TEXAS

MAY 9, 2015

DATE	DAY	DESCRIPTION
January 28, 2015	Wednesday 8:00 a.m.	First day to apply for a place on the ballot (Sec.143.007, Election Code)
February 27, 2015	Friday 5:00 p.m.	Deadline to file an application for a place on the ballot (Sec. 143.007 Election Code)
February 27, 2015	Friday 5:00 p.m.	Deadline for write-in candidates to file candidacy (Sec. 146.054, Election Code)
March 2, 2015	Monday 5:15 p.m.	Date to conduct ballot position drawing (Sec. 52.094, Election Code)
March 4, 2015	Tuesday 5:00 p.m.	Last day for a candidate to withdraw. If a candidate withdraws or is declared ineligible by this date, his or her name is omitted from the ballot (Sec. 145.001, Election Code)
April 10, 2015	Thursday 5:00 p.m.	Deadline for candidates to file first report of contributions and expenditures (Sec. 254.064 and 254.124, Election Code)
April 27, 2015	Monday 8:00 a.m.	Early voting by personal appearance begins (Sec. 85.001, Election Code)

3815 Sachse Road, Bldg. B, Sachse, Texas 75048 Phone: (972) 495-1212
Fax: (972) 530-0426

DATE	DAY	DESCRIPTION
May 1, 2015	Friday 5:00 p.m.	Deadline for candidates to file second report of contributions and expenditures (Sec. 254.064, and 254.124. Election Code)
May 5, 2015	Tuesday 7:00 p.m.	Last day to vote early by personal appearance (Sec. 85.001 Election Code)
May 9, 2015	Saturday	ELECTION DAY - Polls are open 7:00 a.m. - 7:00 p.m. Returns unofficial until City Council canvass
May 18, 2015	Monday 6:30 p.m.	Official Canvass of returns by City Council (Sec. 67.003, Election Code)
June 1, 2015	Monday 7:30 p.m.	Newly elected Council Members sworn-in & take office (unless Runoff)
June 13, 2015	Saturday	Possible Runoff Election date (If needed) (Sec. 2.025 Election Code)

Candidates Reminder: final campaign finance reports are due otherwise semi-annual and reports are due---until the campaign is closed out.

July 15, 2015	Tuesday	Deadline for all candidates to file semi-annual report of contributions and expenditures - 5:00 p.m. (Sec. 254.064, and 254.124, Election Code)
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Revised 12/20/14



Legislation Details (With Text)

File #:	15-2657	Version:	1	Name:	Renew Microsoft Licensing
Type:	Agenda Item	Status:		Status:	Agenda Ready
File created:	1/19/2015	In control:		In control:	City Council
On agenda:	2/2/2015	Final action:		Final action:	
Title:	Consider a resolution of the City Council of the City of Sachse, Texas, approving and authorizing the Mayor to execute the Microsoft Enterprise Software Licensing Agreement through the State of Texas' Agreement with SHI Government Solutions.				

Executive Summary

It is necessary for the City to maintain licensing for all computer network servers, Exchange, user authentication, firewall-security, workstation operating systems and productivity software that each end-user utilizes on a daily basis. In addition to these licensing requirements, the City has to maintain licensing for anti-spam and anti-virus protection. The Microsoft Enterprise agreement and licensing renewal is proposed for purchase through SHI Government Solutions, which is the City's current Microsoft software vendor. This company is a licensed contract vendor of the State of Texas, Department of Information Services. The term of the renewal agreement will be three years, and will expire in February 2018.

Sponsors:

Indexes:

Code sections:

Attachments: [SHI Quote-Single Year.pdf](#)
[SHI 3 year quote.pdf](#)
[SHI TrueUp Invoice.pdf](#)
[SHI Product Selection.pdf](#)
[SHI Enrollment.pdf](#)
[SHI signature page.pdf](#)
[SHI Sub250 Program Amendment.pdf](#)
[51SACHSE Resolution Microsoft Licensing Renewal.pdf](#)

Date	Ver.	Action By	Action	Result
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Title

Consider a resolution of the City Council of the City of Sachse, Texas, approving and authorizing the Mayor to execute the Microsoft Enterprise Software Licensing Agreement through the State of Texas' Agreement with SHI Government Solutions.

Executive Summary

It is necessary for the City to maintain licensing for all computer network servers, Exchange, user authentication, firewall-security, workstation operating systems and productivity software that each end-user utilizes on a daily basis. In addition to these licensing requirements, the City has to maintain licensing for anti-spam and anti-virus protection. The Microsoft Enterprise agreement and licensing renewal is proposed for purchase through SHI Government Solutions, which is the City's current Microsoft software vendor. This company

is a licensed contract vendor of the State of Texas, Department of Information Services. The term of the renewal agreement will be three years, and will expire in February 2018.

Background

The City of Sachse maintains a network consisting of approximately 165 desktops, thin client workstations, laptops, and mobile data computers; and the following network servers: 1 Linux server, 2 physical Microsoft SQL servers and 1 virtual SQL server; 2 physical and 1 virtual combination domain controllers/application servers; 1 Laserfiche server with attached storage array; 1 disk to disk backup server; 1 tape and disk backup controller; 1 dedicated Incode server; 1 dedicated Insite online payment server; 1 virtual terminal server; 1 remote desktop services server; 1 virtual file replication server; 1 virtual Windows Update Services server; 2 Cisco telephone system servers; 2 security video servers; 1 XMedius fax server 1 virtual SpamTitan server; and 1 Microsoft Exchange email server. There are three Microsoft Hyper-V virtual server hosts which are not required to be licensed that host the virtual servers listed.

The current Microsoft Enterprise software licensing agreement, which expires February 28, 2015, included licensing for 150 combined devices as described above. Staff additions and adding email accessibility for all employees has increased the minimum number of licenses now required to 165. It is likely that during the term of the renewal agreement, additional licenses will be required; the renewal pricing would apply to additional licenses. During the final year of the current agreement, 15 licenses were added, resulting in a true-up billing of \$7,245.

The licensing agreement was designed to ease the burden of license administration, budgeting and support. The State of Texas has a contract in place with Microsoft allowing the City to obtain pricing at a lower pricing level under the umbrella of the State. The State contract does not have an expiration date. Because the City has fewer than 250 desktops, the only stipulation is that the City will be required to complete an addendum to the contract stating the number of desktop clients that are being operated.

Policy Considerations

This agreement will enable the City to maintain compliance with software licensing rules and regulations to provide the tools and resources necessary to perform daily tasks; and to provide a stable data and communication network.

Budgetary Considerations

The budgetary impact of this agreement is approximately \$34,450 per year for three years. The total contract amount over the three year period is \$103,349. The increase over the previous annual amount of \$29,064 is \$5,386, which was not budgeted for. The 2014-2015 true-up billing was budgeted at \$1,938, which is \$5,307 short. Staff proposes to allocate only the months falling within FY2014-2015 to this year's budget in order to remain within budget.

2014-2015 Budget:

Budgeted for Microsoft licensing	\$29,064
Budgeted for additional licensing	<u>\$ 1,938</u>
	\$31,002
Seven months Microsoft licensing	\$20,096
True-up invoice, 15 additional licenses	<u>\$ 7,245</u>
	\$27,341

The amount could potentially increase as the City adds new connections or users to the network.

Staff Recommendations

Staff recommends approval of a resolution of the City Council of the City of Sachse, Texas, approving and authorizing the Mayor to execute the Microsoft Enterprise Software Licensing Agreement through the State of Texas' Agreement with SHI Government Solutions as a Consent Agenda Item.



Pricing Proposal
 Quotation #: 9046874
 Created On: 1/12/2015
 Valid Until: 1/30/2015

CITY OF SACHSE

Gary Burcalow

5560 State Highway 78
 Sachse, Texas 75048
 UNITED STATES
 Phone: (469) 429-4769
 Fax:
 Email: gburcalow@cityofsachse.com

IAE

Andrew Baicher

290 Davidson Avenue
 Somerset, NJ 08873
 Phone: 732-564-8538
 Fax: 800-477-6479
 Email: Andrew_Baicher@shi.com

All Prices are in US Dollar (USD)

	Product	Qty	Your Price	Total
1	Microsoft Core CAL - Software assurance - 1 user CAL - Platform - Enterprise - All Languages Microsoft - Part#: W06-01072	165	\$38.23	\$6,307.95
2	Microsoft Office Professional Plus - Software assurance - 1 PC - Enterprise - Win - All Languages Microsoft - Part#: 269-12442	165	\$88.58	\$14,615.70
3	Windows Enterprise - Software assurance - 1 PC - Platform - Enterprise - All Languages Microsoft - Part#: CW2-00307	165	\$32.54	\$5,369.10
4	Microsoft Exchange Server - Software assurance - 1 server - Enterprise, Select, Select Plus - All Languages Microsoft - Part#: 312-02257	1	\$117.77	\$117.77
5	Microsoft SQL Server - Software assurance - 1 user CAL - additional product - Enterprise, Select, Select Plus - All Languages Microsoft - Part#: 359-00961	109	\$34.76	\$3,788.84
6	Microsoft SQL Server Standard Edition - Software assurance - 1 server - additional product - Enterprise, Select, Select Plus - Win - All Languages Microsoft - Part#: 228-04433	2	\$149.32	\$298.64
7	Microsoft Visio Standard - Software assurance - 1 user - EDU - Enterprise, Select, Select Plus - Win - All Languages Microsoft - Part#: D86-01253	1	\$48.31	\$48.31
8	Microsoft Windows Remote Desktop Services - Software assurance - 1 device CAL - EDU - Enterprise, Select, Select Plus - Win - All Languages Microsoft - Part#: 6VC-01253	40	\$16.82	\$672.80
9	Microsoft Windows Server Standard Edition - Software assurance - 2 processors - Enterprise, Select, Select Plus - All Languages Microsoft - Part#: P73-05898	20	\$146.85	\$2,937.00

10	Microsoft System Center Standard Edition - Software assurance - 2 processors - Select, Select Plus - Win - All Languages Microsoft - Part#: T9L-00223	2	\$146.85	\$293.70
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Subtotal	\$34,449.81
Shipping	\$0.00
Total	\$34,449.81

Additional Comments

Thank You for choosing SHI-GS! To ensure the best level of service, please provide End User Name, Phone Number, and E-Mail Address when submitting a Purchase Order. For any additional information including Hardware and Software Contract Numbers, please contact an SHI-GS Sales Representative at 800-870-6079.

The Products offered under this proposal are subject to the SHI Return Policy posted at www.shi.com/returnpolicy, unless there is an existing agreement between SHI and the Customer.



Pricing Proposal
 Quotation #: 9046874
 Created On: 1/12/2015
 Valid Until: 1/30/2015

CITY OF SACHSE

Gary Burcalow

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IAE

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 Fax: 800-477-6479
 Email: Andrew_Baicher@shi.com

All Prices are in US Dollar (USD)

	Product	Qty	Your Price	Total
1	Microsoft Core CAL - Software assurance - 1 user CAL - Platform - Enterprise - All Languages Microsoft - Part#: W06-01072 Note: Year 1	165	\$38.23	\$6,307.95
2	Microsoft Office Professional Plus - Software assurance - 1 PC - Enterprise - Win - All Languages Microsoft - Part#: 269-12442 Note: Year 1	165	\$88.58	\$14,615.70
3	Windows Enterprise - Software assurance - 1 PC - Platform - Enterprise - All Languages Microsoft - Part#: CW2-00307 Note: Year 1	165	\$32.54	\$5,369.10
4	Microsoft Exchange Server - Software assurance - 1 server - Enterprise, Select, Select Plus - All Languages Microsoft - Part#: 312-02257 Note: Year 1	1	\$117.77	\$117.77
5	Microsoft SQL Server - Software assurance - 1 user CAL - additional product - Enterprise, Select, Select Plus - All Languages Microsoft - Part#: 359-00961 Note: Year 1	109	\$34.76	\$3,788.84
6	Microsoft SQL Server Standard Edition - Software assurance - 1 server - additional product - Enterprise, Select, Select Plus - Win - All Languages Microsoft - Part#: 228-04433 Note: Year 1	2	\$149.32	\$298.64
7	Microsoft Visio Standard - Software assurance - 1 user - EDU - Enterprise, Select, Select Plus - Win - All Languages Microsoft - Part#: D86-01253 Note: Year 1	1	\$48.31	\$48.31
8	Microsoft Windows Remote Desktop Services - Software assurance - 1 device CAL	40	\$16.82	\$672.80

- EDU - Enterprise, Select, Select Plus - Win - All Languages Microsoft - Part#: 6VC-01253 Note: Year 1				
9	Microsoft Windows Server Standard Edition - Software assurance - 2 processors - Enterprise, Select, Select Plus - All Languages	20	\$146.85	\$2,937.00
Microsoft - Part#: P73-05898 Note: Year 1				
10	Microsoft System Center Standard Edition - Software assurance - 2 processors - Select, Select Plus - Win - All Languages	2	\$146.85	\$293.70
Microsoft - Part#: T9L-00223 Note: Year 1				
11	Microsoft Core CAL - Software assurance - 1 user CAL - Platform - Enterprise - All Languages	165	\$38.23	\$6,307.95
Microsoft - Part#: W06-01072 Note: Year 2				
12	Microsoft Office Professional Plus - Software assurance - 1 PC - Enterprise - Win - All Languages	165	\$88.58	\$14,615.70
Microsoft - Part#: 269-12442 Note: Year 2				
13	Windows Enterprise - Software assurance - 1 PC - Platform - Enterprise - All Languages	165	\$32.54	\$5,369.10
Microsoft - Part#: CW2-00307 Note: Year 2				
14	Microsoft Exchange Server - Software assurance - 1 server - Enterprise, Select, Select Plus - All Languages	1	\$117.77	\$117.77
Microsoft - Part#: 312-02257 Note: Year 2				
15	Microsoft SQL Server - Software assurance - 1 user CAL - additional product - Enterprise, Select, Select Plus - All Languages	109	\$34.76	\$3,788.84
Microsoft - Part#: 359-00961 Note: Year 2				
16	Microsoft SQL Server Standard Edition - Software assurance - 1 server - additional product - Enterprise, Select, Select Plus - Win - All Languages	2	\$149.32	\$298.64
Microsoft - Part#: 228-04433 Note: Year 2				
17	Microsoft Visio Standard - Software assurance - 1 user - EDU - Enterprise, Select, Select Plus - Win - All Languages	1	\$48.31	\$48.31
Microsoft - Part#: D86-01253 Note: Year 2				
18	Microsoft Windows Remote Desktop Services - Software assurance - 1 device CAL - EDU - Enterprise, Select, Select Plus - Win - All Languages	40	\$16.82	\$672.80
Microsoft - Part#: 6VC-01253 Note: Year 2				
19	Microsoft Windows Server Standard Edition - Software assurance - 2 processors - Enterprise, Select, Select Plus - All Languages	20	\$146.85	\$2,937.00
Microsoft - Part#: P73-05898 Note: Year 2				
20	Microsoft System Center Standard Edition - Software assurance - 2 processors -	2	\$146.85	\$293.70

Select, Select Plus - Win - All Languages
Microsoft - Part#: T9L-00223
Note: Year 2

21	Microsoft Core CAL - Software assurance - 1 user CAL - Platform - Enterprise - All Languages Microsoft - Part#: W06-01072 Note: Year 3	165	\$38.23	\$6,307.95
22	Microsoft Office Professional Plus - Software assurance - 1 PC - Enterprise - Win - All Languages Microsoft - Part#: 269-12442 Note: Year 3	165	\$88.58	\$14,615.70
23	Windows Enterprise - Software assurance - 1 PC - Platform - Enterprise - All Languages Microsoft - Part#: CW2-00307 Note: Year 3	165	\$32.54	\$5,369.10
24	Microsoft Exchange Server - Software assurance - 1 server - Enterprise, Select, Select Plus - All Languages Microsoft - Part#: 312-02257 Note: Year 3	1	\$117.77	\$117.77
25	Microsoft SQL Server - Software assurance - 1 user CAL - additional product - Enterprise, Select, Select Plus - All Languages Microsoft - Part#: 359-00961 Note: Year 3	109	\$34.76	\$3,788.84
26	Microsoft SQL Server Standard Edition - Software assurance - 1 server - additional product - Enterprise, Select, Select Plus - Win - All Languages Microsoft - Part#: 228-04433 Note: Year 3	2	\$149.32	\$298.64
27	Microsoft Visio Standard - Software assurance - 1 user - EDU - Enterprise, Select, Select Plus - Win - All Languages Microsoft - Part#: D86-01253 Note: Year 3	1	\$48.31	\$48.31
28	Microsoft Windows Remote Desktop Services - Software assurance - 1 device CAL - EDU - Enterprise, Select, Select Plus - Win - All Languages Microsoft - Part#: 6VC-01253 Note: Year 3	40	\$16.82	\$672.80
29	Microsoft Windows Server Standard Edition - Software assurance - 2 processors - Enterprise, Select, Select Plus - All Languages Microsoft - Part#: P73-05898 Note: Year 3	20	\$146.85	\$2,937.00
30	Microsoft System Center Standard Edition - Software assurance - 2 processors - Select, Select Plus - Win - All Languages Microsoft - Part#: T9L-00223 Note: Year 3	2	\$146.85	\$293.70

Subtotal	\$103,349.43
Shipping	\$0.00
Total	\$103,349.43

Additional Comments

Thank You for choosing SHI-GS! To ensure the best level of service, please provide End User Name, Phone Number, and E-Mail Address when submitting a Purchase Order. For any additional information including Hardware and Software Contract Numbers, please contact an SHI-GS Sales Representative at 800-870-6079.

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Pricing Proposal
Quotation #: 9046860
Created On: 1/12/2015
Valid Until: 1/30/2015

CITY OF SACHSE

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Fax: 800-477-6479
Email: Andrew_Baicher@shi.com

All Prices are in US Dollar (USD)

Product	Qty	Your Price	Total
1 Microsoft Core CAL - License & software assurance - 1 user CAL - Platform - Enterprise - All Languages Microsoft - Part#: W06-01066	30	\$95.00	\$2,850.00
2 Microsoft Windows Vista Business - W/ Microsoft Windows Vista Enterprise - upgrade & software assurance - 1 PC - Platform - Enterprise - All Languages Microsoft - Part#: 66J-00577	15	\$60.00	\$900.00
3 Microsoft Office Professional Plus - License & software assurance - 1 PC - Enterprise - Win - All Languages Microsoft - Part#: 269-12445	15	\$233.00	\$3,495.00
Subtotal			\$7,245.00
Shipping			\$0.00
Total			\$7,245.00

Additional Comments

Thank You for choosing SHI-GS! To ensure the best level of service, please provide End User Name, Phone Number, and E-Mail Address when submitting a Purchase Order. For any additional information including Hardware and Software Contract Numbers, please contact an SHI-GS Sales Representative at 800-870-6079.

The Products offered under this proposal are subject to the SHI Return Policy posted at www.shi.com/returnpolicy, unless there is an existing agreement between SHI and the Customer.

Enterprise and Enterprise Subscription Enrollment Product Selection Form – State and Local

Enrollment Number
Microsoft to complete for initial term
Reseller to complete for renewal

Step 1. Please indicate whether Enrolled Affiliate is ordering Enterprise Products or Enterprise Online Services on the initial enrollment order. Choose both if applicable.

☒ **Enterprise Products.** Choose platform option: Professional Desktop

Qualified Devices: 165

Qualified Users: 165

☐ **Enterprise Online Services¹**

Step 2. Select the Products and Quantities Enrolled Affiliate is ordering on its initial Enrollment Order. Quantity may not include any Licenses which Enrolled Affiliate has selected for optional future use, or to which it is transitioning or stepping up within enrollment term. Products for which the Enrolled Affiliate has an option to transition or step-up should be listed in Step 3.

Products ²	Quantity
Office Professional Plus	
Office Pro Plus	165
Office Pro Plus for Office 365	
Office 365 Plans¹	
Office 365 (Plan E1)	
Office 365 (Plan E2)	
Office 365 (Plan E3)	
Office 365 (Plan E4)	
Client Access License (CAL). Choose 1 Option.	
☒ Core CAL, including Bridge CAL's (if applicable)	
Core CAL	165
Core CAL Bridge for Office 365	
Core CAL Bridge for Windows Intune	
Core CAL Bridge for Office 365 and Windows Intune	
☐ Enterprise CAL (ECAL)	
ECAL	
ECAL Bridge for Office 365	
ECAL Bridge for Windows Intune	
ECAL Bridge for Office 365 and Windows Intune	
The Client Access License selection must be the same across the Enterprise. Specify whether licensing CAL per Device or User: User	
Windows Desktop	
Windows OS Upgrade	165
Windows VDA	
Windows Intune	
Windows Intune	
Windows Intune Add-on ³	
Other Enterprise Products	
Microsoft Desktop Optimization Pack (MDOP) ⁴	

If selecting Windows Desktop or Windows Intune option, Enrolled Affiliate acknowledges the following:

- a.** The Windows Desktop Operating System Upgrade licenses offered through this Enrollment are not full licenses. The Enrolled Affiliate and any included Affiliates have qualifying operating system licenses for all devices on which the Windows Desktop Operating System Upgrade or Windows Intune licenses are run.
- b.** In order to use a third party to reimage the Windows Operating System Upgrade, Enrolled Affiliate must certify that Enrolled Affiliate has acquired qualifying operating system licenses. See the Product List for details.

Step 3. Indicate new Enterprise Products and Online Services Enrolled Affiliate has selected for optional future use where not selected on the initial enrollment order (above):

Products²
☐ Office Pro Plus for Office 365
☐ Office 365 (Plan E1)
☐ Office 365 (Plan E2)
☐ Office 365 (Plan E3)
☐ Office 365 (Plan E4)
☐ Enterprise CAL (ECAL) Step-up, including Bridge CALs
☐ Windows Intune
☐ Windows Intune Add-on ³

This form must be attached to a signature form to be valid.

Enterprise Enrollment

State and Local

Enterprise Enrollment number
(Microsoft to complete)Previous Enrollment number
(Reseller to complete)

5926776

Proposal ID/Framework ID

Earliest expiring previous
Enrollment end date ¹

2/28/2015

This Enrollment must be attached to a signature form to be valid.

This Microsoft Enterprise Enrollment is entered into between the entities as identified in the signature form as of the effective date. Enrolled Affiliate represents and warrants it is the same Customer, or an Affiliate of the Customer, that entered into the Enterprise Agreement identified on the program signature form.

This Enrollment consists of: (1) these terms and conditions, (2) the terms of the Enterprise Agreement identified on the signature form, (3) the Product Selection Form, (4) any supplemental contact information form or Previous Agreement/Enrollment form that may be required, (5) any order submitted under this Enrollment. This Enrollment may only be entered into under a 2011 or later Enterprise Agreement. By entering into this Enrollment, Enrolled Affiliate agrees to be bound by the terms and conditions of the Enterprise Agreement.

All terms used but not defined are located at <http://www.microsoft.com/licensing/contracts>. In the event of any conflict the terms of this Agreement control.

Effective date. If Enrolled Affiliate is renewing Software Assurance or Subscription Licenses from one or more previous Enrollments or agreements, then the effective date will be the day after the first prior Enrollment or agreement expires or terminates. Otherwise, the effective date will be the date this Enrollment is accepted by Microsoft. Any reference to "anniversary date" refers to the anniversary of the effective date each year this Enrollment is in effect.

Term. The initial term of this Enrollment will expire on the last day of the month, 36 full calendar months from the effective date of the initial term. If the Enrollment is renewed, the renewal term will expire 36 full calendar months after the effective date of the renewal term. Any reference in this Enrollment to "day" will be a calendar day.

Product order. The Reseller will provide Enrolled Affiliate with Enrolled Affiliate's Product pricing and order. Prices and billing terms for all Products ordered will be determined by agreement between Enrolled Affiliate and the Reseller. The Reseller will provide Microsoft with the order separately from this Enrollment.

Terms and Conditions

1. Definitions.

Terms used but not defined in this Enrollment will have the definition in the Enterprise Agreement. The following definitions are used in this Enrollment:

"Additional Product" means any Product identified as such in the Product List and chosen by Enrolled Affiliate under this Enrollment.

“Enterprise Online Service” means any Online Service designated as an Enterprise Online Service in the Product List and chosen by Enrolled Affiliate under this Enrollment. Enterprise Online Services are treated as Online Services, except as noted.

“Enterprise Product” means any Desktop Platform Product that Microsoft designates as an Enterprise Product in the Product List and chosen by Enrolled Affiliate under this Enrollment. Enterprise Products must be licensed for all Qualified Devices and Qualified Users on an Enterprise-wide basis under this program.

“Expiration Date” means the date upon which the Enrollment expires.

“Industry Device” (also known as line of business device) means any device that: (1) is not useable in its deployed configuration as a general purpose personal computing device (such as a personal computer), a multi-function server, or a commercially viable substitute for one of these systems; and (2) only employs an industry or task-specific software program (e.g. a computer-aided design program used by an architect or a point of sale program) (“Industry Program”). The device may include features and functions derived from Microsoft software or third-party software. If the device performs desktop functions (such as email, word processing, spreadsheets, database, network or Internet browsing, or scheduling, or personal finance), then the desktop functions: (1) may only be used for the purpose of supporting the Industry Program functionality; and (2) must be technically integrated with the Industry Program or employ technically enforced policies or architecture to operate only when used with the Industry Program functionality.

“L&SA” means a License with Software Assurance for any Product ordered.

“Qualified Device” means any device that is used by or for the benefit of Enrolled Affiliate’s Enterprise and is: (1) a personal desktop computer, portable computer, workstation, or similar device capable of running Windows Professional locally (in a physical or virtual operating system environment), OR (2) a device used to access a virtual desktop infrastructure (“VDI”). Qualified Devices do not include any device that is: (1) designated as a server and not used as a personal computer, OR (2) an Industry Device, OR (3) not managed (as defined in the Product List at the start of the applicable initial or renewal term of the Enrollment) as part of Enrolled Affiliate’s Enterprise. At its option, the Enrolled Affiliate may designate any device excluded above (e.g., Industry Device) that is used by or for the benefit of the Enrolled Affiliate’s Enterprise as a Qualified Device for all or a subset of Enterprise Products or Online Services the Enrolled Affiliate has selected.

“Qualified User” means a person (e.g., employee, consultant, contingent staff) who: (1) is a user of a Qualified Device, or (2) accesses any server software requiring an Enterprise Product Client Access License or any Enterprise Online Service. It does not include a person who accesses server software or an Online Service solely under a License identified in the Qualified User exemptions in the Product List.

“Reserved License” means for an Online Service identified as eligible for true-ups in the Product List, the License reserved by Enrolled Affiliate prior to use and for which Microsoft will make the Online Service available for activation.

“Transition” means the conversion of one or more License to or from another License(s). Products eligible for Transition and permitted Transitions are identified in the Product List.

“Transition Period” means the time between the Transition and the next Enrollment anniversary date for which the Transition is reported.

“Use Rights” means, with respect to any licensing program, the use rights or terms of service for each Product and version published for that licensing program at the Volume Licensing Site. The Use Rights supersede the terms of any end user license agreement (on-screen or otherwise) that accompanies a Product. The Use Rights for Software are published by Microsoft in the Product Use Rights. The Use Rights for Online Services are published in the Online Services Terms.

2. Order requirements.

- a. **Minimum Order requirements.** Enrolled Affiliate's Enterprise must have a minimum of 250 Qualified Users or Qualified Devices. The initial order must include at least 250 Licenses for Enterprise Products or Enterprise Online Services.
 - (i) **Enterprise Commitment.** If ordering any Enterprise Products, Enrolled Affiliate's order must include coverage for all Qualified Users or Qualified Devices, depending on the License Type, of one or more Enterprise Products or a mix of Enterprise Products and the corresponding Enterprise Online Services.
 - (ii) **Enterprise Online Services.** If ordering Enterprise Online Services only, then Enrolled Affiliate must maintain at least 250 Subscription Licenses.
- b. **Additional Products.** Upon satisfying the minimum order requirements above, Enrolled Affiliate may order Additional Products and Services.
- c. **Use Rights for Enterprise Products.** For Enterprise Products, if a new Product version has more restrictive use rights than the version that is current at the start of the applicable initial or renewal term of the Enrollment, those more restrictive use rights will not apply to Enrolled Affiliate's use of that Product during that term.
- d. **Country of usage.** Enrolled Affiliate must specify the countries where Licenses will be used on its initial order and on any additional orders.
- e. **Adding Products.**
 - (i) **Adding new Products not previously ordered.** New Enterprise Products or Enterprise Online Services may be added at any time by contacting a Microsoft Account Manager or Reseller. New Additional Products, other than Online Services, may be used if an order is placed in the month the Product is first used. For Additional Products that are Online Services, an initial order for the Online Service is required prior to use.
 - (ii) **Adding Licenses for previously ordered Products.** Additional Licenses for previously ordered Products other than Online Services may be added at any time but must be included in the next true-up order. Additional Licenses for Online Services must be ordered prior to use, unless the Online Services are (1) identified as eligible for true-up in the Product List or (2) included as part of other Licenses.
- f. **True-up requirements.** Enrolled Affiliate must submit an annual true-up order that accounts for any changes since the initial order or last order. If there are no changes, then an update statement must be submitted instead of a true-up order.
 - (i) **Enterprise Products.** For Enterprise Products, Enrolled Affiliate must determine the number of Qualified Devices and Qualified Users (if ordering user-based Licenses) at the time the true-up order is placed and must order additional Licenses for all Qualified Devices and Qualified Users that are not already covered by existing Licenses, including any Enterprise Online Services.
 - (ii) **Additional Products.** For Additional Products that have been previously ordered under this Enrollment, Enrolled Affiliate must determine the maximum number of Additional Products used since the latter of the initial order, the last true-up order, or the prior anniversary date and submit a true-up order that accounts for any increase.
 - (iii) **Online Services.** For Online Services identified as eligible for true-up in the Product List, Enrolled Affiliate may reserve the additional Licenses prior to use. Microsoft will provide a report of Reserved Licenses in excess of existing orders to Enrolled Affiliate and its Reseller. Reserved Licenses will be invoiced retroactively to the month in which they were reserved.
 - (iv) **Transitions.** Enrolled Affiliate must report all Transitions. Transitions may result in an increase in certain Licenses to be included on the true-up order and a reduction of other

Licenses for prior orders. Reductions in Licenses will be effective at end of the Transition Period. For Licenses paid up front, Microsoft will issue a credit for the remaining months of Software Assurance or Subscription Licenses that were reduced as part of the Transition.

(v) Subscription License reductions. Enrolled Affiliate may reduce the quantity of Subscription Licenses at the Enrollment anniversary date on a prospective basis if permitted in the Product List, as follows:

- a)** For Subscription Licenses that are part of an Enterprise-wide purchase, Licenses may be reduced if the total quantity of Licenses and Software Assurance for an applicable group meets or exceeds the quantity of Qualified Devices and Qualified Users (if ordering user-based Licenses) identified on the Product Selection Form, and includes any additional Qualified Devices and Qualified Users added in any prior true-up orders. Step-up Licenses do not count towards this total count.
- b)** For Enterprise Online Services that are not a part of an Enterprise-wide purchase, Licenses can be reduced as long as the initial order minimum requirements are maintained.
- c)** For Additional Products available as Subscription Licenses, Enrolled Affiliate may reduce the Licenses. If the License count is reduced to zero, then Enrolled Affiliate's use of the applicable Subscription License will be cancelled.

Invoices will be adjusted to reflect any reductions in Subscription Licenses at the true-up order Enrollment anniversary date and effective as of such date.

(vi) Update statement. An update statement must be submitted instead of a true-up order if, as of the initial order or last true-up order, Enrolled Affiliate's Enterprise: (1) has not changed the number of Qualified Devices and Qualified Users licensed with Enterprise Products or Enterprise Online Services; and (2) has not increased its usage of Additional Products. This update statement must be signed by Enrolled Affiliate's authorized representative.

(vii) True-up order period. The true-up order or update statement must be received by Microsoft between 60 and 30 days prior to each Enrollment anniversary date. The third-year true-up order or update statement is due within 30 days prior to the Expiration Date, and any license reservations within this 30 day period will not be accepted. Enrolled Affiliate may submit true-up orders more often to account for increases in Product usage, but an annual true-up order or update statement must still be submitted during the annual order period.

(viii) Late true-up order. If the true-up order or update statement is not received when due:

- 1)** Microsoft will invoice Reseller for all Reserved Licenses not previously ordered.
- 2)** Transitions and Subscription License reductions cannot be reported until the following Enrollment anniversary date (or at Enrollment renewal, as applicable).

g. Step-up Licenses. For Licenses eligible for a step-up under this Enrollment, Enrolled Affiliate may step-up to a higher edition or suite as follows:

- (i)** For step-up Licenses included on an initial order, Enrolled Affiliate may order according to the true-up process.
- (ii)** If step-up Licenses are not included on an initial order, Enrolled Affiliate may step-up initially by following the process described in the Section titled "Adding new Products not previously ordered," then for additional step-up Licenses, by following the true-up order process.

- (iii) If Enrolled Affiliate has previously ordered an Online Service as an Additional Product and wants to step-up to an Enterprise Online Service eligible for a Transition, the step-up may be reported as a Transition.
- (iv) If Enrolled Affiliate Transitions a License, it may be able to further step-up the Transitioned License. If Enrolled Affiliate chooses to step-up and the step-up License is separately eligible to be Transitioned, such step-up Licenses may result in a License reduction at the Enrollment anniversary date following the step-up.
- h. **Clerical errors.** Microsoft may correct clerical errors in this Enrollment, and any documents submitted with or under this Enrollment, by providing notice by email and a reasonable opportunity for Enrolled Affiliate to object to the correction. Clerical errors include minor mistakes, unintentional additions and omissions. This provision does not apply to material terms, such as the identity, quantity or price of a Product ordered.
- i. **Verifying compliance.** Microsoft may, in its discretion and at its expense, verify compliance with this Enrollment as set forth in the Enterprise Agreement.

3. Pricing.

- a. **Price Levels.** For both the initial and any renewal term Enrolled Affiliate's Price Level for all Products ordered under this Enrollment will be Level "D" throughout the term of the Enrollment.
- b. **Setting Prices.** Enrolled Affiliate's prices for each Product or Service will be established by its Reseller. As long as Enrolled Affiliate continues to qualify for the same price level, Microsoft's prices for Resellers for each Product or Service will be fixed throughout the applicable initial or renewal Enrollment term. Price levels and Microsoft's prices for Resellers are reestablished at the beginning of the renewal term. However, if Enrolled Affiliate qualifies for a different price level during the applicable initial or renewal term, Microsoft may at its discretion establish a new price level for future new orders either upon Enrolled Affiliate's request or on its own initiative. Any changes will be based upon price level rules in the Product Selection Form.

4. Payment terms.

For the initial or renewal order, Enrolled Affiliate may pay upfront or elect to spread its payments over the applicable Enrollment term. If spread payments are elected, unless indicated otherwise, Microsoft will invoice Enrolled Affiliate's Reseller in three equal annual installments. The first installment will be invoiced upon Microsoft's acceptance of this Enrollment and on each Enrollment anniversary date. Subsequent orders are invoiced upon acceptance of the order and Enrolled Affiliate may elect to pay annually or upfront for Online Services and upfront for all other Licenses.

5. Transitions.

- a. **Transition requirements.**
 - (i) Licenses with active Software Assurance or Subscription Licenses may be Transitioned at any time if permitted in the Product List. Enrolled Affiliate may not, however, reduce the quantity of Licenses or associated Software Assurance prior to the end of the Transition Period.
 - (ii) Enrolled Affiliate must order the Licenses to which it is transitioning for the year(s) following the Transition Period.
 - (iii) If a Transition is made back to a License that had active Software Assurance as of the date of Transition, then Software Assurance must be re-ordered for all such Licenses on a prospective basis following the Transition Period. Software Assurance coverage may

not exceed the quantity of perpetual Licenses for which Software Assurance was current at the time of any prior Transition. Software Assurance may not be applied to Licenses transferred by Enrolled Affiliate.

(iv) If a device-based License is Transitioned to a user-based License, all users of the device must be licensed as part of the Transition.

(v) If a user-based License is Transitioned to a device-based License, all devices accessed by the user must be licensed as part of the Transition.

b. Effect of Transition on Licenses.

(i) Transition will not affect Enrolled Affiliate's rights in perpetual Licenses paid in full.

(ii) New version rights will be granted for perpetual Licenses covered by Software Assurance up to the end of the Transition Period.

(iii) For L&SA not paid in full at the end of the Transition Period, Enrolled Affiliate will have perpetual Licenses for a proportional amount equal to the amounts paid for the Transitioned Product as of the end of the Transition Period.

(iv) For L&SA not paid in full or granted a perpetual License in accordance with the above or Subscription Licenses, all rights to Transitioned Licenses cease at the end of the Transition Period.

6. End of Enrollment term and termination.

a. General. At the Expiration Date, Enrolled Affiliate must immediately order and pay for Licenses for Products it has used but has not previously submitted an order, except as otherwise provided in this Enrollment.

b. Renewal Option. At the Expiration Date of the initial term, Enrolled Affiliate can renew Products by renewing the Enrollment for one additional 36 full calendar month term or signing a new Enrollment. Microsoft must receive a Renewal Form, Product Selection Form, and renewal order prior to or at the Expiration Date. The renewal term will start on the day following the Expiration Date. Microsoft will not unreasonably reject any renewal. Microsoft may make changes to this program that will make it necessary for Customer and its Enrolled Affiliates to enter into new agreements and Enrollments at renewal.

c. If Enrolled Affiliate elects not to renew.

(i) **Software Assurance.** If Enrolled Affiliate elects not to renew Software Assurance for any Product under its Enrollment, then Enrolled Affiliate will not be permitted to order Software Assurance later without first acquiring L&SA.

(ii) **Online Services eligible for an Extended Term.** For Online Services identified as eligible for an Extended Term in the Product List, the following options are available at the end of the Enrollment initial or renewal term.

1) **Extended Term.** Licenses for Online Services will automatically expire in accordance with the terms of the Enrollment. An extended term feature that allows Online Services to continue month-to-month ("Extended Term") is available. During the Extended Term, Online Services will be invoiced monthly at the then-current published price for Enrolled Affiliate's price level as of the Expiration Date plus a 3% administrative fee for up to one year. If Enrolled Affiliate does want an Extended Term, Reseller must submit a request to Microsoft. Microsoft must receive the request not less than 30 days prior to the Expiration Date.

2) **Cancellation during Extended Term.** If Enrolled Affiliate has opted for the Extended Term and later determines not to continue with the Extended Term, Reseller must submit a notice of cancellation for each Online Service. Cancellation will be effective at the end of the month following 30 days after Microsoft has received the notice.

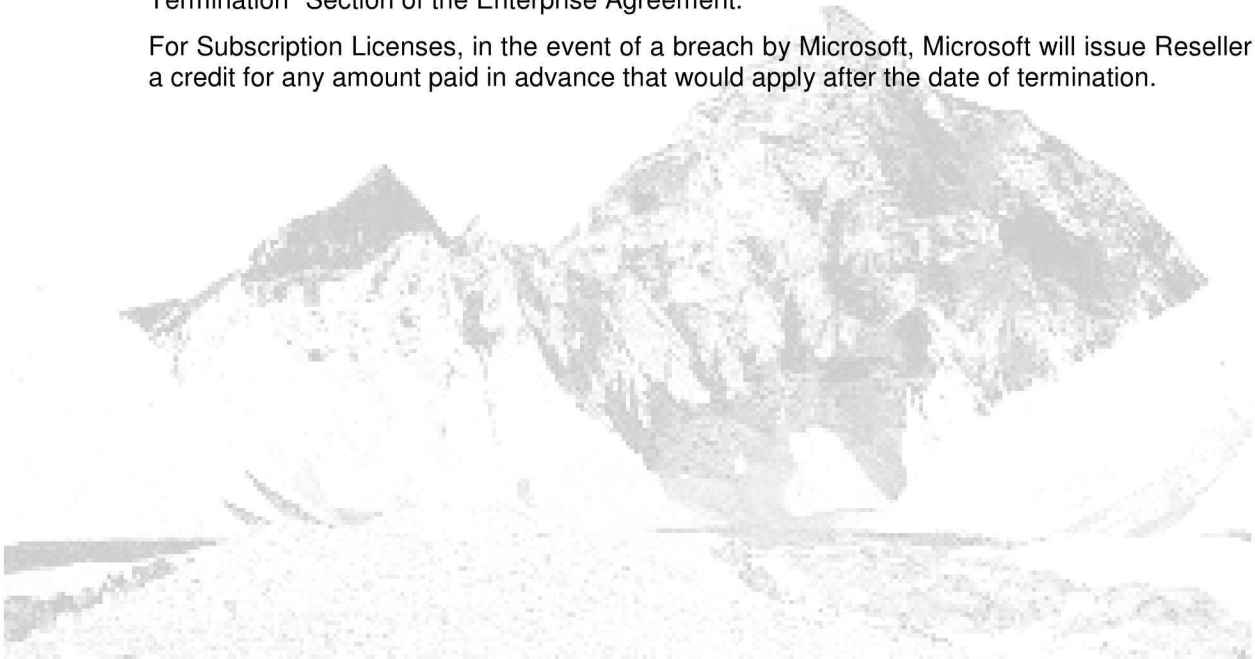
(iii) Subscription Licenses and Online Services not eligible for an Extended Term. If Enrolled Affiliate elects not to renew, the Licenses will be cancelled and will terminate as of the Expiration Date. Any associated media must be uninstalled and destroyed and Enrolled Affiliate's Enterprise must discontinue use. Microsoft may request written certification to verify compliance.

(iv) Customer Data. Upon expiration or termination of a License for Online Services, Microsoft will keep Customer's Data in a limited function account for 90 days so that Customer may extract it. Enrolled Affiliate will reimburse Microsoft if there are any associated costs. After 90 days Microsoft will disable Enrolled Affiliate's account and will delete its Customer Data. Enrolled Affiliate agrees that, other than as described above, Microsoft has no obligation to continue to hold, export or return Enrolled Affiliate's Customer Data and that Microsoft has no liability whatsoever for deletion of Enrolled Affiliate's Customer Data pursuant to these terms.

d. Termination for cause. Any termination for cause of this Enrollment will be subject to the "Termination for cause" section of the Agreement.

e. Early termination. Any Early termination of this Enrollment will be subject to the "Early Termination" Section of the Enterprise Agreement.

For Subscription Licenses, in the event of a breach by Microsoft, Microsoft will issue Reseller a credit for any amount paid in advance that would apply after the date of termination.



Enrollment Details

1. Enrolled Affiliate's Enterprise.

- a. Identify which Agency Affiliates are included in the Enterprise. (Required) Enrolled Affiliate's Enterprise must consist of entire offices, bureaus, agencies, departments or other entities of Enrolled Affiliate, not partial offices, bureaus, agencies, or departments, or other partial entities. Check only one box in this section. If no boxes are checked, Microsoft will deem the Enterprise to include the Enrolled Affiliate only. If more than one box is checked, Microsoft will deem the Enterprise to include the largest number of Affiliates:

☒ Enrolled Affiliate only

☐ Enrolled Affiliate and all Affiliates

☐ Enrolled Affiliate and the following Affiliate(s) (Only identify specific affiliates to be included if fewer than all Affiliates are to be included in the Enterprise):

☐ Enrolled Affiliate and all Affiliates, with following Affiliate(s) excluded:

- b. Please indicate whether the Enrolled Affiliate's Enterprise will include all new Affiliates acquired after the start of this Enrollment: Exclude future Affiliates

2. Contact information.

Each party will notify the other in writing if any of the information in the following contact information page(s) changes. The asterisks (*) indicate required fields. By providing contact information, Enrolled Affiliate consents to its use for purposes of administering this Enrollment by Microsoft, its Affiliates, and other parties that help administer this Enrollment. The personal information provided in connection with this Enrollment will be used and protected in accordance with the privacy statement available at <https://www.microsoft.com/licensing/servicecenter>.

- a. **Primary contact.** This contact is the primary contact for the Enrollment from within Enrolled Affiliate's Enterprise. This contact is also an Online Administrator for the Volume Licensing Service Center and may grant online access to others. The primary contact will be the default contact for all purposes unless separate contacts are identified for specific purposes

Name of entity (must be legal entity name)* City of Sachse

Contact name* First Gary **Last** Burcalow

Contact email address* gburcalow@cityofsachse.com

Street address* 5560 Highway 78

City* Sachse

State/Province* TX

Postal code* 75048-3742

(For U.S. addresses, please provide the zip + 4, e.g. xxxxx-xxxx)

Country* USA

Phone* 469 429 4769

Tax ID

** indicates required fields*

- b. Notices contact and Online Administrator.** This contact (1) receives the contractual notices, (2) is the Online Administrator for the Volume Licensing Service Center and may grant online access to others, and (3) is authorized for applicable Online Services to add or reassign Licenses, step-up, and initiate Transitions prior to a true-up order.

☒ Same as primary contact (default if no information is provided below, even if the box is not checked).

Contact name* First Last

Contact email address*

Street address*

City*

State/Province*

Postal code* -

(For U.S. addresses, please provide the zip + 4, e.g. xxxxx-xxxx)

Country*

Phone*

Language preference. Choose the language for notices. English

☐ This contact is a third party (not the Enrolled Affiliate). Warning: This contact receives personally identifiable information of the Customer and its Affiliates.

** indicates required fields*

- c. Online Services Manager.** This contact is authorized to manage the Online Services ordered under the Enrollment and (for applicable Online Services) to add or reassign Licenses, step-up, and initiate Transitions prior to a true-up order.

☒ Same as notices contact and Online Administrator (default if no information is provided below, even if box is not checked)

Contact name*: First Last

Contact email address*

Phone*

☐ This contact is from a third party organization (not the entity). Warning: This contact receives personally identifiable information of the entity.

** indicates required fields*

- d. Reseller information.** Reseller contact for this Enrollment is:

Reseller company name* SHI International Corp

Street address (PO boxes will not be accepted)* 290 Davidson Ave

City* Somerset

State/Province* NJ

Postal code* 08876

Country* USA

Contact name*

Phone* 888 764 8888

Contact email address*

** indicates required fields*

By signing below, the Reseller identified above confirms that all information provided in this Enrollment is correct.

Signature* _____ Printed name* Printed title* Date*
--

** indicates required fields*

Changing a Reseller. If Microsoft or the Reseller chooses to discontinue doing business with each other, Enrolled Affiliate must choose a replacement Reseller. If Enrolled Affiliate or the Reseller intends to terminate their relationship, the initiating party must notify Microsoft and the other party using a form provided by Microsoft at least 90 days prior to the date on which the change is to take effect.

- e. If Enrolled Affiliate requires a separate contact for any of the following, attach the Supplemental Contact Information form. *Otherwise, the notices contact and Online Administrator remains the default.*
- (i) Additional notices contact
 - (ii) Software Assurance manager
 - (iii) Subscriptions manager
 - (iv) Customer Support Manager (CSM) contact

3. Financing elections.

Is a purchase under this Enrollment being financed through MS Financing? ☐ Yes, ☒ No.

If a purchase under this Enrollment is financed through MS Financing, and Enrolled Affiliate chooses not to finance any associated taxes, it must pay these taxes directly to Microsoft.

Program Signature Form

MBA/MBSA number

Agreement number

01E73535

Proposal ID

Note: Enter the applicable active numbers associated with the documents below. Microsoft requires the associated active number be indicated here, or listed below as new.

For the purposes of this form, "Customer" can mean the signing entity, Enrolled Affiliate, Government Partner, Institution, or other party entering into a volume licensing program agreement.

This signature form and all contract documents identified in the table below are entered into between the Customer and the Microsoft Affiliate signing, as of the effective date identified below.

Contract Document	Number or Code
<Choose Agreement>	Document Number or Code
<Choose Agreement>	Document Number or Code
<Choose Agreement>	Document Number or Code
<Choose Agreement>	Document Number or Code
<Choose Agreement>	Document Number or Code
Enterprise Enrollment	X20-10632
<Choose Enrollment/Registration>	Document Number or Code
<Choose Enrollment/Registration>	Document Number or Code
<Choose Enrollment/Registration>	Document Number or Code
<Choose Enrollment/Registration>	Document Number or Code
Product Selection Form	X20-03622
Amendment	W29 (New)
Document Description	Document Number or Code
Document Description	Document Number or Code
Document Description	Document Number or Code

By signing below, Customer and the Microsoft Affiliate agree that both parties (1) have received, read and understand the above contract documents, including any websites or documents incorporated by reference and any amendments and (2) agree to be bound by the terms of all such documents.

Customer
Name of Entity (must be legal entity name)* City of Sachse Signature* _____ Printed First and Last Name* _____ Printed Title _____ Signature Date* _____
Tax ID _____

* indicates required field

Microsoft Affiliate
Microsoft Corporation
Signature _____ Printed First and Last Name Printed Title Signature Date (date Microsoft Affiliate countersigns)
Agreement Effective Date (may be different than Microsoft's signature date)

Optional 2nd Customer signature or Outsourcer signature (if applicable)

Customer
Name of Entity (must be legal entity name)* Signature* _____ Printed First and Last Name* Printed Title Signature Date*

* indicates required field

Outsourcer
Name of Entity (must be legal entity name)* Signature* _____ Printed First and Last Name* Printed Title Signature Date*

* indicates required field

If Customer requires physical media, additional contacts, or is reporting multiple previous Enrollments, include the appropriate form(s) with this signature form.

After this signature form is signed by the Customer, send it and the Contract Documents to Customer's channel partner or Microsoft account manager, who must submit them to the following address. When the signature form is fully executed by Microsoft, Customer will receive a confirmation copy.

Microsoft Corporation
 Dept. 551, Volume Licensing
 6100 Neil Road, Suite 210
 Reno, Nevada 89511-1137
 USA

Enterprise Enrollment Sub 250 Program Amendment ID W29

Proposal ID

This amendment ("Amendment") is entered into between the parties identified on the attached program signature form. It amends the Enrollment or Agreement identified above. All terms used but not defined in this Amendment will have the same meanings provided in that Enrollment or Agreement.

The parties agree that the Enrollment is amended as follows:

1. ***On the first page of the Enrollment, the following is added after the second paragraph:***

By entering into this Enrollment, the Enrolled Affiliate agrees that (1) it also has 250 or more Qualified Devices or Qualified Users; or (2) as a condition of entering into this Enrollment with 25-249 Qualified Devices or Qualified Users, Enrolled Affiliate has elected not to receive CD ROMs as part of the Enrollment and therefore no CD ROMs will automatically be shipped. If Enrolled Affiliate is enrolling with 25-249 Qualified Devices or Qualified Users and it would like to receive CD ROM Kits and updates, Enrolled Affiliate may order these through its Reseller for a fee.

The submission of this Amendment can only be placed against a 2011 Enterprise Agreement or an Enrollment that has the Updated EA Amendment terms and conditions applied. The submittal of this Amendment may not be contingent on submittal of a new Enterprise Agreement.

2. ***Section 2a of the Enrollment titled "Order Requirements", is hereby amended and restated in its entirety with the following:***

a. Minimum Order Requirements. Enrolled Affiliate's Enterprise must have a minimum of 25 Qualified Users or Qualified Devices.

(i) Initial Order. Initial order must include at least 25 Licenses from one of the four groups outlined in the Product Selection Form.

(ii) If choosing Enterprise Products. If choosing Enterprise Products in a specific group outlined in the Product Selection Form, Enrolled Affiliate's initial order must include an Enterprise-wide selection of one or more Enterprise Products or a mix of Enterprise Products and corresponding Enterprise Online Services for that group.

(iii) Additional Products. Upon satisfying the minimum order requirements above, Enrolled Affiliate may order Additional Products.

(iv) Country of Usage. Enrolled Affiliate must specify the countries where Licenses will be used on its initial order and on any additional orders.

3. ***Software Assurance renewal.***

Renewing Software Assurance: If Enrolled Affiliate will be renewing Products Software Assurance coverage from a separate agreement, check this box.

☐

By checking the above box, a new section is added to the Enrollment entitled "Software Assurance addition."

Enrolled Affiliate is permitted to and will include in its initial order under this Enrollment Software Assurance quantities from eligible Program's identified in the table below, even though Enrolled Affiliate is not otherwise eligible to order such Software Assurance without simultaneously ordering a License.

Enrolled Affiliate agrees that any perpetual Licenses received through the New Software Assurance shall supersede and replace the underlying Licenses, and the underlying Licenses are not to be transferred separately from any Licenses received through the New Software Assurance. Any remaining payment obligations with respect to the underlying Licenses shall continue in effect.

Program	License ID Number	Expiration Date

Except for changes made by this Amendment, the Enrollment or Agreement identified above remains unchanged and in full force and effect. If there is any conflict between any provision in this Amendment and any provision in the Enrollment or Agreement identified above, this Amendment shall control.

This Amendment must be attached to a signature form to be valid.





RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SACHSE, TEXAS, APPROVING AND AUTHORIZING THE MAYOR TO EXECUTE THE MICROSOFT ENTERPRISE SOFTWARE LICENSING AGREEMENT THROUGH THE STATE OF TEXAS' AGREEMENT WITH SHI GOVERNMENT SOLUTIONS; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City Council for the City of Sachse desires to maintain compliance with software licensing rules and regulations and to provide the necessary tools and resources to maintain a stable and reliable data and communication network across the City; and

WHEREAS, the State of Texas and Microsoft Enterprise have entered into a Software Licensing Agreement (the "Agreement") allowing cities within the State to obtain lower level pricing for the administration, budgeting and support of city-wide data and communication networks; and

WHEREAS, upon full review and consideration of the Agreement and all matters related thereto, the City Council is of the opinion and finds that the terms and conditions thereof should be approved, and that the Mayor should be authorized to execute the Agreement and all related documents thereto on behalf of the City of Sachse, Texas;

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

SECTION 1. That the Mayor is hereby authorized to execute the Agreement and all related documents thereto on behalf of the City of Sachse, Texas.

SECTION 2. This Resolution shall take effect immediately from and after its passage, and it is accordingly so resolved.

DULY RESOLVED AND ADOPTED by the City Council of the City of Sachse, Texas, this the _____ day of _____, 2015.

CITY OF SACHSE, TEXAS

Mike Felix, Mayor

ATTEST:

Terry Smith, City Secretary



Legislation Details (With Text)

File #:	15-2669	Version:	1	Name:	Acceptance of CAFR
Type:	Agenda Item	Status:		Status:	Agenda Ready
File created:	1/27/2015	In control:		In control:	City Council
On agenda:	2/2/2015	Final action:			
Title:	Consider receiving the City's Comprehensive Annual Finance Report (CAFR) for the fiscal year ending September 30, 2014.				
	Executive Summary Brooks, Cardiel, & Company, PLLC, an independent audit firm, has audited the City's Financial Statements for the period ending September 30, 2014 and has issued an Unmodified or "clean" opinion. Anthony Cardiel, CPA gave a presentation and comments on the reports during the workshop session.				
Sponsors:					
Indexes:					
Code sections:					
Attachments:	Sachse CAFR-Final 2014.pdf Management Rep Letter.pdf Auditors Communication with Governance.pdf Communication of Material Weaknesses.pdf				

Date	Ver.	Action By	Action	Result
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Title

Consider receiving the City's Comprehensive Annual Finance Report (CAFR) for the fiscal year ending September 30, 2014.

Executive Summary

Brooks, Cardiel, & Company, PLLC, an independent audit firm, has audited the City's Financial Statements for the period ending September 30, 2014 and has issued an Unmodified or "clean" opinion. Anthony Cardiel, CPA gave a presentation and comments on the reports during the workshop session.

Background

In accordance with Charter provisions (Section 7.18) an independent auditor has audited the City's Financial Statements for the period ending September 30, 2014. The CAFR is composed of the auditor's opinion, the organization's financial statements, notes to the financial statements, management's discussion and analysis, and supporting schedules. It is the auditor's primary function to express an opinion on the financial statements of the organization.

While the auditor is responsible for his/her opinion, the organization itself has the primary responsibility for the remaining information presented (i.e., the financial statements,

supporting, schedules, and notes). Management is responsible for the information presented in the financial statements.

A letter of transmittal is included and is designed to complement the Management's Discussion and Analysis (MD&A). The MD&A can be found immediately following the independent auditor's report and provides a narrative introduction, overview, and analysis of the financial statements. The following are a few major highlights from the CAFR:

Cash and investments (city-wide) are \$23,512,847.

Increase in total net position (primary government) is \$7,076,432.

Government fund balances total \$15,997,295.

Unassigned General Fund balance is \$5,568,904, which is 54% of annual expenditures.

Unrestricted net assets of the Utility Fund are \$2,726,156.

City-wide outstanding debt at September 30, 2014 was \$37,980,000.

Ratio of debt to assessed value was 2.85%

Debt per capita equals \$1,559.

Professional auditing standards require the auditors to communicate directly with the governing body regarding the City's internal control over financial reporting (Statement of Auditing Standards 115) and other relevant issues such as accounting policies, accounting estimates, disclosures, management representations (Statement of Auditing Standards 114). The relevant letters are included in the supporting documentation for this item.

Policy Considerations

The City's Financial Statements have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) as applied to governmental entities. It is the responsibility of the Finance Department to present financial information fairly in all material respects, so that the financial position of the City is not compromised. The desired result of the independent audit is to receive an "unmodified opinion." The current report reflects an unmodified (clean) opinion, which is the highest opinion available. An unmodified opinion states that the financial statements "present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Sachse, as of September 30, 2014, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Budgetary Considerations

None.

Staff Recommendations

Staff recommends that City Council receive the City's Comprehensive Annual Financial Report (CAFR) for the fiscal year ending September 30, 2014, as a Consent Agenda Item.

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended September 30, 2014



2013-2014

City of Sachse, Texas

*As Prepared by
The Finance Department*

*"Sachse is a tranquil community welcoming the future
while offering a safe and enjoyable quality of life
to all those who call Sachse home."*



City of Sachse, Texas

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INTRODUCTORY SECTION





January 15, 2015

Honorable Mayor, City Council and Citizens of Sachse

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) for the City of Sachse, Texas, for the fiscal year ended September 30, 2014. The CAFR is provided to give detailed information about the financial position and activities of the City to the Citizens, City Council, Staff and other readers.

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

Brooks, Cardiel & Company, PLLC has issued an Unmodified ("clean") opinion on the City of Sachse's financial statements for the year ended September 30, 2014. The independent auditors' report is located at the beginning of the financial section of the CAFR.

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

PROFILE OF THE GOVERNMENT

The City of Sachse, incorporated in 1956, is located in Dallas County and Collin County, Texas, 20 miles northeast of downtown Dallas, on State Highway 78 and currently occupies a land area of 9.8 square miles. The City's population is 23,756, according to 2014 North Central Texas Council of Governments estimate.

The City Council is comprised of a Mayor and six council members, and is responsible for enacting ordinances, resolutions, and regulations governing the City, as well as appointing the members of various statutory and advisory boards, the City Manager, City Attorney, City Secretary and Municipal Judge. The City Manager is the chief administrative officer of the government and is responsible for the enforcement of laws and ordinances, the appointment and supervision of the department heads, and the performance of functions within the municipal organization.

The City of Sachse provides a full range of services including police, fire, emergency ambulance service, library, parks, recreation, sewer, engineering, streets and infrastructure, community development (planning and zoning), and general administrative services.

The financial reporting entity (the government) includes all funds of the primary government (i.e., the City of Sachse as legally defined), as well as all of its component units. Component units are legally separate entities for which the primary government is financially accountable. Discretely presented component units are legally separate entities and not part of the primary government's operations. The Sachse Economic Development Corporation (SEDC) is included in the financial statements as a discretely presented component unit.

The annual budget serves as the foundation for Sachse's financial planning and control. Annual budgets are legally adopted for the General Fund, Utility Fund, and Debt Service Fund. Each year the City Manager is required to submit to the City Council a proposed budget for the fiscal year beginning on the following October 1. The operating budget includes proposed expenditures and the means of financing them. Public hearings are conducted to obtain taxpayers' comments. Prior to October 1, the budget is legally enacted by the City Council through passage of an ordinance, setting the limit for expenditures during the fiscal year. Expenditure appropriations in the adopted budget are by department and may be amended during the year. The City Manager is authorized to adjust budgeted amounts; however, such revisions may not result in total expenditures exceeding budgeted expenditures without approval of the City Council.

Throughout the year, monthly reports are provided to the individual departments to review and compare actual versus budgeted amounts, and summary budget reports are presented to the City Council. The Finance Department also reviews operating revenues and expenditures, recommending adjustments, as needed. On a quarterly basis, the Finance Department submits more detailed financial reports to the City Council.

Formal budgetary integration is not employed for the PGBT Tax Increment Financing Zone Fund (TIF) special revenue fund, Proprietary Fund, Capital Projects Fund, or Sachse Economic Development Corporation. However, the City does adopt an annual budget for those funds for managerial control.

LOCAL ECONOMY

The City of Sachse continues to enjoy a stable economic environment, and local indicators point to continued stability as part of the Dallas/Fort Worth Metroplex area. The close proximity to major transportation networks in the North Dallas regional area enhances residential and commercial development in the City of Sachse. State Highway 78 connects Sachse to the President George Bush Turnpike, the North/South Central Expressway and the North/South Dallas Toll Road. The City is in close proximity to the Dallas Area Rapid Transportation System (DART) which includes both train and bus stations. The total transportation network gives our current and future residents easy access to major industrial and business developments in North Dallas and many business, commercial, and industrial developments in Plano and Richardson. While Sachse is well-suited for residential development, it is anticipated that commercial development in the City will continue to increase with the eastern expansion of the George Bush Turnpike (Highway 190) to IH 30, which was completed in December 2011. In planning for this expansion, the City of Sachse put in place a Tax Increment Financing Zone (TIF). The TIF Zone contains approximately 540 acres of commercial development.

Property Values – Assessed property values increased \$126,876,176 (9%) from the preceding year with \$41,432,452 in new property and an \$85,443,724 increase in the value of existing property. During the last five years, assessed taxable property value has increased 19% (from \$1,193,802,976 in 2009 to \$1,424,592,045 in 2014) and property taxes have accounted for 66% of the General Fund revenue. With a well-educated populace and average household income of \$82,219, Sachse enjoys an exceptionally high property tax collection rate.

Long-Term Strategic Planning – Long-term vision and strategic planning have been the catalyst for the City’s transformation and shaping Sachse into a friendly, vibrant community offering a safe and enjoyable quality of life to all who call Sachse home. The City’s annual budget process involves incorporating the goals and strategies identified by the City Council. Individual departments develop their goals and objectives in terms of these all-encompassing organizational goals. Priorities during the 2013-2014 fiscal year were:

- Transportation – Improve mobility through the City
- Infrastructure – Systematically invest in public infrastructure
- Facilities – Analyze and plan for future facility needs beyond current construction
- Fiscally Sound – Negotiate strongly on all agreements
- Economic Development – Provide economic investment that increases employment opportunity, the tax base, and provides desired goods and services for residents and contributes to the community character and identify
- Public Safety and Security – Enhance neighborhood livability and safety
- Planning – Proactively work to keep various plans reviewed and updated
- Open Government – Increase public awareness using multiple communication sources
- Arts, Culture and Recreation – Enhance and communicate Sachse’s activities to the community

Strategic Financial Plan – An appropriate financial plan for the City of Sachse requires many elements all working in concert with one another. Additional demands for “essential” City services such as police, fire, sewer, drainage and street improvements are anticipated. The Finance Department’s management role will be to maintain and enhance financial plan elements and ensure the continued financial stability for the City of Sachse.

Financial Resource Planning – Strategic planning begins with determining the City’s fiscal capacity based upon long-term financial forecasts of recurring available revenues. Financial forecasts coupled with financial trend analysis techniques and careful reserve analysis will preserve the fiscal well being of Sachse. Strategic planning is a critical element not only to meet long-term financial stability goals but to determine City Council objectives that will require special financial planning to achieve success.

Capital Improvement Planning – The City of Sachse’s Capital Improvement Program is a multi-year financial plan for the acquisition, expansion, or rehabilitation of infrastructure, capital assets, or productive capacity of City services. The City’s operating and capital project budgets are closely linked.

Revenues for the capital budget come from bond sales, development fees, intergovernmental revenues and current operating revenues. The Capital Improvement Program, unlike the operating budget, is a five-year plan that is reviewed and projects are reprioritized as needed. Project budgets are used as a guide for projects, debt, and other related budget planning. As such, plans for future years are subject to change.

Debt Management – All debt issuances are for the purpose of financing capital infrastructure or long-lived costly assets. Each debt issuance is evaluated against multiple policies addressing: debt service as a percent of operating expenditures, tax and revenue basis for the repayment of debt, the overall debt burden on the community, statutory limitations and market factors affecting tax-exempt interest costs. Sizing of the City’s capital improvement program based on debt capacity in conjunction with conservatively estimated pay-as-you-go revenues help stabilize per capita debt and lower annual debt service costs to the City for the long-term.

FISCAL YEAR 2014 HIGHLIGHTS

The citizens of Sachse voted for General Obligation Bonds in the amount of \$37,925,000 for facilities, parks and transportation in November 2006. The GO Bond program is currently in progress. Construction on the Municipal Complex and the Salmon Park Improvement project have been completed. Major street improvements to 5th Street and Dewitt Road were completed in 2010. Bunker Hill Road construction began in November 2011 and was completed during FY2013. Widening of Merritt Road from the intersection with Pleasant Valley Road to the south city limits which was started in FY2013, continued through 2014, with anticipated completion in fall 2014. Hudson Drive was extended from Sewell Elementary School to Merritt Road utilizing Transportation bond funds in partnership with the developer of Heritage Park Subdivision.

Modifications to State Highway 78 at Woodbridge Parkway for a grade crossing of the Kansas City Southern Railroad were completed in 2013. The addition of this crossing was for the enhancement of mobility but also created a commercial development in the northwestern quadrant of the City. Walmart SuperCenter opened in July 2014, and additional commercial lots were platted during the year. Woodbridge Parkway was extended into Wylie through an inter-local agreement between Collin County, City of Wylie, and City of Sachse. That extension was opened in November 2014.

Construction was ongoing throughout the year on a 381unit apartment complex near the site of the Wal-Mart store. The City has partnered with the developer of the apartment complex and the Sachse Economic Development Corporation to fund the necessary improvements to the City's railroad crossings to qualify for Quiet Zone status.

Reconstruction of Brookhollow Drive and Haverhill Lane were completed in 2014. These projects were financed with special sales tax funds received from 380 Economic Development Agreements that expired in 2011. Preliminary engineering was completed for street lighting enhancements along Highway 78 and DeWitt Road, and installation of new lighting was completed in the Industrial Park. These lighting projects are to be primarily financed using the same special sales tax funds; much of the design work was done in-house by the City's engineering department, resulting in significant savings. Remaining funds available from the special sales tax were used to complete asphalt repairs on Sachse Road and to construct a new lift station in the Sachse Rd./Merritt Rd. area.

Asphalt repairs on Boone Street were accomplished utilizing funding from Dallas County through the Community Development Block Grant program.

Impact fees were updated in November 2012 following completion of the City's updated 10-year Capital Improvement Plan, which included the Master Thoroughfare Plan, Water Master Plan, and Sanitary Sewer Master Plan. Engineering was completed on widening of Ranch Road from Harlan Drive to Clearmeadow Lane. Construction is scheduled for FY2015, funded by Roadway impact fees, with additional funding from Collin County.

In May 2013, voters approved a ¼ cent sales tax designated for maintenance of existing streets. Asphalt paving repairs on Bonanza Court and Cartwright Drive were completed using street maintenance tax funds, which were available for the first time in FY2014.

Firefighter's Park (pictured on the front cover of this document) was substantially completed during FY2014, with a grand opening held early in October 2014. Funding for the new park was provided by park development fees, along with a donation from the Sachse Volunteer Fire Association.

AWARDS AND ACKNOWLEDGEMENTS

Awards – The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Sachse for its CAFR for the fiscal year ended September 30, 2013. This was the fifteenth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The City's 2013-2014 Fiscal Year Budget received the GFOA Distinguished Budget Presentation Award. This was the second consecutive year the City's Budget has been so recognized. The 2014-2015 Fiscal Year Budget has also been submitted for consideration.

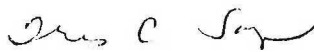
Acknowledgements – Many people are responsible for the preparation of this report, and for the maintenance of records upon which it is based. Appreciation is expressed to representatives of Brooks Cardiel & Company, PLLC for their invaluable assistance in producing the final document and to the Finance team who were instrumental in the completion of this report.

We would also like to thank the Mayor, City Council, the City Manager and City of Sachse staff for their assistance, interest and support in the preparation of this document as well as planning and conducting the financial operations of the City in a responsible and progressive manner.

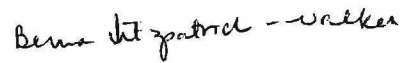
Respectfully submitted,



William K. George
City Manager



Teresa C. Savage, CGFO
Finance Director



Berna Fitzpatrick-Walker, CGFO
Finance Manager



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

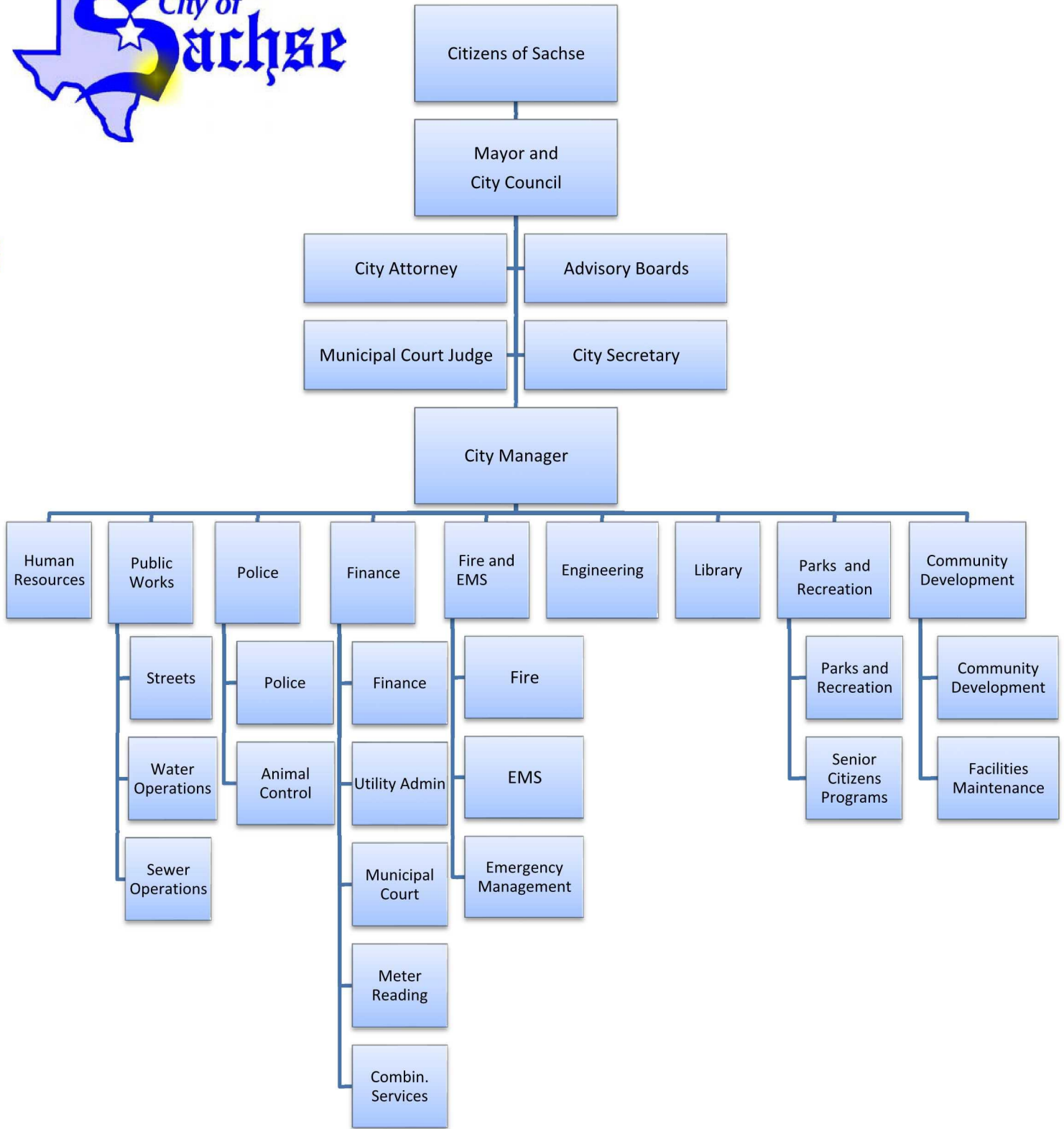
Presented to

**City of Sachse
Texas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2013

Executive Director/CEO



CITY OF SACHSE, TEXAS

CITY OFFICIALS



Council Members

Mayor

Mayor Pro Tem

Council Member

Council Member

Council Member

Council Member

Council Member

Mike Felix

Jeff Bickerstaff

Bill Adams

Charlie Ross

Paul Watkins

Cullen King

Brett Franks

Management Staff

City Manager

City Secretary

Finance Director

Community Development Director

City Engineer

Economic Development Corporation Director

Fire/EMS Chief

Human Resources Manager

Library Manager

Parks/Senior Center Director

Police Chief

Public Works Director

Billy George

Terry Smith

Teresa Savage

Dan McGinn

Greg Peters

Leslyn Blake

Rick Coleman

Stacy Buckley

Mignon Morse

Lance Whitworth

Dennis Veach

Joe Crase

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Sachse, Texas (the "City"), as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

Management's Responsibility for the Financial Statements

The City's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes

evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of September 30, 2014 and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining balance sheet, statement of revenues, schedules of revenues, expenditures, and changes in fund balances – budget and actual for the debt service fund, special revenue fund, and Sachse Economic Development Corporation are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information noted above is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and the statistical section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

A handwritten signature in black ink that reads "Brooks Cardiel, PLLC". The signature is written in a cursive, flowing style.

BrooksCardiel, PLLC
Certified Public Accountants
The Woodlands, Texas
January 15, 2015



*MANAGEMENT'S DISCUSSION
AND ANALYSIS*



City of Sachse, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2014

As management of the City of Sachse, Texas (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2014. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1-5 of this report.

Financial Highlights

- The assets of the City exceeded its liabilities (net position) at September 30, 2014 by \$80,662,070. Of this amount, \$3,353,034 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$7,076,432. The majority of the City's net position are invested in capital assets and restricted for specific purposes.
- The City's governmental funds reported combined ending fund balances of \$15,997,295 at September 30, 2014, a decrease of \$1,957,370 from the prior fiscal year; this includes an increase of \$15,717 in the debt service fund, a decrease of \$4,265,243 in the capital projects fund, increase of \$580,387 in the impact fee fund, an increase of \$63,420 in the street maintenance fund, and an increase of \$1,432,105 in the general fund.
- At the end of the fiscal year, unassigned fund balance for the general fund was \$5,568,904 or 54% of total general fund expenditures.
- The City's outstanding bonds payable decreased by \$1,125,000 or 2.9% of the City's total debt outstanding at the beginning of the fiscal year. The total bonds payable at the close of the fiscal year was \$37,045,000. Self-supporting debt of the proprietary fund was \$935,000.

Overview of the Financial Statements

The discussion and analysis provided here are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-Wide Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

City of Sachse, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

September 30, 2014

The *statement of net position* presents information on all of the City's assets and liabilities. The difference between the two is reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. Other non-financial factors, such as the City's property tax base and the condition of the City's infrastructure, need to be considered in order to assess the overall health of the City.

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, public works, culture and recreation, and community development. The business-type activities of the City include water and sewer operations.

The government-wide financial statements include not only the City itself (known as the *primary government*), but also the legally separate Sachse Economic Development Corporation for which the City is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself. The George Bush Turnpike Reinvestment Zone, although also legally separate, functions for all practical purposes as a department of the City, and therefore has been included as an integral part of the primary government.

FUND FINANCIAL STATEMENTS

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements.

City of Sachse, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

September 30, 2014

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental* activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains seven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, debt service fund, capital projects fund, the impact fee fund, and the street maintenance fund, which are considered to be major funds. The City's PGBT reinvestment zone tax increment fund and special revenue fund are considered nonmajor for reporting purposes.

The City adopts an annual appropriated budget for its general fund, debt service fund, impact fee fund, street maintenance, PGBT reinvestment zone tax increment fund and special revenue fund. A budgetary comparison statement has been provided for each fund to demonstrate compliance with the budget.

Proprietary Funds

The City maintains two types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses an enterprise fund to account for its water and sewer operations. All activities associated with providing such services are accounted for in this fund, including administration, operation, maintenance, debt service, capital improvements, meter maintenance, billing and collection. The City's intent is that costs of providing the services to the general public on a continuing basis is financed through user charges in a manner similar to a private enterprise. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for health insurance.

Proprietary financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and sewer fund since it is considered a major fund of the City.

Component Units

The City maintains the accounting and financial statements for two component units. The Sachse Economic Development Corporation is reported as a discrete component unit on the government-wide financial statements. The George Bush Turnpike Reinvestment Zone is reported as a blended component unit and is a nonmajor fund.

City of Sachse, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
September 30, 2014

Notes to Financial Statements

The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning the City's progress in funding its obligation to provide pension benefits to its employees and budgetary comparison for the general fund.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted previously, net position may serve over time as a useful indicator of the City's financial position. For the City of Sachse, assets exceed liabilities by \$80,662,070 as of September 30, 2014 in the primary government.

The largest portion of the City's net position, \$67,588,016, reflects its investments in capital assets (e.g., land, city hall, police station, streets, and drainage systems, as well as the public works facilities), less any debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the assets themselves cannot be used to liquidate these liabilities.

City of Sachse, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
September 30, 2014

Statement of Net Position:

The following table reflects the condensed Statement of Net Position:

	2014			2013		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Current and						
other assets	\$ 17,784,925	\$ 3,567,329	\$ 21,352,254	\$ 19,780,885	\$ 3,388,769	\$ 23,169,654
Capital assets, net	80,621,429	19,538,126	100,159,555	75,515,471	17,199,507	92,714,978
Total Assets	98,406,354	23,105,455	121,511,809	95,296,356	20,588,276	115,884,632
Total Deferred						
Outflows	14,574	-	14,574	15,341	-	15,341
Other liabilities	3,212,831	932,619	4,145,450	1,927,061	768,626	2,695,687
Long-term liabilities	35,881,181	837,682	36,718,863	38,568,589	1,050,059	39,618,648
Total Liabilities	39,094,012	1,770,301	40,864,313	40,495,650	1,818,685	42,314,335
Net Position:						
Net investment						
in capital assets	48,984,890	18,603,126	67,588,016	37,377,384	16,169,507	53,546,891
Restricted	9,721,020	-	9,721,020	14,002,442	-	14,002,442
Unrestricted	621,006	2,732,028	3,353,034	3,436,221	2,600,084	6,036,305
Total Net Position	\$ 59,326,916	\$ 21,335,154	\$ 80,662,070	\$ 54,816,047	\$ 18,769,591	\$ 73,585,638

City of Sachse, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

September 30, 2014

Statement of Activities:

The following table provides a summary of the City's changes in net position:

	For the Year Ended September 30, 2014			For the Year Ended September 30, 2013		
			Total			Total
	Governmental	Business-Type	Primary	Governmental	Business-Type	Primary
	Activities	Activities	Government	Activities	Activities	Government
Revenues						
Program revenues:						
Charges for services	\$ 3,474,282	\$ 6,872,513	\$ 10,346,795	\$ 2,508,707	\$ 7,418,900	\$ 9,927,607
Grants and contributions	5,062,102	2,019,038	7,081,140	1,691,265	666,054	2,357,319
General revenues:						
Property taxes	9,951,685	-	9,951,685	9,560,239	-	9,560,239
Sales taxes	1,296,199	-	1,296,199	858,261	-	858,261
Franchise and local taxes	1,094,025	-	1,094,025	1,015,561	-	1,015,561
Investment income	30,724	837	31,561	30,518	3,934	34,452
Other revenues	280,569	-	280,569	80,843	-	80,843
Total Revenues	21,189,586	8,892,388	30,081,974	15,745,394	8,088,888	23,834,282
Expenses						
General government	2,332,316	-	2,332,316	2,837,444	-	2,837,444
Public safety	6,176,967	-	6,176,967	5,858,865	-	5,858,865
Public works	4,059,258	-	4,059,258	3,654,946	-	3,654,946
Culture and recreation	1,427,948	-	1,427,948	1,359,697	-	1,359,697
Community development	616,439	-	616,439	591,605	-	591,605
Interest and fiscal charges	1,802,117	41,060	1,843,177	1,829,322	44,664	1,873,986
Water & Sewer	-	6,549,437	6,549,437	-	6,196,484	6,196,484
Total Expenses	16,415,045	6,590,497	23,005,542	16,131,879	6,241,148	22,373,027
Change in Net Position						
Before Transfers	4,774,541	2,301,891	7,076,432	(386,485)	1,847,740	1,461,255
Transfers	(263,672)	263,672	-	1,252,689	(1,252,689)	-
Total	(263,672)	263,672	-	1,252,689	(1,252,689)	-
Change in Net Position	4,510,869	2,565,563	7,076,432	866,204	595,051	1,461,255
Beginning Net Position	54,816,047	18,769,591	73,585,638	53,949,843	18,174,540	72,124,383
Ending Net Position	\$ 59,326,916	\$ 21,335,154	\$ 80,662,070	\$ 54,816,047	\$ 18,769,591	\$ 73,585,638

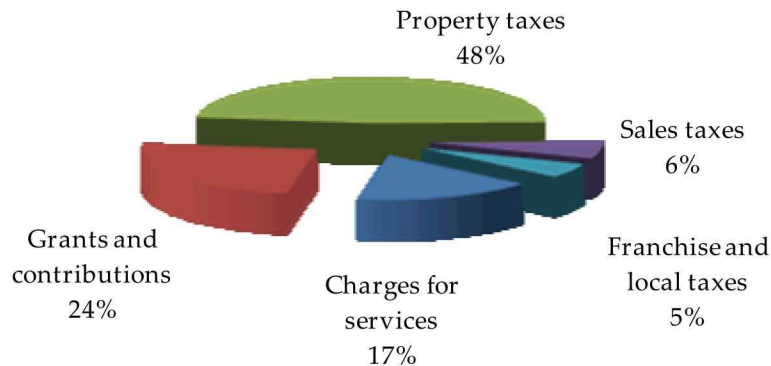
City of Sachse, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

September 30, 2014

Graphic presentations of selected data from the summary tables are displayed below to assist in the analysis of the City's activities.

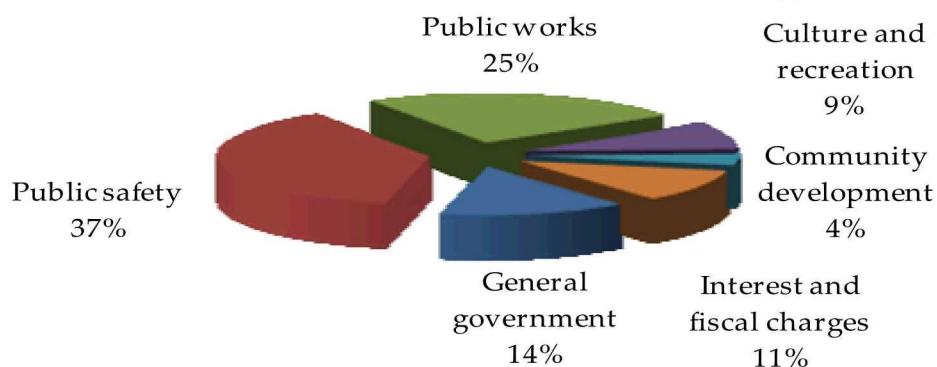
Governmental Activities - Revenues



For the year ended September 30, 2014, revenues from governmental activities totaled \$21,189,586. Property tax, charges for services and contributions are the City's largest general revenue sources. Overall revenue increased \$5,444,192 or 35% due to large amounts of contributed capital that occurred during the year. Grants and contributions increased by \$3,370,837 related to said contributed capital. Property tax revenue increased \$391,446 due to increase property values and a growing tax base. Sales tax increased by \$437,938 or 51% due to the City's addition of the Street Maintenance tax. Charges for services increased by \$965,575, primarily from development and permit fees. All other revenues remained relatively stable when compared to the previous year.

This graph shows the governmental function expenses of the City:

Governmental Activities - Expenses



For the year ended September 30, 2014, expenses for governmental activities totaled \$16,415,045. This represents an increase of \$283,166 or 2% from the prior year. The City's largest functional expense is public safety of \$6,176,967. All expenditures remained relatively consistent with the previous year.

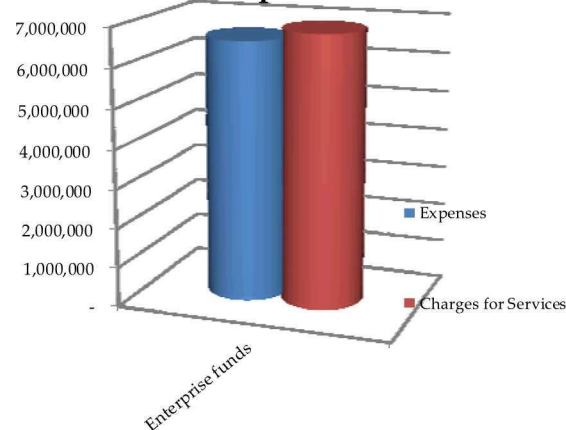
City of Sachse, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

September 30, 2014

Business-type activities are shown comparing operating costs to revenues generated by related services.

Business-Type Activities - Revenues and Expenses



For the year ended September 30, 2014, charges for services by business-type activities totaled \$6,872,513. This is a decrease of \$546,387, or 7%, from the previous year. This decrease directly relates to water usage within the City.

Total expenses increased \$349,349 to a total of \$6,590,497, due primarily to an increase in the North Texas Municipal Water District contract, the City's source of water.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, fund accounting is used to demonstrate and ensure compliance with finance-related legal requirements.

Governmental Funds - The focus of the City's governmental funds is to provide information of near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the City's net resources available for spending at the end of the year.

At September 30, 2014, the City's governmental funds reported combined fund balances of \$15,997,295, a decrease of \$1,957,370 in comparison with the prior year. Approximately 36% of this amount (\$5,690,180) constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of the fund balance is either *nonspendable*, *assigned*, or *restricted* to indicate that it is 1) not in spendable form (\$72,675) or 2) restricted for particular purposes (\$9,721,020).

As of the end of the year the general fund reflected a total fund balance of \$6,091,579. Of this, \$72,675 is considered nonspendable and \$5,568,904 is unassigned. This increase in fund balance is attributable to increased sales taxes and development fees.

City of Sachse, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
September 30, 2014

As a measure of the general fund's liquidity, it may be useful to compare total fund balance to total fund expenditures. The total fund balance of General Fund is 59% of total general fund expenditures. The unassigned (the amount available for spending) fund balance of the general fund of \$5,568,904 is 54% of total general fund expenditures. \$450,000 was transferred to assigned fund balance for the anticipated upgrade of the public safety radio system in fiscal year 2016.

The debt service fund had an ending fund balance of \$290,913 at September 30, 2014 compared to the previous year's balance of \$275,196.

The capital projects fund ending fund balance is \$5,902,418. During the year, the City expended \$3,602,662 on various projects, utilizing funds from the 2006 bond package, impact fees and sales taxes.

The impact fee fund is considered a major fund and is used to ensure impact fees assessed for specific capital improvements are properly accounted for. During the year the fund transferred \$332,506 to the capital projects fund in relation to capital projects related to impact fees assessed.

The street maintenance fund is a major fund and is used to track sales tax collected for street maintenance. During the year the fund spent \$191,820 on street maintenance. The fund saw a total increase in fund balance of \$63,420. This fund was created during the current year and had a beginning balance of zero.

Proprietary Funds - The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Net position in the water and sewer fund totaled \$21,329,282. Unrestricted net position of the enterprise fund at the close of the fiscal year amounted to \$2,726,156. Total net position demonstrated an increase of \$2,559,691. The fund had a net investment in capital assets of \$18,603,126. The City operates and maintains a water and sewer distribution system with force mains and lift stations. The City has six water storage facilities with a total capacity of approximately 6.9 million gallons. The following are additional comments regarding operations of the enterprise fund:

- The City received capital contributions of \$2,019,038 consisting of water and sewer infrastructure.
- Operational expenses excluding depreciation and amortization were \$5,176,689.
- Cash and cash equivalents in the water and sewer fund were \$1,543,836 at fiscal year end.

An internal service fund was established in 2014 for the purpose of tracking and allocating expenses for employee insurance. Revenue consists of budgeted allocations transferred from the General and Utility Funds, and expenses consist of premiums paid for health, dental, and life insurance, as well as contributions to health savings accounts and deductible reimbursements. The fund had an ending fund balance of \$66,488 to be retained for future risk.

City of Sachse, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
September 30, 2014

GENERAL FUND BUDGETARY HIGHLIGHTS

There were six budget amendments approved during the fiscal year, and increases totaling \$21,000. There was a positive variance of \$1,220,490 over budgeted general fund revenues. The following are additional comments regarding appropriations:

- There was a total positive variance of \$547,129 in budgeted appropriations.
- \$974,334 is the surplus of revenues over expenditures before transfers.
- There was a net positive change in fund balance of \$1,432,105.

CAPITAL ASSETS

As of the end of the year, the City's governmental activities funds had invested \$80,621,429 in a variety of capital assets and infrastructure, net of accumulated depreciation. The City's business-type activities funds had invested \$19,538,126 in a variety of capital assets and infrastructure, net of accumulated depreciation. This investment in capital assets includes land, buildings, vehicles, equipment, park improvements, and infrastructure. The City's total investment in capital assets decreased by \$7,444,577, net of depreciation.

Major capital asset events during the current year include the following:

- Contribution of assets by a developer.
- Acquisition of new library books.
- Acquisition of a fire command vehicle.

More detailed information about the City's capital assets is presented in note IV. C to the financial statements.

LONG-TERM DEBT

At the end of the current fiscal year, the City had total bonded debt obligations of \$37,980,000. Of this amount, \$935,000 is self-supporting through revenues collected from the rates of the City's utility fund. All of the City's debt is backed by a full-faith credit pledge of property taxes with a limited pledge of revenues of the enterprise/utility system. The City monitors its debt obligations and callable bonds for refinancing opportunities with market conditions.

More detailed information about the City's long-term liabilities is presented in note IV. D to the financial statements.

City of Sachse, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS (*Continued*)

September 30, 2014

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The City Council approved a tax rate for the 2014-2015 budget which was unchanged from the 2014 rate of \$.770819 per \$100 of assessed value. There was an increase in taxable values of \$126.8 million (9.03%) from the previous year, resulting in an overall increase in budgeted ad valorem taxes of \$891,708 to be allocated across the General, Debt Service, and PGBT Tax Increment Financing Funds. Overall, budgeted revenue for the General Fund increased by \$1,129,515 over the original 2013-14 budget. The approved budget increased \$1,074,428 to a total of \$12,719,179 and included funding for equipment replacement, a comprehensive wage and benefits study, the addition of two police patrol officers and a combination building inspector, wage and salary adjustments for public safety personnel, and merit increases for other personnel.

In August 2014, the City Council approved a 5 year schedule of utility rate adjustments designed to cover increasing raw costs for wholesale water and wastewater treatment, as well as projects included in the ten-year Capital Improvement Plan and maintenance and rehabilitation of existing system infrastructure. The approved budget included overall revenue increases of \$697,568 and increased expenditures of \$401,807, mostly from the continuing rise, 9.8% this year, of the cost of water from the North Texas Municipal Water District.

The City's capital budget includes \$4,687,514 in new funding for various projects city-wide. Unlike the operating budget, funding for budgeted capital projects does not expire at the end of the fiscal year but continues until the project is complete. By funding source, the amount budgeted includes \$300,000 from the General Fund, \$640,000 from Water and Sewer Impact Fees, \$100,000 from RCC special sales tax funds, \$282,000 in Street Maintenance Taxes, \$245,000 from Roadway Impact Fees, \$57,304 in Community Development Block Grant funds, \$220,000 from general unobligated capital projects funds, \$343,210 in developer contributions, and \$2,500,000 from a combined EDC/TIF grant/loan program.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

The financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the City's finances. If you have questions about this report or need any additional information, contact the Department of Finance at 3815-B Sachse Rd., Sachse Texas 75048 or call (972) 495-1212.



FINANCIAL STATEMENTS



City of Sachse, Texas
STATEMENT OF NET POSITION
September 30, 2014

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Sachse EDC
<u>Assets</u>				
Current assets:				
Cash and cash equivalents	\$ 16,594,702	\$ 1,549,708	\$ 18,144,410	\$ 2,982,252
Restricted cash	-	176,159	176,159	-
Investments	1,001,689	-	1,001,689	1,208,337
Receivables, net	730,160	1,220,051	1,950,211	107,464
Internal balances	(614,301)	614,301	-	-
Inventory	-	7,110	7,110	-
Prepays	72,675	-	72,675	-
Assets held for sale	-	-	-	225,999
Total Current Assets	17,784,925	3,567,329	21,352,254	4,524,052
Capital assets:				
Non-depreciable	10,040,829	795,884	10,836,713	-
Net depreciable capital assets	70,580,600	18,742,242	89,322,842	-
	80,621,429	19,538,126	100,159,555	-
Total Assets	98,406,354	23,105,455	121,511,809	4,524,052
<u>Deferred Outflows of Resources</u>				
Deferred charge on refunding	14,574	-	14,574	-
<u>Liabilities</u>				
Current liabilities:				
Accounts payable and accrued liabilities	1,369,849	626,048	1,995,897	15,284
Accrued interest payable	227,689	6,234	233,923	-
Customer deposits	500	176,196	176,696	-
Long term debt due within one year	1,614,793	124,141	1,738,934	408
	3,212,831	932,619	4,145,450	15,692
Noncurrent liabilities:				
Due in more than one year	35,881,181	837,682	36,718,863	45
Total Liabilities	39,094,012	1,770,301	40,864,313	15,737
<u>Net Position</u>				
Net investment in capital assets	48,984,890	18,603,126	67,588,016	-
Restricted for:				
Debt service	290,913	-	290,913	-
Capital improvements	9,187,648	-	9,187,648	-
Municipal court	242,459	-	242,459	-
Economic development	-	-	-	4,508,315
Unrestricted	621,006	2,732,028	3,353,034	-
Total Net Position	\$ 59,326,916	\$ 21,335,154	\$ 80,662,070	\$ 4,508,315

See Notes to Financial Statements.

City of Sachse, Texas

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2014

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities				
General government	\$ 2,332,316	\$ 7,830	\$ -	\$ -
Public safety	6,176,967	952,056	-	-
Public works	4,059,258	1,458,819	-	5,054,515
Culture and recreation	1,427,948	-	7,587	-
Community development	616,439	1,055,577	-	-
Interest and fiscal charges	1,802,117	-	-	-
Total Governmental Activities	<u>16,415,045</u>	<u>3,474,282</u>	<u>7,587</u>	<u>5,054,515</u>
Business-Type Activities				
Water	4,073,190	3,971,382	-	1,244,712
Sewer	2,517,307	2,901,131	-	774,326
Total Business-Type Activities	<u>6,590,497</u>	<u>6,872,513</u>	<u>-</u>	<u>2,019,038</u>
Total Primary Government	<u>\$ 23,005,542</u>	<u>\$ 10,346,795</u>	<u>\$ 7,587</u>	<u>7,073,553</u>
Component Unit				
Sachse Economic Development Corporation	\$ 309,096	\$ -	\$ -	\$ 10,000

General Revenues:

Taxes

Property taxes

Sales taxes

Franchise and local taxes

Investment income

Other revenues

Transfers

Total General Revenues and Transfers

Change in Net Position

Beginning Net Position

Ending Net Position

See Notes to Financial Statements.

Net (Expense) Revenue and Changes in Net Position

Primary Government			Component Unit
Governmental Activities	Business-Type Activities	Total	Sachse EDC
\$ (2,324,486)	\$ -	\$ (2,324,486)	\$ -
(5,224,911)	-	(5,224,911)	-
2,454,076	-	2,454,076	-
(1,420,361)	-	(1,420,361)	-
439,138	-	439,138	-
(1,802,117)	-	(1,802,117)	-
(7,878,661)	-	(7,878,661)	-
-	1,142,904	1,142,904	-
-	1,158,150	1,158,150	-
-	2,301,054	2,301,054	-
(7,878,661)	2,301,054	(5,577,607)	-
			(299,096)
9,951,685	-	9,951,685	-
1,296,199	-	1,296,199	510,108
1,094,025	-	1,094,025	-
30,724	837	31,561	9,345
280,569	-	280,569	-
(263,672)	263,672	-	-
12,389,530	264,509	12,654,039	519,453
4,510,869	2,565,563	7,076,432	220,357
54,816,047	18,769,591	73,585,638	4,287,958
\$ 59,326,916	\$ 21,335,154	\$ 80,662,070	\$ 4,508,315

City of Sachse, Texas

BALANCE SHEET GOVERNMENTAL FUNDS September 30, 2014

	General	Debt Service	Capital Projects	Impact Fee
<u>Assets</u>				
Cash and cash equivalents	\$ 6,180,900	\$ 290,913	\$ 5,545,485	\$ 3,598,508
Investments	-	-	1,001,689	-
Receivables, net	643,677	22,630	-	6,830
Prepays	72,675	-	-	-
Total Assets	\$ 6,897,252	\$ 313,543	\$ 6,547,174	\$ 3,605,338
<u>Liabilities</u>				
Accounts payable and accrued liabilities	\$ 693,588	\$ -	\$ 422,306	\$ 26,955
Customer deposits	500	-	-	-
Advances from other funds	-	-	-	-
Total Liabilities	694,088	-	422,306	26,955
<u>Deferred Inflows of Resources</u>				
Unavailable revenue -				
Property taxes	55,183	22,630	-	-
Fines receivable, net	9,261	-	-	-
Ambulance	47,141	-	-	-
Railroad Quiet Zone	-	-	222,450	-
Total Deferred Inflows	111,585	22,630	222,450	-
<u>Fund Balances</u>				
Nonspendable for:				
Prepays	72,675	-	-	-
Restricted for:				
Debt service	-	290,913	-	-
Capital improvements	-	-	5,166,841	3,578,383
Municipal court	-	-	-	-
Street maintenance	-	-	-	-
Assigned	450,000	-	-	-
Unassigned	5,568,904	-	735,577	-
Total Fund Balances	6,091,579	290,913	5,902,418	3,578,383
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 6,897,252	\$ 313,543	\$ 6,547,174	\$ 3,605,338

See Notes to Financial Statements.

Street Maintenance	Nonmajor Governmental Funds	Total Governmental Funds
\$ 201,490	\$ 716,790	\$ 16,534,086
-	-	1,001,689
53,751	3,272	730,160
-	-	72,675
<u>\$ 255,241</u>	<u>\$ 720,062</u>	<u>\$ 18,338,610</u>

\$ 191,821	\$ 35,179	\$ 1,369,849
-	-	500
-	614,301	614,301
<u>191,821</u>	<u>649,480</u>	<u>1,984,650</u>

-	-	77,813
-	-	9,261
-	-	47,141
-	-	222,450
<u>-</u>	<u>-</u>	<u>356,665</u>

-	-	72,675
-	-	290,913
-	442,424	9,187,648
-	242,459	242,459
63,420	-	63,420
-	-	450,000
-	(614,301)	5,690,180
<u>63,420</u>	<u>70,582</u>	<u>15,997,295</u>
<u>\$ 255,241</u>	<u>\$ 720,062</u>	<u>\$ 18,338,610</u>



City of Sachse, Texas

RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION GOVERNMENTAL FUNDS

September 30, 2014

Fund Balances - Total Governmental Funds	\$ 15,997,295
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Adjustments for the Statement of Net Position:

Capital assets used in governmental activities are not current financial resources and, therefore, not reported in the governmental funds.

Capital assets - non-depreciable	10,040,829
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Capital assets - net depreciable	70,580,600
----------------------------------	------------

Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the governmental funds.

Property tax receivable	77,813
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Fines receivable	9,261
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EMS receivable	47,141
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Railroad Quiet Zone	222,450
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Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and is not recognized as an outflow of resources (expense/expenditure) until then.

Deferred charge on refunding	14,574
------------------------------	--------

Internal service funds are used by management to charge the cost of insurance to individual departments and funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position

Cash and cash equivalents	60,616
---------------------------	--------

Some liabilities, including bonds payable and deferred charges, are not reported as liabilities in the governmental funds.

Accrued interest	(227,689)
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Non-current liabilities due in one year	(1,614,793)
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Non-current liabilities due in more than one year	(35,881,181)
---	--------------

Net Position of Governmental Activities	\$ 59,326,916
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See Notes to Financial Statements.

City of Sachse, Texas

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE GOVERNMENTAL FUNDS

For the Year Ended September 30, 2014

	General	Debt Service	Capital Projects	Impact Fee
<u>Revenues</u>				
Property tax	\$ 6,912,646	\$ 2,939,112	\$ -	\$ -
Sales tax	1,041,056	-	-	-
Franchise and local taxes	1,094,025	-	-	-
License, permits and fees	1,817,667	-	-	-
Intergovernmental	176,193	-	-	-
Grants and donations	1,000	-	-	-
Fines and forfeitures	227,073	-	-	-
Impact and development fees	-	-	-	907,450
Investment income	5,993	1,051	17,658	5,443
Other revenue	30,799	-	249,770	-
Total Revenues	11,306,452	2,940,163	267,428	912,893
<u>Expenditures</u>				
Current:				
General government	1,308,341	-	-	-
Public safety	5,260,132	-	-	-
Public works	1,152,188	-	-	-
Culture and recreation	1,065,634	-	-	-
Community development	569,864	-	-	-
Nondepartmental	437,015	-	-	-
Debt Service:				
Principal	-	1,125,000	-	-
Interest and fiscal charges	-	1,799,446	-	-
Capital outlay	538,944	-	3,602,662	-
Total Expenditures	10,332,118	2,924,446	3,602,662	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	974,334	15,717	(3,335,234)	912,893
<u>Other Financing Sources (Uses)</u>				
Transfers in	1,221,271	-	487,506	-
Transfers (out)	(763,500)	-	(1,417,515)	(332,506)
Total Other Financing Sources (Uses)	457,771	-	(930,009)	(332,506)
Net Change in Fund Balances	1,432,105	15,717	(4,265,243)	580,387
Beginning fund balances	4,659,474	275,196	10,167,661	2,997,996
Ending Fund Balances	\$ 6,091,579	\$ 290,913	\$ 5,902,418	\$ 3,578,383

See Notes to Financial Statements.

Street Maintenance	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 92,950	\$ 9,944,708
255,143	-	1,296,199
-	-	1,094,025
-	12,792	1,830,459
-	-	176,193
-	6,587	7,587
-	329,306	556,379
-	2,616	910,066
97	427	30,669
-	-	280,569
255,240	444,678	16,126,854
-	5,652	1,313,993
-	18,594	5,278,726
191,820	-	1,344,008
-	49,188	1,114,822
-	-	569,864
-	-	437,015
-	-	1,125,000
-	-	1,799,446
-	-	4,141,606
191,820	73,434	17,124,480
63,420	371,244	(997,626)
-	-	1,708,777
-	(155,000)	(2,668,521)
-	(155,000)	(959,744)
63,420	216,244	(1,957,370)
-	(145,662)	17,954,665
\$ 63,420	\$ 70,582	\$ 15,997,295



City of Sachse, Texas

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2014

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

Net changes in fund balances - total governmental funds	\$ (1,957,370)
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	4,141,606
Depreciation expense	(3,867,713)

The effect of capital assets contributed to the City during the current year.	4,832,065
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	230,612
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Compensated absences	(51,276)
Accrued interest	(795)

The issuance of long-term debt (e.g., bonds, leases, certificates of obligation) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when they are first issued; whereas, these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Amortization of deferred charges on refunding	(767)
Amortization of debt discount	(1,109)
Principal payments	1,125,000

Internal service funds are used by management to charge the cost of health insurance to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.

60,616

Change in Net Position of Governmental Activities	\$ 4,510,869
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See Notes to Financial Statements.

City of Sachse, Texas
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2014

	<u>Business-type Activities</u>	<u>Governmental Activities</u>
	<u>Water & Sewer</u>	<u>Internal Service Fund</u>
<u>Assets</u>		
<u>Current Assets</u>		
Cash and cash equivalents	\$ 1,543,836	\$ 66,488
Restricted cash - customer deposits	176,159	-
Receivables, net	1,220,051	-
Advances to other funds	614,301	-
Inventory	7,110	-
Total Current Assets	<u>3,561,457</u>	<u>66,488</u>
<u>Noncurrent Assets</u>		
Capital assets:		
Non-depreciable	795,884	-
Net depreciable capital assets	18,742,242	-
Total Noncurrent Assets	<u>19,538,126</u>	<u>-</u>
Total Assets	<u>23,099,583</u>	<u>66,488</u>
<u>Liabilities</u>		
<u>Current Liabilities</u>		
Accounts payable and accrued liabilities	626,048	-
Accrued interest	6,234	-
Customer deposits	176,196	-
Compensated absences - current	24,141	-
Bonds payable - current	100,000	-
Total Current Liabilities	<u>932,619</u>	<u>-</u>
<u>Noncurrent Liabilities</u>		
Compensated absences	2,682	-
Bonds payable	835,000	-
Total Liabilities	<u>1,770,301</u>	<u>-</u>
<u>Net Position</u>		
Net investment in capital assets	18,603,126	-
Unrestricted	2,726,156	66,488
Total Net Position	<u>21,329,282</u>	<u>\$ 66,488</u>
Adjustment to report the cumulative internal balance for the net effect of the activity between the internal service funds and the enterprise funds over time	5,872	
Net position of business-type activities	<u>\$ 21,335,154</u>	

See Notes to Financial Statements.

City of Sachse, Texas

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION PROPRIETARY FUNDS

For the Year Ended September 30, 2014

	Business-type Activities	Governmental Activities
	Water & Sewer	Internal Service Fund
<u>Operating Revenues</u>		
Water revenue	\$ 3,553,611	\$ -
Sewer revenue	3,055,974	-
Connection and tap charges	121,340	-
Other revenue	141,588	-
Total Operating Revenues	6,872,513	-
<u>Operating Expenses</u>		
Administration	199,682	-
Personnel	463,104	697,072
Cost of water	2,772,250	-
Cost of sewer	1,749,392	-
Depreciation	1,303,448	-
Total Operating Expenses	6,487,876	697,072
Operating Income	384,637	(697,072)
<u>Nonoperating Revenues (Expenses)</u>		
Investment income	832	60
Interest expense	(41,060)	-
Total Nonoperating Revenues (Expenses)	(40,228)	60
Income Before Capital Contributions and Transfers	344,409	(697,012)
Contributed capital	2,019,038	-
Transfers in	1,417,515	763,500
Transfers (out)	(1,221,271)	-
Change in Net Position	2,559,691	66,488
Beginning net position	18,769,591	-
Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds.	5,872	-
Ending Net Position	\$ 21,335,154	\$ 66,488

See Notes to Financial Statements.

City of Sachse, Texas
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (Page 1 of 2)
For the Year Ended September 30, 2014

	Business-type Activities	Governmental Activities
	Water & Sewer	Internal Service Fund
<u>Cash Flows from Operating Activities</u>		
Receipts from customers	\$ 7,059,893	\$ -
Payments to suppliers	(4,389,564)	(697,072)
Payments to employees	(656,022)	-
Net Cash Provided (Used) by Operating Activities	2,014,307	(697,072)
<u>Cash Flows from Noncapital Financing Activities</u>		
Transfers in	1,417,515	763,500
Transfers (out)	(1,221,271)	-
Net Cash Provided by Noncapital Financing Activities	196,244	763,500
<u>Cash Flows from Capital and Related Financing Activities</u>		
Capital purchases	(1,623,030)	-
Principal paid on debt	(95,000)	-
Interest paid on debt	(41,060)	-
Net Cash (Used for) Capital and Related Financing Activities	(1,759,090)	-
<u>Cash Flows from Investing Activities</u>		
Interest on investments	832	60
Net Cash Provided by Investing Activities	832	60
Net increase in Cash and Cash Equivalents	452,293	66,488
Beginning cash and cash equivalents	1,267,702	-
Ending Cash and Cash Equivalents	\$ 1,719,995	\$ 66,488
<u>Schedule of Non-cash Capital and Related Financing Activities:</u>		
Contributions of capital assets	\$ 2,019,038	\$ -

See Notes to Financial Statements.

City of Sachse, Texas
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (Page 2 of 2)
For the Year Ended September 30, 2014

	Business-type Activities	Governmental Activities
	Water & Sewer	Internal Service Fund
<u>Reconciliation of Operating Income (Loss)</u>		
<u>to Net Cash Provided (Used) by Operating Activities</u>		
Operating Income	\$ 384,637	\$ (697,072)
Adjustments to reconcile operating income to net cash provided:		
Depreciation	1,303,448	-
Changes in Operating Assets and Liabilities:		
(Increase) Decrease in:		
Accounts receivable	187,380	-
Inventory	(724)	-
Advances	92,950	-
Increase (Decrease) in:		
Accounts payable and accrued liabilities	20,563	-
Compensated absences	6,764	-
Customer deposits	19,289	-
Net Cash Provided (Used) by Operating Activities	\$ 2,014,307	\$ (697,072)

See Notes to Financial Statements.



City of Sachse, Texas
NOTES TO FINANCIAL STATEMENTS
September 30, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of Sachse, Texas (the "City") was incorporated in 1956 under the provisions of Chapter 11, Title 28, Texas Revised Civil Statutes of 1925 and has adopted a charter making it a home rule city operating under a Council-Manager form of government. The City provides such services as are authorized by its charter to advance the welfare, health, comfort, safety and convenience of the City and its inhabitants.

The City is an independent political subdivision of the State of Texas governed by an elected council and a mayor and is considered a primary government. As required by generally accepted accounting principles, these basic financial statements have been prepared based on considerations regarding the potential for inclusion of other entities, organizations, or functions as part of the City's financial reporting entity. The Sachse Economic Development Corporation (the "SEDC") and the PGBT Reinvestment Zone Tax Increment Fund (the "TIF"), although legally separate, are considered part of the reporting entity. No other entities have been included in the City's reporting entity. Additionally, as the City is considered a primary government for financial reporting purposes, its activities are not considered a part of any other governmental or other type of reporting entity.

Considerations regarding the potential for inclusion of other entities, organizations or functions in the City's financial reporting entity are based on criteria prescribed by generally accepted accounting principles. These same criteria are evaluated in considering whether the City is a part of any other governmental or other type of reporting entity. The overriding elements associated with prescribed criteria considered in determining that the City's financial reporting entity status is that of a primary government are that it has a separately elected governing body; it is legally separate; and is fiscally independent of other state and local governments. Additionally prescribed criteria under generally accepted accounting principles include considerations pertaining to organizations for which the primary government is financially accountable, and considerations pertaining to organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Blended Component Unit

President George Bush Turnpike (PGBT) Reinvestment Zone Tax Increment Fund

The City created the PGBT Reinvestment Zone Tax Increment Fund (the "TIF") in November 2003 to encourage and accelerate planned development along the George Bush Eastern Extension of the Turnpike to the City. The five member Board of Directors are appointed by the Sachse City Council and serve for two-year staggered terms. The members of the Board are citizens of Sachse. Any future debt obligations issued and backed by the

City of Sachse, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2014

TIF are to be repaid from property tax levies, based on the incremental increase in the real property values from the base year 2003.

Since the TIF Board of Directors acts primarily in an advisory role to the Sachse City Council, who exercise the ultimate financial control over the recommendations of the TIF board, the financial information of the TIF is blended as a governmental fund into the primary government. Separate financial statements are not prepared.

Discretely Presented Component Unit

Sachse Economic Development Corporation

The Sachse Economic Development Corporation (the "SEDC") serves all citizens of the City and is governed by a seven member board of directors appointed by the Sachse City Council. An Executive Director is appointed by the SEDC seven member board to carry out the Board's administrative and policy initiatives. The SEDC is a 4B Corporation and is supported by a half-cent sales tax voted by referendum in 1994. The scope of public service of the SEDC benefits the government and its citizens and is operated primarily within geographic boundaries of the City.

Separate financial statements are not prepared. However, additional financial information for the SEDC may be obtained at the entity's administrative offices at the following address: Sachse Economic Development Corporation 3815 Sachse Road, Sachse, Texas 75048.

B. Basis of Presentation - Government-Wide and Fund Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds and the proprietary funds.

As discussed earlier, the government has one discretely presented component unit and is shown in separate columns in the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the government's water and transit functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

City of Sachse, Texas

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2014

The fund financial statements provide information about the government's funds, including its fiduciary funds and blended component units. Separate statements for each fund category; governmental and proprietary are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The government reports the following governmental funds:

General Fund

The general fund is used to account for all financial transactions not properly includable in other funds. The principal sources of revenues include local property taxes, sales and franchise taxes, licenses and permits, fines and forfeitures, and charges for services. Expenditures include general government, public safety, public works, culture and recreation, community development, and nondepartmental. This fund is considered to be a major fund.

Debt Service Fund

The debt service fund is used to account for the payment of interest and principal on all general obligation bonds and other long-term debt of governmental funds. The primary source of revenue for debt service is local property taxes. This fund is considered to be a major fund.

Capital Projects Fund

The capital projects fund accounts for the acquisition and construction of the government's major capital facilities, other than those financed by proprietary funds. This fund is considered to be a major fund.

Impact Fee Fund

The impact fee fund accounts for impact fees collected for specific projects related to development within the City. This fund is considered to be a major fund.

Street Maintenance Fund

The street maintenance fund is used to account for a sales tax restricted for street maintenance. The fund is considered to be a major fund.

City of Sachse, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2014

Special Revenue Fund

The special revenue fund is used to account for proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. Revenue sources for this fund include donations, fines and fees, and grants. This fund is considered nonmajor for reporting purposes.

PGBT Reinvestment Zone Tax Increment Fund

The PGBT Reinvestment Zone Tax Increment Fund was created to encourage and accelerate planned development along the George Bush Eastern Extension of the Turnpike to the City. The fund accounts for all tax and expenditure activity associated with the fund's primary purpose. This fund is considered nonmajor for reporting purposes.

The government reports the following major enterprise fund:

Water & Sewer Fund

This fund is used to account for the provision of water and sewer services to the residents of the City. Activities of the fund include administration, operations and maintenance of the water production and distribution system, water collection and treatment systems. The fund also accounts for the accumulation of resources for and the payment of long-term debt. All costs are financed through charges to utility customers.

The government reports the following internal service fund:

Health Insurance Fund

This fund is used to account for health insurance benefits provided to City employees.

During the course of operations the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

City of Sachse, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2014

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

C. Measurement focus and basis of accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditure-driven grants are recognized as revenue when the

City of Sachse, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2014

qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the government.

The proprietary, pension and other postemployment benefit trust, and private-purpose trust funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Agency funds have no measurement focus but utilize the *accrual basis of accounting* for reporting its assets and liabilities.

D. Assets, Liabilities, and Fund Equity or Net Position

1. Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short term investments with original maturities of three months or less from the date of acquisition. For the purpose of the statement of cash flows, the proprietary fund types consider temporary investments with maturity of three months or less when purchased to be cash equivalents.

In accordance with GASB Statement No. 31, *Accounting and Reporting for Certain Investments and External Investment Pools*, the City reports all investments at fair value, except for "money market investments" and "2a7-like pools." Money market investments, which are short-term highly liquid debt instruments that may include U.S. Treasury and agency obligations, are reported at amortized costs. Investment positions in external investment pools that are operated in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940, such as TexPool, are reported using the pools' share price.

The City has adopted a written investment policy regarding the investment of its funds as defined in the Public Funds Investment Act, Chapter 2256, of the Texas Governmental Code. In summary, the City is authorized to invest in the following:

- Direct obligations of the U.S. Government
- Fully collateralized certificates of deposit and money market accounts
- Statewide investment pools

2. Receivables and Interfund Transactions

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the year are referred to as either "interfund receivables/payables" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds" in the fund financial statements. If the transactions

City of Sachse, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2014

are between the primary government and its component unit, these receivables and payables are classified as "due to/from component unit/primary government." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds are offset by a nonspendable fund balance account in the applicable governmental fund to indicate they are not available for appropriation and are not expendable available financial resources.

All trade receivables are shown net of any allowance for uncollectible amounts.

3. Inventories and Prepaid Items

The costs of governmental fund type inventories are recorded as expenditures when the related liability is incurred, (i.e., the purchase method). The inventories are valued at the lower of cost or market using the first-in/first-out method. Certain payments to vendors reflect costs applicable to future accounting periods (prepaid expenditures) are recognized as expenditures when utilized (the consumption method).

4. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government, as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Interest costs incurred in connection with construction of enterprise fund capital assets are capitalized when the effects of capitalization materially impact the financial statements.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

City of Sachse, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2014

Property, plant, and equipment of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful years.

Asset Description	Estimated Useful Life
Vehicles	5 to 10 years
Machinery and equipment	5 to 10 years
Infrastructure	5 to 30 years
Buildings and improvements	25 years

5. Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

6. Fund Balance Flow Assumptions

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in the fund.

City of Sachse, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2014

7. Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The governing council is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The governing body (council) has by resolution authorized the finance director to assign fund balance. The council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

The government has adopted a policy to maintain a minimum reserve of an amount equal to or greater than 25% of operating expenditures. The utility fund working capital should be maintained at a minimum of 20-25% of the total operating expenditures or the equivalent of 75 days. The debt service fund reserve is maintained at a level to support interest and principal payments in the event of a delay in property tax collections.

8. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. The long-term debt consists primarily of bonds payable and accrued compensated absences.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements until due. The debt proceeds are reported as other financing sources, net of the applicable premium or discount and payments of principal and interest reported as expenditures. In the governmental fund types, issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures. However, claims

City of Sachse, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2014

and judgments paid from governmental funds are reported as a liability in the fund financial statements only for the portion expected to be financed from expendable available financial resources.

Long-term debt and other obligations, financed by proprietary funds, are reported as liabilities in the appropriate funds. For proprietary fund types, bond premiums, discounts and issuance costs are deferred and amortized over the life of the bonds using the effective interest method, if material. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs are reported as deferred charges.

Assets acquired under the terms of capital leases are recorded as liabilities and capitalized in the government-wide financial statements at the present value of net minimum lease payments at inception of the lease. In the year of acquisition, capital lease transactions are recorded as other financing sources and as capital outlay expenditures in the general fund. Lease payments representing both principal and interest are recorded as expenditures in the general fund upon payment with an appropriate reduction of principal recorded in the government-wide financial statements.

9. Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

E. Revenues and Expenditures/Expenses

1. Program Revenues

Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

2. Property Taxes

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February

City of Sachse, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2014

1 of the year following the year in which imposed. Under state law, property taxes levied on real property constitute a lien on the real property which cannot be forgiven without specific approval of the State Legislature. The lien expires at the end of twenty years. Taxes levied on personal property can be deemed uncollectible by the City.

3. Compensated Absences

City employees earn vacation and sick leave, which may either be taken or accumulated, up to certain amounts, until retirement or termination. Once per year, employees with accumulations greater than 40 hours may redeem 3 days of sick and vacation leave. Upon termination or retirement, an employee is reimbursed up to a maximum number of hours of unused vacation pay based upon the years of service. Sick leave is not paid at termination or retirement. All vacation and qualifying sick leave is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they are expected to be liquidated with expendable available financial resources, for example, as a result of employee resignations and retirements. Vested or accumulated vacation leave and compensated leave of government-wide and proprietary funds are recognized as an expense and liability of those funds as the benefits accrue to employees.

It is the City's policy to liquidate compensated absences with future revenues rather than with currently available expendable resources. Accordingly, the City's governmental funds recognize accrued compensated absences when it is paid.

4. Proprietary Funds Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water and sewer fund are charges to customers for sales and services. The water and sewer fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise fund includes the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

The governmental fund balance sheet includes reconciliation between *fund balance-total governmental funds* and *net position-governmental activities* as reported in the government-

City of Sachse, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2014

wide statement of net position. One element of that reconciliation explains that long-term liabilities, including bonds, are not due and payable in the current period and, therefore, are not reported in the funds.

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental states that, “the issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.”

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for the general, debt service, SEDC, special revenue, and utility funds. The original budget is adopted by the City Council prior to the beginning of the year. The legal level of control as defined by the City Charter is the department level. No funds can be transferred or added to a budgeted item without Council approval. Appropriations lapse at the end of the year. Three supplemental budget appropriations were made during the year.

A. Expenditures Over Appropriations

For the year ended, expenditures exceeded appropriations at the legal level of control and as follows:

General Fund:

Animal control	\$613
Seniors	\$1,090
Library services	\$649

Special Revenue Fund:

Library services	\$229
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The City has implemented procedures to ensure budgetary compliance. No expenditure can be made unless there is a budget available or an approved budget amendment has been

City of Sachse, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2014

submitted. Department head and management will review the budget variances on a regular basis and the budget will be amended if necessary.

B. Deficit Fund Equity

At September 30, 2014, the PGBT Reinvestment Zone TIF, a nonmajor fund, has a deficit fund balance of \$614,301. The deficit will be eliminated in the future with development of the zone and issuance of new debt.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

As of September 30, 2014, the primary government had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
Certificates of deposit	\$ 1,001,689	1.75

As of September 30, 2014, the Sachse EDC had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
Certificates of deposit	\$ 1,208,337	0.18

Interest rate risk In accordance with its investment policy, the City manages its exposure to declines in fair values by limiting the weighted average of maturity not to exceed five years; structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations; monitoring credit ratings of portfolio position to assure compliance with rating requirements imposed by the Public Funds Investment Act; and invest operating funds primarily in short-term securities or similar government investment pools.

Credit risk The City's investment policy limits investments to obligations of the United States, State of Texas, or their agencies and instrumentalities with an investment quality rating of not less than "A" or its equivalent, by a nationally recognized investment rating firm. Other obligations must be unconditionally guaranteed (either express or implied) by the full faith and credit of the United States Government or the issuing U.S. agency and investment pools with an investment quality not less than AAA or AAA-m, or equivalent, by at least one nationally recognized rating service. As of September 30, 2014, the City's investment in TexPool was rated AAAM by Standard & Poor's.

City of Sachse, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2014

Custodial credit risk – deposits In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require that all deposits in financial institutions be insured or fully collateralized by U.S. government obligations or its agencies and instrumentalities or direct obligations of Texas or its agencies and instrumentalities that have a market value of not less than the principal amount of the deposits. As of September 30, 2014, the market values of pledged securities and FDIC exceeded bank balances.

Custodial credit risk – investments For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investment policy requires that it will seek to safekeeping securities at financial institutions, avoiding physical possession. Further, all trades, where applicable, are executed by delivery versus payment to ensure that securities are deposited in the City's safekeeping account prior to the release of funds.

TexPool

TexPool was established as a trust company with the Treasurer of the State of Texas as trustee, segregated from all other trustees, investments, and activities of the trust company. The State Comptroller of Public Accounts exercises oversight responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. The advisory board members review the investment policy and management fee structure. Finally, Standard & Poor's rate TexPool AAAm. As a requirement to maintain the rating, weekly portfolio information must be submitted to Standard & Poor's, as well as to the office of the Comptroller of Public Accounts for review.

City of Sachse, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2014

B. Receivables

The following comprise receivable balances of the primary government at year end:

	General	Debt Service	Impact Fee	Street Maintenance	Special Revenue	Water & Sewer	Total
Property taxes	\$ 55,183	\$ 22,630	\$ -	\$ -	\$ -	\$ -	\$ 77,813
Sales tax	219,791	-	-	53,751	-	-	273,542
Franchise taxes	243,684	-	-	-	-	-	243,684
Fines	183,058	-	-	-	-	-	183,058
EMS	184,123	-	-	-	-	-	184,123
Accounts	-	-	-	-	-	1,260,776	1,260,776
Other	33,195	-	6,830	-	3,272	1,066	44,363
Allowance	(275,357)	-	-	-	-	(41,791)	(317,148)
	<u>\$ 643,677</u>	<u>\$ 22,630</u>	<u>\$ 6,830</u>	<u>\$ 53,751</u>	<u>\$ 3,272</u>	<u>\$ 1,220,051</u>	<u>\$ 1,950,211</u>

C. Capital Assets

A summary of changes in governmental activities capital assets for the year end was as follows:

	Beginning Balances	Increases	Decreases/ Reclassifications	Ending Balances
Capital assets, not being depreciated:				
Land	\$ 8,754,454	\$ -	\$ -	\$ 8,754,454
Construction in progress	2,391,315	3,242,529	(4,347,469)	1,286,375
Total capital assets not being depreciated	<u>11,145,769</u>	<u>3,242,529</u>	<u>(4,347,469)</u>	<u>10,040,829</u>
Capital assets, being depreciated:				
Buildings and improvements	19,998,428	18,450	75,625	20,092,503
Vehicles and equipment	7,194,045	194,966	43,564	7,432,575
Infrastructure	102,939,661	5,517,725	4,271,844	112,729,230
Total capital assets being depreciated	<u>130,132,134</u>	<u>5,731,141</u>	<u>4,391,033</u>	<u>140,254,308</u>
Less accumulated depreciation				
Buildings and improvements	3,986,126	814,426	-	4,800,552
Vehicles and equipment	4,584,087	443,560	43,564	5,071,211
Infrastructure	57,192,218	2,609,727	-	59,801,945
Total accumulated depreciation	<u>65,762,431</u>	<u>3,867,713</u>	<u>43,564</u>	<u>69,673,708</u>
Net capital assets being depreciated	<u>64,369,703</u>	<u>1,863,428</u>	<u>4,347,469</u>	<u>70,580,600</u>
Total Capital Assets	<u>\$ 75,515,472</u>	<u>\$ 5,105,957</u>	<u>\$ -</u>	<u>\$ 80,621,429</u>

City of Sachse, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2014

Depreciation was charged to governmental functions as follows:

General government	\$ 459,896
Public safety	539,141
Public works	2,624,037
Culture and recreation	244,639
Total Governmental Activities Depreciation Expense	\$ 3,867,713

A summary of changes in business-type activities capital assets for the year end was as follows:

	Beginning Balances	Increases	Decreases/ Reclassifications	Ending Balances
Capital assets, not being depreciated:				
Land	\$ 346,821	\$ -	\$ -	\$ 346,821
Construction in progress	525,871	1,526,920	(1,603,728)	449,063
Total capital assets not being depreciated	872,692	1,526,920	(1,603,728)	795,884
Capital assets, being depreciated:				
Buildings and improvements	313,503	-	-	313,503
Vehicles and equipment	1,063,014	-	(43,564)	1,019,450
Infrastructure	39,021,480	2,115,148	1,603,728	42,740,356
Total capital assets being depreciated	40,397,997	2,115,148	1,560,164	44,073,309
Less accumulated depreciation				
Buildings and improvements	236,452	11,677	-	248,129
Vehicles and equipment	915,102	24,095	(43,564)	895,633
Infrastructure	22,919,629	1,267,676	-	24,187,305
Total accumulated depreciation	24,071,183	1,303,448	(43,564)	25,331,067
Net capital assets being depreciated	16,326,814	811,700	1,603,728	18,742,242
Total Capital Assets	\$ 17,199,506	\$ 2,338,620	\$ -	\$ 19,538,126

Depreciation was charged to business-type activities as follows:

Water	\$ 816,726
Sewer	486,722
Total Business-Type Activities Depreciation Expense	\$ 1,303,448

City of Sachse, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2014

D. Long-term Debt

The following is a summary of changes in the City's total governmental long-term liabilities for the year ended. In general, the City uses the debt service fund to liquidate governmental long-term liabilities.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due within One Year</u>
Governmental Activities:					
Bonds, notes and other payables:					
General Obligation Bonds	\$ 37,595,000	\$ -	\$ (1,020,000)	\$ 36,575,000	\$ 1,085,000
Discount	(16,572)	-	1,109	(15,463)	-
Certificates of Obligation	575,000	-	(105,000)	470,000	110,000
Other liabilities:					
Compensated absences	415,161	81,885	(30,609)	466,437	419,793
Total Governmental Activities	<u>\$ 38,568,589</u>	<u>\$ 81,885</u>	<u>\$ (1,154,500)</u>	<u>\$ 37,495,974</u>	<u>\$ 1,614,793</u>
Long-term liabilities due in more than one year				<u>\$ 35,881,181</u>	
Business-Type Activities:					
Bonds, notes and other payables:					
Certificates of Obligation	\$ 1,030,000	\$ -	\$ (95,000)	\$ 935,000	\$ 100,000
Other liabilities:					
Compensated absences	20,059	11,326	(4,562)	26,823	24,141
Total Business-Type Activities	<u>\$ 1,050,059</u>	<u>\$ 11,326</u>	<u>\$ (99,562)</u>	<u>\$ 961,823</u>	<u>\$ 124,141</u>
Long-term liabilities due in more than one year				<u>\$ 837,682</u>	
Component Unit					
Other liabilities:					
Compensated absences	\$ 7,356	\$ 453	\$ (7,356)	\$ 453	\$ 408
Total Component Unit	<u>\$ 7,356</u>	<u>\$ 453</u>	<u>\$ (7,356)</u>	<u>\$ 453</u>	<u>\$ 408</u>
Long-term liabilities due in more than one year				<u>\$ 45</u>	

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly, are not reported as fund liabilities in the governmental funds. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. The City intends to retire all of its general long-term liabilities, plus accrued interest, from property taxes and other current revenues from the debt service fund as has been done in prior years. The proprietary fund

City of Sachse, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2014

type long-term debt will be repaid, plus accrued interest, from operating revenues of the water and sewer fund. The general fund has typically been used to liquidate the liability for compensated absences for governmental activities.

Long-term debt at year end was comprised of the following debt issues:

Description	Interest Rates	Original Balance	Current Balance
Governmental Activities:			
2007 General obligation improvement bonds	4.0-4.15%	\$ 6,130,000	\$ 4,795,000
2009 General obligation refunding and improvement bonds	2.20-5.88%	34,560,000	31,780,000
Total General Obligation Bonds		<u>40,690,000</u>	<u>36,575,000</u>
2003 Certificates of obligation	2.70-4.20%	2,000,000	470,000
Total Governmental Activities		<u>\$ 42,690,000</u>	<u>\$ 37,045,000</u>
Business-type Activities:			
2007 Certificates of obligation	3.72 - 4.5%	\$ 1,530,000	\$ 935,000
Total Business-Type Activities		<u>\$ 1,530,000</u>	<u>\$ 935,000</u>

City of Sachse, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2014

The annual requirements to amortize governmental activities debt issues outstanding at year ending were as follows:

Governmental Activities				
Year ending September 30,	General Obligation Bonds		Certificates of Obligation	
	Principal	Interest	Principal	Interest
2015	\$ 1,085,000	\$ 1,745,276	\$ 110,000	\$ 16,915
2016	1,150,000	1,708,001	115,000	12,470
2017	1,225,000	1,666,754	120,000	7,710
2018	1,280,000	1,622,070	125,000	2,625
2019	1,495,000	1,571,576	-	-
2020	1,560,000	1,513,020	-	-
2021	1,625,000	1,447,701	-	-
2022	1,700,000	1,372,808	-	-
2023	1,785,000	1,289,208	-	-
2024	1,875,000	1,201,383	-	-
2025	1,965,000	1,109,208	-	-
2026	2,060,000	1,012,558	-	-
2027	2,160,000	909,833	-	-
2028	2,275,000	800,431	-	-
2029	1,930,000	694,099	-	-
2030	2,035,000	590,500	-	-
2031	2,145,000	480,775	-	-
2032	2,270,000	357,788	-	-
2033	2,405,000	220,459	-	-
2034	2,550,000	74,906	-	-
Total	\$ 36,575,000	\$ 21,388,352	\$ 470,000	\$ 39,720

City of Sachse, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2014

The annual requirements to amortize business-type activities debt issues outstanding at year ending were as follows:

Business-Type Activities		
Year ending September 30,	Certificates of Obligation	
	Principal	Interest
2015	\$ 100,000	\$ 37,238
2016	105,000	33,194
2017	110,000	28,915
2018	115,000	24,358
2019	115,000	19,585
2020	125,000	14,483
2021	130,000	8,935
2022	135,000	3,038
Total	\$ 935,000	\$ 169,745

E. Deferred Charges on Refunding

Deferred charges resulting from the issuance of series 2010 refunding general obligation refunding and improvement bonds have been recorded as deferred outflows of resources and are being amortized to interest expense over the shorter of either the remaining term of the refunded debt or the refunding certificates of obligation. Current year balances for governmental activities totaled \$14,574. Current year amortization expense for governmental activities totaled \$767.

F. Interfund Transactions

Transfers between the primary government funds during the 2014 year were as follows:

Transfer Out	Transfer In	Amount
General	Health Insurance	\$ 763,500
Water & Sewer	General	1,221,271
Capital Projects	Water & Sewer	1,417,515
Special Revenue	Capital Projects	155,000
Impact Fee	Capital Projects	332,506
	Total	\$ 3,889,792

Transfers from the water and sewer fund were made for operations support costs borne by the general fund. Transfers from the capital projects to the water and sewer fund were

City of Sachse, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2014

made for construction projects. Transfers from the special revenue fund and the impact fee fund to the capital projects fund were made for capital expenditures.

The compositions of interfund balances as of year end were as follows:

<u>Funds</u>	<u>Advances to Other Funds</u>	<u>Advances from Other Funds</u>
PGBT Reinvestment Zone		
Water & Sewer	\$ -	\$ 614,301
Water & Sewer		
PGBT Reinvestment Zone	614,301	-
	<u>\$ 614,301</u>	<u>\$ 614,301</u>

The purpose of interfund receivables and payables is to loan cash between funds. All balances are expected to be settled with issuance of new debt.

G. Restricted Net Position

The City records restricted net position to indicate that a portion is legally restricted for a specific future use.

The following is a list of restricted net position of the City:

	<u>Governmental Activities</u>	<u>Sachse EDC</u>
Restricted for:		
Debt service	\$ 290,913	\$ -
Capital improvements	9,923,225	-
* Municipal court	242,459	-
Economic development	-	4,508,315
Total	<u>\$ 10,456,597</u>	<u>\$ 4,508,315</u>

* Restricted by enabling legislation

V. OTHER INFORMATION

A. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets, errors and omissions; and natural disasters for which the City participates along with 2,617 other entities in the Texas Municipal League's Intergovernmental Risk Pools. The Pool purchases commercial insurance at group rates for participants in the Pool. The City has no additional risk or responsibility to the Pool outside

City of Sachse, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2014

of the payment of insurance premiums. The City has not significantly reduced insurance coverage or had settlements which exceeded coverage amounts for the past three years.

B. Contingent Liabilities

Amounts received or receivable from granting agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amounts of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends, including frequency and amount of payouts, and other economic and social factors.

C. Construction Commitments

The government has active construction projects as of September 30, 2014. The projects include street construction and improvements and the construction of additional water lines and repairs. At year end the government's commitments with contractors are as follows:

Project	Spent-to-Date	Remaining Commitment
Government Activities:		
Merritt Road Resurfacing	\$ 2,525,722	\$ 259,278
Cartwright Drive Asphalt Repairs	95,473	6,552
Ponderosa Trail Asphalt Repairs	107,599	8,524
Bonanza Court Asphalt Repairs	84,221	6,598
Total	\$ 2,813,015	\$ 280,952

D. Pension Plans

1. Texas Municipal Retirement Systems

Plan Description

The City provides pension benefits for all of its eligible employees through a non-traditional, joint contributory, hybrid defined benefit plan in the state-wide Texas Municipal Retirement System (TMRS), an agent multiple-employer public employee retirement system. The plan provisions that have been adopted by the City are within the options available in the governing state statutes of TMRS.

City of Sachse, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2014

TMRS issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information (RSI) for TMRS; the report also provides detailed explanations of the contributions, benefits and actuarial methods and assumptions used by the System. This report may be obtained by writing to TMRS, P.O. Box 149153, Austin, TX 78714-9153 or by calling 800-924-8677; in addition, the report is available on TMRS' website at www.TMRS.com.

The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS. Plan provisions for the City were as follows:

	<u>Plan Year 2013</u>	<u>Plan Year 2014</u>
Employee deposit rate	7.0%	7.0%
Matching ratio (city to employee)	2 to 1	2 to 1
Years required for vesting	5	5
Service retirement eligibility		
	60/5, 0/20	60/5, 0/20
(expressed as age / years of service)		
Updated service credit	100% Repeating Transfers	100% Repeating Transfers
Annuity increase (to retirees)	70% of CPI Repeating	70% of CPI Repeating

Contributions

Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Projected Unit Credit actuarial cost method. This rate consists of the normal cost contribution rate and the prior service cost contribution rate, which is calculated to be a level percent of payroll from year to year. The normal cost contribution rate finances the portion of an active member's projected benefit allocated annually; the prior service contribution rate amortizes the unfunded (overfunded) actuarial liability (asset) over the applicable period for that city. Both the normal cost and prior service contribution rates include recognition of the projected impact of annually repeating benefits, such as Updated Service Credits and Annuity Increases.

The City contributes to the TMRS Plan at an actuarially determined rate. Both the employees and the City make contributions monthly. Since the City needs to know its contribution rate in advance for budgetary purposes, there is a one-year delay between the actuarial valuation that serves as the basis for the rate and the calendar year when the rate goes into effect. The annual pension cost and net pension obligation/(asset) are as follows:

City of Sachse, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2014

Three-Year Contribution Information

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Annual Pension Cost (APC)	\$ 762,304	\$ 713,656	\$ 696,455
Actual Contributions Made	\$ 762,304	\$ 713,656	\$ 696,455
Percentage of APC Contributed	100%	100%	100%
Net Pension Obligation/Asset	-	-	-
NPO at the End of Period	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

The required contribution rates for fiscal year 2014 were determined as part of the December 31, 2011 and 2012 actuarial valuations. Additional information as of the latest actuarial valuation, December 31, 2013, also follows:

	<u>12/31/2011</u>	<u>12/31/2012</u>	<u>12/31/2013</u>
Valuation Date	Projected Unit	Projected Unit	Entry Age Normal
Actuarial Cost Method	Credit	Credit	
Amortization Method	Level Percent of	Level Percent of	Level Percent of
	Payroll	Payroll	Payroll
GASB 25 Equivalent Single	26.3 years; closed	25.2 years; closed	30 years; closed
Amortization Period	period	period	period
Amortization Period for new	30 years	30 years	30 years
Gains/Losses			
Asset Valuation Method	10-year Smoothed	10-year Smoothed	10-year Smoothed
	Market	Market	Market
Actuarial Assumptions:			
Investment Rate of Return *	7.0%	7.0%	7.0%
Projected Salary Increases *	Varies by age and	Varies by age and	Varies by age and
	service	service	service
* Includes Inflation at	3.00%	3.00%	3.00%
Cost-of-Living Adjustments	2.1%	2.1%	2.1%

The funded status as of December 31, 2013, the most recent actuarial valuation date, is as follows:

Actuarial Valuation Date	12/31/2013
Actuarial Value of Assets	\$ 16,325,717
Actuarial Accrued Liability	\$ 20,149,655
Percentage Funded	81.0%
Annual Covered Payroll	\$ 6,176,295
Unfunded Actuarial Accrued Liability	\$ (3,823,938)
(UAAL) % of Covered Payroll	(61.9)%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are

City of Sachse, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2014

subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

Actuarial calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each valuation, and reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. The schedule of funding progress, presented as Required Supplementary Information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability of benefits.

Supplemental Death Benefits Fund

The City also participates in the cost sharing multiple-employer defined benefit group-term life insurance plan operated by the Texas Municipal Retirement System (TMRS) known as the Supplemental Death Benefits Fund (SDBF). The City elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. The City may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death); retired employees are insured for \$7,500; this coverage is an "other postemployment benefit," or OPEB.

The City offers supplemental death to:	Plan Year 2013	Plan Year 2014
Active employees (yes or no)	Yes	Yes
Retirees (yes or no)	Yes	Yes

The City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to pre-fund retiree term life insurance during employees' entire careers.

The City's contributions to the TMRS SDBF for the years ended 2014, 2013 and 2012 were \$1,936, \$1,334 and \$656, respectively, which equaled the required contributions each year.

City of Sachse, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2014

Schedule of Contribution Rates
(RETIREE-only portion of the rate)

Plan/ Calendar Year	Annual Required Contribution (Rate)	Actual Contribution Made (Rate)	Percentage of ARC Contributed
2012	0.01%	0.01%	100.0%
2013	0.02%	0.02%	100.0%
2014	0.02%	0.02%	100.0%

E. Restatement

The City has restated beginning fund balance/net position within governmental and business type activities due to the creation of a new fund and to correct accumulated depreciation on capital assets. The restatement of beginning net position/fund balance is as follows:

	Impact Fee Fund	Special Revenue Fund	Governmental Activities	Water & Sewer
Prior year ending net position fund balance as reported	\$ -	\$ 2,067,981	\$ 52,909,395	\$ 20,261,195
Creation of Impact Fee Fund	2,997,996	(1,506,392)	1,491,604	(1,491,604)
Change in reporting of accumulated depreciation	-	-	415,048	-
Restated beginning net position/fund balance	<u>\$ 2,997,996</u>	<u>\$ 561,589</u>	<u>\$ 54,816,047</u>	<u>\$ 18,769,591</u>

F. Subsequent Events

There were no material subsequent events through January 15, 2015, the date the financial statements were issued.

REQUIRED SUPPLEMENTARY INFORMATION

City of Sachse, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

GENERAL FUND (Page 1 of 2)

For the Year Ended September 30, 2014

	Original Budget	Final Budget	2014 Actual	Variance with Final Budget Positive (Negative)
Revenues				
Property tax	\$ 6,866,469	\$ 6,866,469	\$ 6,912,646	\$ 46,177
Sales tax	875,193	875,193	1,041,056	165,863
Franchise and local taxes	1,075,452	1,075,452	1,094,025	18,573
License, permits and fees	1,060,123	1,060,123	1,817,667	757,544
Intergovernmental	179,950	(179,950)	176,193	356,143
Grants and donations	-	-	1,000	1,000
Fines and forfeitures	365,000	365,000	227,073	(137,927)
Investment income	5,000	5,000	5,993	993
Other revenue	18,675	18,675	30,799	12,124
Total Revenues	10,445,862	10,085,962	11,306,452	1,220,490
Expenditures				
Current:				
General government				
City manager	316,601	313,446	292,997	20,449
City secretary	161,036	161,036	159,739	1,297
Human resources	238,777	238,777	222,690	16,087
Finance	488,373	488,373	467,839	20,534
Municipal court	171,190	171,190	165,076	6,114
Public safety				
Police	3,165,608	3,165,608	2,980,823	184,785
Animal control	154,025	154,026	154,639	(613) *
Fire and ambulance	2,210,835	2,231,431	2,124,670	106,761
Public works				
Streets	676,167	676,169	580,138	96,031
Facility maintenance	319,638	331,638	323,563	8,075
City engineer	263,883	263,883	248,487	15,396
Culture and recreation				
Parks and recreation	778,069	781,224	752,547	28,677
Seniors	106,526	106,526	107,616	(1,090) *
Library services	204,822	204,822	205,471	(649) *
Community development	612,651	600,651	569,864	30,787
Nondepartmental	451,503	451,503	437,015	14,488
Capital outlay	538,944	538,944	538,944	-
Total Expenditures	10,858,648	10,879,247	10,332,118	547,129
Revenues Over (Under)	(412,786)	(793,285)	974,334	1,767,619

City of Sachse, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

GENERAL FUND (Page 2 of 2)

For the Year Ended September 30, 2014

	Original Budget	Final Budget	2014 Actual	Variance with Final Budget Positive (Negative)
<u>Other Financing Sources (Uses)</u>				
Transfers in	1,247,148	1,247,148	1,221,271	(25,877)
Transfers (out)	(765,503)	(765,503)	(763,500)	2,003
Total Other Financing Sources (Uses)	<u>481,645</u>	<u>481,645</u>	<u>457,771</u>	<u>(23,874)</u>
Net Change in Fund Balance	<u>\$ 68,859</u>	<u>\$ (311,640)</u>	<u>1,432,105</u>	<u>\$ 1,743,745</u>
Beginning fund balance			<u>4,659,474</u>	
Ending Fund Balance			<u><u>\$ 6,091,579</u></u>	

Notes to Required Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).



City of Sachse, Texas

SCHEDULE OF FUNDING PROGRESS- TEXAS MUNICIPAL RETIREMENT SYSTEM

The City's annual covered payroll and pension costs are actuarially valued on a calendar year basis. Because the City makes all the annually required contributions, no net pension obligation (NPO) exists. The information presented below represents the City's Schedule of Funding Progress.

Actuarial Valuation Date	<u>12/31/2013</u>	<u>12/31/2012</u>	<u>12/31/2011</u>
Actuarial Value of Assets	\$ 16,325,717	\$ 14,493,069	\$ 12,720,837
Actuarial Accrued Liability	\$ 20,149,655	\$ 18,190,637	\$ 16,564,613
Percentage Funded	81.0%	79.7%	76.8%
Unfunded Actuarial			
Accrued Liability	\$ 3,823,938	\$ 3,697,568	\$ 3,843,776
Annual Covered Payroll	\$ 6,176,295	\$ 6,372,268	\$ 6,273,743
Unfunded Actuarial Accrued Liability			
(UAAL) % of Covered Payroll	61.9%	58.0%	61.3%
Net Pension Obligation (NPO)			
at the Beginning of Period	\$ -	\$ -	\$ -
Annual Req. Contrib. (ARC)	\$ 762,304	\$ 713,656	\$ 696,455
Contributions Made	\$ 762,304	\$ 713,656	\$ 696,455
NPO at the End of Period	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>



OTHER SUPPLEMENTARY INFORMATION

City of Sachse, Texas
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2014

	Special Revenue	PGBT Reinvestment Zone	Total Nonmajor Governmental
<u>Assets</u>			
Cash and cash equivalents	\$ 716,790	\$ -	\$ 716,790
Receivables, net	3,272	-	3,272
Total Assets	<u>720,062</u>	<u>-</u>	<u>720,062</u>
<u>Liabilities</u>			
Liabilities			
Accounts payable	35,179	-	35,179
Advances from other funds	-	614,301	614,301
Total Liabilities	<u>35,179</u>	<u>614,301</u>	<u>649,480</u>
<u>Fund Balances</u>			
Restricted	684,883	-	684,883
Unassigned	-	(614,301)	(614,301)
Total Fund Balances	<u>684,883</u>	<u>(614,301)</u>	<u>70,582</u>
Total Liabilities and Fund Balances	<u>\$ 720,062</u>	<u>\$ -</u>	<u>\$ 720,062</u>

Notes to Required Supplementary Information

City of Sachse, Texas

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended September 30, 2014

	Special Revenue	PGBT Reinvestment Zone	Total Nonmajor Governmental
<u>Revenues</u>			
Property tax	\$ -	\$ 92,950	\$ 92,950
License, permits and fees	12,792	-	12,792
Grants and donations	6,587	-	6,587
Fines and forfeitures	329,306	-	329,306
Impact and development fees	2,616	-	2,616
Investment income	427	-	427
Total Revenues	351,728	92,950	444,678
<u>Expenditures</u>			
Current:			
General government	5,652	-	5,652
Public safety	18,594	-	18,594
Public works	-	-	-
Culture and recreation	49,188	-	49,188
Community development	-	-	-
Nondepartmental	-	-	-
Water	-	-	-
Sewer	-	-	-
Total Expenditures	73,434	-	73,434
Excess (Deficiency) of Revenues over Expenditures	278,294	92,950	371,244
<u>Other Financing Sources (Uses)</u>			
Transfers	-	-	-
Transfers (out)	(155,000)	-	(155,000)
Total Other Financing Sources (Uses)	(155,000)	-	(155,000)
Net Change in Fund Balances	123,294	92,950	216,244
Beginning fund balances	561,589	(707,251)	(145,662)
Ending Fund Balances	\$ 684,883	\$ (614,301)	\$ 70,582

See Notes to Financial Statements.

City of Sachse, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL DEBT SERVICE FUND

For the Year Ended September 30, 2014

	Original & Final Budget	2014 Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Property tax	\$ 2,915,826	\$ 2,939,112	\$ 23,286
Investment income	1,500	1,051	(449)
Total Revenues	<u>2,917,326</u>	<u>2,940,163</u>	<u>22,837</u>
<u>Expenditures</u>			
Debt service:			
Principal	1,125,000	1,125,000	-
Interest	1,799,531	1,799,446	85
Total Expenditures	<u>2,924,531</u>	<u>2,924,446</u>	<u>85</u>
Net Change in Fund Balance	<u>\$ (7,205)</u>	15,717	<u>\$ 22,922</u>
Beginning fund balance		<u>275,196</u>	
Ending Fund Balance		<u>\$ 290,913</u>	

Notes to Required Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

City of Sachse, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL IMPACT FEE FUND

For the Year Ended September 30, 2014

	Original & Final Budget	2014 Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Impact and development fees	\$ 238,000	\$ 907,450	\$ 669,450
Investment income	4,000	5,443	1,443
Total Revenues	<u>242,000</u>	<u>912,893</u>	<u>670,893</u>
<u>Other Financing Sources (Uses)</u>			
Transfers (out)	(350,000)	(332,506)	17,494
Total Other Financing Sources (Uses)	<u>(350,000)</u>	<u>(332,506)</u>	<u>17,494</u>
Net Change in Fund Balance	<u>\$ (108,000)</u>	580,387	<u>\$ 688,387</u>
Beginning fund balance		<u>2,997,996</u>	
Ending Fund Balance		<u>\$ 3,578,383</u>	

Notes to Required Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

City of Sachse, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL STREET MAINTENANCE FUND For the Year Ended September 30, 2014

	Original & Final Budget	2014 Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Sales tax	\$ 214,900	\$ 255,143	\$ 40,243
Investment income	500	97	(403)
Total Revenues	<u>215,400</u>	<u>255,240</u>	<u>39,840</u>
<u>Expenditures</u>			
Public works			
Streets	210,000	191,820	18,180
Total Expenditures	<u>210,000</u>	<u>191,820</u>	<u>18,180</u>
Net Change in Fund Balance	<u>\$ 5,400</u>	<u>63,420</u>	<u>\$ 58,020</u>
Beginning fund balance		-	
Ending Fund Balance		<u>\$ 63,420</u>	

Notes to Required Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles

City of Sachse, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

SPECIAL REVENUE FUND

For the Year Ended September 30, 2014

	Original Budget	Final Budget	2014 Actual	Variance with Final Budget Positive (Negative)
Revenues				
License, permits and fees	\$ 8,000	\$ 8,000	\$ 12,792	\$ 4,792
Grants and donations	-	-	6,587	6,587
Fines and forfeitures	24,000	292,200	329,306	37,106
Impact and development fees	-	-	2,616	2,616
Investment income	865	865	427	(438)
Total Revenues	32,865	301,065	351,728	50,663
Expenditures				
General government				
City manager	52,000	52,000	-	52,000
Municipal court	45,000	45,000	5,653	39,347
Public safety				
Police	5,000	5,000	-	5,000
Animal control	15,000	15,000	1,500	13,500
Fire and ambulance	18,000	18,000	17,094	906
Culture and recreation				
Library services	26,999	26,999	27,228	(229)
Park improvements	18,000	44,500	21,959	22,541
Total Expenditures	179,999	206,499	73,434	133,065
Other Financing Sources (Uses)				
Transfers (Out)	-	(155,000)	(155,000)	-
Total Other Financing Sources (Uses)	-	(155,000)	(155,000)	-
Net Change in Fund Balance	\$ (147,134)	\$ (60,434)	123,294	\$ 183,728
Beginning fund balance			561,589	
Ending Fund Balance			\$ 684,883	

Notes to Required Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

City of Sachse, Texas
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES
IN NET POSITION - BUDGET AND ACTUAL
SACHSE ECONOMIC DEVELOPMENT CORPORATION
For the Year Ended September 30, 2014

	<u>Original & Final Budget</u>	<u>2014 Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<u>Revenues</u>			
Sales tax	\$ 429,796	\$ 510,108	\$ 80,312
Grants and donations	-	10,000	10,000
Investment income	7,500	9,345	1,845
Total Revenues	<u>437,296</u>	<u>529,453</u>	<u>92,157</u>
<u>Expenses</u>			
Community development	507,757	309,096	198,661
Total Expenses	<u>507,757</u>	<u>309,096</u>	<u>198,661</u>
Change in Net Position	<u>\$ (70,461)</u>	220,357	<u>\$ 290,818</u>
Beginning net position		<u>4,287,958</u>	
Ending Net Position		<u>\$ 4,508,315</u>	

Notes to Required Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

City of Sachse, Texas
STATEMENT OF NET POSITION
INTERNAL SERVICE FUND
September 30, 2014

	Health Insurance
<u>Assets</u>	
Cash and cash equivalents	\$ 66,488
Receivables, net	-
Total Assets	66,488
<u>Net Position</u>	
Unrestricted	66,488
Total Net Position	\$ 66,488

Notes to Financial Statements.

City of Sachse, Texas
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
INTERNAL SERVICE FUND
For the Year Ended September 30, 2014

	Health Insurance
<u>Operating Revenues</u>	
Charges for services	\$ -
Total Operating Revenues	-
<u>Operating Expenses</u>	
Health insurance:	
General government	66,893
Public safety	328,728
Public works	85,799
Culture and recreation	64,265
Community development	41,953
Nondepartmental	47,873
Water	36,799
Sewer	24,762
Total Operating Expenses	697,072
Operating Income	(697,072)
<u>Nonoperating Revenues (Expenses)</u>	
Investment income	60
Total Nonoperating Revenues (Expenses)	60
Income Before Transfers	(697,012)
Transfers	763,500
Net Change in Net Position	66,488
Beginning net position	-
Ending Net Position	\$ 66,488

See Notes to Financial Statements.

City of Sachse, Texas
STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUND
For the Year Ended September 30, 2014

	<u>Health Insurance</u>
<u>Cash Flows from Operating Activities</u>	
Receipts from customers	\$ -
Payments to suppliers	(697,072)
Net Cash (Used for) Operating Activities	<u>(697,072)</u>
<u>Cash Flows from Noncapital Financing Activities</u>	
Transfers in (out)	763,500
Net Cash Provided by Noncapital Financing Activities	<u>763,500</u>
<u>Cash Flows from Investing Activities</u>	
Interest on investments	60
Net Cash Provided by Investing Activities	<u>60</u>
Net increase in Cash and Cash Equivalents	66,488
Beginning cash and cash equivalents	<u>-</u>
Ending Cash and Cash Equivalents \$	<u><u>66,488</u></u>

See Notes to Financial Statements.



STATISTICAL SECTION

This part of the City's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents	Page
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Financial Trends	92
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These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity	103
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These schedules contain information to help the reader assess the City's most significant local revenue source, property tax.

Debt Capacity	110
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These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information	115
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These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information	117
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These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

City of Sachse, Texas
NET POSITION BY COMPONENT
Last Ten Fiscal Years
(accrual basis of accounting)

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Governmental Activities				
Net investment in				
capital assets	\$ 43,168,696	\$ 44,754,561	\$ 45,783,623	\$ 46,034,267
Restricted	125,191	139,988	1,079,709	5,803,620
Unrestricted	3,731,444	4,066,074	4,751,835	916,963
Total Governmental				
Activities Net Position	<u><u>\$ 47,025,331</u></u>	<u><u>\$ 48,960,623</u></u>	<u><u>\$ 51,615,167</u></u>	<u><u>\$ 52,754,850</u></u>
Business-type Activities				
Net investment in				
capital assets	\$ 15,412,819	\$ 15,844,099	\$ 17,526,144	\$ 17,732,575
Unrestricted	3,654,065	4,448,263	4,258,302	4,516,759
Total Business-type				
Activities Net Position	<u><u>\$ 19,066,884</u></u>	<u><u>\$ 20,292,362</u></u>	<u><u>\$ 21,784,446</u></u>	<u><u>\$ 22,249,334</u></u>
Primary Government				
Net investment in				
capital assets	\$ 58,581,515	\$ 60,598,660	\$ 63,309,767	\$ 63,766,842
Restricted	125,191	139,988	1,079,709	5,803,620
Unrestricted	7,385,509	8,514,337	9,010,137	5,433,722
Total Primary Government				
Net Position	<u><u>\$ 66,092,215</u></u>	<u><u>\$ 69,252,985</u></u>	<u><u>\$ 73,399,613</u></u>	<u><u>\$ 75,004,184</u></u>

<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$ 39,684,306	\$ 39,406,692	\$ 36,887,507	\$ 36,691,052	\$ 37,377,384	\$ 48,984,890
6,450,181	4,351,532	5,622,243	12,723,690	14,002,442	9,721,020
3,466,887	3,306,201	3,560,788	2,628,448	3,436,221	621,006
<u>\$ 49,601,374</u>	<u>\$ 47,064,425</u>	<u>\$ 46,070,538</u>	<u>\$ 52,043,190</u>	<u>\$ 54,816,047</u>	<u>\$ 59,326,916</u>
\$ 18,430,141	\$ 17,765,521	\$ 16,769,366	\$ 16,223,230	\$ 16,169,507	\$ 18,603,126
4,071,282	3,602,007	3,051,716	3,442,913	2,600,084	2,732,028
<u>\$ 22,501,423</u>	<u>\$ 21,367,528</u>	<u>\$ 19,821,082</u>	<u>\$ 19,666,143</u>	<u>\$ 18,769,591</u>	<u>\$ 21,335,154</u>
\$ 58,114,447	\$ 57,172,213	\$ 53,656,873	\$ 52,914,282	\$ 53,546,891	\$ 67,588,016
6,450,181	4,351,532	5,622,243	12,723,690	14,002,442	9,721,020
7,538,169	6,908,208	6,612,504	6,071,361	6,036,305	3,353,034
<u>\$ 72,102,797</u>	<u>\$ 68,431,953</u>	<u>\$ 65,891,620</u>	<u>\$ 71,709,333</u>	<u>\$ 73,585,638</u>	<u>\$ 80,662,070</u>

City of Sachse, Texas

CHANGES IN NET POSITION

Last Ten Fiscal Years

(accrual basis of accounting)

	2005	2006	2007	2008
Expenses				
Governmental activities:				
General government	\$ 1,746,332	\$ 2,046,546	\$ 1,165,132	\$ 2,061,008
Public safety	3,517,912	3,904,491	4,735,242	5,122,627
Public works	2,870,899	3,652,686	3,334,704	3,467,466
Culture and recreation	815,792	811,641	1,033,235	1,162,603
Community development	612,772	658,666	1,231,869	8,819,061
Interest and fiscal charges	260,137	235,890	217,332	207,484
Total governmental activities	9,823,844	11,309,920	11,717,514	20,840,249
Business-type activities:				
Water and sewer	4,645,710	4,616,233	4,640,582	5,003,566
Total business-type activities	4,645,710	4,616,233	4,640,582	5,003,566
Total primary government	\$ 14,469,554	\$ 15,926,153	\$ 16,358,096	\$ 25,843,815
Program Revenues				
Governmental activities:				
Charges for services:				
General government	\$ 461,562	\$ 679,877	\$ 472,491	\$ 441,333
Public safety	412,446	793,118	883,435	713,814
Public works	215,455	185,928	129,384	111,109
Culture and recreation	38,205	49,412	47,779	109,031
Community development	456,953	498,279	288,518	176,360
Operating grants and contributions	14,951	27,540	149,774	401,576
Capital grants and contributions	4,708,563	4,141,707	2,478,539	1,373,884
Total governmental activities	6,308,135	6,375,861	4,449,920	3,327,107
Business-type activities:				
Charges for services:				
Water and sewer	4,099,360	4,429,192	5,218,473	4,384,868
Operating grants and contributions	122,239	55,299	-	-
Capital grants and contributions	8,927	1,514,799	741,816	1,900,735
Total business-type activities	4,230,526	5,999,290	5,960,289	6,285,603
Total primary government	\$ 10,538,661	\$ 12,375,151	\$ 10,410,209	\$ 9,612,710
Net (Expense)/Revenue				
Governmental activities	\$ (3,515,709)	\$ (4,934,059)	\$ (7,267,594)	\$ (17,513,142)
Business-type activities	(415,184)	1,383,057	1,319,707	1,282,037
Total primary government	\$ (3,930,893)	\$ (3,551,002)	\$ (5,947,887)	\$ (16,231,105)

2009	2010	2011	2012	2013	2014
\$ 2,306,206	\$ 2,234,555	\$ 2,650,864	\$ 2,914,720	\$ 2,837,444	\$ 2,332,316
5,196,405	5,529,604	5,990,913	5,609,669	5,858,865	6,176,967
5,322,948	5,182,386	3,489,615	3,413,399	3,654,946	4,059,258
1,365,603	1,234,883	1,343,744	1,354,401	1,359,697	1,427,948
617,616	630,764	627,009	522,175	591,605	616,439
1,463,452	1,932,003	1,910,952	1,877,579	1,829,322	1,802,117
16,272,230	16,744,195	16,013,097	15,691,943	16,131,879	16,415,045
5,487,160	5,952,236	6,645,238	6,474,428	6,241,148	6,590,497
5,487,160	5,952,236	6,645,238	6,474,428	6,241,148	6,590,497
\$ 21,759,390	\$ 22,696,431	\$ 22,658,335	\$ 22,166,371	\$ 22,373,027	\$ 23,005,542
\$ 334,331	\$ 63,958	\$ 88,284	\$ 99,268	\$ 24,005	\$ 7,830
500,042	508,356	475,200	569,403	791,140	952,056
83,002	91,740	2,997	-	975,880	1,458,819
71,839	70,160	70,676	-	-	-
136,128	361,538	376,788	672,699	717,682	1,055,577
124,155	128,218	146,815	7,414,865	763,815	7,587
78,763	272,333	293,001	733,599	927,450	5,054,515
1,328,260	1,496,303	1,453,761	9,489,834	4,199,972	8,536,384
4,866,712	4,863,884	5,273,953	7,029,639	7,418,900	6,872,513
-	-	-	-	-	-
909,613	1,127,986	385,859	477,579	666,054	2,019,038
5,776,325	5,991,870	5,659,812	7,507,218	8,084,954	8,891,551
\$ 7,104,585	\$ 7,488,173	\$ 7,113,573	\$ 16,997,052	\$ 12,284,926	\$ 17,427,935
\$ (14,943,970)	\$ (15,247,892)	\$ (14,559,336)	\$ (6,202,109)	\$ (11,931,907)	\$ (7,878,661)
289,165	39,634	(985,426)	1,032,790	1,843,806	2,301,054
\$ (14,654,805)	\$ (15,208,258)	\$ (15,544,762)	\$ (5,169,319)	\$ (10,088,101)	\$ (5,577,607)

City of Sachse, Texas
CHANGES IN NET POSITION (Continued)
Last Ten Fiscal Years
(accrual basis of accounting)

	2005	2006	2007	2008
General Revenues				
Governmental activities:				
Taxes:				
Property taxes	\$ 4,887,026	\$ 5,204,772	\$ 5,790,305	\$ 6,345,254
Sales and other taxes	1,992,412	1,735,286	3,310,322	11,375,482
Investment earnings	213,359	388,712	367,476	390,571
Other income	85,503	179,142	86,890	89,725
Transfers, net	210,932	263,260	367,145	451,792
Total governmental activities	<u>7,389,232</u>	<u>7,771,172</u>	<u>9,922,138</u>	<u>18,652,824</u>
Business-type activities:				
Investment earnings	77,650	144,682	204,514	143,922
Other Income	-	-	9,694	-
Transfers, net	(210,932)	(263,260)	(367,145)	(451,792)
Total business-type activities	<u>(133,282)</u>	<u>(118,578)</u>	<u>(152,937)</u>	<u>(307,870)</u>
Total primary government	<u><u>\$ 7,255,950</u></u>	<u><u>\$ 7,652,594</u></u>	<u><u>\$ 9,769,201</u></u>	<u><u>\$ 18,344,954</u></u>
Change in Net Position				
Governmental activities	\$ 3,873,523	\$ 2,837,113	\$ 2,654,544	\$ 1,139,682
Business-type activities	(548,466)	1,264,479	1,166,770	974,167
Total primary government	<u><u>\$ 3,325,057</u></u>	<u><u>\$ 4,101,592</u></u>	<u><u>\$ 3,821,314</u></u>	<u><u>\$ 2,113,849</u></u>

2009	2010	2011	2012	2013	2014
\$ 7,304,775	\$ 8,526,042	\$ 8,614,447	\$ 9,476,356	\$ 9,560,239	\$ 9,951,685
3,537,454	2,965,927	3,735,391	1,786,926	1,873,822	2,390,224
420,591	279,896	50,297	35,398	30,518	30,724
113,067	75,326	5,473	30,161	80,843	280,569
414,607	863,752	1,159,841	1,177,341	1,252,689	(263,672)
11,790,494	12,710,943	13,565,449	12,506,182	12,798,111	12,389,530
64,398	22,281	3,010	2,985	3,934	837
-	-	3,069	-	-	-
(414,607)	(863,752)	(1,159,841)	(1,177,341)	(1,252,689)	263,672
(350,209)	(841,471)	(1,153,762)	(1,174,356)	(1,248,755)	264,509
\$ 11,440,285	\$ 11,869,472	\$ 12,411,687	\$ 11,331,826	\$ 11,549,356	\$ 12,654,039
\$ (3,153,476)	\$ (2,536,949)	\$ (993,887)	\$ 6,304,073	\$ 866,204	\$ 4,510,869
(61,044)	(801,837)	(2,139,188)	(141,566)	595,051	2,565,563
\$ (3,214,520)	\$ (3,338,786)	\$ (3,133,075)	\$ 6,162,507	\$ 1,461,255	\$ 7,076,432

City of Sachse, Texas
FUND BALANCES, GOVERNMENTAL FUNDS
Last Ten Years
(modified accrual basis of accounting)

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
General fund:				
Reserved	\$ 8,424	\$ 29,384	\$ 6,407	\$ 17,752
Unreserved	2,382,441	2,625,205	3,356,380	3,222,355
Nonspendable	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total general fund	<u>\$ 2,390,865</u>	<u>\$ 2,654,589</u>	<u>\$ 3,362,787</u>	<u>\$ 3,240,107</u>
 All other governmental funds:				
Reserved for:				
Debt service	\$ 142,760	\$ 153,727	\$ 210,945	\$ 262,835
Unreserved, reported in:				
Special revenue funds	1,256,030	1,221,237	1,397,433	1,262,603
Debt service	-	-	-	-
Capital projects funds	2,427,372	1,524,830	861,417	5,603,353
Restricted	-	-	-	-
Committed	-	-	-	-
Unassigned	-	-	-	-
Total all other governmental funds	<u>\$ 3,826,162</u>	<u>\$ 2,899,794</u>	<u>\$ 2,469,795</u>	<u>\$ 7,128,791</u>

Note: The City implemented GASB Statement 54 in fiscal year 2011.

2009	2010	2011	2012	2013	2014
\$ 1,694	\$ 49,815	\$ -	\$ -	\$ -	\$ -
3,344,798	3,051,597	-	-	-	-
-	-	14,716	324,106	28,231	72,675
-	-	-	-	-	450,000
-	-	3,194,885	3,490,845	4,631,243	5,568,904
<u>\$ 3,346,492</u>	<u>\$ 3,101,412</u>	<u>\$ 3,209,601</u>	<u>\$ 3,814,951</u>	<u>\$ 4,659,474</u>	<u>\$ 6,091,579</u>
\$ -	\$ 574,621	\$ -	\$ -	\$ -	\$ -
379,137	235,652	-	-	-	-
(690,180)	-	-	-	-	-
32,400,420	14,410,810	-	-	-	735,577
-	-	14,330,073	12,723,690	14,002,442	9,784,440
-	-	578,537	-	-	-
-	-	(1,129,437)	(711,923)	(707,251)	(614,301)
<u>\$ 32,089,377</u>	<u>\$ 15,221,083</u>	<u>\$ 13,779,173</u>	<u>\$ 12,011,767</u>	<u>\$ 13,295,191</u>	<u>\$ 9,905,716</u>

City of Sachse, Texas

CHANGES IN FUND BALANCE, GOVERNMENTAL FUNDS

Last Ten Years

(modified accrual basis of accounting)

	2005	2006	2007	2008
Revenues				
Property taxes	\$ 4,881,110	\$ 5,304,854	\$ 5,829,802	\$ 6,334,180
Sales and other taxes	1,988,273	1,735,286	3,350,242	3,212,532
Licenses, permits, & fees	974,478	1,246,398	1,273,438	931,515
Grants and contributions	11,868	59,117	215,827	480,554
Fines and forfeitures	430,466	574,093	491,411	470,339
Impact and development fees	105,588	129,360	249,037	198,673
Investment income	213,359	388,712	367,476	390,571
Other revenue	178,983	175,846	116,422	109,058
Total Revenues	8,784,125	9,613,666	11,893,655	12,127,422
Expenditures				
General government	1,134,368	1,181,981	1,146,484	1,136,248
Public safety	3,417,148	3,823,814	4,395,529	4,859,573
Public works	1,308,812	1,344,793	1,300,255	1,207,999
Culture and recreation	710,041	853,422	916,667	1,569,532
Community development	624,020	636,328	1,219,360	640,446
Nondepartmental	620,116	843,533	-	905,125
Debt service				
Principal	478,794	495,840	387,456	400,468
Interest	264,442	239,050	217,332	201,334
Bond issuance costs	-	-	-	104,308
Capital outlay	181,899	1,396,203	2,405,561	3,029,163
Total Expenditures	8,739,640	10,814,964	11,988,644	14,054,196
Revenues Over (Under) Expenditures	44,485	(1,201,298)	(94,989)	(1,926,774)
Other Financing Sources (Uses)				
Transfers in	293,187	378,448	537,435	456,521
Transfers (out)	(82,255)	(115,188)	(170,290)	(4,729)
Debt issued	89,280	150,000	-	6,130,000
Premium on bonds issued	-	-	-	51,518
Discount on bonds issued	-	-	-	(70,219)
Payment to refunded bond escrow agent	-	-	-	-
Sale of capital assets	-	164,950	6,043	-
Total Other Financing Sources	300,212	578,210	373,188	6,563,091
Net Change in Fund Balances	\$ 344,697	\$ (623,088)	\$ 278,199	\$ 4,636,317
Ratio of total debt service expenditures to noncapital expenditures	10%	8%	7%	7%

	2009	2010	2011	2012	2013	2014
\$	7,305,974	\$ 8,528,384	\$ 8,600,635	\$ 9,477,053	\$ 9,568,319	\$ 9,944,708
	3,537,454	2,965,927	4,031,480	1,786,926	1,873,822	2,390,224
	782,354	775,583	690,092	967,914	1,338,304	1,830,459
	130,534	314,184	387,770	7,414,865	941,473	183,780
	342,592	302,285	315,807	368,027	430,191	556,379
	72,578	86,367	52,046	54,069	569,111	910,066
	420,591	279,896	50,297	35,398	30,518	30,669
	130,928	89,991	28,301	30,161	80,843	280,569
	12,723,005	13,342,617	14,156,428	20,134,413	14,832,581	16,126,854
	1,295,664	1,185,963	1,274,628	1,289,341	1,260,611	1,313,993
	4,912,048	5,143,852	5,374,003	5,011,291	5,470,231	5,278,726
	1,263,757	1,360,400	1,309,120	1,300,324	1,470,995	1,344,008
	4,567,958	1,078,422	1,098,286	1,109,565	1,140,846	1,114,822
	611,220	625,773	623,017	518,934	588,698	569,864
	989,802	1,025,096	1,063,452	1,094,219	1,112,937	437,015
	599,591	730,000	865,000	945,000	1,035,000	1,125,000
	1,202,984	1,918,372	1,891,787	1,862,385	1,831,270	1,799,446
	301,417	573	573	-	-	-
	4,118,191	18,492,611	3,187,154	9,342,751	1,538,289	4,141,606
	19,862,632	31,561,062	16,687,020	22,473,810	15,448,877	17,124,480
	(7,139,627)	(18,218,445)	(2,530,592)	(2,339,397)	(616,296)	(997,626)
	589,661	2,233,667	1,642,521	2,739,122	1,431,689	1,708,777
	(175,054)	(1,369,915)	(778,769)	(1,561,781)	(179,000)	(2,668,521)
	34,560,000	-	-	-	-	-
	411,052	-	-	-	-	-
	(415,403)	-	-	-	-	-
	(2,624,122)	-	-	-	-	-
	1,783	-	-	-	-	-
	32,347,917	863,752	863,752	1,177,341	1,252,689	(959,744)
\$	25,208,290	\$ (17,354,693)	\$ (1,666,840)	\$ (1,162,056)	\$ 636,393	\$ (1,957,370)

15%

25%

26%

27%

26%

29%



City of Sachse, Texas

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Fiscal Years

Fiscal Year	Real Property	Personal Property	Less: Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
2005	\$ 972,981,183	\$ 25,867,428	\$ 47,340,710	\$ 951,507,901	0.55832
2006	1,056,846,756	25,655,260	55,782,708	1,026,719,308	0.55832
2007	1,159,232,775	27,492,978	54,164,913	1,132,560,840	0.55832
2008	1,230,433,837	30,098,392	56,599,871	1,203,932,358	0.55341
2009	1,247,325,789	31,837,705	65,308,411	1,213,855,083	0.61000
2010	1,269,254,588	28,781,053	104,232,665	1,193,802,976	0.70582
2011	1,296,895,777	29,326,411	92,056,890	1,234,165,298	0.70582
2012	1,305,838,280	29,242,328	96,519,435	1,238,561,173	0.77082
2013	1,320,191,067	30,495,096	101,886,747	1,248,799,416	0.77082
2014	1,373,728,433	31,359,625	104,461,382	1,300,626,676	0.77082

Note: Tax rates per \$100 of assessed valuation.

Source: City of Sachse Budget Document.

Dallas & Collin Central Appraisal Districts.

City of Sachse, Texas

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS

Last Ten Years

	2005	2006	2007	2008
Direct Rates:				
City of Sachse - Operating	0.47330	0.48120	0.48116	0.49758
City of Sachse - Debt Service	0.08510	0.07716	0.07716	0.05582
Total Direct Rate	0.55840	0.55836	0.55832	0.55341
Overlapping Rates:				
Garland Independent School District	1.62140	1.67010	1.54490	1.25330
Dallas County	0.54366	0.55480	0.55393	0.56721
Total Dallas County Entities	2.16506	2.22490	2.09883	1.82051
Wylie Independent School District	1.80000	1.81700	1.70250	1.39000
Collin County	0.34065	0.33942	0.33270	0.33198
Total Collin County Entities	2.14065	2.15642	2.03520	1.72198

Tax rates per \$100 of assessed valuation.

Source: Dallas & Collin Central Appraisal Districts and City records.

2009	2010	2011	2012	2013	2014
0.51389	0.51389	0.53389	0.59889	0.59889	0.55903
0.09611	0.19193	0.17193	0.17193	0.17193	0.21179
0.61000	0.70582	0.70582	0.77082	0.77082	0.77082
1.25330	1.25330	1.25330	1.25330	1.25330	1.25330
0.57643	0.60221	0.62333	0.62377	0.62377	0.65388
1.82973	1.85551	1.87663	1.87707	1.87707	1.90718
1.51000	1.59000	1.64000	1.64000	1.64000	1.64000
0.32899	0.32880	0.32630	0.32630	0.32630	0.31696
1.83899	1.91880	1.96630	1.96630	1.96630	1.95696



City of Sachse, Texas
PRINCIPAL PROPERTY TAXPAYERS
Current Year and Nine Years Ago

Property Tax Payer	2014			2005		
	Taxable Assessed Value	Rank	% of Taxable Assessed Value	Taxable Assessed Value	Rank	% of Taxable Assessed Value
LIPT Oak Grove LLC	\$ 16,283,590	1	1.25%	\$ -	-	-
Woodbridge Villas LLC	13,803,533	2	1.06%	12,739,838	1	-
Wal-mart Real Estate	6,794,112	3	0.52%			0.00%
Oncor Electric	5,610,120	4	0.43%	-	-	-
Western Rim Investors	4,890,568	5	0.38%	-	-	-
Woodbridge XVII LTD	4,571,631	6	0.35%	-	-	-
Kroger Limited Partnership II	3,896,440	7	0.30%	2,615,140	6	0.27%
D R Horton - Texas LTD	3,893,094	8	0.30%	-	-	-
Verizon	3,755,770	9	0.29%	-	-	-
Bank of America	3,054,010	10	0.23%	2,356,650	7	-
Sachse Commons SC	-	n/a	-	8,822,240	2	0.93%
Woodbridge Properties, LLC	-	n/a	-	7,104,039	3	0.75%
Texas Utilities Elec Co	-	na	-	5,166,440	4	0.54%
GTE Southwest Inc.	-	n/a	-	2,736,610	5	0.29%
TXU Electric Delivery Co	-	n/a	-	2,125,120	8	0.22%
Sachse Self Storage	-	n/a	-	1,791,550	9	0.19%
Comcast	-	n/a	-	1,770,060	10	0.19%
Total	\$ 66,552,868		5.12%	\$ 47,227,687		4.96%
Total Assessed Valuation	\$ 1,300,626,676		100%	\$ 951,507,901		100%

Source: Tax Office.

Note: Property is assessed as of January 1 and certified to the City by July 25 for taxable values.

City of Sachse, Texas
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Years

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Tax levy	\$ 4,884,876	\$ 5,281,560	\$ 5,723,724	\$ 6,266,916
Current tax collected	\$ 4,793,144	\$ 5,201,118	\$ 5,649,957	\$ 6,203,890
Percent of current tax collections	98.12%	98.48%	98.71%	98.99%
Delinquent tax collections	\$ 91,280	\$ 79,965	\$ 71,649	\$ 60,970
Total tax collections	\$ 4,884,424	\$ 5,281,083	\$ 5,721,606	\$ 6,264,860
Total collections as a percentage of levy	100%	100%	100%	100%

Source: Dallas and Collin County reports.

	2009	2010	2011	2012	2013	2014
\$	7,227,992	\$ 8,471,702	\$ 8,603,645	\$ 9,444,654	\$ 9,599,026	\$ 9,864,675
\$	7,217,309	\$ 8,446,396	\$ 8,510,978	\$ 9,389,230	\$ 9,443,766	\$ 9,762,321
	99.85%	99.70%	98.92%	99.41%	98.4%	99.0%
\$	2,993	\$ 17,094	\$ 72,492	\$ 41,669	\$ 119,881	\$ -
\$	7,220,302	\$ 8,463,490	\$ 8,583,470	\$ 9,430,899	\$ 9,563,647	\$ 9,762,321
	100%	100%	99.8%	99.9%	100%	99.0%

City of Sachse, Texas

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Years

	2005	2006	2007	2008
Governmental activities:				
General Obligation Bonds	\$ 343,310	\$ 183,700	\$ 156,598	\$ 6,256,483
Discount				
Certificates of Obligation	\$ 5,199,990	\$ 4,863,760	\$ 4,503,407	\$ 4,133,054
Business-type activities:				
General Obligation Bonds	\$ 226,690	\$ 121,301	\$ 103,402	\$ 19,885
Certificates of Obligation	182,432	164,072	1,661,593	90,524
Total primary government	<u>\$ 5,952,422</u>	<u>5,332,833</u>	<u>6,425,000</u>	<u>10,499,946</u>
Percentage of personal income (1)	1.44%	1.21%	1.43%	2.28%
Per capita (1)	\$ 357	\$ 299	\$ 270	\$ 577

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) Personal income and population data is disclosed on page 108.

<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$ 40,510,000	\$ 39,935,000	\$ 39,235,000	\$ 38,455,000	\$ 37,595,000	\$ 36,575,000
(21,008)	(19,899)	(18,790)	(17,681)	(16,572)	(15,463)
\$ 1,235,000	\$ 1,080,000	\$ 915,000	\$ 750,000	\$ 575,000	\$ 470,000
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1,375,000	1,295,000	1,210,000	1,120,000	1,030,000	935,000
<u>43,098,992</u>	<u>42,290,101</u>	<u>41,341,210</u>	<u>40,307,319</u>	<u>39,183,428</u>	<u>37,964,537</u>
9.00%	8.15%	7.87%	6.24%	6.00%	5.09%
\$ 2,225	\$ 2,017	\$ 1,951	\$ 1,905	\$ 1,836	\$ 1,559

City of Sachse, Texas

RATIO OF GENERAL BONDED DEBT OUTSTANDING

Last Ten Years

	2005	2006	2007	2008
NET TAXABLE ASSESSED VALUE				
All property	\$ 951,507,901	\$ 1,026,719,308	\$ 1,132,560,840	\$ 1,203,932,358
NET BONDED DEBT (1)				
Gross bonded debt	5,769,990	5,168,761	4,763,407	10,409,422
Less debt service funds	-	-	-	-
Net Bonded Debt	<u><u>\$ 5,769,990</u></u>	<u><u>\$ 5,168,761</u></u>	<u><u>\$ 4,763,407</u></u>	<u><u>\$ 10,409,422</u></u>
RATIO OF NET BONDED DEBT TO ASSESSED VALUE	0.61%	0.50%	0.42%	0.86%
POPULATION	16,150	17,300	17,650	18,050
NET BONDED DEBT PER CAPITA	\$ 357	\$ 299	\$ 270	\$ 577

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) This is the general bonded debt of both governmental and business-type activities, net of original issuance discounts and premiums.

2009	2010	2011	2012	2013	2014
\$ 1,213,855,083	\$ 1,193,802,976	\$ 1,234,165,298	\$ 1,238,561,173	\$ 1,248,799,416	\$ 1,300,626,676
41,723,992	40,995,101	40,131,210	39,187,319	38,153,428	37,029,537
-	-	-	-	-	-
<u>\$ 41,723,992</u>	<u>\$ 40,995,101</u>	<u>\$ 40,131,210</u>	<u>\$ 39,187,319</u>	<u>\$ 38,153,428</u>	<u>\$ 37,029,537</u>
3.44%	3.43%	3.25%	3.16%	3.06%	2.85%
18,750	20,329	20,570	20,570	20,780	23,756
\$ 2,225	\$ 2,017	\$ 1,951	\$ 1,905	\$ 1,836	1,559

City of Sachse, Texas

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

September 30, 2014

<u>Governmental Unit</u>	<u>Gross Bonded Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Wylie I.S.D	\$ 222,529,362	12.21%	\$ 27,170,835
Garland I.S.D	346,746,128	5.43%	18,828,315
Collin County	391,410,000	0.53%	2,074,473
Dallas County	111,350,000	0.41%	456,535
Dallas County Hospital District	736,235,000	0.41%	3,018,564
Dallas County Schools	67,265,000	0.41%	275,787
Collin County Community College District	34,595,000	0.53%	183,354
Dallas County Community College District	339,035,000	0.41%	1,390,044
Subtotal, overlapping debt			<u>53,397,905</u>
City direct debt			<u>37,045,000</u>
Total direct and overlapping debt			<u><u>\$ 90,442,905</u></u>

Sources: Taxing Entities and City, Dallas Central Appraisal District, and the Collin County Appraisal District.

City of Sachse, Texas
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Fiscal Years

Year	Estimated Population	Personal Income	Per Capita Personal Income	School Enrollment		Unemployment Rate	
				Garland ISD	Wylie ISD	Dallas County	Collin County
2005	16,150	412,309,500	25,530	55,738	8,948	5.7%	4.3%
2006	17,300	441,669,000	25,530	56,593	9,800	4.4%	3.2%
2007	17,650	450,604,500	25,530	57,030	10,713	5.1%	4.3%
2008	18,050	460,816,500	25,530	56,600	11,402	5.4%	4.6%
2009	18,750	478,687,500	25,530	57,000	11,402	8.7%	7.8%
2010	20,329	518,999,370	25,530	57,861	11,349	8.7%	7.3%
2011	20,570	525,152,100	25,530	57,833	12,548	8.4%	7.1%
2012	20,570	646,206,550	31,415	58,151	12,939	6.7%	5.7%
2013	20,780	652,803,700	31,415	58,059	13,305	6.9%	6.4%
2014	23,756	746,294,740	31,415	57,704	13,902	6.9%	6.4%

Sources: Estimated population provided by the City of Sachse.
Per Capita Income provided by North Central Texas Council of Governments.
Garland & Wylie Independent School Districts.
Unemployment information provided by the Texas Workforce Commission.

City of Sachse, Texas
PRINCIPAL EMPLOYERS
Current Fiscal Year and Nine Years Ago

Employer	2014			2005		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Garland ISD	452	1	4.10%	140	1	2.80%
Wal-Mart Supercenter	305	2	2.77%	-	n/a	-
City of Sachse	160	3	1.45%	101	2	2.02%
Kroger	150	4	1.36%	70	4	1.40%
Wylie ISD	128	5	1.16%	75	3	1.50%
Whataburger	52	6	0.47%	-	n/a	-
McDonalds	44	7	0.40%	-	n/a	-
Oxford Glen Memory Care	25	8	0.23%	-	n/a	-
Sachse Veterinary Clinic	25	8	0.23%	12	9	0.24%
Walgreens	22	10	0.20%	-	3	-
First Bank	-	n/a	-	20	5	0.40%
Metro Store	-	n/a	-	20	5	0.40%
Marshall Cabinets	-	n/a	-	15	7	0.30%
TPC Electric	-	n/a	-	15	7	0.30%
La Plaza Del Pueblo	-	n/a	-	10	10	0.20%
Total	1,363		12.37%	478		9.56%

Source: Top ten employers and employee count provided by Sachse Economic Development Corporation.

City of Sachse, Texas

FULL-TIME EQUIVALENT CITY EMPLOYEES BY FUNCTION/PROGRAM

Last Ten Fiscal Years

Function/Program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General government and adminstration	17	17	17	18	12	12	12	11	11	11
Public safety	56	60	65	71	67	66	69	79	79	80
Public works	13	14	12	12	12	12	12	11	11	11
Culture and recreation	12	12	13	14	14	14	15	16	16	16
Water and sewer	5	5	5	7	20	20	20	20	20	20
Community development	13	14	13	13	12	12	12	11	11	11
Economic development	1	1	1	1	1	1	1	1	1	1
Total	<u>117</u>	<u>122</u>	<u>126</u>	<u>136</u>	<u>138</u>	<u>137</u>	<u>141</u>	<u>149</u>	<u>149</u>	<u>150</u>

Sources: Various City departments.

City of Sachse, Texas

OPERATING INDICATORS BY FUNCTION/PROGRAM

Last Ten Fiscal Years

Function/Program	2005	2006	2007	2008
Public safety				
Police				
Number of employees	43	43	43	43
Number of violations (citations)	7,242	7,256	4,947	5,666
Fire				
Number of employees	13	17	22	24
Number of volunteers	5	4	3	4
Number of fire runs	313	283	410	491
Number of EMS runs	638	633	556	572
Public works				
Streets (miles)	105	112	120	122
Building permits issued	176	282	186	176
Cultural and recreational				
Parks and recreation				
Park maintain & operate per acre	86	86	93	93
Participants in parks programs	1,665	2,741	2,630	3,570
Participants in senior program	N/A	8,914	8,812	12,815
Library				
Volumes in collection	34,757	36,722	38,481	35,879
Water and sewer				
Number of water connections	5,999	6,275	6,504	6,651
Number of sewer connections	5,666	5,889	6,078	6,252
Average daily water consumption	2.467	2.889	2.032	2.545
Maximum storage capacity	4.9	4.9	4.9	4.9

Sources: Various City departments.

2009	2010	2011	2012	2013	2014
43	50	48	48	44	50
2,844	2,068	2,160	2,568	1,260	2,246
24	36	44	44	34	49
0	0	0	0	0	0
741	333	340	197	456	272
424	683	732	811	766	802
122	122	125	125	130	135
135	138	89	135	135	246
110	114	114	139	149	149
3,952	4,446	4,660	5,010	5,109	5,186
13,027	15,142	15,392	15,700	18,455	19,500
31,757	36,484	38,161	38,761	40,169	43,935
6,804	6,949	7,121	7,285	7,239	7,370
6,427	6,590	6,743	6,874	6,999	7,113
2,484	2,560	3,146	2,464	2,509	2,776
6.9	6.9	6.9	6.9	6.9	6.9

City of Sachse, Texas

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

Last Ten Years

Function/Program	2005	2006	2007	2008
Public safety				
Police stations	1	1	1	1
Police patrol units	17	17	17	17
Fire stations	2	2	2	2
Police motorcycle units	2	2	2	2
Public works				
Streets-paved (miles)	105	112	120	122
Cultural and recreational				
Parks (acres)	86	86	93	93
Playgrounds (1)	3	3	3	4
Library	1	1	1	1
Senior center	1	1	1	1
Water and sewer				
Fire hydrants	598	671	688	721
Ground storage facilities	2	2	2	2
Elevated storage facilities	2	2	2	2
Lift stations	4	4	4	4

Sources: Various City departments.

(1) Does not include HOA playgrounds.

2009	2010	2011	2012	2013	2014
1	1	1	1	1	1
17	17	22	25	25	25
2	2	2	2	2	2
2	2	2	2	2	2
122	122	125	125	130	135
110	114	114	139	149	154
5	5	5	5	5	5
1	1	1	1	1	1
1	1	1	1	1	1
753	753	770	786	865	933
2	2	2	2	2	4
2	2	2	2	2	2
4	4	4	4	4	4





Finance Department
3815-B Sachse Road
Sachse, TX 75048
972-495-1212, ext. 33

January 15, 2015

BrooksCardiel, PLLC
1095 Evergreen Circle, Suite 200
The Woodlands, TX 77380

This representation letter is provided in connection with your audit of the comprehensive annual financial report of the City of Sachse, Texas (the "City") as of September 30, 2014 and for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions on whether the basic financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows, where applicable, of the various opinion units of the City of Sachse, Texas in conformity with accounting principles generally accepted for governments in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of January 15, 2015:

Financial Statements

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated March 27, 2014, for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- We acknowledge our responsibility for compliance with the laws, regulations, and provisions of contracts and grant agreements.
- We have reviewed, approved, and taken responsibility for the financial statements and related notes.
- We have a process to track the status of audit findings and recommendations.
- We have identified and communicated to you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
- All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
- The effects of uncorrected misstatements summarized in the attached schedule⁸ and aggregated by you during the current engagement are immaterial, both individually and in the aggregate, to the applicable opinion units and to the financial statements as a whole.
- The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
- All component units, as well as joint ventures with an equity interest, are included and other joint ventures and related organizations are properly disclosed.
- All funds and activities are properly classified.
- All funds that meet the quantitative criteria in GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, GASB Statement No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus* as amended, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, for presentation as major are

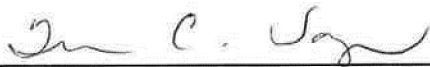
identified and presented as such and all other funds that are presented as major are considered important to financial statement users.

- All components of net position, nonspendable fund balance, and restricted, committed, assigned, and unassigned fund balance are properly classified and, if applicable, approved.
- Our policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position/fund balance are available is appropriately disclosed and net position/fund balance is properly recognized under the policy.
- All revenues within the statement of activities have been properly classified as program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.
- All interfund and intra-entity transactions and balances have been properly classified and reported.
- Special items and extraordinary items have been properly classified and reported.
- Deposit and investment risks have been properly and fully disclosed.
- Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
- All required supplementary information is measured and presented within the prescribed guidelines.
- With regard to investments and other instruments reported at fair value:
 - The underlying assumptions are reasonable and they appropriately reflect management's intent and ability to carry out its stated courses of action.
 - The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
 - The disclosures related to fair values are complete, adequate, and in conformity with U.S. GAAP.
 - There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.

Information Provided

- We have provided you with:
 - Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes,⁷ and other matters;
 - Additional information that you have requested from us for the purpose of the audit; and
 - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- All transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - Management;
 - Employees who have significant roles in internal control; or
 - Others where the fraud could have a material effect on the financial statements.
- We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, vendors, regulators, or others.
- We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.
- We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
- There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
- The City has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
- We have disclosed to you all guarantees, whether written or oral, under which the City is contingently liable.

- We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB Statement No. 62 (GASB-62), *Codification of Accounting and Financial Reporting Guidance Contained in Pre- November 30, 1989 FASB and AICPA Pronouncements*. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.
- We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
- There are no:
 - Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
 - Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB-62.
 - Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB-62
- The City has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
- We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.



Teresa Savage
Finance Director



Billy George
City Manager

January 23, 2015

To the Honorable Mayor,
Members of the City Council
and management
City of Sachse, Texas

We have audited the financial statements of the City of Sachse, Texas (the "City"), for the year ended September 30, 2014, and have issued our report thereon dated January 15, 2015. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility under Government Auditing Standards

As communicated in our engagement letter dated March 27, 2014, our responsibility, as described by professional standards, is to plan and perform our audit to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of City of Sachse, Texas solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We did not note any findings regarding significant control deficiencies over financial reporting, material weaknesses and material noncompliance, and other matters.

Other Information in Documents Containing Audited Financial Statements

Pursuant to professional standards, our responsibility as auditors for other information in documents containing City of Sachse, Texas's audited financial statements does not extend beyond the financial information identified in the audit report, and we are not required to perform any procedures to corroborate such other information.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by City of Sachse, Texas is included in Note I to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during the year. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive

because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are:

Management's estimate of the useful lives of capital assets. The estimate is based on industry standards relating to capital assets. We evaluated the key factors and assumptions used to develop the estimate and determined that it is reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting City of Sachse, Texas's financial statements relate to the restatement due to errors in the calculation of depreciation that occurred in prior years.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. We noted no such misstatements whose effects, as determined by management, are immaterial, both individually and in the aggregate, to the financial statements taken as a whole and each applicable opinion unit.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. Appendix A identifies material misstatements that we identified as a result of our audit procedures were brought to the attention of, and corrected by, management.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to City of Sachse, Texas's financial

statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated January 23, 2015.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Findings or Issues

In the normal course of our professional association with City of Sachse, Texas , we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as City of Sachse, Texas's auditors.

This report is intended solely for the information and use of the City Council and management of City of Sachse, Texas and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in black ink that reads "Brooks Cardiel, PLLC". The signature is written in a cursive, flowing style.

BrooksCardiel, PLLC

Accepted by _____

Exhibit A

1/29/2015
3:19 PM

Client: **City of Sachse, Texas**
Engagement: **AUD 2014 - City of Sachse, Texas**
Period Ending: **9/30/2014**
Trial Balance: **3000.00 - Trial Balance Database**
Workpaper: **3700.05 - Adjusting Journal Entries Report**

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 101				
		4215.20		
To fully allow for all Emergicon balances exceeding 90 days as of 9.30.2014.				
01-000-15200	Deferred Revenue - Ambulance		14,034.03	
01-000-12490	Allowance - EMS			14,034.03
Total			14,034.03	14,034.03
Adjusting Journal Entries JE # 102				
		4205.45		
Client Proposed Entry (JN21003): To accrue telephone franchise tax.				
01-000-12140	Accounts Receivable - Franchise Taxes		9,422.63	
01-000-40100	Franchise Fees - Telephone			9,422.63
Total			9,422.63	9,422.63
Adjusting Journal Entries JE # 103				
		4205.05		
To fully defer property tax receivables, both current and delinquent.				
01-000-40000	Current Property Tax		2,154.78	
01-000-15000	Deferred Revenue - Taxes			2,154.78
Total			2,154.78	2,154.78
Adjusting Journal Entries JE # 201				
		4600.06		
to make immaterial AJE to make depreciation schedule on financial statements match actual/detailed notes to the financial statements. Client				
02-028-54400	Sewer System CIP - Sewer Lines		7,738.96	
02-027-55210	Depreciation Expense			7,738.96
Total			7,738.96	7,738.96
Adjusting Journal Entries JE # 301				
		4205.05		
To fully defer property tax receivables, both current and delinquent.				
03-000-40000	Current Property Tax		890.72	
03-000-15001	Deferred Revenue - Taxes			890.72
Total			890.72	890.72
Adjusting Journal Entries JE # 401				
		3100.00		
To reclassify the revenue received from Western Rim for the Quiet Zone project as deferred revenue, as the project is ongoing.				
04-000-44041	Developer Contributions		222,450.00	
04-000-15110-BC	Deferred Inflow of Resources			222,450.00
Total			222,450.00	222,450.00

Exhibit A

1/29/2015
3:19 PM

Client: **City of Sachse, Texas**
Engagement: **AUD 2014 - City of Sachse, Texas**
Period Ending: **9/30/2014**
Trial Balance: **3000.00 - Trial Balance Database**
Workpaper: **3700.05 - Adjusting Journal Entries Report**

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 501				
PBC - Client Provided Entry: To book PEG receivable		3100.00		
05-000-12150	Other Receivables - Miscellaneous		3,272.28	
05-000-41480	Gov't Access Fees			3,272.28
Total			3,272.28	3,272.28
Adjusting Journal Entries JE # 801				
To make Deferred Charge on Bond match schedule		5300.00		
08-000-30000	Fund Balance - Unrestricted		767.00	
08-000-21980	Deferred Amount on Bonds			767.00
Total			767.00	767.00
Adjusting Journal Entries JE # 7001				
To true up the governmental fixed assets depreciation and accumulated depreciation.		4600.05		
07-000-14300	Accumulated Depreciation - Vehicles		3,260.36	
07-000-14310	Accumulated Depreciation - Machinery and Equip		6,455.31	
07-000-14320	Accumulated Depreciation - Office Equipment		6,663.52	
07-000-14330	Accumulated Depreciation - Park Improvements		19,390.87	
07-000-14350	Accumulated Depreciation - Street Infrastructure		103,977.53	
07-020-55211	Depreciation		149,790.33	
07-000-14290	Accumulated Depreciation - Buildings			143,431.69
07-000-14340	Accumulated Depreciation - Bridge Infrastructure			2,988.57
07-000-30000	Fund Balance - Unrestricted			143,117.66
Total			289,537.92	289,537.92



January 15, 2015

To the City Council and Management
City of Sachse, Texas

In planning and performing our audit of the financial statements of the City of Sachse, Texas (the "City"), as of and for the year ended September 30, 2014, in accordance with auditing standards generally accepted in the United States of America, we considered the City's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore there can be no assurance that all such deficiencies have been identified.

The purpose of this communication, which is an integral part of our audit, is to describe, for management and those charged with governance, the scope of our testing of internal control and the results of that testing. Accordingly, this communication is not intended to be and should not be used for any other purpose.

Very truly yours,

BrooksCardiel, PLLC
Certified Public Accountants
The Woodlands, Texas



Legislation Details (With Text)

File #: 15-2665 **Version:** 1 **Name:** 2015 Red, White and Blue Blast Fireworks Contract
Type: Agenda Item **Status:** Agenda Ready
File created: 1/23/2015 **In control:** City Council
On agenda: 2/2/2015 **Final action:**

Title: Consider a resolution of the City Council of the City of Sachse, Texas, approving the terms and conditions of an agreement and first addendum thereto, by and between the City of Sachse, Texas, and Zambelli Fireworks Manufacturing Co. for a fireworks display on July 3, 2015, at Heritage Park.

Executive Summary

This Agenda item authorizes the City Manager to execute a contract and addendum to the contract with Zambelli Fireworks in the amount of \$13,900 and set the date of July 3, 2015 for this year's Red, White & Blue Blast event.

Sponsors:

Indexes:

Code sections:

Attachments: [ADDENDUM TO AGREEMENT FOR FIREWORKS PDF.pdf](#)
[TX-Sachse 7-3-15 contract PDF.pdf](#)
[RWBB presentation 02-02-15 PDF.pdf](#)
[RESOLUTION PDF.pdf](#)

Date	Ver.	Action By	Action	Result
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Title

Consider a resolution of the City Council of the City of Sachse, Texas, approving the terms and conditions of an agreement and first addendum thereto, by and between the City of Sachse, Texas, and Zambelli Fireworks Manufacturing Co. for a fireworks display on July 3, 2015, at Heritage Park.

Executive Summary

This Agenda item authorizes the City Manager to execute a contract and addendum to the contract with Zambelli Fireworks in the amount of \$13,900 and set the date of July 3, 2015 for this year's Red, White & Blue Blast event.

Background

The City held its first Independence Day fireworks show in 2008. The show in 2015 will be the City's eighth consecutive year to offer this community event. For the past three years, the Chamber of Commerce has assisted with obtaining sponsorships and vendor booths for the event. Last year's event was by far the most successful, with games, activities, vendor booths, food vendors, entertainment, and fireworks. In 2008, Zambelli provided the fireworks show at a cost of \$12,500. In 2009, we eliminated the small shells and requested nothing smaller than a 3" shell. The cost increased 5% to \$13,100. The price quoted for the 2015 show is \$13,900, an increase of \$800, this is the first increase since 2009. This price brings

one of the best fireworks shows in the area to Sachse.

The date of July 3 allows us to enjoy a 50% discount on the price of the fireworks. If we held the show on July 4, due to demand on Zambelli, the cost would be double what we have proposed here.

Policy Considerations

Council has expressed a desire to continue this community event.

Budgetary Considerations

The original price of \$13,100 was budgeted for in the 2014-15 fiscal year budget. We will use the funds collected from vendors and sponsors from last year's event to pay for the \$800 increase this year. As in years past, staff will request financial support from Sachse EDC to use toward expenses and will again work with the Chamber to obtain sponsorships and vendors to help offset costs of activities and entertainment.

Staff Recommendations

Staff recommends approval of a resolution of the City Council of the City of Sachse, Texas, approving the terms and conditions of an agreement and first addendum thereto, by and between the City of Sachse, Texas, and Zambelli Fireworks Manufacturing Co. for a fireworks display on July 3, 2015, at Heritage Park, as a Consent Agenda Item.

**FIRST ADDENDUM TO AGREEMENT FOR FIREWORKS SERVICES
BETWEEN CITY OF SACHSE AND ZAMBELLI FIREWORKS
MANUFACTURING COMPANY**

This **First Addendum to Agreement for Fireworks Services** (“First Addendum”) is by and between the City of Sachse, Texas (“Client”) and Zambelli Fireworks Manufacturing Company (“Zambelli”) (each a “Party” and collectively the “Parties”), acting by and through their authorized representatives.

WHEREAS, the Parties desire to modify the terms of the Agreement between Client and Zambelli for Fireworks Services as set forth in Paragraph 15 of the Agreement;

NOW THEREFORE, in consideration of the mutual promises contained herein and other valuable consideration the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Zambelli shall inspect the premises immediately after the pyrotechnic demonstration for any unexploded pyrotechnic devices and remove the same from the area.
2. Zambelli shall clean the premises and remove any large debris from the immediate fireworks staging area caused by the pyrotechnic demonstration.
3. Zambelli shall provide a plot plan for the pyrotechnic demonstration to be approved by the Sachse Fire Department.
4. Assignment. Zambelli may not assign the Agreement in whole or in part without the prior written consent of Client. In the event of an assignment by Zambelli to which Client has consented, the assignee shall agree in writing with Client to personally assume, perform, and be bound by all the covenants, and obligations contained in the Agreement.
5. Successors and Assigns. Subject to the provisions regarding assignment, the Agreement shall be binding on and inure to the benefit of the parties to it and their respective heirs, executors, administrators, legal representatives, successors and assigns.
6. Governing Law. The laws of the State of Texas shall govern the Agreement; and venue for any action concerning the Agreement shall be in Dallas County, Texas. The Parties agree to submit to the personal and subject matter jurisdiction of said Court.
7. Amendments. The Agreement may be amended by the mutual written agreement of the Parties.

8. Severability. In the event any one or more of the provisions contained in the Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions, and the Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained in it.
9. Independent Contractor. It is understood and agreed by and between the parties that Zambelli in satisfying the conditions of the Agreement, is acting independently, and that Client assumes no responsibility or liabilities to any third party in connection with these actions. All services to be performed by Zambelli pursuant to the Agreement shall be in the capacity of an independent contractor, and not as an agent or employee of Client. Zambelli shall supervise the performance of its services and shall be entitled to control the manner and means by which its services are to be performed, subject to the terms of the Agreement.
10. Insurance
 - a. Zambelli shall during the term hereof maintain in full force and effect the following insurance: (1) a policy of insurance for bodily injury, death and property damage insuring against all claims, demands or actions relating to the Zambelli's performance of services pursuant to the Agreement with a minimum combined single limit of not less than \$1,000,000 Dollars per occurrence for injury to persons (including death), and for property damage; (2) policy of automobile liability insurance covering any vehicles owned and/or operated by Zambelli, its officers, agents, and employees, and used in the performance of the Agreement; and (3) statutory Worker's Compensation Insurance covering all of Zambelli's employees involved in the provision of services under the Agreement.
 - b. All insurance and certificate(s) of insurance shall contain the following provisions: (1) name Client, its officers, agents and employees as additional insured's as to all applicable coverage with the exception of Workers Compensation Insurance; (2) provide for at least thirty (30) days prior written notice to Client for cancellation, non-renewal, or material change of the insurance; (3) provide for a waiver of subrogation against Client for injuries, including death, property damage, or any other loss to the extent the same is covered by the proceeds of insurance.
 - c. All insurance companies providing the required insurance shall either be authorized to transact business in Texas and rated at least "B" by AM Best or other equivalent rating service, or be approved by Client's Risk Manager.
 - d. A certificate of insurance evidencing the required insurance shall be submitted to the Projects Manager and Risk Manager prior to commencement of Events.

11. Indemnification. ZAMBELLI SHALL BE RESPONSIBLE FOR AND SHALL INDEMNIFY, DEFEND AND HOLD HARMLESS CLIENT, ITS PARTNERS, AGENTS, OFFICERS AND EMPLOYEES FROM AND AGAINST ALL CLAIMS, SUITS, DAMAGES AND LOSSES, SPECIFICALLY INCLUDING, BUT NOT LIMITED TO THOSE FOR LOSS OF USE OF PROPERTY, FOR DAMAGE TO ANY PROPERTY, REAL OR PERSONAL, FOR INJURY TO OR DEATH OF ANY PERSON INCLUDING BUT NOT LIMITED TO EMPLOYEES AND OFFICERS OF CLIENT AND FOR ALL OTHER LIABILITIES WHATSOEVER INCLUDING RELATED EXPENSES AND ACTUAL ATTORNEY FEES IN ANYWAY SUSTAINED BY REASON OF THE ACTIVITIES OF ZAMBELLI, ITS EMPLOYEES, AGENTS, OFFICER OR FIREWORKS IN CONNECTION WITH:

1. THE FIREWORKS DISPLAY PROVIDED BY ZAMBELLI TO CLIENT ON JULY 3, 2015, OR ON ANY ALTERNATE DAY CHOSEN FOR THE DISPLAY.
2. THE ACTIONS OF ZAMBELLI, ITS EMPLOYEES, AGENTS OR OFFICERS ON THE PREMISES OF HERITAGE PARK-SACHSE, TEXAS.

PROVIDED, HOWEVER, THAT THE FOREGOING SHALL NOT BE CONSTRUED TO BE AN AGREEMENT TO INDEMNIFY CLIENT, ITS PARTNERS, OFFICERS, AGENTS OR EMPLOYEES AGAINST LIABILITY FOR CLAIMS, SUITS, DAMAGES AND LOSSES TO THE EXTENT THAT SUCH CLAIMS, SUITS, DAMAGES AND LOSSES WERE CAUSED BY OR RESULTING FROM THE ACTIONS OR INACTIONS OF CLIENT, ITS PARTNERS, OFFICERS, AGENTS OR EMPLOYEES. THIS AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS.

12. In the event of an inconsistency between this First Addendum and the terms of the Agreement, this First Addendum shall govern.

[Signatures on following page]

EXECUTED this _____ day of _____, 2015.

City of Sachse, Texas

By: _____
William K. George, City Manager

Approved as to form:

By: _____
Peter G. Smith, City Attorney
(12-16-13/64000)

EXECUTED this _____ day of _____, 2015.

Zambelli Fireworks Manufacturing Company

By: _____

Name: _____

Title: _____

ZAMBELLI FIREWORKS MANUFACTURING CO.

THIS CONTRACT AND AGREEMENT for the sale of Fireworks made and concluded this 1st day of November A.D., 2014, by and between
Zambelli Fireworks Manufacturing Co., of New Castle, Pennsylvania, (hereinafter referred to as "Zambelli"),
-AND-

City of Sachse – Sachse, Texas (hereinafter referred to as "Client")

WITNESSETH: For and in consideration of the sum of One Dollar, each to the other in hand paid, receipt of which is hereby acknowledged, and of the terms and conditions hereinafter mentioned, Zambelli and Client do mutually and severally agree to perform their several and respective covenants and to comply with all terms, conditions, and payments of this contract:

ZAMBELLI agrees:

1. To sell, furnish and deliver to Client, Fireworks to be exhibited on the following dates set forth and agreed upon at the time of signing this contract and Client agrees to pay Zambelli for the Fireworks as follows:

Display Date: July 3, 2015 (Postponement Date: _____)(July 4th no available as a raindate)

Contract Amount: \$13,900 ; 50% due upon signing the Contract and balance due at Noon three days prior to the scheduled display date; all payments shall be made by Draft, Certified Check or Wire Transfer. Checks shall be made payable to Zambelli Fireworks Manufacturing Co., unless otherwise authorized in writing; NO CASH shall be paid to any agent or employee of Zambelli without written authority.

2. ZAMBELLI further agrees to furnish, sufficient trained personnel to present a display; insurance coverage for the display.

CLIENT further agrees:

3. To procure and furnish a suitable and accessible place to conduct the display that adheres to the NFPA standard except the display area will have a required fallout area equal to 100 foot per inch of the largest diameter pyrotechnic from the firing site in all directions to any parking area, spectators, inhabited buildings, public road or active railroad; Zambelli is not responsible and will not pay for any damages or personal injuries that occur from non-compliance of this standard;
4. To furnish the necessary police and fire protection as per the requirements of authority having jurisdiction; to secure all, Police, Local, and State Permits, and to arrange for any security bonds or insurance as required by law in their community when necessary; to furnish such lumber, sand, steel drums, site and vehicle security and other supplies as may be necessary for the conduct of the display;
5. Prior to, during, and immediately following the display, Client shall be solely responsible to keep all persons & vehicles (except Zambelli employees & vehicles) out of the designated fallout areas and behind safety zone lines and limits;
6. Following the display Client shall be solely responsible for ALL cleanup and policing of the display area, however, Zambelli will remove of all unexploded fireworks, frames, sets and lumber.

The PARTIES mutually agree:

7. It is agreed and understood by the parties hereto that in the event Fireworks have been taken out and set up before inclement weather and with adequate weather prevailing, such exhibition of fireworks will be carried out in the best possible manner without any deductions from the before named compensations. Should inclement weather prevent firing of said display on the aforementioned Display Date, then it will be understood that program is postponed and will be fired on the aforementioned Postponement Date, and there will be a charge to cover the cost of Postponement of 15% plus all permit fees (if any) paid for by Zambelli. If there is no alternate date and the program is not fired on the aforementioned Display Date, then it will be understood the program is cancelled and there will be a charge to cover the costs of cancellation of 50% plus all permit fees (if any) paid for by Zambelli.
8. Zambelli reserves the exclusive right to make modifications and substitutions provided that such changes are reasonable and necessary and do not materially adversely affect price, time of delivery, functional character or display performance.
9. If the location of the firing site, spectator's location, parking areas or structures is deemed unsuitable or unsafe, in the discretion of Zambelli or its agents or personnel, Zambelli may refuse to fire the display until conditions are corrected. If such conditions are not corrected, Zambelli may cancel the display without further liability to Zambelli for such cancellation.
10. This contract shall be deemed made in the Commonwealth of Pennsylvania and shall be constructed in accordance with the laws of Pennsylvania. The parties agree and consent to the jurisdiction of Pennsylvania to determine conflicts regarding the language and payments to be made under this Contract.
11. If client becomes bankrupt or insolvent, or if a petition in bankruptcy is filed by or against the Client or if a receiver is appointed for the Client, Zambelli may refuse to make further delivery and may terminate this contract without prejudice to the rights of Zambelli. If the Client's financial conditions become unsatisfactory to Zambelli, Zambelli, may require the balance of the purchase price to be deposited in escrow or the Client to provide sufficient proof of its ability to pay the balance of the contract price. Client is not entitled to recover incidental or consequential damages in connection with any breach of this Contract.
12. If Client fails to pay the monies due under this contract, Zambelli is entitled to recover the balance due plus interest at 1 ½ % per month on amounts past due 60 days or more. Further, on balance outstanding of 120 days or more, Zambelli is entitled to recover the balance due, plus accrued interest, plus attorney's fees and court costs.
13. This contract shall not be constructed to create a partnership between the parties or persons mentioned herein.
14. In the event of fire, accident, strikes, delay, flood, act of God or other causes beyond the control of Zambelli, which prevent delivery of said materials, the parties hereto release each other from any and all performance of the covenants herein contained and from damages resulting from the breach thereof.
15. Any changes, modifications, addendums, etc... will be noted here and attached. See attached _____

IN WITNESS WHEREOF, we set our hands and seals to the agreement in duplicate the day and years first above written.

FOR CLIENT:

FOR ZAMBELLI FIREWORKS MANUFACTURING CO.

BY _____
date

BY _____
date

Please sign contract where indicated for Client and return all copies for final acceptance to:

Zambelli Fireworks Manufacturing Co.

20 South Mercer Street

New Castle, PA 16101

724-658-6611

800-245-0397

FAX 724-658-8318



Sachse's Red, White & Blue Blast

February 2, 2015

RW&BB Review Budget (2014)

Source	Amount
City Budget	\$13,800
Sachse EDC Grant	\$6,500
TOTAL	\$20,300

RW&BB Actual (2014)

Expenses	Amount
Budget and Grant	\$20,300.00
Fireworks	<\$13,100.00>
Production of Event	<\$15,000>
Sponsors (partnership with Chamber)	\$8,500.00
Vendor Booths	\$1,400.00
REMAINING FUNDS	\$2,100.00

Estimated RW&BB (2015)

Expenses	Amount
Budget and EDC Grant	\$20,300.00
Remaining Funds from 2014	\$2,100.00
Fireworks	<\$13,900.00>
Production of Event	<\$15,000>
Sponsors (partnership with Chamber)	\$8,500.00
Vendor Booths	\$1,400.00
REMAINING FUNDS	\$3,400.00

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SACHSE, TEXAS, APPROVING THE TERMS AND CONDITIONS OF AN AGREEMENT AND FIRST ADDENDUM THERETO, BY AND BETWEEN THE CITY OF SACHSE, TEXAS, AND ZAMBELLI FIREWORKS MANUFACTURING CO. FOR A FIREWORKS DISPLAY ON JULY 3, 2015, AT HERITAGE PARK; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City Council of the City of Sachse has been presented with a proposed Agreement and First Addendum thereto between the City of Sachse and Zambelli Fireworks Manufacturing Co. (the "Agreement") for a fireworks display on July 3, 2015, at Heritage Park;

WHEREAS, upon full review and consideration of the Agreement and First Amendment and all matters related thereto, the City Council is of the opinion and finds that the terms and conditions thereof should be approved, and that the City Manager should be authorized to execute the Agreement and First Addendum thereto on behalf of the City of Sachse, Texas;

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

SECTION 1. That the City Manager is hereby authorized to execute the Agreement and First Addendum thereto, attached hereto as Exhibit "A", with Zambelli Fireworks Manufacturing Co. for a fireworks display on July 3, 2015, at Heritage Park.

SECTION 2. This Resolution shall take effect immediately from and after its passage, and it is accordingly so resolved.

DULY RESOLVED AND ADOPTED by the City Council of the City of Sachse, Texas, this the _____ day of _____, 2015.

CITY OF SACHSE, TEXAS

Mike Felix, Mayor

ATTEST:

Terry Smith, City Secretary

EXHIBIT "A"
AGREEMENT AND FIRST ADDENDUM THERETO BETWEEN CITY OF SACHSE
AND ZAMBELLI FIREWORKS MANUFACTURING CO.



Legislation Details (With Text)

File #:	15-2673	Version:	1	Name:	A Resolution of the City Council of the City of Sachse, Texas, approving the purchase of real property for the construction of widening and paving improvements to Ranch Road from Harlan Drive to Clearmeadow Lane; said property to be conveyed to the City o
Type:	Agenda Item	Status:			Agenda Ready
File created:	1/29/2015	In control:			City Council
On agenda:	2/2/2015	Final action:			

Title: A Resolution of the City Council of the City of Sachse, Texas, approving the purchase of real property for the construction of widening and paving improvements to Ranch Road from Harlan Drive to Clearmeadow Lane; said property to be conveyed to the City of Sachse through a title company; authorizing the execution of all necessary documents by the city manager; and providing an effective date.

Executive Summary

The widening and paving improvements for Ranch Road from Harlan Drive to Clearmeadow Lane is a Capital Improvement Project for the City of Sachse. The project is funded through an Interlocal Agreement by and between the City of Sachse and Collin County. The widening of Ranch Road from a 2-lane road to a 4-lane road requires additional right-of-way. This item authorizes the use of a title company to close on the five parcels, and also authorizes the purchase of the five parcels of real property needed for the project.

Sponsors:

Indexes:

Code sections:

Attachments: [Exhibit A PDF](#)
[Exhibit B PDF](#)
[Ranch Road Right-of-way Presentation PDF](#)
[RESO Ranch Road ROW PDF](#)

Date	Ver.	Action By	Action	Result
------	------	-----------	--------	--------

Title

A Resolution of the City Council of the City of Sachse, Texas, approving the purchase of real property for the construction of widening and paving improvements to Ranch Road from Harlan Drive to Clearmeadow Lane; said property to be conveyed to the City of Sachse through a title company; authorizing the execution of all necessary documents by the city manager; and providing an effective date.

Executive Summary

The widening and paving improvements for Ranch Road from Harlan Drive to Clearmeadow Lane is a Capital Improvement Project for the City of Sachse. The project is funded through an Interlocal Agreement by and between the City of Sachse and Collin County. The widening of Ranch Road from a 2-lane road to a 4-lane road requires additional right-of-way. This item

authorizes the use of a title company to close on the five parcels, and also authorizes the purchase of the five parcels of real property needed for the project.

Background

Ranch Road is shown on the City of Sachse Thoroughfare Plan as a minor arterial roadway. The road is constructed as a 4-lane divided road with a median, except for the portion of Ranch Road from Harlan Drive to Clearmeadow Lane, which remains a 2-lane road.

Additional right-of-way is needed for the construction of the southern 2-lanes of Ranch Road from Harlan Drive to Clearmeadow Lane. An exhibit showing the five parcels required for the project is attached as Exhibit "A".

The City Council previously approved contracts with a qualified appraisal company, Pyles Whatley Corporation, and a qualified property acquisition consultant, Prime Time Group, Incorporated, for the project.

The appraisal consultant completed their appraisals for each of the five parcels of real property in September of 2014. The Compensation Summary for each parcel is attached as Exhibit "B".

The property acquisition consultant negotiated with the property owners of the five parcels of real property on behalf of the City of Sachse.

The property owners of Parcel 1, 2, 3, & 4 have agreed to the appraised value of their property. The purchase price being recommended by staff matches the appraised value.

The property owner of Parcel 5 now has an active offer to purchase a portion of the property. The owner provided the offer letter to the City of Sachse for review. The purchase price being recommended by staff reflects a combination of the offered price for the portion of the property that was included in the offer letter, and the appraised value for the remaining portion of the property.

City staff has coordinated with Chicago Title regarding the need for title insurance, title search, and closing documents. This item includes the title work necessary to close on the five parcels. The final cost of the title work will not be verified until the time of closing.

Policy Considerations

Acquisition of right of way is necessary to build the widening of Ranch Road.

Budgetary Considerations

The project budget for the widening and paving of Ranch Road is \$850,000.00 as shown in the 2014-2015 CIP, which includes design, property acquisition, and construction. Collin County has agreed to provide project funding not to exceed \$480,000.00. The City of Sachse is responsible for the remaining project cost.

The cost to purchase the five parcels of real property for the Ranch Road project is as follows:

Parcel 1 - \$2,688.00
Parcel 2 - \$4,342.00
Parcel 3 - \$21,245.00
Parcel 4 - \$20,066.00
Parcel 5 - \$55,222.90

Total Real Property Cost: \$103,563.90

The final cost of the title work will be verified at the time of closing.

Staff Recommendations

Staff recommends that the City Council approve a resolution of the City Council of the City of Sachse, Texas, approving the purchase of real property for the construction of widening and paving improvements to Ranch Road from Harlan Drive to Clearmeadow Lane; said property to be conveyed to the City of Sachse through a title company; authorizing the execution of all necessary documents by the city manager; and providing an effective date, as a Consent Agenda Item.

CITY OF SACHSE, TEXAS
RANCH ROAD
RIGHT OF WAY ACQUISITION

DESCRIPTION

BEING A 1,344 SQUARE FOOT STRIP IF LAND IN THE JAMES CUMBA SURVEY, ABSTRACT NO. 243 , COLLIN COUNTY, TEXAS, BEING PART OF A TRACT OF LAND AS DEEDED TO 78 LANDER MILLER, LTD. AND RECORDED IN COUNTY CLERKS FILE NO. 20040013637 OF THE DEED RECORDS OF COLLIN COUNTY, TEXAS, (DRCCT), AS SHOWN ON THE ATTACHED EXHIBIT "A", AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

IT IS THE INTENT TO DESCRIBE A STRIP OF LAND, BEING BOUNDED ON THE WEST BY THE WEST LINE OF SAID LANDER MILLER TRACT, BEING BOUNDED ON THE NORTH BY THE NORTH LINE OF SAID LANDER MILLER TRACT, AND BEING BOUNDED ON THE EAST BY THE EAST LINE OF SAID LANDER MILLER TRACT:

The POINT OF BEGINNING is a 120D nail found for the northeast corner of said Lander Miller tract, being on the south line of the existing Right of Way for Ranch Road, and being the northwest corner of a tract of land as deeded to 78 Lander Miller, Ltd. and recorded in County Clerks File No. 20060224000243020, DRCCT;

THENCE South 00°45'44" West, with the line common to the subject Lander Miller tract with the Lander Miller tract recorded in CC 20060224000243020, DRCCT, a distance of 11.81 feet to a half inch iron with cap marked "BW2" set to mark the point,;

THENCE South 88°38'47" West, departing said common line and crossing the subject Lander Miller tract, a distance of 111.97 feet to a half inch iron with cap marked "BW2" set to mark the point, said point being on the west line of the subject Lander Miller tract, and being on the east line of a tract of land as deeded to Orville Craig Jones and Kibbie Jones Hipp and recorded in County Clerks File No. 20080515000592660, DRCCT;

THENCE North 00°17'18" East, with said common line, a distance of 12.19 feet to a 5/8 inch iron rod with cap marked "3949" found marking the northwest corner of the subject Lander Miller tract, being the northeast corner of said Jones tract, and being on the south line of the existing Right of Way for Ranch Road;

THENCE North 88°50'32" East, with said Right of Way line, a distance of 112.06 feet to the POINT OF BEGINNING, and containing 1,344 square feet of land.

NOTE:

All bearings are based on the Texas Coordinate System, N.A.D. 83 (1993 Adj.), North Central Zone, 4202.

John F. Wilder, R.P.L.S.
Texas Registration No. 4285,
BW2 Engineers, Inc.

Date

SURVEY: JAMES CUMBA SURVEY, ABSTRACT NO. 243

LOCATION: SACHSE, COLLIN COUNTY, TEXAS

PLAT OF EXHIBIT 'A': PARCEL 1 AREA: 1,344 S.F.

CITY OF SACHSE, TEXAS

**RANCH ROAD
R.O.W. ACQUISITION**

NOTE: THE BASIS OF BEARINGS FOR THIS SURVEY IS THE TEXAS STATE PLANE NAD83 NORTH CENTRAL ZONE (4202)

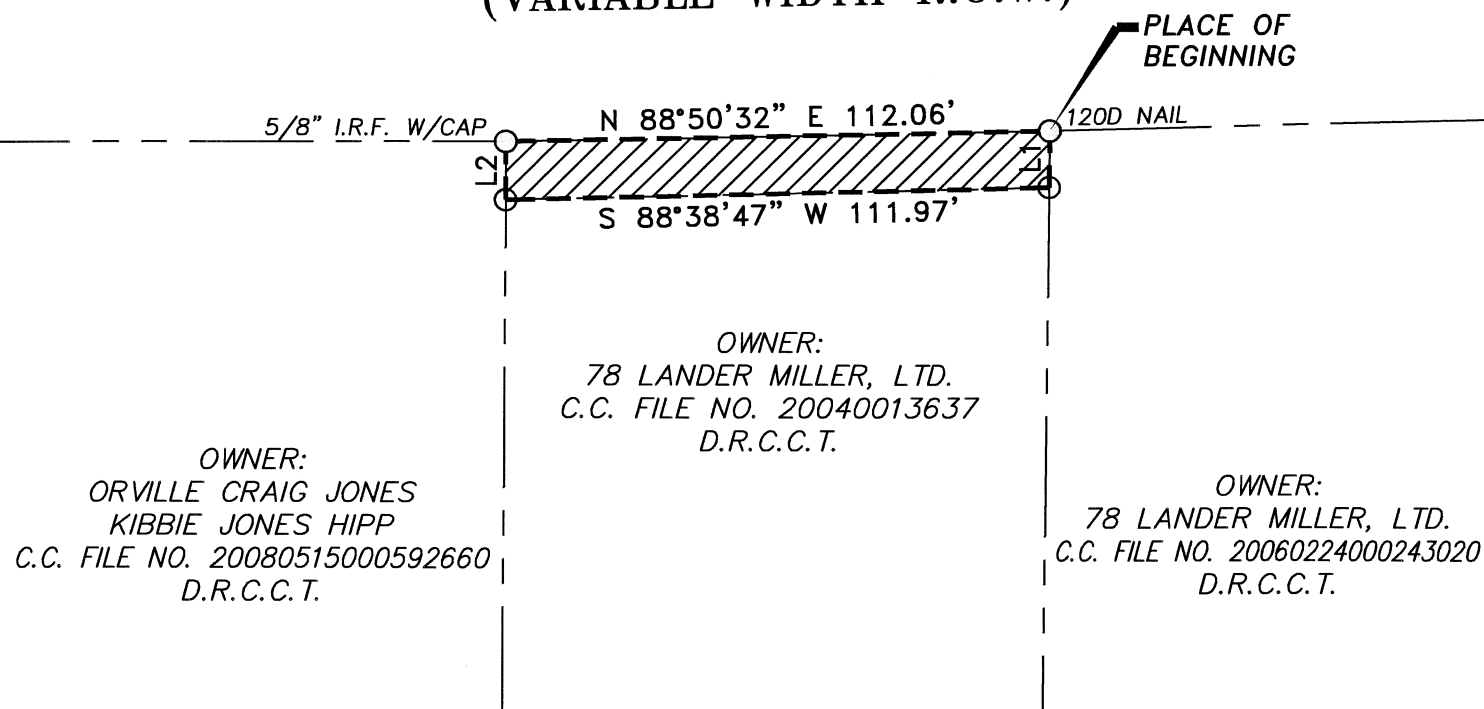
LEGEND:

 = PROPOSED R.O.W.

LINE TABLE

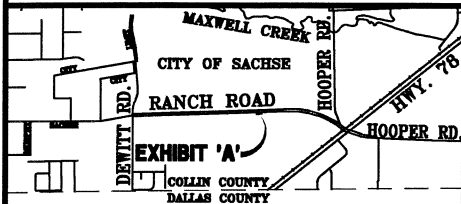
NUMBER	DIRECTION	DISTANCE
L1	S 00°45'44" W	11.81'
L2	N 00°17'18" E	12.19'

**RANCH ROAD
(VARIABLE WIDTH R.O.W.)**



JOHN F. WILDER, R.P.L.S. No. 4285

DATE

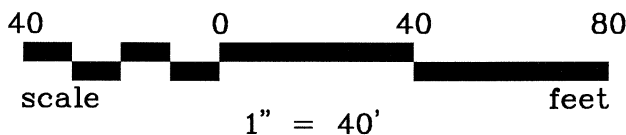


LOCATION MAP OF ACQUISITION - N.T.S.



BW2 ENGINEERS, INC.

1919 S. Shiloh Road
Suite 500, L.B. 27
Garland, Texas 75042
(972) 864-8200 (T) (972) 864-8220 (F)
Firm Registration No. F-5290



BW2 JOB NO: 13-1622

DRAWN BY: BW2

DATE: FEB. 2014

CHECKED BY: BW2

J:\13-1622\DRAWINGS\EASEMENTS\MILLER.DWG

PAGE 2 OF 4

CITY OF SACHSE, TEXAS
RANCH ROAD
RIGHT OF WAY ACQUISITION

DESCRIPTION

BEING A 1,336 SQUARE FOOT STRIP OF LAND IN THE JAMES CUMBA SURVEY, ABSTRACT NO. 243 , COLLIN COUNTY, TEXAS, BEING PART OF A TRACT OF LAND AS DEEDED TO 78 LANDER MILLER, LTD. AND RECORDED IN COUNTY CLERKS FILE NO. 20060224000243020 OF THE DEED RECORDS OF COLLIN COUNTY, TEXAS, (DRCCT), AS SHOWN ON THE ATTACHED EXHIBIT "A", AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

IT IS THE INTENT TO DESCRIBE A STRIP OF LAND, BEING BOUNDED ON THE WEST BY THE WEST LINE OF SAID LANDER MILLER TRACT, BEING BOUNDED ON THE NORTH BY THE NORTH LINE OF SAID LANDER MILLER TRACT, AND BEING BOUNDED ON THE EAST BY THE EAST LINE OF SAID LANDER MILLER TRACT:

The POINT OF BEGINNING is a half inch iron rod found for the northeast corner of said Lander Miller tract, being on the south line of the existing Right of Way for Ranch Road,

THENCE South 00°45'44" West, with the east line of said Lander Miller tract, a distance of 12.06 feet to a half inch iron with cap marked "BW2" set to mark the point;

THENCE South 88°38'47" West, departing said line and crossing said Lander Miller tract, a distance of 111.99 feet to a half inch iron with cap marked "BW2" set to mark the point, said point being on the west line of the subject Lander Miller tract, and being on the east line of a tract of land as deeded to 78 Lander Miller, Ltd. and recorded in County Clerks File No. 20040013637, DRCCT;

THENCE North 00°46'43" East, with said common line, a distance of 11.81 feet to a 120D nail, found marking the northwest corner of the subject Lander Miller tract, being the northeast corner of said Lander Miller tract recorded in CC 20040013637, and being on the south line of the existing Right of Way for Ranch Road;

THENCE North 88°30'54" East, with said Right of Way line, a distance of 112.00 feet to the POINT OF BEGINNING, and containing 1,336 square feet of land.

NOTE:

All bearings are based on the Texas Coordinate System, N.A.D. 83 (1993 Adj.), North Central Zone, 4202.

John F. Wilder, R.P.L.S.
Texas Registration No. 4285,
BW2 Engineers, Inc.

Date

SURVEY: JAMES CUMBA SURVEY, ABSTRACT NO. 243

LOCATION: SACHSE, COLLIN COUNTY, TEXAS

PLAT OF EXHIBIT 'A': PARCEL 2 AREA: 1,336 S.F.

CITY OF SACHSE, TEXAS

RANCH ROAD

R.O.W. ACQUISITION

NOTE: THE BASIS OF BEARINGS FOR THIS SURVEY IS THE TEXAS STATE PLANE NAD83 NORTH CENTRAL ZONE (4202)

LEGEND:

○ = 1/2" I.R.S. W/CAP MARKED "BW2"

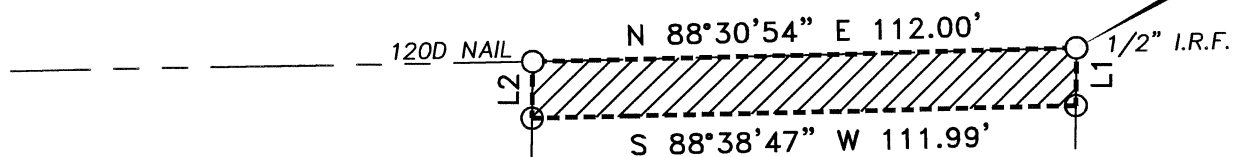
▨ = PROPOSED R.O.W.

LINE TABLE

NUMBER	DIRECTION	DISTANCE
L1	S 00°45'44" W	12.06'
L2	N 00°46'43" E	11.81'



**RANCH ROAD
(VARIABLE WIDTH R.O.W.)**



PLACE OF
BEGINNING

ROAD

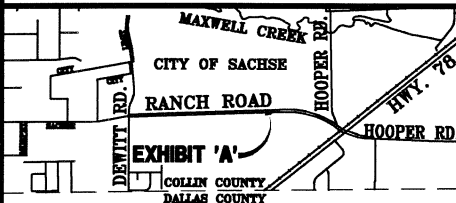
OWNER:
78 LANDER MILLER, LTD.
C.C. FILE NO. 20060224000243020
D.R.C.C.T.

OWNER:
78 LANDER MILLER, LTD.
C.C. FILE NO. 20040013637
D.R.C.C.T.

OWNER:
VAULT CAPITAL GROUP, LLC
C.C. FILE NO. 20070122000087720
D.R.C.C.T.

JOHN F. WILDER, R.P.L.S. No. 4285

DATE

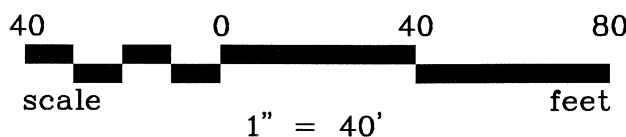


LOCATION MAP OF ACQUISITION - N.T.S.



BW2 ENGINEERS, INC.

1919 S. Shiloh Road
Suite 500, L.B. 27
Garland, Texas 75042
(972) 864-8200 (T) (972) 864-8220 (F)
Firm Registration No. F-5290



BW2 JOB NO: 13-1622

DRAWN BY: BW2

DATE: FEB. 2014

CHECKED BY: BW2

J:\13-1622\DRAWINGS\EASEMENTS\MILLER-2.DWG

PAGE 2 OF 4

CITY OF SACHSE, TEXAS
RANCH ROAD
RIGHT OF WAY ACQUISITION

DESCRIPTION

BEING A 6,117 SQUARE FOOT STRIP OF LAND IN THE JAMES CUMBA SURVEY, ABSTRACT NO. 243, COLLIN COUNTY, TEXAS, BEING PART OF A TRACT OF LAND AS DEEDED TO VENKATESWARA RAO ADDEPALLI BNV, MAHESH REDDY GUDURU, GOPAL ANASURI, AND SATYASREE KOPPPARTHY, (AGAK), AND RECORDED IN COUNTY CLERKS FILE NO. 20091125001428120 OF THE DEED RECORDS OF COLLIN COUNTY, TEXAS, (DRCCT), AS SHOWN ON THE ATTACHED EXHIBIT "A", AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

IT IS THE INTENT TO DESCRIBE A STRIP OF LAND, BEING BOUNDED ON THE WEST BY THE WEST LINE OF SAID AGAK TRACT, BEING BOUNDED ON THE NORTH BY THE NORTH LINE OF SAID AGAK TRACT, AND BEING BOUNDED ON THE EAST BY THE EAST LINE OF SAID AGAK TRACT:

The POINT OF BEGINNING is a half inch iron rod found for the northeast corner of said AGAK tract, being on the south line of the existing Right of Way for Ranch Road, and being on the west line of a strip of land for an existing road (no record of owner per the tax records of Collin County, and no record of owner found).

THENCE South 00°05'28" East, with the east line of said AGAK tract, a distance of 54.93 feet to a half inch iron with cap marked "BW2" set to mark the point;

THENCE South 88°38'47" West, departing said common line and crossing said AGAK tract, a distance of 4.63 feet to a half inch iron rod with cap marked "BW2", set to mark the point;

THENCE North 19°55'47" West, a distance of 15.82 feet to a half inch iron rod with cap marked "BW2", set to mark the point;

THENCE South 88°38'47" West, a distance of 140.01 feet to a half inch iron with cap marked "BW2" set to mark the point, said point being on the west line of said AGAK tract, and being on the east line of a tract of land as deeded to Vault Capital Group and recorded in County Clerks File No. 20070122000087720, DRCCT;

THENCE North 00°05'28" West, with said common line, a distance of 40.18 feet to a 5 inch pipe found marking the northwest corner of said AGAK tract, being the northeast corner of said Vault Capital tract, and being on the south line of the existing Right of Way for Ranch Road;

THENCE North 88°44'32" East, with said Right of Way line, a distance of 150.00 feet to the POINT OF BEGINNING, and containing 6,117 square feet of land.

NOTE:

All bearings are based on the Texas Coordinate System, N.A.D. 83 (1993 Adj.), North Central Zone, 4202.

John F. Wilder, R.P.L.S.
Texas Registration No. 4285,
BW2 Engineers, Inc.

Date

SURVEY: JAMES CUMBA SURVEY, ABSTRACT NO. 243

LOCATION: SACHSE, COLLIN COUNTY, TEXAS

PLAT OF EXHIBIT 'A': PARCEL 3 AREA: 6,117 S.F.

CITY OF SACHSE, TEXAS

**RANCH ROAD
R.O.W. ACQUISITION**

NOTE: THE BASIS OF BEARINGS FOR THIS SURVEY IS THE TEXAS STATE PLANE NAD83 NORTH CENTRAL ZONE (4202)

LINE TABLE

NUMBER	DIRECTION	DISTANCE
L1	S 00°05'28" E	54.93'
L2	N 00°05'28" W	40.18'

LEGEND:

○ = 1/2" I.R.S. W/CAP MARKED "BW2"

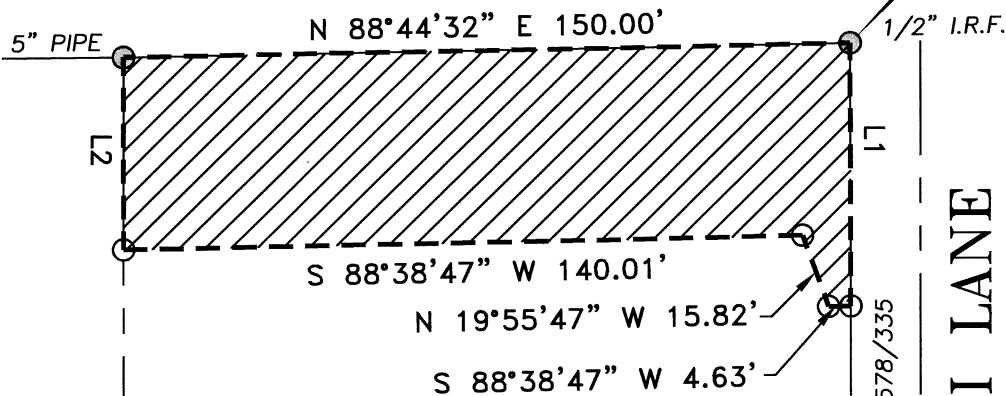
▨ PROPOSED R.O.W.

N

**RANCH ROAD
(VARIABLE WIDTH R.O.W.)**

PLACE OF
BEGINNING

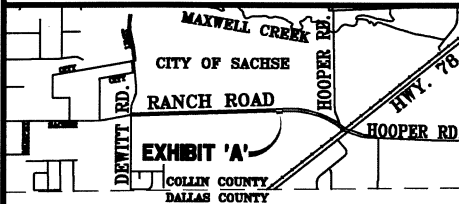
OWNER:
VAULT CAPITAL GROUP, LLC
C.C. FILE NO. 20070122000087720
D.R.C.C.T.



OWNERS:
ADDEPALLI, GUDURU,
ANASURI & KOPPARTHY
C.C. FILE NO. 20091125001428120
D.R.C.C.T.

JOHN F. WILDER, R.P.L.S. No. 4285

DATE

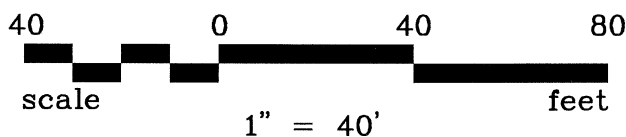


LOCATION MAP OF ACQUISITION - N.T.S.



BW2 ENGINEERS, INC.

1919 S. Shiloh Road
Suite 500, L.B. 27
Garland, Texas 75042
(972) 864-8200 (T) (972) 864-8220 (F)
Firm Registration No. F-5290



BW2 JOB NO: 13-1622

DRAWN BY: BW2

DATE: FEB. 2014

CHECKED BY: BW2

J: \\13-1622\\DRAWINGS\\EASEMENTS\\ADDEPALLI.DWG

PAGE 2 OF 4

CITY OF SACHSE, TEXAS
RANCH ROAD
RIGHT OF WAY ACQUISITION

DESCRIPTION

BEING A 6,174 SQUARE FOOT STRIP OF LAND IN THE JAMES CUMBA SURVEY, ABSTRACT NO. 243, COLLIN COUNTY, TEXAS, BEING PART OF A TRACT OF LAND AS DEEDED TO VAULT CAPITAL GROUP, LLC. AND RECORDED IN COUNTY CLERKS FILE NO. 20070122000087720 OF THE DEED RECORDS OF COLLIN COUNTY, TEXAS, (DRCCT), AS SHOWN ON THE ATTACHED EXHIBIT "A", AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

IT IS THE INTENT TO DESCRIBE A STRIP OF LAND, BEING BOUNDED ON THE WEST BY THE WEST LINE OF SAID VAULT TRACT, BEING BOUNDED ON THE NORTH BY THE NORTH LINE OF SAID VAULT TRACT, AND BEING BOUNDED ON THE EAST BY THE EAST LINE OF SAID VAULT TRACT:

The POINT OF BEGINNING is a 5 inch pipe found for the northeast corner of said Vault tract, being on the south line of the existing Right of Way for Ranch Road, and being the northwest corner of a tract of land as deeded to Addepalli, Guduru, Anasuri, and Kopparthy, and recorded in county clerks File No. 20091125001428120;'

THENCE South 00°05'28" East, with the east line of said Vault tract, being the west line of said Addepalli tract, a distance of 40.18 feet to a half inch iron with cap marked "BW2" set to mark the point;

THENCE South 88°38'47" West, departing said common line and crossing said Vault tract, a distance of 151.05 feet to a half inch iron with cap marked "BW2" set to mark the point, said point being on the west line of said Vault tract, and being on the east line of a strip of land for an existing road (no record of owner per the tax records of Collin County, and no record of owner found).

THENCE North 00°38'46" West, with said common line, a distance of 41.75 feet to a 5 inch pipe found marking the northwest corner of said Vault tract, and being on the south line of the existing Right of Way for Ranch Road;

THENCE North 89°14'22" East, with said Right of Way line, a distance of 150.48 feet to the POINT OF BEGINNING, and containing 6,174 square feet of land.

NOTE:

All bearings are based on the Texas Coordinate System, N.A.D. 83 (1993 Adj.), North Central Zone, 4202.

John F. Wilder, R.P.L.S.
Texas Registration No. 4285,
BW2 Engineers, Inc.

Date

SURVEY: JAMES CUMBA SURVEY, ABSTRACT NO. 243

LOCATION: SACHSE, COLLIN COUNTY, TEXAS

PLAT OF EXHIBIT 'A': PARCEL 4 AREA: 6,174 S.F.

CITY OF SACHSE, TEXAS

RANCH ROAD

R.O.W. ACQUISITION

NOTE: THE BASIS OF BEARINGS FOR THIS SURVEY IS THE TEXAS STATE PLANE NAD83 NORTH CENTRAL ZONE (4202)

LINE TABLE

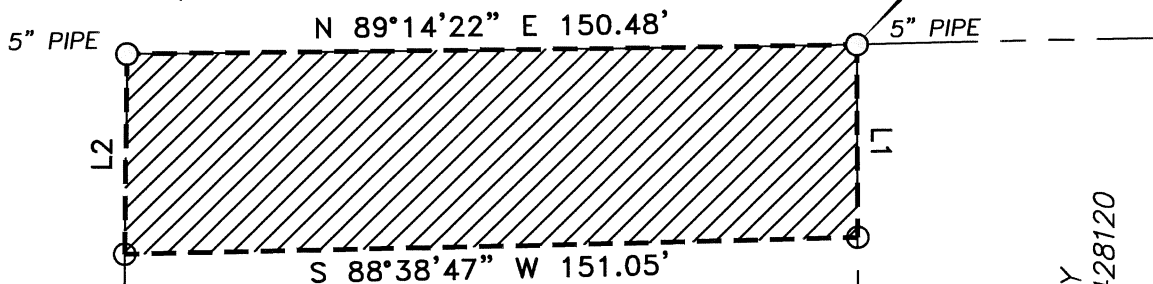
NUMBER	DIRECTION	DISTANCE
L1	S 00°05'28" E	40.18'
L2	N 00°38'46" E	41.75'

LEGEND:

○ = 1/2" I.R.S. W/CAP MARKED "BW2"

▨ = PROPOSED R.O.W.

RANCH ROAD
(VARIABLE WIDTH R.O.W.)



OWNER:
78 LANDER MILLER, LTD.
C.C. FILE NO. 20060224000243020
D.R.C.C.T.

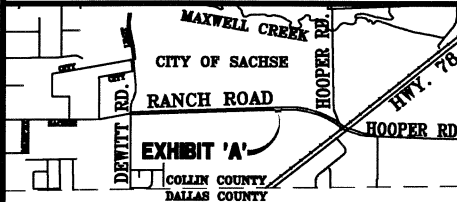
ROAD

OWNER:
VAULT CAPITAL GROUP, LLC
C.C. FILE NO. 20070122000087720
D.R.C.C.T.

OWNERS:
ADDEPALLI, GUDURU,
ANASURI & KOPPARTHY
C.C. FILE NO. 20091125001428120
D.R.C.C.T.

JOHN F. WILDER, R.P.L.S. No. 4285

DATE

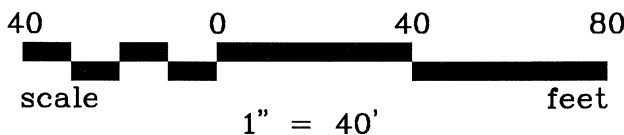


LOCATION MAP OF ACQUISITION - N.T.S.



BW2 Engineers, Inc.

1919 S. Shiloh Road
Suite 500, L.B. 27
Garland, Texas 75042
(972) 864-8200 (T) (972) 864-8220 (F)
Firm Registration No. F-5290



BW2 JOB NO: 13-1622

DRAWN BY: BW2

DATE: FEB. 2014

CHECKED BY: BW2

J:\13-1622\DRAWINGS\EASEMENTS\VAULT.DWG

PAGE 2 OF 4

CITY OF SACHSE, TEXAS
RANCH ROAD
RIGHT OF WAY ACQUISITION

DESCRIPTION

BEING A 23,216 SQUARE FOOT STRIP IF LAND IN THE JAMES CUMBA SURVEY, ABSTRACT NO. 243, COLLIN COUNTY, TEXAS, BEING PART OF A TRACT OF LAND AS DEEDED TO ORVILLE CRAIG JONES AND KIBBIE JONES HIPPIE AND RECORDED IN COUNTY CLERKS FILE NO. 20080515000592660 OF THE DEED RECORDS OF COLLIN COUNTY, TEXAS, (DRCCT), AS SHOWN ON THE ATTACHED EXHIBIT "A", AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

IT IS THE INTENT TO DESCRIBE AN IRREGULAR SHAPED STRIP OF LAND, BEING BOUNDED ON THE WEST BY THE WEST LINE OF SAID JONES TRACT, BEING BOUNDED ON THE NORTH BY THE NORTH LINE OF SAID JONES TRACT, AND BEING BOUNDED ON THE EAST BY THE EAST LINE OF SAID JONES TRACT:

The POINT OF BEGINNING is a 5/8 inch iron rod with cap marked "3949" found for the northeast corner of said Jones tract, being on the south line of the existing Right of Way for Ranch Road, and being the northwest corner of a tract of land as deeded to 78 Lander Miller, Ltd. and recorded in County Clerks File No. 20040013637, DRCCT;

THENCE South 00°17'18" West, with the east line of said Jones tract, being the west line of said Lander Miller tract, a distance of 12.19 feet to a half inch iron with cap marked "BW2" set to mark the point,;

THENCE South 88°38'47" West, departing said common line and crossing said Jones tract, a distance of 843.96 feet to a half inch iron with cap marked "BW2" set to mark the point, said point being at the beginning of a tangent curve to the right;

THENCE with said curve having a radius of 1122.50 feet, through a central angle of 04°09'00", an arc distance of 81.30 feet, and having a chord which bears North 89°16'42" West, a distance of 81.29 feet to a half inch iron rod with cap marked "BW2" set to mark the point of tangent;

THENCE North 87°12'12" West, a distance of 68.46 feet to a half inch iron rod with cap marked "BW2" set to mark the point, said point being at the beginning of a tangent curve to the left;

THENCE with said curve having a radius of 977.50 feet, through a central angle of 02°37'09", a arc distance of 44.69 feet, and having a chord which bears North 88°30'47" West, a distance of 44.68 feet to a half inch iron rod with cap marked "BW2" set to mark the point, said point being on the west line of said Jones tract, being the northeast corner of Parkwood Ranch No. 1, an addition to the City of Sachse as recorded in Cabinet Q, Slide 307, DRCCT;

THENCE North $00^{\circ}37'06''$ East, with the west line of said Jones tract, a distance of 24.09 feet to a point, said point being the northwest corner of said Jones tract, and being an interior ell corner of the Right of Way for Ranch Road;

THENCE North $89^{\circ}51'40''$ East, with said Right of Way line, a distance of 1037.85 feet to the POINT OF BEGINNING, and containing 23,216 square feet of land.

NOTE:

All bearings are based on the Texas Coordinate System, N.A.D. 83 (1993 Adj.), North Central Zone, 4202.

John F. Wilder, R.P.L.S.
Texas Registration No. 4285,
BW2 Engineers, Inc.

Date

SURVEY: JAMES CUMBA SURVEY, ABSTRACT NO. 243

LOCATION: SACHSE, COLLIN COUNTY, TEXAS

PLAT OF EXHIBIT 'A' PARCEL 5 AREA: 23,216 S.F.

CITY OF SACHSE, TEXAS

**RANCH ROAD
R.O.W. ACQUISITION**

NOTE: THE BASIS OF BEARINGS FOR THIS SURVEY IS THE TEXAS STATE PLANE NAD83 NORTH CENTRAL ZONE (4202)

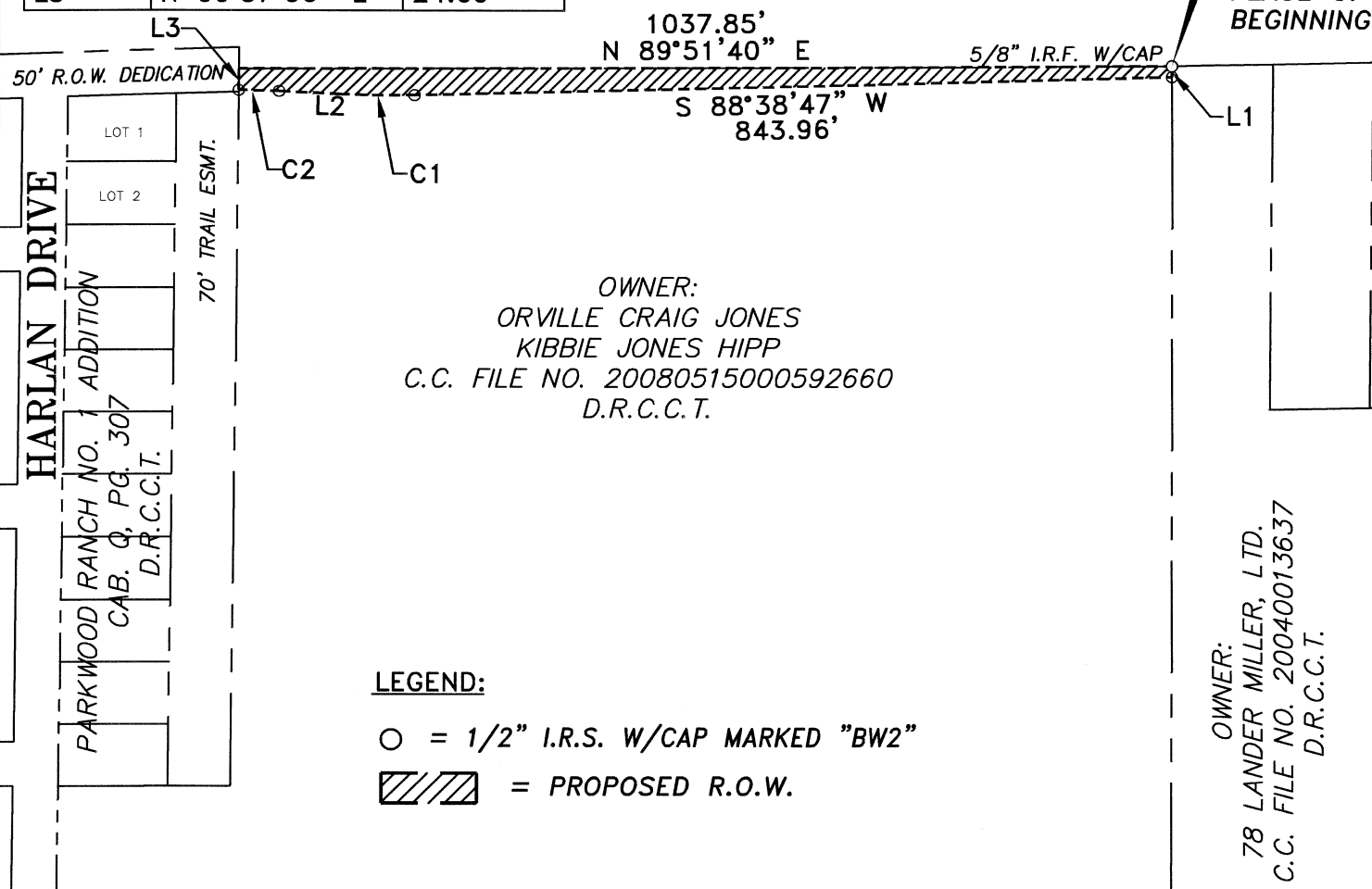
CURVE TABLE

NUMBER	RADIUS	DELTA ANGLE	ARC LENGTH	CHORD DIRECTION	CHORD LENGTH
C1	1122.50	04°09'00"	81.30	N 89°16'42" W	81.29
C2	977.50	02°37'09"	44.69	N 88°30'47" W	44.68

LINE TABLE

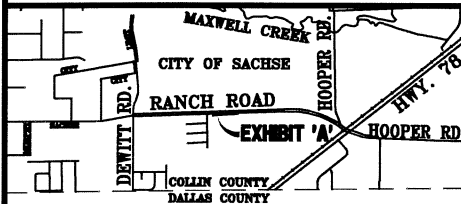
NUMBER	DIRECTION	DISTANCE
L1	S 00°17'18" W	12.19'
L2	N 87°12'12" W	68.46'
L3	N 00°37'06" E	24.09'

**RANCH ROAD
(VARIABLE WIDTH R.O.W.)**



JOHN F. WILDER, R.P.L.S. No. 4285

DATE

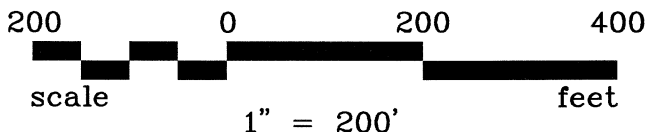


LOCATION MAP OF ACQUISITION - N.T.S.



BW2 Engineers, Inc.

1919 S. Shiloh Road
Suite 500, L.B. 27
Garland, Texas 75042
(972) 864-8200 (T) (972) 864-8220 (F)
Firm Registration No. F-5290



BW2 JOB NO: 13-1622

DRAWN BY: BW2

DATE: FEB. 2014

CHECKED BY: BW2

J:\13-1622\DRAWINGS\EASEMENTS\JONES.DWG

PAGE 3 OF 6

EXPLANATION OF DAMAGES (is if any): The proposed acquisition is along the northern portion of the subject and does not bisect the remainder. The highest and best use continues as commercial development, as demand emerges.

COMPENSATION SUMMARY

WHOLE PROPERTY:

The market value of the whole property is \$ 1,500,904

PART TO BE ACQUIRED:

Considered as severed land, the fee simple title to the part being acquired
for highway purposes (less oil, gas and sulphur and subject to existing easements,
if any, which are not to be extinguished) is \$ 2,688

REMAINING PROPERTY:

The value of the remainder immediately before the taking is \$ 1,498,216
Considering the uses to which the part taken is to be subjected
to, the market value of the remainder immediately after
the acquisition is \$ 1,498,216

NET DAMAGES OR ENHANCEMENTS, if any \$ 0

ACCESS

The lack of any access denial or the material impairment of direct access
on or off the remaining property affects the market value of the remaining
property in the sum of \$ 0

Cost-To-Cure, if any \$ 0

TOTAL COMPENSATION \$ 2,688

EXPLANATION OF DAMAGES (is if any): The proposed acquisition is along the northern portion of the subject and does not bisect the remainder. The highest and best use continues as commercial development, as demand emerges.

COMPENSATION SUMMARY

WHOLE PROPERTY:

The market value of the whole property is \$ 141,427

PART TO BE ACQUIRED:

Considered as severed land, the fee simple title to the part being acquired
for highway purposes (less oil, gas and sulphur and subject to existing easements,
if any, which are not to be extinguished) is \$ 4,342

REMAINING PROPERTY:

The value of the remainder immediately before the taking is \$ 137,085

Considering the uses to which the part taken is to be subjected
to, the market value of the remainder immediately after
the acquisition is \$ 137,085

NET DAMAGES OR ENHANCEMENTS, if any \$ 0

ACCESS

The lack of any access denial or the material impairment of direct access
on or off the remaining property affects the market value of the remaining
property in the sum of \$ 0

Cost-To-Cure, if any \$ 0

TOTAL COMPENSATION \$ **4,342**

EXPLANATION OF DAMAGES (is if any): The proposed acquisition is along the northern portion of the subject and does not bisect the remainder. The highest and best use continues as commercial development, as demand emerges. The subject is improved with chain link fencing with barbed wire in the acquisition area. To restore the owner to a whole condition, the owner is paid the cost new of the site improvements less the amount paid in the part acquired to cure the remainder. The cost for each item in the part acquired was obtained using the Marshall & Swift Cost Manual.

Fee Simple Acquisition Items - Costs to Replace							
Item (Replacement Costs)	Quantity	Cost		Cost New	Less Value of Items Acquired		Cost-To-Cure
Chain link fencing with barbed wire	150 LF @	\$11.50/LF	=	\$ 1,725	\$ 1,311	\$	414
Total Cost-To-Cure						\$	414

COMPENSATION SUMMARY

WHOLE PROPERTY:

The market value of the whole property is \$ 144,606

PART TO BE ACQUIRED:

Considered as severed land, the fee simple title to the part being acquired for highway purposes (less oil, gas and sulphur and subject to existing easements, if any, which are not to be extinguished) is \$ 20,831

REMAINING PROPERTY:

The value of the remainder immediately before the taking is \$ 123,775
Considering the uses to which the part taken is to be subjected to, the market value of the remainder immediately after the acquisition is \$ 123,775

NET DAMAGES OR ENHANCEMENTS, if any \$ 0

ACCESS

The lack of any access denial or the material impairment of direct access on or off the remaining property affects the market value of the remaining property in the sum of \$ 0

Cost-To-Cure, if any \$ 414

TOTAL COMPENSATION \$ **21,245**

EXPLANATION OF DAMAGES (is if any): The proposed acquisition is along the northern portion of the subject and does not bisect the remainder. The highest and best use continues as commercial development, as demand emerges.

COMPENSATION SUMMARY

WHOLE PROPERTY:

The market value of the whole property is \$ 141,570

PART TO BE ACQUIRED:

Considered as severed land, the fee simple title to the part being acquired
for highway purposes (less oil, gas and sulphur and subject to existing easements,
if any, which are not to be extinguished) is \$ 20,066

REMAINING PROPERTY:

The value of the remainder immediately before the taking is \$ 121,504
Considering the uses to which the part taken is to be subjected
to, the market value of the remainder immediately after
the acquisition is \$ 121,504

NET DAMAGES OR ENHANCEMENTS, if any \$ 0

ACCESS

The lack of any access denial or the material impairment of direct access
on or off the remaining property affects the market value of the remaining
property in the sum of \$ 0

Cost-To-Cure, if any \$ 0

TOTAL COMPENSATION \$ 20,066

EXPLANATION OF DAMAGES (is if any): The proposed acquisition is along the northern portion of the subject and does not bisect the remainder. The highest and best use continues as commercial development, as demand emerges.

COMPENSATION SUMMARY

WHOLE PROPERTY:

The market value of the whole property is \$ 4,376,734

PART TO BE ACQUIRED:

Considered as severed land, the fee simple title to the part being acquired
for highway purposes (less oil, gas and sulphur and subject to existing easements,
if any, which are not to be extinguished) is \$ 46,432

REMAINING PROPERTY:

The value of the remainder immediately before the taking is \$ 4,330,302
Considering the uses to which the part taken is to be subjected
to, the market value of the remainder immediately after
the acquisition is \$ 4,330,302

NET DAMAGES OR ENHANCEMENTS, if any \$ 0

ACCESS

The lack of any access denial or the material impairment of direct access
on or off the remaining property affects the market value of the remaining
property in the sum of \$ 0

Cost-To-Cure, if any \$ 0

TOTAL COMPENSATION \$ 46,432



Ranch Road Right-of-way

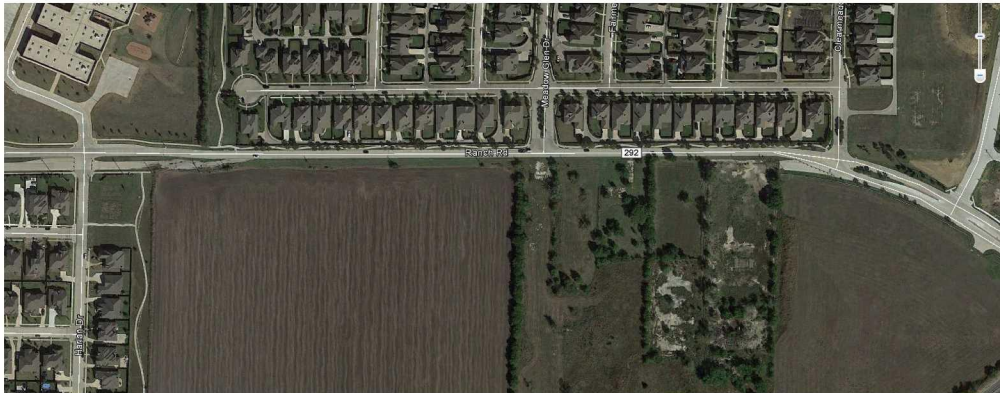
City Council
February 2, 2015

Overview

- The project is a joint partnership between the City of Sachse and Collin County
- The City Council approved an ILA for Ranch Road improvements at the 12/1/2014 Council Meeting, and the Collin County Commissioners Court approved the ILA in late December
- The project budget is \$850,000.00, with Collin County participating for improvements to Ranch Road at a not to exceed amount of \$480,000.00
- The City's portion of the funding will come from Roadway Impact Fees
- The engineering design for the project is in the final stages of completion
- Additional Right-of-way is necessary for the widening and construction of the southern two lanes from Harlan Drive to Clearmeadow Lane, where Ranch Road is currently a 2-lane road
- An appraisal was completed in September of 2014, and the property acquisition consultant has worked with the property owners on behalf of the City to reach an agreement.
- Staff has coordinated with Franchise utility companies to relocate their utilities once the additional right-of-way has been obtained
- The project will go to bid following acquisition of the right-of-way, with construction planned for this year

Right-of-way

- 5 narrow parcels of land are needed to built the southern 2-lanes of Ranch Road from Harlan Drive to Clearmeadow Lane
- The depth of each parcel required for the project varies from 11 to 55 feet, depending upon the parcel



Right-of-Way Purchase

Property ID	Appraised Value	Purchase Price
Parcel 1	\$2,688.00	\$2,688.00
Parcel 2	\$4342.00	\$4342.00
Parcel 3	\$21,245.00	\$21,245.00
Parcel 4	\$20,066.00	\$20,066.00
Parcel 5	\$46,432.00	\$55,222.90 *

*The property owner has an active offer to purchase a portion of this property. The Purchase price includes the offered price per square foot for the portion included in the offer, plus the appraised price per square foot for the remainder.

The property owners have also agreed to dedicate temporary construction easements for the construction of Ranch Road, which are included in the purchase price shown

Closing Process

- As recommended by the City Attorney, the City will use a Title Company, Chicago Title, to close on the 5 parcels of land for the Ranch Road right-of-way.
- The Resolution being considered for this item authorizes the City Manager to execute agreements for the purchase of the 5 parcels as shown, and authorizes the City Manager to contract with Chicago Title Company to provide title services for title search, title insurance, and the preparation of closing documents.

Recommendation

- Staff recommends that the City Council approve a resolution of the City Council of the City of Sachse, Texas, approving the purchase of real property for the construction of widening and paving improvements to Ranch Road from Harlan Drive to Clearmeadow Lane; said property to be conveyed to the City of Sachse through a title company; authorizing the execution of all necessary documents by the city manager; and providing an effective date.

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SACHSE, TEXAS, APPROVING THE PURCHASE OF REAL PROPERTY FOR THE CONSTRUCTION OF WIDENING AND PAVING IMPROVEMENTS TO RANCH ROAD FROM HARLAN DRIVE TO CLEARMEADOW LANE; SAID PROPERTY TO BE CONVEYED TO THE CITY OF SACHSE THROUGH A TITLE COMPANY; AUTHORIZING THE EXECUTION OF ALL NECESSARY DOCUMENTS BY THE CITY MANAGER; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, it is the responsibility of the City of Sachse to maintain and make improvements to the City's streets; and

WHEREAS, the City's Capital Improvement Plan includes roadway improvements to Ranch Road from Harlan Drive to Clearmeadow Lane; and

WHEREAS, widening and paving improvements to Ranch Road is in the best interest of public safety; and

WHEREAS, five parcels of real property are required for the construction of the widening and paving improvements to Ranch Road, as shown in Exhibit "A" attached hereto; and

WHEREAS, a qualified real estate appraiser has completed right-of-way appraisals on five parcels of real property adjacent to the existing Ranch Road right-of-way; and

WHEREAS, the owners of record and/or their representatives for the five parcels of real property have agreed to the terms and conditions of the sale of the five parcels of real property; and

WHEREAS, the City of Sachse desires to utilize a qualified Title Company to prepare closing documents, conduct a title search on the real property, issue a title insurance policy on the real property, and facilitate the closing and transfer of ownership of the real property to the City of Sachse; and

WHEREAS, the purchase of real property is authorized by the City Council and the City Manager shall be authorized to execute agreements, contracts, and all closing documents necessary for the purchase of the five parcels of real property.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SACHSE, TEXAS;

Section 1: That the City Council hereby authorizes the City Manager to contract with Chicago Title Company to prepare closing documents, conduct a title search on the real property, issue a title insurance policy on the real property, and facilitate the transfer of ownership of the real property to the City of Sachse.

Section 2: That the City Council hereby authorizes the City Manager to execute the necessary agreements, contracts, and closing documents necessary for the purchase of the five parcels as shown in Exhibit "A" attached hereto.

Section 3: That this resolution shall become effective immediately upon its passage.

RESOLVED this 2nd day of February, 2015. CITY OF SACHSE, TEXAS

Mike Felix, Mayor

ATTEST:

Terry Smith, City Secretary

Exhibit “A”

CITY OF SACHSE, TEXAS
RANCH ROAD
RIGHT OF WAY ACQUISITION

DESCRIPTION

BEING A 1,344 SQUARE FOOT STRIP IF LAND IN THE JAMES CUMBA SURVEY, ABSTRACT NO. 243 , COLLIN COUNTY, TEXAS, BEING PART OF A TRACT OF LAND AS DEEDED TO 78 LANDER MILLER, LTD. AND RECORDED IN COUNTY CLERKS FILE NO. 20040013637 OF THE DEED RECORDS OF COLLIN COUNTY, TEXAS, (DRCCT), AS SHOWN ON THE ATTACHED EXHIBIT "A", AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

IT IS THE INTENT TO DESCRIBE A STRIP OF LAND, BEING BOUNDED ON THE WEST BY THE WEST LINE OF SAID LANDER MILLER TRACT, BEING BOUNDED ON THE NORTH BY THE NORTH LINE OF SAID LANDER MILLER TRACT, AND BEING BOUNDED ON THE EAST BY THE EAST LINE OF SAID LANDER MILLER TRACT:

The POINT OF BEGINNING is a 120D nail found for the northeast corner of said Lander Miller tract, being on the south line of the existing Right of Way for Ranch Road, and being the northwest corner of a tract of land as deeded to 78 Lander Miller, Ltd. and recorded in County Clerks File No. 20060224000243020, DRCCT;

THENCE South 00°45'44" West, with the line common to the subject Lander Miller tract with the Lander Miller tract recorded in CC 20060224000243020, DRCCT, a distance of 11.81 feet to a half inch iron with cap marked "BW2" set to mark the point,;

THENCE South 88°38'47" West, departing said common line and crossing the subject Lander Miller tract, a distance of 111.97 feet to a half inch iron with cap marked "BW2" set to mark the point, said point being on the west line of the subject Lander Miller tract, and being on the east line of a tract of land as deeded to Orville Craig Jones and Kibbie Jones Hipp and recorded in County Clerks File No. 20080515000592660, DRCCT;

THENCE North 00°17'18" East, with said common line, a distance of 12.19 feet to a 5/8 inch iron rod with cap marked "3949" found marking the northwest corner of the subject Lander Miller tract, being the northeast corner of said Jones tract, and being on the south line of the existing Right of Way for Ranch Road;

THENCE North 88°50'32" East, with said Right of Way line, a distance of 112.06 feet to the POINT OF BEGINNING, and containing 1,344 square feet of land.

NOTE:

All bearings are based on the Texas Coordinate System, N.A.D. 83 (1993 Adj.), North Central Zone, 4202.

John F. Wilder, R.P.L.S.
Texas Registration No. 4285,
BW2 Engineers, Inc.

Date

SURVEY: JAMES CUMBA SURVEY, ABSTRACT NO. 243

LOCATION: SACHSE, COLLIN COUNTY, TEXAS

PLAT OF EXHIBIT 'A': PARCEL 1 AREA: 1,344 S.F.

CITY OF SACHSE, TEXAS

RANCH ROAD
R.O.W. ACQUISITION

NOTE: THE BASIS OF BEARINGS FOR THIS SURVEY IS THE TEXAS STATE PLANE NAD83 NORTH CENTRAL ZONE (4202)

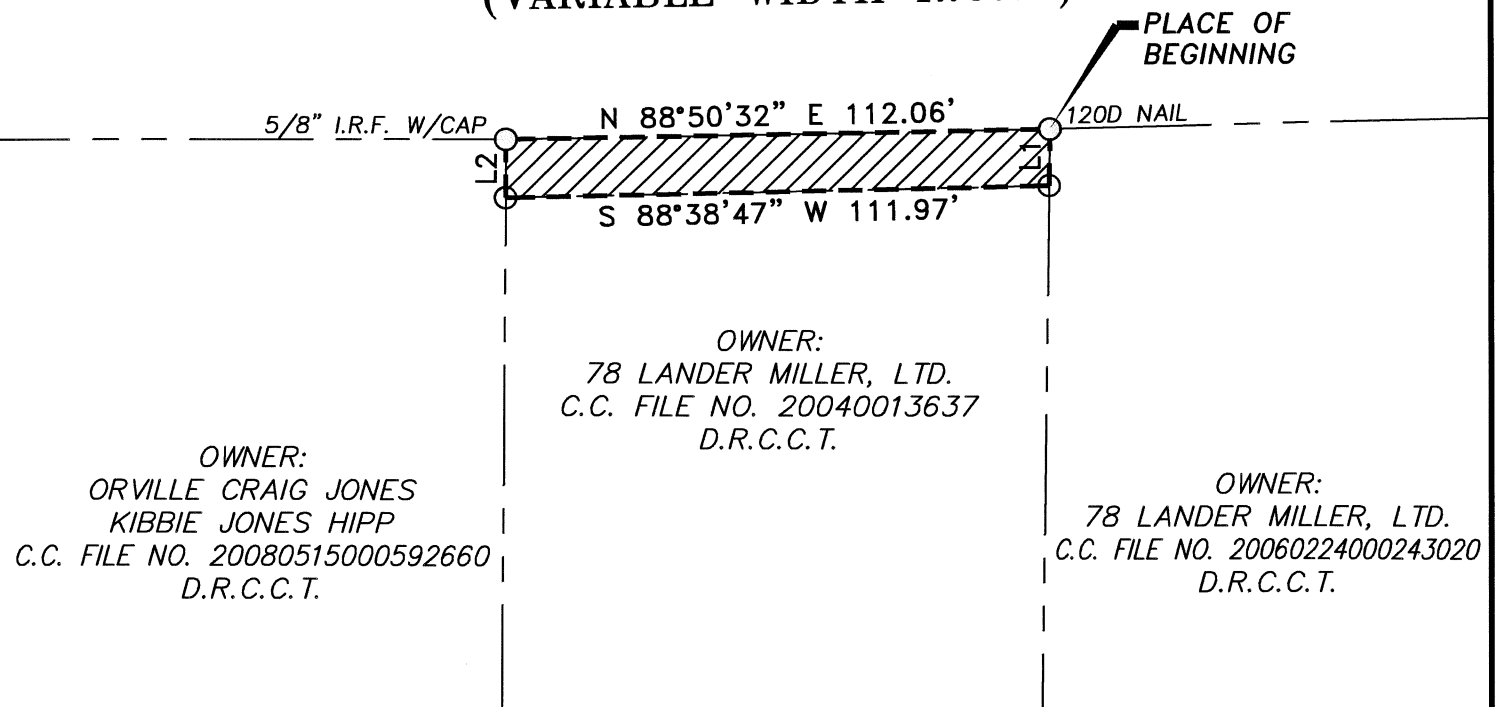
LEGEND:

 = PROPOSED R.O.W.

LINE TABLE

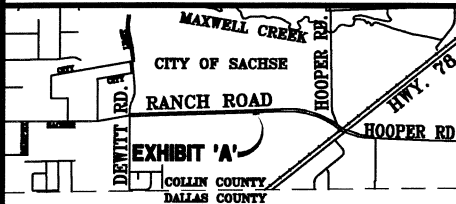
NUMBER	DIRECTION	DISTANCE
L1	S 00°45'44" W	11.81'
L2	N 00°17'18" E	12.19'

RANCH ROAD
(VARIABLE WIDTH R.O.W.)



JOHN F. WILDER, R.P.L.S. No. 4285

DATE

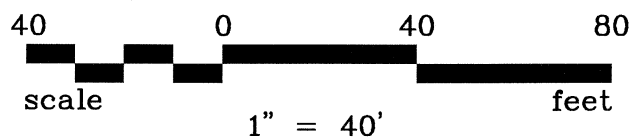


LOCATION MAP OF ACQUISITION - N.T.S.



BW2 ENGINEERS, INC.

1919 S. Shiloh Road
Suite 500, L.B. 27
Garland, Texas 75042
(972) 864-8200 (T) (972) 864-8220 (F)
Firm Registration No. F-5290



BW2 JOB NO: 13-1622

DRAWN BY: BW2

DATE: FEB. 2014

CHECKED BY: BW2

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PAGE 2 OF 4

CITY OF SACHSE, TEXAS
RANCH ROAD
RIGHT OF WAY ACQUISITION

DESCRIPTION

BEING A 1,336 SQUARE FOOT STRIP OF LAND IN THE JAMES CUMBA SURVEY, ABSTRACT NO. 243 , COLLIN COUNTY, TEXAS, BEING PART OF A TRACT OF LAND AS DEEDED TO 78 LANDER MILLER, LTD. AND RECORDED IN COUNTY CLERKS FILE NO. 20060224000243020 OF THE DEED RECORDS OF COLLIN COUNTY, TEXAS, (DRCCT), AS SHOWN ON THE ATTACHED EXHIBIT "A", AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

IT IS THE INTENT TO DESCRIBE A STRIP OF LAND, BEING BOUNDED ON THE WEST BY THE WEST LINE OF SAID LANDER MILLER TRACT, BEING BOUNDED ON THE NORTH BY THE NORTH LINE OF SAID LANDER MILLER TRACT, AND BEING BOUNDED ON THE EAST BY THE EAST LINE OF SAID LANDER MILLER TRACT:

The POINT OF BEGINNING is a half inch iron rod found for the northeast corner of said Lander Miller tract, being on the south line of the existing Right of Way for Ranch Road,

THENCE South 00°45'44" West, with the east line of said Lander Miller tract, a distance of 12.06 feet to a half inch iron with cap marked "BW2" set to mark the point;

THENCE South 88°38'47" West, departing said line and crossing said Lander Miller tract, a distance of 111.99 feet to a half inch iron with cap marked "BW2" set to mark the point, said point being on the west line of the subject Lander Miller tract, and being on the east line of a tract of land as deeded to 78 Lander Miller, Ltd. and recorded in County Clerks File No. 20040013637, DRCCT;

THENCE North 00°46'43" East, with said common line, a distance of 11.81 feet to a 120D nail, found marking the northwest corner of the subject Lander Miller tract, being the northeast corner of said Lander Miller tract recorded in CC 20040013637, and being on the south line of the existing Right of Way for Ranch Road;

THENCE North 88°30'54" East, with said Right of Way line, a distance of 112.00 feet to the POINT OF BEGINNING, and containing 1,336 square feet of land.

NOTE:

All bearings are based on the Texas Coordinate System, N.A.D. 83 (1993 Adj.), North Central Zone, 4202.

John F. Wilder, R.P.L.S.
Texas Registration No. 4285,
BW2 Engineers, Inc.

Date

SURVEY: JAMES CUMBA SURVEY, ABSTRACT NO. 243

LOCATION: SACHSE, COLLIN COUNTY, TEXAS

PLAT OF EXHIBIT 'A': PARCEL 2 AREA: 1,336 S.F.

CITY OF SACHSE, TEXAS

RANCH ROAD

R.O.W. ACQUISITION

NOTE: THE BASIS OF BEARINGS FOR THIS SURVEY IS THE TEXAS STATE PLANE NAD83 NORTH CENTRAL ZONE (4202)

LEGEND:

○ = 1/2" I.R.S. W/CAP MARKED "BW2"

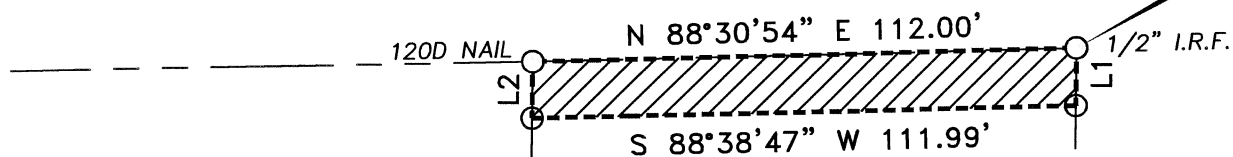
▨ = PROPOSED R.O.W.

LINE TABLE

NUMBER	DIRECTION	DISTANCE
L1	S 00°45'44" W	12.06'
L2	N 00°46'43" E	11.81'



**RANCH ROAD
(VARIABLE WIDTH R.O.W.)**



PLACE OF
BEGINNING

ROAD

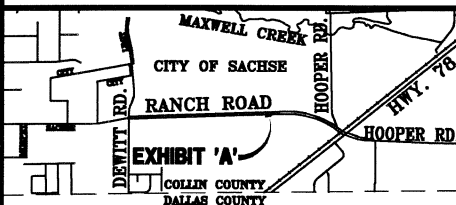
OWNER:
78 LANDER MILLER, LTD.
C.C. FILE NO. 20060224000243020
D.R.C.C.T.

OWNER:
78 LANDER MILLER, LTD.
C.C. FILE NO. 20040013637
D.R.C.C.T.

OWNER:
VAULT CAPITAL GROUP, LLC
C.C. FILE NO. 20070122000087720
D.R.C.C.T.

JOHN F. WILDER, R.P.L.S. No. 4285

DATE

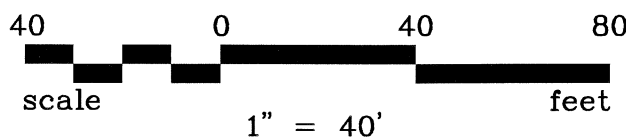


LOCATION MAP OF ACQUISITION - N.T.S.



BW2 ENGINEERS, INC.

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Garland, Texas 75042
(972) 864-8200 (T) (972) 864-8220 (F)
Firm Registration No. F-5290



BW2 JOB NO: 13-1622

DRAWN BY: BW2

DATE: FEB. 2014

CHECKED BY: BW2

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PAGE 2 OF 4

CITY OF SACHSE, TEXAS
RANCH ROAD
RIGHT OF WAY ACQUISITION

DESCRIPTION

BEING A 6,117 SQUARE FOOT STRIP OF LAND IN THE JAMES CUMBA SURVEY, ABSTRACT NO. 243, COLLIN COUNTY, TEXAS, BEING PART OF A TRACT OF LAND AS DEEDED TO VENKATESWARA RAO ADDEPALLI BNV, MAHESH REDDY GUDURU, GOPAL ANASURI, AND SATYASREE KOPPPARTHY, (AGAK), AND RECORDED IN COUNTY CLERKS FILE NO. 20091125001428120 OF THE DEED RECORDS OF COLLIN COUNTY, TEXAS, (DRCCT), AS SHOWN ON THE ATTACHED EXHIBIT "A", AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

IT IS THE INTENT TO DESCRIBE A STRIP OF LAND, BEING BOUNDED ON THE WEST BY THE WEST LINE OF SAID AGAK TRACT, BEING BOUNDED ON THE NORTH BY THE NORTH LINE OF SAID AGAK TRACT, AND BEING BOUNDED ON THE EAST BY THE EAST LINE OF SAID AGAK TRACT:

The POINT OF BEGINNING is a half inch iron rod found for the northeast corner of said AGAK tract, being on the south line of the existing Right of Way for Ranch Road, and being on the west line of a strip of land for an existing road (no record of owner per the tax records of Collin County, and no record of owner found).

THENCE South 00°05'28" East, with the east line of said AGAK tract, a distance of 54.93 feet to a half inch iron with cap marked "BW2" set to mark the point;

THENCE South 88°38'47" West, departing said common line and crossing said AGAK tract, a distance of 4.63 feet to a half inch iron rod with cap marked "BW2", set to mark the point;

THENCE North 19°55'47" West, a distance of 15.82 feet to a half inch iron rod with cap marked "BW2", set to mark the point;

THENCE South 88°38'47" West, a distance of 140.01 feet to a half inch iron with cap marked "BW2" set to mark the point, said point being on the west line of said AGAK tract, and being on the east line of a tract of land as deeded to Vault Capital Group and recorded in County Clerks File No. 20070122000087720, DRCCT;

THENCE North 00°05'28" West, with said common line, a distance of 40.18 feet to a 5 inch pipe found marking the northwest corner of said AGAK tract, being the northeast corner of said Vault Capital tract, and being on the south line of the existing Right of Way for Ranch Road;

THENCE North 88°44'32" East, with said Right of Way line, a distance of 150.00 feet to the POINT OF BEGINNING, and containing 6,117 square feet of land.

NOTE:

All bearings are based on the Texas Coordinate System, N.A.D. 83 (1993 Adj.), North Central Zone, 4202.

John F. Wilder, R.P.L.S.
Texas Registration No. 4285,
BW2 Engineers, Inc.

Date

SURVEY: JAMES CUMBA SURVEY, ABSTRACT NO. 243

LOCATION: SACHSE, COLLIN COUNTY, TEXAS

PLAT OF EXHIBIT 'A': PARCEL 3 AREA: 6,117 S.F.

CITY OF SACHSE, TEXAS

**RANCH ROAD
R.O.W. ACQUISITION**

NOTE: THE BASIS OF BEARINGS FOR THIS SURVEY IS THE TEXAS STATE PLANE NAD83 NORTH CENTRAL ZONE (4202)

LINE TABLE

NUMBER	DIRECTION	DISTANCE
L1	S 00°05'28" E	54.93'
L2	N 00°05'28" W	40.18'

LEGEND:

○ = 1/2" I.R.S. W/CAP MARKED "BW2"

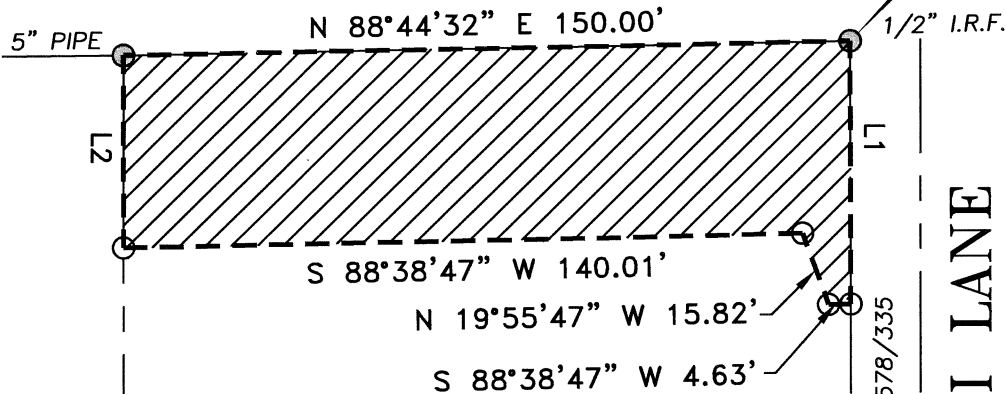
▨ PROPOSED R.O.W.

N

**RANCH ROAD
(VARIABLE WIDTH R.O.W.)**

PLACE OF
BEGINNING

OWNER:
VAULT CAPITAL GROUP, LLC
C.C. FILE NO. 20070122000087720
D.R.C.C.T.



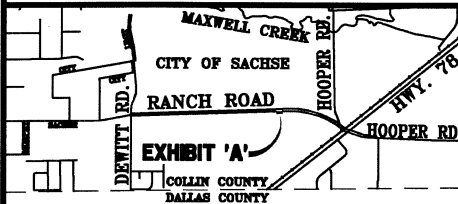
OWNERS:
ADDEPALLI, GUDURU,
ANASURI & KOPPARTHY
C.C. FILE NO. 20091125001428120
D.R.C.C.T.

MONTESSORI LANE

LOT 1, BLOCK A
WOODBIDGE MONTESSORI SCHOOL ADDITION
C.C. FILE NO. 20140610010001720
D.R.C.C.T.

JOHN F. WILDER, R.P.L.S. No. 4285

DATE

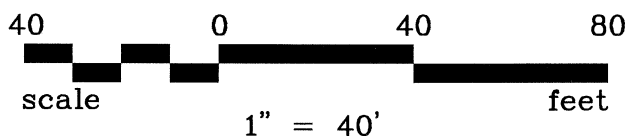


LOCATION MAP OF ACQUISITION - N.T.S.



BW2 ENGINEERS, INC.

1919 S. Shiloh Road
Suite 500, L.B. 27
Garland, Texas 75042
(972) 864-8200 (T) (972) 864-8220 (F)
Firm Registration No. F-5290



BW2 JOB NO: 13-1622

DRAWN BY: BW2

DATE: FEB. 2014

CHECKED BY: BW2

J: \\13-1622\\DRAWINGS\\EASEMENTS\\ADDEPALLI.DWG

PAGE 2 OF 4

CITY OF SACHSE, TEXAS
RANCH ROAD
RIGHT OF WAY ACQUISITION

DESCRIPTION

BEING A 6,174 SQUARE FOOT STRIP OF LAND IN THE JAMES CUMBA SURVEY, ABSTRACT NO. 243, COLLIN COUNTY, TEXAS, BEING PART OF A TRACT OF LAND AS DEEDED TO VAULT CAPITAL GROUP, LLC. AND RECORDED IN COUNTY CLERKS FILE NO. 20070122000087720 OF THE DEED RECORDS OF COLLIN COUNTY, TEXAS, (DRCCT), AS SHOWN ON THE ATTACHED EXHIBIT "A", AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

IT IS THE INTENT TO DESCRIBE A STRIP OF LAND, BEING BOUNDED ON THE WEST BY THE WEST LINE OF SAID VAULT TRACT, BEING BOUNDED ON THE NORTH BY THE NORTH LINE OF SAID VAULT TRACT, AND BEING BOUNDED ON THE EAST BY THE EAST LINE OF SAID VAULT TRACT:

The POINT OF BEGINNING is a 5 inch pipe found for the northeast corner of said Vault tract, being on the south line of the existing Right of Way for Ranch Road, and being the northwest corner of a tract of land as deeded to Addepalli, Guduru, Anasuri, and Kopparthy, and recorded in county clerks File No. 20091125001428120;'

THENCE South 00°05'28" East, with the east line of said Vault tract, being the west line of said Addepalli tract, a distance of 40.18 feet to a half inch iron with cap marked "BW2" set to mark the point;

THENCE South 88°38'47" West, departing said common line and crossing said Vault tract, a distance of 151.05 feet to a half inch iron with cap marked "BW2" set to mark the point, said point being on the west line of said Vault tract, and being on the east line of a strip of land for an existing road (no record of owner per the tax records of Collin County, and no record of owner found).

THENCE North 00°38'46" West, with said common line, a distance of 41.75 feet to a 5 inch pipe found marking the northwest corner of said Vault tract, and being on the south line of the existing Right of Way for Ranch Road;

THENCE North 89°14'22" East, with said Right of Way line, a distance of 150.48 feet to the POINT OF BEGINNING, and containing 6,174 square feet of land.

NOTE:

All bearings are based on the Texas Coordinate System, N.A.D. 83 (1993 Adj.), North Central Zone, 4202.

John F. Wilder, R.P.L.S.
Texas Registration No. 4285,
BW2 Engineers, Inc.

Date

SURVEY: JAMES CUMBA SURVEY, ABSTRACT NO. 243

LOCATION: SACHSE, COLLIN COUNTY, TEXAS

PLAT OF EXHIBIT 'A': PARCEL 4 AREA: 6,174 S.F.

CITY OF SACHSE, TEXAS

RANCH ROAD

R.O.W. ACQUISITION

NOTE: THE BASIS OF BEARINGS FOR THIS SURVEY IS THE TEXAS STATE PLANE NAD83 NORTH CENTRAL ZONE (4202)

LINE TABLE

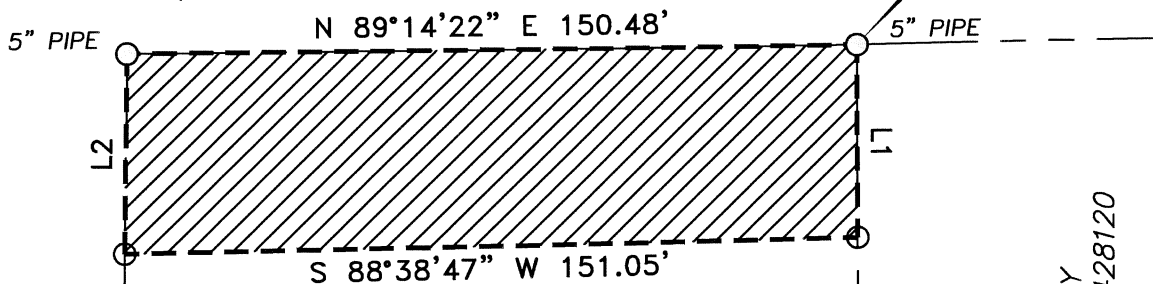
NUMBER	DIRECTION	DISTANCE
L1	S 00°05'28" E	40.18'
L2	N 00°38'46" E	41.75'

LEGEND:

○ = 1/2" I.R.S. W/CAP MARKED "BW2"

▨ = PROPOSED R.O.W.

**RANCH ROAD
(VARIABLE WIDTH R.O.W.)**



OWNER:
78 LANDER MILLER, LTD.
C.C. FILE NO. 20060224000243020
D.R.C.C.T.

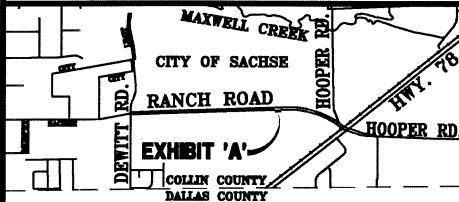
ROAD

OWNER:
VAULT CAPITAL GROUP, LLC
C.C. FILE NO. 20070122000087720
D.R.C.C.T.

OWNERS:
ADDEPALLI, GUDURU,
ANASURI & KOPPARTHY
C.C. FILE NO. 20091125001428120
D.R.C.C.T.

JOHN F. WILDER, R.P.L.S. No. 4285

DATE

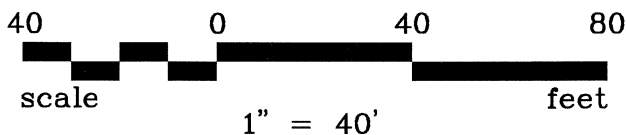


LOCATION MAP OF ACQUISITION - N.T.S.



BW2 Engineers, Inc.

1919 S. Shiloh Road
Suite 500, L.B. 27
Garland, Texas 75042
(972) 864-8200 (T) (972) 864-8220 (F)
Firm Registration No. F-5290



BW2 JOB NO: 13-1622

DRAWN BY: BW2

DATE: FEB. 2014

CHECKED BY: BW2

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PAGE 2 OF 4

CITY OF SACHSE, TEXAS
RANCH ROAD
RIGHT OF WAY ACQUISITION

DESCRIPTION

BEING A 23,216 SQUARE FOOT STRIP IF LAND IN THE JAMES CUMBA SURVEY, ABSTRACT NO. 243, COLLIN COUNTY, TEXAS, BEING PART OF A TRACT OF LAND AS DEEDED TO ORVILLE CRAIG JONES AND KIBBIE JONES HIPPIE AND RECORDED IN COUNTY CLERKS FILE NO. 20080515000592660 OF THE DEED RECORDS OF COLLIN COUNTY, TEXAS, (DRCCT), AS SHOWN ON THE ATTACHED EXHIBIT "A", AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

IT IS THE INTENT TO DESCRIBE AN IRREGULAR SHAPED STRIP OF LAND, BEING BOUNDED ON THE WEST BY THE WEST LINE OF SAID JONES TRACT, BEING BOUNDED ON THE NORTH BY THE NORTH LINE OF SAID JONES TRACT, AND BEING BOUNDED ON THE EAST BY THE EAST LINE OF SAID JONES TRACT:

The POINT OF BEGINNING is a 5/8 inch iron rod with cap marked "3949" found for the northeast corner of said Jones tract, being on the south line of the existing Right of Way for Ranch Road, and being the northwest corner of a tract of land as deeded to 78 Lander Miller, Ltd. and recorded in County Clerks File No. 20040013637, DRCCT;

THENCE South 00°17'18" West, with the east line of said Jones tract, being the west line of said Lander Miller tract, a distance of 12.19 feet to a half inch iron with cap marked "BW2" set to mark the point,;

THENCE South 88°38'47" West, departing said common line and crossing said Jones tract, a distance of 843.96 feet to a half inch iron with cap marked "BW2" set to mark the point, said point being at the beginning of a tangent curve to the right;

THENCE with said curve having a radius of 1122.50 feet, through a central angle of 04°09'00", an arc distance of 81.30 feet, and having a chord which bears North 89°16'42" West, a distance of 81.29 feet to a half inch iron rod with cap marked "BW2" set to mark the point of tangent;

THENCE North 87°12'12" West, a distance of 68.46 feet to a half inch iron rod with cap marked "BW2" set to mark the point, said point being at the beginning of a tangent curve to the left;

THENCE with said curve having a radius of 977.50 feet, through a central angle of 02°37'09", a arc distance of 44.69 feet, and having a chord which bears North 88°30'47" West, a distance of 44.68 feet to a half inch iron rod with cap marked "BW2" set to mark the point, said point being on the west line of said Jones tract, being the northeast corner of Parkwood Ranch No. 1, an addition to the City of Sachse as recorded in Cabinet Q, Slide 307, DRCCT;

THENCE North 00°37'06" East, with the west line of said Jones tract, a distance of 24.09 feet to a point, said point being the northwest corner of said Jones tract, and being an interior ell corner of the Right of Way for Ranch Road;

THENCE North 89°51'40" East, with said Right of Way line, a distance of 1037.85 feet to the POINT OF BEGINNING, and containing 23,216 square feet of land.

NOTE:

All bearings are based on the Texas Coordinate System, N.A.D. 83 (1993 Adj.), North Central Zone, 4202.

John F. Wilder, R.P.L.S.
Texas Registration No. 4285,
BW2 Engineers, Inc.

Date

SURVEY: JAMES CUMBA SURVEY, ABSTRACT NO. 243

LOCATION: SACHSE, COLLIN COUNTY, TEXAS

PLAT OF EXHIBIT 'A', PARCEL 5 AREA: 23,216 S.F.

CITY OF SACHSE, TEXAS

RANCH ROAD

R.O.W. ACQUISITION

NOTE: THE BASIS OF BEARINGS FOR THIS SURVEY IS THE TEXAS STATE PLANE NAD83 NORTH CENTRAL ZONE (4202)

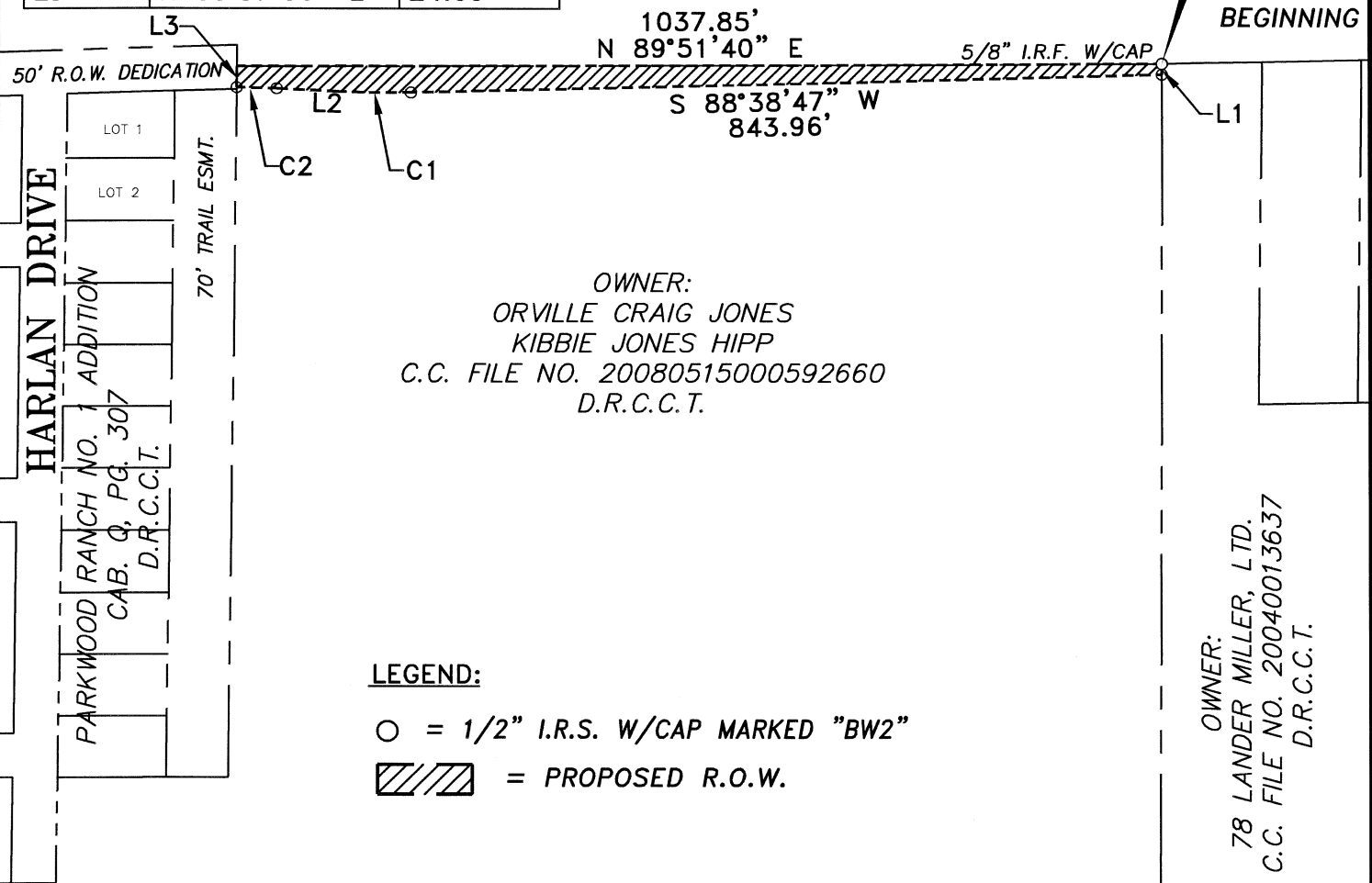
CURVE TABLE

NUMBER	RADIUS	DELTA ANGLE	ARC LENGTH	CHORD DIRECTION	CHORD LENGTH
C1	1122.50	04°09'00"	81.30	N 89°16'42" W	81.29
C2	977.50	02°37'09"	44.69	N 88°30'47" W	44.68

LINE TABLE

NUMBER	DIRECTION	DISTANCE
L1	S 00°17'18" W	12.19'
L2	N 87°12'12" W	68.46'
L3	N 00°37'06" E	24.09'

RANCH ROAD
(VARIABLE WIDTH R.O.W.)



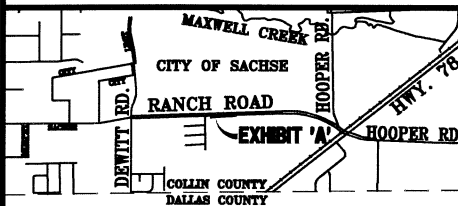
LEGEND:

○ = 1/2" I.R.S. W/CAP MARKED "BW2"

▨ = PROPOSED R.O.W.

JOHN F. WILDER, R.P.L.S. No. 4285

DATE

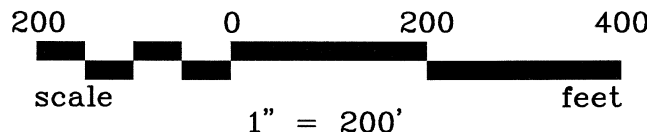


LOCATION MAP OF ACQUISITION - N.T.S.



BW2 Engineers, Inc.

1919 S. Shiloh Road
Suite 500, L.B. 27
Garland, Texas 75042
(972) 864-8200 (T) (972) 864-8220 (F)
Firm Registration No. F-5290



BW2 JOB NO: 13-1622

DRAWN BY: BW2

DATE: FEB. 2014

CHECKED BY: BW2

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PAGE 3 OF 6



Legislation Details (With Text)

File #: 15-2667 **Version:** 1 **Name:** Recognition of service to the for City for William K. George.
Type: Agenda Item **Status:** Agenda Ready
File created: 1/27/2015 **In control:** City Council
On agenda: 2/2/2015 **Final action:**
Title: Recognition of service to the for City for Mr. William K. George, with short recess for refreshments.

Executive Summary
Billy George has resigned as City Manager, and this item is to recognize his service to the City.

Sponsors:

Indexes:

Code sections:

Attachments:

Date	Ver.	Action By	Action	Result
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Title

Recognition of service to the for City for Mr. William K. George, with short recess for refreshments.

Executive Summary

Billy George has resigned as City Manager, and this item is to recognize his service to the City.

Background

Mr. George has served as City Manager for our city since October 2011. He has moved the City and staff forward during his tenure. Staff will have a plaque of appreciation for Mayor Felix to present to him. After comments, staff requests a short recess for refreshments and fellowship.

Policy Considerations

None.

Budgetary Considerations

None.

Staff Recommendations

Recognition of service to the City for Mr. William K. George.



Legislation Details (With Text)

File #:	15-2671	Version:	3	Name:	Police Department Annual Briefing
Type:	Agenda Item	Status:		Status:	Agenda Ready
File created:	1/28/2015	In control:		In control:	City Council
On agenda:	2/2/2015	Final action:		Final action:	
Title:	Police Department Annual Briefing				
	Executive Summary				
	Police Department Annual Briefing				

Sponsors:

Indexes:

Code sections:

Attachments: [Presentation PDF](#)

Date	Ver.	Action By	Action	Result
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Title

Police Department Annual Briefing

Executive Summary

Police Department Annual Briefing

Background

Brief Council on previous years activities.

Policy Considerations

N/A

Budgetary Considerations

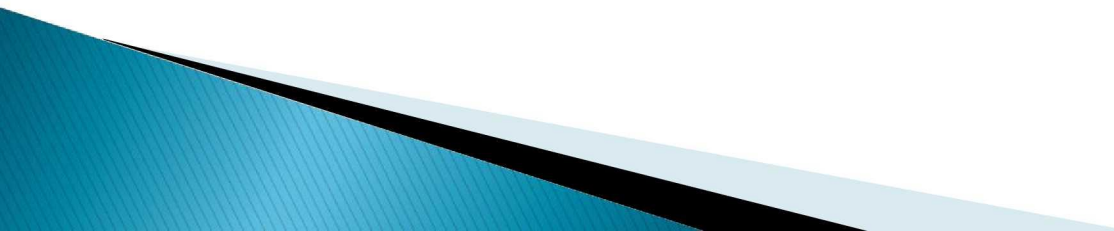
N/A

Staff Recommendation

Receive Police Department Annual Briefing.

Sachse Police Department Annual Report

2014

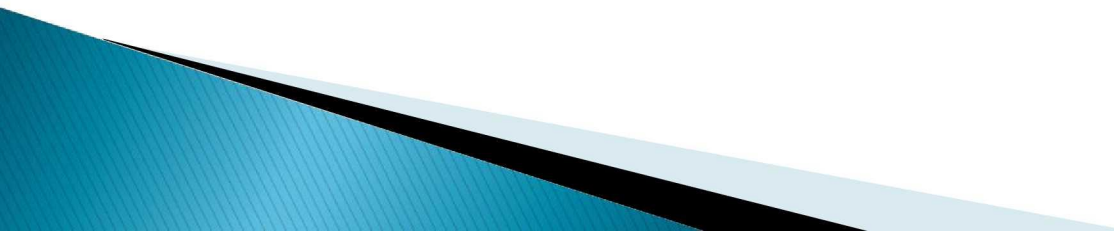


2014 Calls for Service

- ▶ Total calls for service dropped 2% in 2014. That's a bit surprising when you take into account population and traffic increases. And, there was a nearly 20% decrease in calls for service in 2013.
 - ▶ Motor vehicle accident occurrences dropped 8%. We were again surprised because of the increase in traffic due to new or expanded roadways.
 - ▶ Alarms calls were fairly stable, with 23 more calls this year than last.
 - ▶ Community Policing calls rebounded this year with a 71% increase in activity.
- 

Sachse Police Department

Major Crime Occurrences

- ▶ In 2014 overall reported serious crime was stable when compared with 2013. When all crime is factored in there is an overall increase of 5% over the previous year.
 - ▶ There were no Homicides in 2014 and significant decreases in aggravated assaults (-55%), burglary (-23%), and disorderly conduct (-55%).
 - ▶ There were significant increases in Sexual Assault (63%), and robbery (700%), from 1 in 2013 to 8 in 2014.
 - ▶ It is important to remember that in most cases we are dealing with very small raw numbers. Because of this, some very high percentages can occur because of small upward or downward raw numbers.
- 

2014 Crime – The Stats

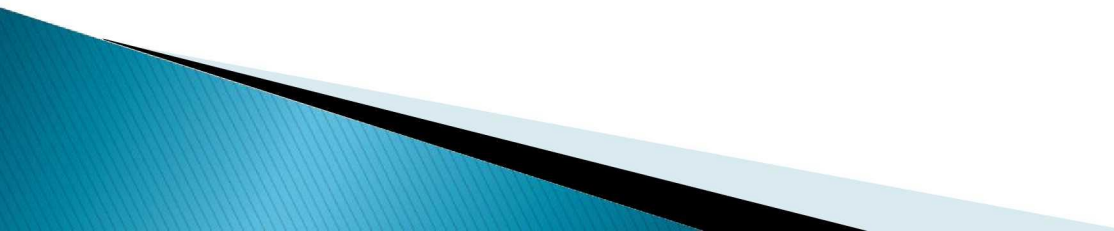
- | | 2010 | 2011 | 2012 | 2013 | 2014 |
|---------------------|------|------|------|------|------|
| ▶ Total (Top 7) | 292 | 250 | 281 | 260 | 272 |
| ▶ Total (All Crime) | 1295 | 1479 | 1505 | 1398 | 1423 |
- ▶ Top 7 Uniform Crime Reports include: Homicide, Sexual Assault, Aggravated Assault, Robbery, Burglary, Theft, and Auto Theft.
 - ▶ Several years ago the FBI added most crimes, including minor ones, to the UCR system. Our total numbers show that Sachse's crime rates, even when minor crimes are added, remain relatively stable.

2014 Enforcement

▶ Enforcement Activity Year:	2010	2011	2012	2013	2014
Arrests:	584	695	677	655	590
Citations/Warnings	2874	3181	3650	3038	2011
Warrants Cleared	1108	1259	1245	1166	992

It's clear that our personnel shortages for the last year have had an impact on enforcement activity. We have been at minimum staffing for most of the year and have had a vacancy in the traffic enforcement section for more than a year.

Pursuits 2014

- ▶ One of the requirements of Best Practices Recognition is that we track & review all Vehicle Pursuits & Use of Force occurrences.
 - ▶ Pursuits documented by our department in 2014: 4 total. One was initiated by Wylie Police and we assisted.
 - ▶ 3 arrests were made as a result of the pursuits.
 - ▶ 2 ended when the suspect crashed their vehicle. The other 2 ended when the suspect stopped.
 - ▶ One suspect was injured when they crashed their motorcycle.
 - ▶ After review, there were no policy violations during any of these events.
- 

Use of Force 2014

- ▶ There were a total of 17 Use of Force Reviews in 2014. This is a 29% decrease over 2013 when we reported 24 Use of Force events.
- ▶ To put the number of Use of Force events in context; there were at least 22,818 contacts with citizens in 2014. Use of Force occurred 0.07% of the time. Slightly more than one half of one percent.
- ▶ Use of Force by type:

◦ Physical Control	6
◦ Taser Deployment	1
◦ Taser Displayed	2
◦ Restraint Chair	1
◦ Firearm Displayed	7
◦ Firearm Used	0
◦ Pepper Spray	0
◦ Baton	0
◦ Less Lethal Weapons	0

Use of Force Continued

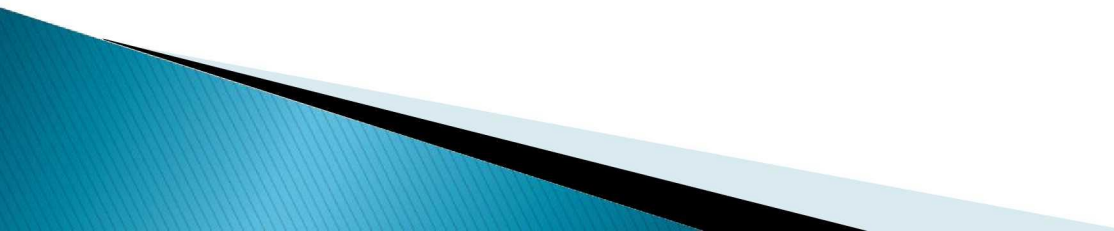
- ▶ Injuries as result of Use of Force:
 - One to officer: Marks/Bruising
 - Three to suspects: 2 cut/bleeding.
 - 1 Mark/Bruising
 - All events reviewed in detail.
 - No policy violations OR complaints from these events.

2014 Shelter Activities

ANIMAL CONTROL ACTIVITY - DECEMBER 2014

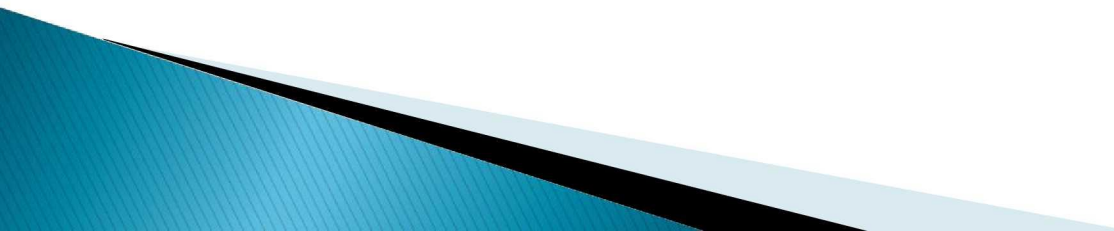
DESCRIPTION	MONTH 14	MONTH 13	YTD 2014	YTD 2013	% + / =
ANIMAL COMPLAINTS	200	192	2405	2508	-04
ANIMALS IMPOUNDED	41	46	628	643	-02
CLAIMED BY OWNER	19	38	308	287	+07
ADOPTIONS	29	17	260	207	+26
DOG EUTHANIZED	2	9	58	94	-38
CATS EUTHANIZED	1	5	33	83	-60
ANIMAL BITES	1	2	25	32	-22
PET LICENSES ISSUED	25	17	358	358	0
CITATIONS ISSUED	1	0	32	14	+13
WARNING CITATIONS	0	0	0	0	0

What's Next?

- ▶ New Police Chief Hired sometime this year.
 - ▶ Refocus on expanding programs.
 - ▶ Participate in Neighborhood Meetings
 - ▶ Present more Identity Theft Training programs. Consider offering Active Shooter Training for Citizens again.
 - ▶ Have a Citizens Police Academy for Adults.
 - ▶ What's Next? EVERYTHING!
- 

For The Times They Are A-Changing.

Bob Dylan, 1963





Legislation Details (With Text)

File #:	15-2676	Version:	1	Name:	Refunding Bond Ordinance
Type:	Agenda Item	Status:		Status:	Agenda Ready
File created:	1/29/2015	In control:		In control:	City Council
On agenda:	2/2/2015	Final action:		Final action:	
Title:	Consider an ordinance authorizing the issuance of City of Sachse, Texas, General Obligation Refunding Bonds; establishing procedures and delegating authority for the sale and delivery of the bonds; providing for the security and payment of said bonds; providing an effective date; and enacting other provisions relating to the subject.				

Executive Summary

The City's 2015 Strategic Plan Goal 2--Be a model of financial stewardship through growth management, responsible investment and financial transparency--Strategy 5 includes a task of reviewing opportunities for refunding existing bond debt. The current interest rates are low enough to realize a significant savings to the City by refunding the 2003 Certificates of Obligation, which are currently callable, and a portion of the Series 2009 GO Bonds with the highest coupon rates. The projected savings are \$1.8 million over the remaining life of the bonds, with a present value savings of \$1.3 million.

Sponsors:

Indexes:

Code sections:

Attachments: [Refunding Bond Ordinance.pdf](#)
[Sachse parameter refunding 2-2 presentation.pdf](#)

Date	Ver.	Action By	Action	Result
------	------	-----------	--------	--------

Title

Consider an ordinance authorizing the issuance of City of Sachse, Texas, General Obligation Refunding Bonds; establishing procedures and delegating authority for the sale and delivery of the bonds; providing for the security and payment of said bonds; providing an effective date; and enacting other provisions relating to the subject.

Executive Summary

The City's 2015 Strategic Plan Goal 2--Be a model of financial stewardship through growth management, responsible investment and financial transparency--Strategy 5 includes a task of reviewing opportunities for refunding existing bond debt. The current interest rates are low enough to realize a significant savings to the City by refunding the 2003 Certificates of Obligation, which are currently callable, and a portion of the Series 2009 GO Bonds with the highest coupon rates. The projected savings are \$1.8 million over the remaining life of the bonds, with a present value savings of \$1.3 million.

Background

The ordinance before you is to approve a parameter bond sale. The reason for a parameter bond sale is flexibility--it allows the sale of the bonds to be ordered on short notice to take

advantage of the most advantageous interest rates. The parameters must be met before the delegated pricing officers can approve the sale of the bonds. The parameters included in the ordinance are as follows:

- i. the aggregate original principal amount of the Bonds authorized pursuant to this Ordinance, whether one or more series, shall not exceed \$10,000,000.
- ii. the refunding must produce a present value debt service savings, when calculated with respect to all of the Refunded Obligations, of at least \$1,050,000.
- iii. the true interest cost of the Bonds shall not exceed 3.50% per annum provided that the net effective interest rate on each series of the Bonds shall not exceed the maximum rate set forth in Chapter 1204, Texas Government Code, as amended.
- iv. the final maturity of the Bonds shall not be later than February 15, 2034.
- v. the delegation made hereby shall expire if not exercised by the Pricing Officer on or before August 2, 2015.
- vi. the price to be paid for the Bonds shall not be less than 98% of the aggregate principal amount thereof, plus accrued (if applicable).

Policy Considerations

Section 7.14 of the City Charter states that "The city shall have the power to borrow money on the credit of the city and to issue general obligation bonds for permanent public improvements or any other public purpose not prohibited by law of [or] this Charter, and to issue refunding bonds to refund outstanding bonds previously issued. All such bonds or certificates of obligation shall be issued in conformity with the laws of the State of Texas and shall be used only for purposes for which they were issued."

Budgetary Considerations

The approved 2014-2015 budgeted debt service is more than the total debt service adjusted for the refunding bonds.

Staff Recommendations

Staff recommends adoption of an ordinance authorizing the issuance of City of Sachse, Texas General Obligation Refunding Bonds; establishing procedures and delegating authority for the sale and delivery of the bonds; providing for the security and payment of said bonds; providing an effective date; and enacting other provisions relating to the subject.

ORDINANCE NO. _____

ORDINANCE AUTHORIZING THE ISSUANCE OF CITY OF SACHSE, TEXAS, GENERAL OBLIGATION REFUNDING BONDS; ESTABLISHING PROCEDURES AND DELEGATING AUTHORITY FOR THE SALE AND DELIVERY OF THE BONDS; PROVIDING FOR THE SECURITY AND PAYMENT OF SAID BONDS; PROVIDING AN EFFECTIVE DATE; AND ENACTING OTHER PROVISIONS RELATING TO THE SUBJECT

WHEREAS, there are presently the outstanding obligations of the City of Sachse, Texas (the "Issuer"), described in Schedule I attached hereto, collectively, the "Eligible Refunded Obligations";

WHEREAS, the Issuer now desires to refund all or part of the Eligible Refunded Obligations, and those Eligible Refunded Obligations designated by the Pricing Officer in the Pricing Certificate, each as defined below, to be refunded are herein referred to as the "Refunded Obligations";

WHEREAS, Chapter 1207, Texas Government Code, authorizes the Issuer to issue refunding bonds and to deposit the proceeds from the sale thereof, together with any other available funds or resources, directly with a paying agent for any of the Refunded Obligations or a trust company or commercial bank that does not act as a depository for the Issuer and is named in these proceedings, and such deposit, if made before the payment dates of the Refunded Obligations, shall constitute the making of firm banking and financial arrangements for the discharge and final payment of the Refunded Obligations;

WHEREAS, Chapter 1207, Texas Government Code, further authorizes the Issuer to enter into an escrow agreement with such paying agent for the Refunded Obligations or trust company or commercial bank with respect to the safekeeping, investment, reinvestment, administration and disposition of any such deposit, upon such terms and conditions as the Issuer and such paying agent or trust company or commercial bank may agree;

WHEREAS, this City Council hereby finds and determines that it is a public purpose and in the best interests of the Issuer to refund the Refunded Obligations in order to achieve a present value debt service savings of at least \$1,050,000, with such savings, among other information and terms to be included in a pricing certificate (the "Pricing Certificate") to be executed by the Pricing Officer (hereinafter designated), all in accordance with the provisions of Section 1207.007, Texas Government Code;

WHEREAS, all the Refunded Obligations mature or are subject to redemption prior to maturity within 20 years of the date of the bonds hereinafter authorized;

WHEREAS, the bonds hereafter authorized are being issued and delivered pursuant to said Chapter 1207, Texas Government Code; and

WHEREAS, it is officially found, determined, and declared that the meeting at which this Ordinance has been adopted was open to the public and public notice of the time, place and subject matter of the public business to be considered and acted upon at said meeting, including this Ordinance, was given, all as required by the applicable provisions of Tex. Gov't Code Ann. ch. 551; Now, Therefore

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

Section 1. RECITALS, AMOUNT, PURPOSE AND DESIGNATION OF THE BONDS.

(a) The recitals set forth in the preamble hereof are incorporated herein and shall have the same force and effect as if set forth in this Section.

(b) The bonds of the City of Sachse, Texas (the "Issuer"), are hereby authorized to be issued and delivered, in one or more series, in the aggregate principal amount hereinafter provided for the public purpose of providing funds to refund a portion of the Issuer's outstanding indebtedness and to pay the costs incurred in connection with the issuance of the Bonds.

(c) Each bond issued pursuant to this Ordinance shall be designated: "CITY OF SACHSE, TEXAS, GENERAL OBLIGATION REFUNDING BOND, SERIES 2015" (series to be designated as described in Section 2(a)), and initially there shall be issued, sold, and delivered hereunder fully registered Bonds, without interest coupons, payable to the respective registered owners thereof (with the initial bonds being made payable to the initial purchaser as described in Section 10 hereof), or to the registered assignee or assignees of said bonds or any portion or portions thereof (in each case, the "Registered Owner"). The Bonds shall be in the respective denominations and principal amounts, shall be numbered, shall mature and be payable on the date or dates in each of the years and in the principal amounts, and shall bear interest to their respective dates of maturity or redemption prior to maturity at the rates per annum, as set forth in the Respective Pricing Certificate.

Section 2. DELEGATION TO PRICING OFFICER.

(a) As authorized by Section 1207.007, Texas Government Code, as amended, the City Manager and Finance Director (each a "Pricing Officer") are each hereby authorized to act on behalf of the Issuer in selling and delivering the Bonds, in one or more series, and with respect to each such series, determining which of the Eligible Refunded Obligations shall be refunded and carrying out the other procedures specified in this Ordinance, including, determining the date of the Bonds, any additional or different designation or title by which the Bonds shall be known, the price at which the Bonds will be sold, the years in which the Bonds will mature, the principal amount to mature in each of such years, the rate of interest to be borne by each such maturity, the interest payment and record dates, the price and terms upon and at which the Bonds shall be subject to redemption prior to maturity at the option of the Issuer, as well as any mandatory sinking fund redemption provisions, and all other matters relating to the issuance, sale, and delivery of the Bonds and the refunding of the Refunded Bonds, including without limitation establishing the redemption dates for and effecting the redemption of the Refunded Obligations and obtaining municipal bond insurance for all or any portion of the Bonds and providing for the terms and provisions thereof applicable to the Bonds, including the execution of any commitment agreements, membership agreements in mutual insurance companies, and other similar agreements, all of which shall be specified in the Pricing Certificate; provided that:

(i) the aggregate original principal amount of the Bonds authorized pursuant to this Ordinance, whether one or more series, shall not exceed \$10,000,000;

(ii) the refunding must produce a present value debt service savings, when calculated with respect to all of the Refunded Obligations, of at least \$1,050,000;

(iii) the true interest cost of the Bonds shall not exceed 3.50% per annum provided that the net effective interest rate on each series of the Bonds shall not exceed the maximum rate set forth in Chapter 1204, Texas Government Code, as amended;

(iv) the final maturity of the Bonds shall not be later than February 15, 2034;

(iv) the delegation made hereby shall expire if not exercised by the Pricing Officer on or before August 2, 2015; and

(v) the price to be paid for the Bonds shall not be less than 98% of the aggregate principal amount thereof, plus accrued (if applicable).

(b) In establishing the aggregate principal amount of the Bonds, the Pricing Officer shall establish an amount not exceeding the amount authorized in Subsection (a) hereof, which shall be sufficient in amount to provide for the purposes for which the Bonds are authorized and to pay costs of issuing the Bonds. The Pricing Officer shall determine whether the Bonds will be sold by private placement or negotiated or competitive sale. The Bonds shall be sold with and subject to such terms as set forth in the Pricing Certificate.

Section 3. CHARACTERISTICS OF THE BONDS.

(a) Registration, Transfer, Conversion and Exchange. The selection and appointment of the paying agent/registrar for the Bonds (the "Paying Agent/Registrar") shall be as provided in the Pricing Certificate. The Mayor or the City Manager is authorized and directed to execute and deliver in the name and on behalf of the Issuer a Paying Agent/Registrar Agreement with the Paying Agent/Registrar in substantially the form presented at this meeting

(b) Registration, Transfer, Conversion and Exchange. The Issuer shall keep or cause to be kept at the corporate trust office of the Paying Agent/Registrar books or records for the registration of the transfer, conversion and exchange of the Bonds (the "Registration Books"), and the Issuer hereby appoints the Paying Agent/Registrar as its registrar and transfer agent to keep such books or records and make such registrations of transfers, conversions and exchanges under such reasonable regulations as the Issuer and Paying Agent/Registrar may prescribe; and the Paying Agent/Registrar shall make such registrations, transfers, conversions and exchanges as herein provided within three days of presentation in due and proper form. The Paying Agent/Registrar shall obtain and record in the Registration Books the address of the registered owner of each Bond to which payments with respect to the Bonds shall be mailed, as herein provided; but it shall be the duty of each registered owner to notify the Paying Agent/Registrar in writing of the address to which payments shall be mailed, and such interest payments shall not be mailed unless such notice has been given. The Issuer shall have the right to inspect the Registration Books during regular business hours of the Paying Agent/Registrar, but otherwise the Paying Agent/Registrar shall keep the Registration Books confidential and, unless otherwise required by law, shall not permit their inspection by any other entity. The Issuer shall pay the Paying Agent/Registrar's standard or customary fees and charges for making such registration, transfer, conversion, exchange and delivery of a substitute Bond or Bonds. Registration of assignments, transfers, conversions and exchanges of Bonds shall be made in the manner provided and with the effect stated in the FORM OF BOND set forth in this Ordinance. Each substitute Bond shall bear a letter and/or number to distinguish it from each other Bond.

(c) Authentication. Except as provided in subsection (i) of this section, an authorized representative of the Paying Agent/Registrar shall, before the delivery of any such Bond, date and manually sign said Bond, and no such Bond shall be deemed to be issued or outstanding unless such Bond is so executed. The Paying Agent/Registrar promptly shall cancel all paid Bonds and Bonds surrendered for conversion and exchange. No additional ordinances, orders or resolutions need be passed or adopted by the governing body of the Issuer or any other body or person so as to accomplish the foregoing conversion and exchange of any Bond or portion

thereof, and the Paying Agent/Registrar shall provide for the printing, execution and delivery of the substitute Bonds in the manner prescribed herein. Pursuant to Subchapter D, Chapter 1201, Texas Government Code, the duty of conversion and exchange of Bonds as aforesaid is hereby imposed upon the Paying Agent/Registrar, and, upon the execution of said Bond, the converted and exchanged Bond shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Bonds which initially were issued and delivered pursuant to this Ordinance, approved by the Attorney General, and registered by the Comptroller of Public Accounts.

(d) Payment of Principal and Interest. The Issuer hereby further appoints the Paying Agent/Registrar to act as the paying agent for paying the principal of and interest on the Bonds, all as provided in this Ordinance. The Paying Agent/Registrar shall keep proper records of all payments made by the Issuer and the Paying Agent/Registrar with respect to the Bonds, and of all conversions and exchanges of Bonds, and all replacements of Bonds, as provided in this Ordinance. However, in the event of a nonpayment of interest on a scheduled payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Issuer. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be 15 days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each registered owner appearing on the Registration Books at the close of business on the last business day next preceding the date of mailing of such notice.

(e) Payment to Registered Owner. Notwithstanding any other provision of this Ordinance to the contrary, the Issuer and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Bond is registered in the Registration Books as the absolute owner of such Bond for the purpose of payment of principal and interest with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of and interest on the Bonds only to or upon the order of the registered owners, as shown in the Registration Books as provided in this Ordinance, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Issuer's obligations with respect to payment of principal of and interest on the Bonds to the extent of the sum or sums so paid. No person other than a registered owner, as shown in the Registration Books, shall receive a Bond certificate evidencing the obligation of the Issuer to make payments of principal and interest pursuant to this Ordinance.

(f) Paying Agent/Registrar. The Issuer covenants with the registered owners of the Bonds that at all times while the Bonds are outstanding the Issuer will provide a competent and legally qualified bank, trust company, financial institution or other agency to act as and perform the services of Paying Agent/Registrar for the Bonds under this Ordinance, and that the Paying Agent/Registrar will be one entity. By accepting the position and performing as such, each Paying Agent/Registrar shall be deemed to have agreed to the provisions of this Ordinance, and a certified copy of this Ordinance shall be delivered to each Paying Agent/Registrar.

(g) Substitute Paying Agent/Registrar. The Issuer reserves the right to, and may, at its option, change the Paying Agent/Registrar upon not less than 120 days written notice to the Paying Agent/Registrar, to be effective not later than 60 days prior to the next principal or interest payment date after such notice. In the event that the entity at any time acting as Paying Agent/Registrar (or its successor by merger, acquisition, or other method) should resign or otherwise cease to act as such, the Issuer covenants that promptly it will appoint a competent and legally qualified bank, trust company, financial institution, or other agency to act as Paying Agent/Registrar under this Ordinance. Upon any change in the Paying Agent/Registrar, the previous Paying Agent/Registrar promptly shall transfer and deliver the Registration Books (or a copy thereof), along with all

other pertinent books and records relating to the Bonds, to the new Paying Agent/Registrar designated and appointed by the Issuer. Upon any change in the Paying Agent/Registrar, the Issuer promptly will cause a written notice thereof to be sent by the new Paying Agent/Registrar to each registered owner of the Bonds, by United States mail, first-class postage prepaid, which notice also shall give the address of the new Paying Agent/Registrar.

(g) Book-Entry Only System. The Bonds issued in exchange for the Bonds initially issued to the purchaser or purchasers specified herein shall be initially issued in the form of a separate single fully registered Bond for each of the maturities thereof and the ownership of each such Bond shall be registered in the name of Cede & Co., as nominee of The Depository Trust Company of New York ("DTC"), and except as provided in subsections (i) and (j) of this Section, all of the outstanding Bonds shall be registered in the name of Cede & Co., as nominee of DTC.

(h) Blanket Letter of Representations. The previous execution and delivery of the Blanket Letter of Representations with respect to obligations of the Issuer is hereby ratified and confirmed; and the provisions thereof shall be fully applicable to the Bonds. Notwithstanding anything to the contrary contained herein, while the Bonds are subject to DTC's Book-Entry Only System and to the extent permitted by law, the Letter of Representations is hereby incorporated herein and its provisions shall prevail over any other provisions of this Ordinance in the event of conflict.

(i) Bonds Registered in the Name of Cede & Co. With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the Issuer and the Paying Agent/Registrar shall have no responsibility or obligation to any securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations on whose behalf DTC was created ("DTC Participant") to hold securities to facilitate the clearance and settlement of securities transactions among DTC Participants or to any person on behalf of whom such a DTC Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the Issuer and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other person, other than a registered owner of Bonds, as shown on the Registration Books, of any notice with respect to the Bonds, or (iii) the payment to any DTC Participant or any other person, other than a registered owner of Bonds, as shown in the Registration Books of any amount with respect to principal of or interest on the Bonds. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Ordinance with respect to interest checks being mailed to the registered owner at the close of business on the Record date, the words "Cede & Co." in this Ordinance shall refer to such new nominee of DTC.

(j) Successor Securities Depository; Transfers Outside Book-Entry Only System. In the event that the Issuer determines that DTC is incapable of discharging its responsibilities described herein and in the representation letter of the Issuer to DTC or that it is in the best interest of the beneficial owners of the Bonds that they be able to obtain certificated Bonds, the Issuer shall (i) appoint a successor securities depository, qualified to act as such under Section 17A of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository and transfer one or more separate Bonds to such successor securities depository or (ii) notify DTC and DTC Participants of the availability through DTC of Bonds and transfer one or more separate Bonds to DTC Participants having Bonds credited to their DTC accounts. In such event, the Bonds shall no longer be restricted to being registered in the Registration Books in the name of Cede & Co., as nominee of DTC, but may be registered in the name of

the successor securities depository, or its nominee, or in whatever name or names registered owners transferring or exchanging Bonds shall designate, in accordance with the provisions of this Ordinance.

(k) Payments to Cede & Co. Notwithstanding any other provision of this Ordinance to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, in the manner provided in the representation letter of the Issuer to DTC.

(l) General Characteristics of the Bonds. The Bonds (i) shall be issued in fully registered form, without interest coupons, with the principal of and interest on such Bonds to be payable only to the Registered Owners thereof, (ii) may and shall be redeemed prior to their scheduled maturities, (iii) may be transferred and assigned, (iv) may be converted and exchanged for other Bonds, (v) shall have the characteristics, (vi) shall be signed, sealed, executed and authenticated, (vii) the principal of and interest on the Bonds shall be payable, and (viii) shall be administered and the Paying Agent/Registrar and the Issuer shall have certain duties and responsibilities with respect to the Bonds, all as provided, and in the manner and to the effect as required or indicated, in the FORM OF BOND set forth in this Ordinance. The Bonds initially issued and delivered pursuant to this Ordinance is not required to be, and shall not be, authenticated by the Paying Agent/Registrar, but on each substitute Bond issued in conversion of and exchange for any Bond or Bonds issued under this Ordinance the Paying Agent/Registrar shall execute the Paying Agent/Registrar's Authentication Bond, in the FORM OF BOND set forth in this Ordinance.

(m) Cancellation of Initial Bond. On the closing date, one initial Bond representing the entire principal amount of the Bonds, payable in stated installments to the order of the initial purchaser of the Bonds or its designee, executed by manual or facsimile signature of the Mayor and City Secretary, approved by the Attorney General of Texas, and registered and manually signed by the Comptroller of Public Accounts of the State of Texas, will be delivered to such purchaser or its designee. Upon payment for the initial Bond, the Paying Agent/Registrar shall insert the Issuance Date on Bond No. T-1, cancel each of the initial Bonds and deliver to The Depository Trust Company ("DTC") on behalf of such purchaser one registered definitive Bond for each year of maturity of the Bonds, in the aggregate principal amount of all of the Bonds for such maturity, registered in the name of Cede & Co., as nominee of DTC. To the extent that the Paying Agent/Registrar is eligible to participate in DTC's FAST System, pursuant to an agreement between the Paying Agent/Registrar and DTC, the Paying Agent/Registrar shall hold the definitive Bonds in safekeeping for DTC.

Section 4. FORM OF BONDS. The form of the Bonds, including the form of Paying Agent/Registrar's Authentication Certificate, the form of Assignment and the form of Registration Certificate of the Comptroller of Public Accounts of the State of Texas to be attached to the Bonds initially issued and delivered pursuant to this Ordinance, shall be, respectively, substantially as follows, with such appropriate variations, omissions or insertions as are permitted or required by this Ordinance, and with the Bonds to be completed with information set forth in the Pricing Certificate.

(a) Form of Bond.

NO. R-

UNITED STATES OF AMERICA
STATE OF TEXAS
CITY OF SACHSE, TEXAS
GENERAL OBLIGATION REFUNDING BOND
SERIES 2015

PRINCIPAL
AMOUNT
\$ _____

<u>INTEREST RATE</u>	<u>DATE OF BONDS</u>	<u>MATURITY DATE</u>	<u>CUSIP NO.</u>
_____	_____	_____	_____

REGISTERED OWNER:

PRINCIPAL AMOUNT: _____ DOLLARS

ON THE MATURITY DATE specified above, the City of Sachse, in Dallas and Collin Counties, Texas, (the "Issuer"), being a political subdivision and municipal corporation of the State of Texas, hereby promises to pay to the Registered Owner specified above, or registered assigns (hereinafter called the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above. The Issuer promises to pay interest on the unpaid principal amount hereof (calculated on the basis of a 360-day year of twelve 30-day months) from _____, _____ at the Interest Rate per annum specified above. Interest is payable on _____, _____ and semiannually on each _____ and _____ thereafter to the Maturity Date specified above, or the date of redemption prior to maturity; except, if this Bond is required to be authenticated and the date of its authentication is later than the first Record Date (hereinafter defined), such principal amount shall bear interest from the interest payment date next preceding the date of authentication, unless such date of authentication is after any Record Date but on or before the next following interest payment date, in which case such principal amount shall bear interest from such next following interest payment date; provided, however, that if on the date of authentication hereof the interest on the Bond or Bonds, if any, for which this Bond is being exchanged is due but has not been paid, then this Bond shall bear interest from the date to which such interest has been paid in full.

THE PRINCIPAL OF AND INTEREST ON this Bond are payable in lawful money of the United States of America, without exchange or collection charges. The principal of this Bond shall be paid to the registered owner hereof upon presentation and surrender of this Bond at maturity, or upon the date fixed for its redemption prior to maturity, at the principal corporate trust office of _____, _____, Texas, which is the "Paying Agent/Registrar" for this Bond. The payment of interest on this Bond shall be made by the Paying Agent/Registrar to the registered owner hereof on each interest payment date by check or draft, dated as of such interest payment date, drawn by the Paying Agent/Registrar on, and payable solely from, funds of the Issuer required by the ordinance authorizing the issuance of this Bond (the "Bond Ordinance") to be on deposit with the Paying Agent/Registrar for such purpose as hereinafter provided; and such check or draft shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, on each such interest payment date, to the registered owner hereof, at its address as it appeared on the _____ day of the month preceding each such date (the "Record Date") on the Registration Books kept by the Paying Agent/Registrar, as hereinafter described. In addition, interest may be paid by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the registered owner. In the event of a non-payment of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Issuer. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of each owner of a Bond appearing on the Registration Books at the close of business on the last business day next preceding the date of mailing of such notice.

ANY ACCRUED INTEREST due at maturity or upon the redemption of this Bond prior to maturity as provided herein shall be paid to the registered owner upon presentation and surrender of this Bond for

payment or redemption at the principal corporate trust office of the Paying Agent/Registrar. The Issuer covenants with the registered owner of this Bond that on or before each principal payment date and interest payment date for this Bond it will make available to the Paying Agent/Registrar, from the "Interest and Sinking Fund" created by the Bond Ordinance, the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on the Bonds, when due.

IF THE DATE for any payment of the principal of or interest on this Bond shall be a Saturday, Sunday, a legal holiday or a day on which banking institutions in the city where the principal corporate trust office of the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day that is not such a Saturday, Sunday, legal holiday or day on which banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.

THIS BOND is one of a series of Bonds dated _____, _____, authorized in accordance with the Constitution and laws of the State of Texas in the principal amount of \$ _____ for the public purposes of refunding certain outstanding obligations of the Issuer, and to pay the costs incurred in connection with the issuance of the Bonds.

ON _____, or on any date thereafter, the Bonds of this series may be redeemed prior to their scheduled maturities, at the option of the Issuer, with funds derived from any available and lawful source, as a whole, or in part, and, if in part, the particular Bonds, or portions thereof, to be redeemed shall be selected and designated by the Issuer (provided that a portion of a Bond may be redeemed only in an integral multiple of \$5,000), at a redemption price equal to the principal amount to be redeemed plus accrued interest to the date fixed for redemption.

THE BONDS scheduled to mature on _____ in the years ____ and ____ (the "Term Bonds") are subject to scheduled mandatory redemption by the Paying Agent/Registrar by lot, or by any other customary method that results in a random selection, at a price equal to the principal amount thereof, plus accrued interest to the redemption date, out of moneys available for such purpose in the interest and sinking fund for the Bonds, on the dates and in the respective principal amounts, set forth in the following schedule:

Term Bond Maturity: _____, _____		Term Bond Maturity: _____, _____	
<u>Mandatory Redemption Date</u>	<u>Principal Amount</u>	<u>Mandatory Redemption Date</u>	<u>Principal Amount</u>
_____, _____	\$ _____	_____, _____	\$ _____
_____, _____	_____	_____, _____	_____
_____, _____	_____	_____, _____	_____
_____, _____ (maturity)	_____	_____, _____ (maturity)	_____

The principal amount of Term Bonds of a stated maturity required to be redeemed on any mandatory redemption date pursuant to the operation of the mandatory sinking fund redemption provisions shall be reduced, at the option of the District, by the principal amount of any Term Bonds of the same maturity which, at least 50 days prior to a mandatory redemption date (1) shall have been acquired by the District at a price not exceeding the principal amount of such Term Bonds plus accrued interest to the date of purchase thereof, and delivered to the Paying Agent/Registrar for cancellation, (2) shall have been purchased and canceled by the Paying Agent/Registrar at the request of the District at a price not exceeding the principal amount of such

Term Bonds plus accrued interest to the date of purchase, or (3) shall have been redeemed pursuant to the optional redemption provisions and not theretofore credited against a mandatory redemption requirement.

IF AT THE TIME OF MAILING of notice of optional redemption there shall not have either been deposited with the Paying Agent/Registrar or legally authorized escrow agent immediately available funds sufficient to redeem all the Bonds called for redemption, such notice may state that it is conditional, and is subject to the deposit of the redemption moneys with the Paying Agent/Registrar or legally authorized escrow agent at or prior to the redemption date. If such redemption is not effectuated, the Paying Agent/Registrar shall, within five days thereafter, give notice in the manner in which the notice of redemption was given that such moneys were not so received and shall rescind the redemption.

AT LEAST 30 days prior to the date fixed for any redemption of Bonds or portions thereof prior to maturity a written notice of such redemption shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, at least 30 days prior to the date fixed for any such redemption, to the registered owner of each Bond to be redeemed at its address as it appeared on the 45th day prior to such redemption date; provided, however, that the failure of the registered owner to receive such notice, or any defect therein or in the sending or mailing thereof, shall not affect the validity or effectiveness of the proceedings for the redemption of any Bond. By the date fixed for any such redemption due provision shall be made with the Paying Agent/Registrar for the payment of the required redemption price for the Bonds or portions thereof that are to be so redeemed. If such written notice of redemption is sent and if due provision for such payment is made, all as provided above, the Bonds or portions thereof that are to be so redeemed thereby automatically shall be treated as redeemed prior to their scheduled maturities, and they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being outstanding except for the right of the registered owner to receive the redemption price from the Paying Agent/Registrar out of the funds provided for such payment. If a portion of any Bond shall be redeemed, a substitute Bond or Bonds having the same maturity date, bearing interest at the same rate, in any denomination or denominations in any integral multiple of \$5,000, at the written request of the registered owner, and in aggregate principal amount equal to the unredeemed portion thereof, will be issued to the registered owner upon the surrender thereof for cancellation, at the expense of the Issuer, all as provided in the Bond Ordinance.

ALL BONDS OF THIS SERIES are issuable solely as fully registered bonds, without interest coupons, in the denomination of any integral multiple of \$5,000. As provided in the Bond Ordinance, this Bond may, at the request of the registered owner or the assignee or assignees hereof, be assigned, transferred, converted into and exchanged for a like aggregate principal amount of fully registered Bonds, without interest coupons, payable to the appropriate registered owner, assignee or assignees, as the case may be, having the same denomination or denominations in any integral multiple of \$5,000 as requested in writing by the appropriate registered owner, assignee or assignees, as the case may be, upon surrender of this Bond to the Paying Agent/Registrar for cancellation, all in accordance with the form and procedures set forth in the Bond Ordinance. Among other requirements for such assignment and transfer, this Bond must be presented and surrendered to the Paying Agent/Registrar, together with proper instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing assignment of this Bond or any portion or portions hereof in any integral multiple of \$5,000 to the assignee or assignees in whose name or names this Bond or any such portion or portions hereof is or are to be registered. The form of Assignment printed or endorsed on this Bond may be executed by the registered owner to evidence the assignment hereof, but such method is not exclusive, and other instruments of assignment satisfactory to the Paying Agent/Registrar may be used to evidence the assignment of this Bond or any portion or portions hereof from time to time by the registered owner. The Paying Agent/Registrar's reasonable standard or customary fees and charges for assigning, transferring, converting and exchanging any Bond or portion thereof will be paid by the

Issuer. In any circumstance, any taxes or governmental charges required to be paid with respect thereto shall be paid by the one requesting such assignment, transfer, conversion or exchange, as a condition precedent to the exercise of such privilege. The Paying Agent/Registrar shall not be required to make any such transfer, conversion, or exchange (i) during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following principal or interest payment date, or (ii) with respect to any Bond or any portion thereof called for redemption prior to maturity, within 45 days prior to its redemption date.

IN THE EVENT any Paying Agent/Registrar for the Bonds is changed by the Issuer, resigns, or otherwise ceases to act as such, the Issuer has covenanted in the Bond Ordinance that it promptly will appoint a competent and legally qualified substitute therefor, and cause written notice thereof to be mailed to the registered owners of the Bonds.

IT IS HEREBY certified, recited and covenanted that this Bond has been duly and validly authorized, issued and delivered; that all acts, conditions and things required or proper to be performed, exist and be done precedent to or in the authorization, issuance and delivery of this Bond have been performed, existed and been done in accordance with law; and that annual ad valorem taxes sufficient to provide for the payment of the interest on and principal of this Bond, as such interest comes due and such principal matures, have been levied and ordered to be levied against all taxable property in said Issuer, and have been pledged for such payment, within the limit prescribed by law.

THE ISSUER HAS RESERVED THE RIGHT to amend the Bond Ordinance as provided therein, and under some (but not all) circumstances amendments thereto must be approved by the registered owners of a majority in aggregate principal amount of the outstanding Bonds.

BY BECOMING the registered owner of this Bond, the registered owner thereby acknowledges all of the terms and provisions of the Bond Ordinance, agrees to be bound by such terms and provisions, acknowledges that the Bond Ordinance is duly recorded and available for inspection in the official minutes and records of the governing body of the Issuer, and agrees that the terms and provisions of this Bond and the Bond Ordinance constitute a contract between each registered owner hereof and the Issuer.

IN WITNESS WHEREOF, the Issuer has caused this Bond to be signed with the manual or facsimile signature of the Mayor of the Issuer (or in the absence of the Mayor, the Mayor Pro Tem of the Issuer) and countersigned with the manual or facsimile signature of the City Secretary of said Issuer, and has caused the official seal of the Issuer to be duly impressed, or placed in facsimile, on this Bond.

(signature)
City Secretary

(signature)
Mayor

(SEAL)

(b) Form of Paying Agent/Registrar's Authentication Certificate.

PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE
(To be executed if this Bond is not accompanied by an executed Registration
Certificate of the Comptroller of Public Accounts of the State of Texas)

It is hereby certified that this Bond has been issued under the provisions of the Bond Ordinance described in the text of this Bond; and that this Bond has been issued in conversion or replacement of, or in exchange for, a Bond, Bonds, or a portion of a Bond or Bonds of a series that originally was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

Dated: _____.

_____, Texas
Paying Agent/Registrar

By: _____
Authorized Representative

(c) Form of Assignment.

ASSIGNMENT
(Please print or type clearly)

For value received, the undersigned hereby sells, assigns and transfers unto: _____

Transferee's Social Security or Taxpayer Identification Number: _____

Transferee's name and address, including zip code: _____

_____ the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____, attorney, to register the transfer of the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____.

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by an eligible guarantor institution participating in a securities transfer association recognized signature guarantee program.

NOTICE: The signature above must correspond with the name of the registered owner as it appears upon the front of this Bond in every particular, without alteration or enlargement or any change whatsoever.

(d) Form of Registration Certificate of the Comptroller of Public Accounts.

COMPTROLLER'S REGISTRATION CERTIFICATE: REGISTER NO. _____

I hereby certify that this Bond has been examined, certified as to validity and approved by the Attorney General of the State of Texas, and that this Bond has been registered by the Comptroller of Public Accounts of the State of Texas.

Witness my signature and seal this _____.

(COMPTROLLER'S SEAL)

(e) Initial Bond Insertions.

(i) The initial Bond shall be in the form set forth is paragraph (a) of this Section, except that:

A. immediately under the name of the Bond, the headings "Interest Rate" and "Maturity Date" shall both be completed with the words "As shown below" and "CUSIP No. _____" shall be deleted.

B. the first paragraph shall be deleted and the following will be inserted:

"THE CITY OF SACHSE, TEXAS, in Dallas and Collin Counties, Texas (the "Issuer"), being a political subdivision and municipal corporation of the State of Texas, hereby promises to pay to the Registered Owner specified above, or registered assigns (hereinafter called the "Registered Owner"), on _____ in each of the years, in the principal installments and bearing interest at the per annum rates set forth in the following schedule:

<u>Years</u>	<u>Principal Amount</u>	<u>Interest Rates</u>
--------------	-------------------------	-----------------------

(Information from Section 2 to be inserted)

The Issuer promises to pay interest on the unpaid principal amount hereof (calculated on the basis of a 360-day year of twelve 30-day months) from _____, _____ at the respective Interest Rate per annum specified above. Interest is payable on _____, _____, and semiannually on each _____ and _____ thereafter to the date of payment of the principal installment specified above, or the date of redemption prior to maturity; except, that if this Bond is required to be authenticated and the date of its authentication is later than the first Record Date (hereinafter defined), such Principal Amount shall bear interest from the interest payment date next preceding the date of authentication, unless such date of authentication is after any Record Date but on or before the next following interest payment date, in which case such principal amount shall bear interest from such next following interest payment date; provided, however, that if on the date of authentication hereof the interest on the Bond or Bonds, if any, for which this Bond is being exchanged is due but has not been paid, then this Bond shall bear interest from the date to which such interest has been paid in full."

C. The Initial Bond shall be numbered "T-1."

Section 5. INTEREST AND SINKING FUND.

(a) A special "Interest and Sinking Fund" is hereby created and shall be established and maintained by the Issuer as a separate fund or account and the funds therein shall be deposited into and held in an account at an official depository bank of said Issuer. Said Interest and Sinking Fund shall be accounted for separate and apart from all other funds and accounts of said Issuer, and shall be used only for paying the interest on and principal of said Bonds. All amounts received from the sale of the Bonds as accrued interest shall be deposited

upon receipt to the Interest and Sinking Fund, and all ad valorem taxes levied and collected for and on account of said Bonds shall be deposited, as collected, to the credit of said Interest and Sinking Fund. During each year while any of said Bonds are outstanding and unpaid, the governing body of said Issuer shall compute and ascertain a rate and amount of ad valorem tax that will be sufficient to raise and produce the money required to pay the interest on said Bonds as such interest comes due, and to provide and maintain a sinking fund adequate to pay the principal of said Bonds as such principal matures (but never less than 2% of the original amount of said Bonds as a sinking fund each year); and said tax shall be based on the latest approved tax rolls of said Issuer, with full allowances being made for tax delinquencies and the cost of tax collection. Said rate and amount of ad valorem tax is hereby levied, and is hereby ordered to be levied, against all taxable property in said Issuer, for each year while any of said Bonds are outstanding and unpaid, and said tax shall be assessed and collected each such year and deposited to the credit of the aforesaid Interest and Sinking Fund. Said ad valorem taxes sufficient to provide for the payment of the interest on and principal of said Bonds, as such interest comes due and such principal matures, are hereby pledged for such payment, within the limit prescribed by law. If lawfully available moneys of the Issuer are on deposit in the Interest and Sinking Fund in advance of the time when ad valorem taxes are scheduled to be levied for any year, then the amount of taxes that otherwise would have been required to be levied pursuant to this Section may be reduced to the extent and by the amount of the lawfully available funds then on deposit in the Interest and Sinking Fund.

(b) Article 1208, Government Code, applies to the issuance of the Bonds and the pledge of the taxes granted by the Issuer under this Section and is therefore valid, effective, and perfected. Should Texas law be amended at any time while the Bonds are outstanding and unpaid, the result of such amendment being that the pledge of the taxes granted by the Issuer under this Section is to be subject to the filing requirements of Chapter 9, Business & Commerce Code, in order to preserve to the registered owners of the Bonds a security interest in said pledge, the Issuer agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9, Business & Commerce Code and enable a filing of a security interest in said pledge to occur.

Section 6. DEFEASANCE OF BONDS.

(a) Any Bond and the interest thereon shall be deemed to be paid, retired and no longer outstanding (a "Defeased Bond") within the meaning of this Ordinance, except to the extent provided in subsection (d) of this Section, when payment of the principal of such Bond, plus interest thereon to the due date (whether such due date be by reason of maturity or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof, or (ii) shall have been provided for on or before such due date by irrevocably depositing with or making available to the Paying Agent/Registrar in accordance with an escrow agreement or other instrument (the "Future Escrow Agreement") for such payment (1) lawful money of the United States of America sufficient to make such payment or (2) Defeasance Securities that mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money to provide for such payment, and when proper arrangements have been made by the Issuer with the Paying Agent/Registrar for the payment of its services until all Defeased Bonds shall have become due and payable. At such time as a Bond shall be deemed to be a Defeased Bond hereunder, as aforesaid, such Bond and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of, the ad valorem taxes herein levied and pledged as provided in this Ordinance, and such principal and interest shall be payable solely from such money or Defeasance Securities. Notwithstanding any other provision of this Ordinance to the contrary, it is hereby provided that any determination not to redeem Defeased Bonds that is made in conjunction with the payment arrangements specified in subsection (a)(i) or (ii) of this Section shall not be irrevocable, provided that: (1) in the proceedings providing for such payment arrangements, the Issuer expressly reserves the right to call the Defeased Bonds for redemption; (2) gives notice of the reservation of

that right to the owners of the Defeased Bonds immediately following the making of the payment arrangements; and (3) directs that notice of the reservation be included in any redemption notices that it authorizes.

(b) Any moneys so deposited with the Paying Agent/Registrar may at the written direction of the Issuer be invested in Defeasance Securities, maturing in the amounts and times as hereinbefore set forth, and all income from such Defeasance Securities received by the Paying Agent/Registrar that is not required for the payment of the Bonds and interest thereon, with respect to which such money has been so deposited, shall be turned over to the Issuer, or deposited as directed in writing by the Issuer. Any Future Escrow Agreement pursuant to which the money and/or Defeasance Securities are held for the payment of Defeased Bonds may contain provisions permitting the investment or reinvestment of such moneys in Defeasance Securities or the substitution of other Defeasance Securities upon the satisfaction of the requirements specified in subsection (a)(i) or (ii) of this Section. All income from such Defeasance Securities received by the Paying Agent/Registrar which is not required for the payment of the Defeased Bonds, with respect to which such money has been so deposited, shall be remitted to the Issuer or deposited as directed in writing by the Issuer.

(c) The term "Defeasance Securities" means any securities and obligations now or hereafter authorized by State law that are eligible to discharge obligations such as the Bonds.

(d) Until all Defeased Bonds shall have become due and payable, the Paying Agent/Registrar shall perform the services of Paying Agent/Registrar for such Defeased Bonds the same as if they had not been defeased, and the Issuer shall make proper arrangements to provide and pay for such services as required by this Ordinance.

(e) In the event that the Issuer elects to defease less than all of the principal amount of Bonds of a maturity, the Paying Agent/Registrar shall select, or cause to be selected, such amount of Bonds by such random method as it deems fair and appropriate.

Section 7. DAMAGED, MUTILATED, LOST, STOLEN, OR DESTROYED BONDS.

(a) Replacement Bonds. In the event any outstanding Bond is damaged, mutilated, lost, stolen or destroyed, the Paying Agent/Registrar shall cause to be printed, executed and delivered, a new Bond of the same principal amount, maturity and interest rate, as the damaged, mutilated, lost, stolen or destroyed Bond, in replacement for such Bond in the manner hereinafter provided.

(b) Application for Replacement Bonds. Application for replacement of damaged, mutilated, lost, stolen or destroyed Bonds shall be made by the registered owner thereof to the Paying Agent/Registrar. In every case of loss, theft or destruction of a Bond, the registered owner applying for a replacement Bond shall furnish to the Issuer and to the Paying Agent/Registrar such security or indemnity as may be required by them to save each of them harmless from any loss or damage with respect thereto. Also, in every case of loss, theft or destruction of a Bond, the registered owner shall furnish to the Issuer and to the Paying Agent/Registrar evidence to their satisfaction of the loss, theft or destruction of such Bond, as the case may be. In every case of damage or mutilation of a Bond, the registered owner shall surrender to the Paying Agent/Registrar for cancellation the Bond so damaged or mutilated.

(c) No Default Occurred. Notwithstanding the foregoing provisions of this , in the event any such Bond shall have matured, and no default has occurred that is then continuing in the payment of the principal of, redemption premium, if any, or interest on the Bond, the Issuer may authorize the payment of the same

(without surrender thereof except in the case of a damaged or mutilated Bond) instead of issuing a replacement Bond, provided security or indemnity is furnished as above provided in this Section.

(d) Charge for Issuing Replacement Bonds. Prior to the issuance of any replacement Bond, the Paying Agent/Registrar shall charge the registered owner of such Bond with all legal, printing, and other expenses in connection therewith. Every replacement Bond issued pursuant to the provisions of this Section by virtue of the fact that any Bond is lost, stolen or destroyed shall constitute a contractual obligation of the Issuer whether or not the lost, stolen or destroyed Bond shall be found at any time, or be enforceable by anyone, and shall be entitled to all the benefits of this Ordinance equally and proportionately with any and all other Bonds duly issued under this Ordinance.

(e) Authority for Issuing Replacement Bonds. In accordance with Sec. 1206.022, Government Code, this Section 7 of this Ordinance shall constitute authority for the issuance of any such replacement Bond without necessity of further action by the governing body of the Issuer or any other body or person, and the duty of the replacement of such Bonds is hereby authorized and imposed upon the Paying Agent/Registrar, and the Paying Agent/Registrar shall authenticate and deliver such Bonds in the form and manner and with the effect, as provided in Section 3(a) of this Ordinance for Bonds issued in conversion and exchange for other Bonds.

Section 8. CUSTODY, APPROVAL, AND REGISTRATION OF BONDS; BOND COUNSEL'S OPINION; CUSIP NUMBERS AND CONTINGENT INSURANCE PROVISION, IF OBTAINED; ENGAGEMENT OF BOND COUNSEL AND FINANCIAL ADVISOR.

(a) The Mayor of the Issuer and each of the Pricing Officers are hereby authorized to have control of the Bonds initially issued and delivered hereunder and all necessary records and proceedings pertaining to the Bonds pending their delivery and their investigation, examination, and approval by the Attorney General of the State of Texas, and their registration by the Comptroller of Public Accounts of the State of Texas. Upon registration of the Bonds said Comptroller of Public Accounts (or a deputy designated in writing to act for said Comptroller) shall manually sign the Comptroller's Registration Certificate attached to such Bonds, and the seal of said Comptroller shall be impressed, or placed in facsimile, on such Bond. The approving legal opinion of the Issuer's Bond Counsel and the assigned CUSIP numbers may, at the option of the Issuer, be printed on the Bonds issued and delivered under this Ordinance, but neither shall have any legal effect, and shall be solely for the convenience and information of the registered owners of the Bonds. In addition, if bond insurance is obtained, the Bonds may bear an appropriate legend as provided by the insurer.

(b) The obligation of the initial purchaser to accept delivery of the Bonds is subject to the initial purchaser being furnished with the final, approving opinion of McCall, Parkhurst & Horton L.L.P., bond counsel to the Issuer, which opinion shall be dated as of and delivered on the date of initial delivery of the Bonds to the initial purchaser. The engagement of such firm as bond counsel to the Issuer in connection with issuance, sale and delivery of the Bonds is hereby approved and confirmed. The execution and delivery of an engagement letter between the Issuer and such firm, with respect to such services as bond counsel, is hereby authorized in such form as may be approved by the Mayor, and the Mayor is hereby authorized to execute such engagement letter. The engagement of Specialized Public Finance Inc. as financial advisor to the Issuer in connection with issuance, sale and delivery of the Bonds is hereby approved and confirmed. The execution and delivery of an engagement letter between the Issuer and such firm, with respect to such services as financial advisor to the Issuer, is hereby authorized in such form as may be approved by the Mayor, and the Mayor is hereby authorized to execute such engagement letter.

Section 9. COVENANTS REGARDING TAX EXEMPTION OF INTEREST ON THE BONDS.

(a) Covenants. The Issuer covenants to take any action necessary to assure, or refrain from any action that would adversely affect, the treatment of the Bonds as Obligation described in section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), the interest on which is not includable in the "gross income" of the holder for purposes of federal income taxation. In furtherance thereof, the Issuer covenants as follows:

(1) to take any action to assure that no more than 10 percent of the proceeds of the Bonds (less amounts deposited to a reserve fund, if any) are used for any "private business use," as defined in section 141(b)(6) of the Code or, if more than 10 percent of the proceeds or the projects financed or refinanced therewith (the "Projects") are so used, such amounts, whether or not received by the Issuer, with respect to such private business use, do not, under the terms of this Ordinance or any underlying arrangement, directly or indirectly, secure or provide for the payment of more than 10 percent of the debt service on the Bonds, in contravention of section 141(b)(2) of the Code;

(2) to take any action to assure that in the event that the "private business use" described in subsection (1) hereof exceeds 5 percent of the proceeds of the Bonds or the projects financed therewith (less amounts deposited into a reserve fund, if any) then the amount in excess of 5 percent is used for a "private business use" that is "related" and not "disproportionate," within the meaning of section 141(b)(3) of the Code, to the governmental use;

(3) to take any action to assure that no amount that is greater than the lesser of \$5,000,000, or 5 percent of the proceeds of the Bonds (less amounts deposited into a reserve fund, if any) is directly or indirectly used to finance loans to persons, other than state or local governmental units, in contravention of section 141(c) of the Code;

(4) to refrain from taking any action that would otherwise result in the Bonds being treated as "private activity bonds" within the meaning of section 141(b) of the Code;

(5) to refrain from taking any action that would result in the Bonds being "federally guaranteed" within the meaning of section 149(b) of the Code;

(6) to refrain from using any portion of the proceeds of the Bonds, directly or indirectly, to acquire or to replace funds that were used, directly or indirectly, to acquire investment property (as defined in section 148(b)(2) of the Code) that produces a materially higher yield over the term of the Bonds, other than investment property acquired with –

(A) proceeds of the Bonds invested for a reasonable temporary period of 3 years or less or, in the case of an advance refunding bond, for a period of 30 days or less until such proceeds are needed for the purpose for which the bonds are issued, and in the case of a current refunding bond, for a period of 90 days or less,

(B) amounts invested in a bona fide debt service fund, within the meaning of section 1.148-1(b) of the Treasury Regulations, and

(C) amounts deposited in any reasonably required reserve or replacement fund to the extent such amounts do not exceed 10 percent of the proceeds of the Bonds;

(7) to otherwise restrict the use of the proceeds of the Bonds or amounts treated as proceeds of the Bonds, as may be necessary, so that the Bonds do not otherwise contravene the requirements of section 148 of the Code (relating to arbitrage) and, to the extent applicable, section 149(d) of the Code (relating to advance refundings); and

(8) to pay to the United States of America at least once during each five-year period (beginning on the date of delivery of the Bonds) an amount that is at least equal to 90 percent of the "Excess Earnings," within the meaning of section 148(f) of the Code and to pay to the United States of America, not later than 60 days after the Bonds have been paid in full, 100 percent of the amount then required to be paid as a result of Excess Earnings under section 148(f) of the Code.

(b) Rebate Fund. In order to facilitate compliance with the above covenant (a)(8), a "Rebate Fund" is hereby established by the Issuer for the sole benefit of the United States of America, and such Fund shall not be subject to the claim of any other person, including without limitation the Bondholders. The Rebate Fund is established for the additional purpose of compliance with section 148 of the Code.

(c) Use of Proceeds. For purposes of the foregoing covenants (a)(1) and (a)(2), the Issuer understands that the term "proceeds" includes "disposition proceeds" as defined in the Treasury Regulations and, in the case of refunding bonds, transferred proceeds (if any) and proceeds of the Refunded Obligations expended prior to the date of issuance of the Bonds. It is the understanding of the Issuer that the covenants contained herein are intended to assure compliance with the Code and any regulations or rulings promulgated by the U.S. Department of the Treasury pursuant thereto. In the event that regulations or rulings are hereafter promulgated that modify or expand provisions of the Code, as applicable to the Bonds, the Issuer will not be required to comply with any covenant contained herein to the extent that such failure to comply, in the opinion of nationally recognized bond counsel, will not adversely affect the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated that impose additional requirements applicable to the Bonds, the Issuer agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally recognized bond counsel, to preserve the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In furtherance of such intention, the Issuer hereby authorizes and directs the Mayor and each Pricing Officer to execute any documents, certificates or reports required by the Code and to make such elections, on behalf of the Issuer, that may be permitted by the Code as are consistent with the purpose for the issuance of the Bonds.

(d) Disposition of Projects. The Issuer covenants that the property constituting the Projects will not be sold or otherwise disposed in a transaction resulting in the receipt by the Issuer of cash or other compensation, unless any action taken in connection with such disposition will not adversely affect the tax-exempt status of the Bonds. For purpose of the foregoing, the Issuer may rely on an opinion of nationally-recognized bond counsel that the action taken in connection with such sale or other disposition will not adversely affect the tax-exempt status of the Bonds. For purposes of the foregoing, the portion of the property comprising personal property and disposed in the ordinary course shall not be treated as a transaction resulting in the receipt of cash or other compensation. For purposes hereof, the Issuer shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

(e) Designation as Qualified Tax-Exempt Obligations. If so designated in the Pricing Certificate, the Bonds shall be designated as "qualified tax-exempt obligations" as defined in section 265(b)(3) of the Code. In furtherance of such designation, the Issuer represents, covenants and warrants the following: (a) that during the calendar year in which the Bonds are issued, the Issuer (including any subordinate entities) has not

designated nor will designate obligations that when aggregated with the Bonds, will result in more than \$10,000,000 of "qualified tax-exempt obligations" being issued; (b) that the Issuer reasonably anticipates that the amount of tax-exempt obligations issued, during the calendar year in which the Bonds are issued, by the Issuer (or any subordinate entities) will not exceed \$10,000,000; and, (c) that the Issuer will take such action or refrain from such action as necessary, and as more particularly set forth in this Section, hereof, in order that the Bonds will not be considered "private activity bonds" within the meaning of section 141 of the Code.

Section 10. SALE OF BONDS AND APPROVAL OF OFFICIAL STATEMENT; FURTHER PROCEDURES.

(a) The Bonds shall be sold and delivered subject to the provisions of Section 1 and Section 3 and pursuant to the terms and provisions of a bond purchase agreement, bid form or purchase letter (the "Purchase Agreement") which the Pricing Officer is hereby authorized to execute and deliver and in which the purchaser or purchasers (the "Underwriters") of the Bonds shall be designated. The Bonds shall initially be registered in the name of the purchaser thereof as set forth in the Pricing Certificate.

(b) The Mayor and City Secretary are further authorized and directed to execute and deliver for and on behalf of the Issuer copies of a Preliminary Official Statement and Official Statement, prepared in connection with the offering of the Bonds by the Purchasers, in final form as may be required by the Purchasers, and such final Official Statement in the form and content as approved by the Pricing Officer or as manually executed by said officials shall be deemed to be approved by the City Council of the Issuer and constitute the Official Statement authorized for distribution and use by the Purchasers. The form and substance of the Preliminary Official Statement for the Bonds and any addenda, supplement or amendment thereto, all as approved by the Pricing Officer, are hereby deemed to be approved in all respects by the City Council of the Issuer, and the Preliminary Official Statement is hereby deemed final as of its date (except for the omission of pricing and related information) within the meaning and for the purpose of paragraph (b)(1) of the Rule (hereinafter defined).

(c) The Pricing Officer is authorized, in connection with effecting the sale of the Bonds, to obtain from a municipal bond insurance company so designated in the Pricing Certificate (the "Insurer") a municipal bond insurance policy (the "Insurance Policy") in support of the Bonds. To that end, should the Pricing Officer exercise such authority and commit the Issuer to obtain a municipal bond insurance policy, for so long as the Insurance Policy is in effect, the requirements of the Insurer relating to the issuance of the Insurance Policy as set forth in the Pricing Certificate are incorporated by reference into this Ordinance and made a part hereof for all purposes, notwithstanding any other provision of this Ordinance to the contrary. The Pricing Officer shall have the authority to execute any documents to effect the issuance of the Insurance Policy by the Insurer.

(d) The Mayor, the City Secretary and each Pricing Officer shall be and they are hereby expressly authorized, empowered and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge and deliver in the name and on behalf of the Issuer such documents, certificates and other instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Ordinance, the Pricing Certificate, the Bonds, the sale of the Bonds and the Official Statement. In case any officer whose signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

Section 11. COMPLIANCE WITH RULE 15c2-12.

(a) Definitions. As used in this Section, the following terms have the meanings ascribed to such terms below:

"MSRB" means the Municipal Securities Rulemaking Board.

"Rule" means SEC Rule 15c2-12, as amended from time to time.

"SEC" means the United States Securities and Exchange Commission.

(b) Annual Reports.

(i) The Issuer shall provide annually to the MSRB, in an electronic format as prescribed by the MSRB, within six months after the end of each fiscal year, financial information and operating data with respect to the Issuer of the general type included in the final Official Statement authorized by Section 10 of this Ordinance, being the information described in the Pricing Certificate. Any financial statements so to be provided shall be (1) prepared in accordance with the accounting principles described in the financial statements of the Issuer appended to the Official Statement, or such other accounting principles as the Issuer may be required to employ from time to time pursuant to state law or regulation, and (2) audited, if the Issuer commissions an audit of such statements and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not complete within such period, then the Issuer shall provide unaudited financial information as described in the Pricing Certificate by the required time, and shall provide audited financial statements for the applicable fiscal year to the MSRB, when and if the audit report on such statements become available.

(ii) If the Issuer changes its fiscal year, it will notify the MSRB of the change (and of the date of the new fiscal year end) prior to the next date by which the Issuer otherwise would be required to provide financial information and operating data pursuant to this Section. The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document that is available to the public on the MSRB's internet website or filed with the SEC. All documents provided to the MSRB pursuant to this Section shall be accompanied by identifying information as prescribed by the MSRB.

(c) Event Notices.

(i) The Issuer shall notify the MSRB in an electronic format as prescribed by the MSRB, in a timely manner (but not in excess of ten business days after the occurrence of the event) of any of the following events with respect to the Bonds, if such event is material within the meaning of the federal securities laws:

1. Non-payment related defaults;
2. Modifications to rights of Bondholders;
3. Bond calls;

4. Release, substitution, or sale of property securing repayment of the Bonds;

5. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms; and

6. Appointment of a successor or additional trustee or the change of name of a trustee.

(ii) The Issuer shall notify the MSRB in an electronic format as prescribed by the MSRB, in a timely manner (but not in excess of ten business days after the occurrence of the event) of any of the following events with respect to the Bonds, without regard to whether such event is considered material within the meaning of the federal securities laws:

1. Principal and interest payment delinquencies;

2. Unscheduled draws on debt service reserves reflecting financial difficulties;

3. Unscheduled draws on credit enhancements reflecting financial difficulties;

4. Substitution of credit or liquidity providers, or their failure to perform;

5. Adverse tax opinions or the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

6. Tender offers;

7. Defeasances;

8. Rating changes; and

9. Bankruptcy, insolvency, receivership or similar event of an obligated person.

(iii) The Issuer shall notify the MSRB, in a timely manner, of any failure by the Issuer to provide financial information or operating data in accordance with subsection (b) of this Section by the time required by such subsection.

(d) Limitations, Disclaimers, and Amendments.

(i) The Issuer shall be obligated to observe and perform the covenants specified in this Section for so long as, but only for so long as, the Issuer remains an "obligated person" with respect to the Bonds within the meaning of the Rule, except that the Issuer in any event will give notice of any deposit made in accordance with this Ordinance or applicable law that causes Bonds no longer to be outstanding.

(ii) The provisions of this Section are for the sole benefit of the registered owners and beneficial owners of the Bonds, and nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The Issuer undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Section and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the Issuer's financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Section or otherwise, except as expressly provided herein. The Issuer does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

(iii) UNDER NO CIRCUMSTANCES SHALL THE ISSUER BE LIABLE TO THE REGISTERED OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE ISSUER, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS SECTION, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

(iv) No default by the Issuer in observing or performing its obligations under this Section shall comprise a breach of or default under this Ordinance for purposes of any other provision of this Ordinance. Nothing in this Section is intended or shall act to disclaim, waive, or otherwise limit the duties of the Issuer under federal and state securities laws.

(v) Should the Rule be amended to obligate the Issuer to make filings with or provide notices to entities other than the MSRB, the Issuer hereby agrees to undertake such obligation with respect to the Bonds in accordance with the Rule as amended. The provisions of this Section may be amended by the Issuer from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the Issuer, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule since such offering as well as such changed circumstances and (2) either (a) the registered owners of a majority in aggregate principal amount (or any greater amount required by any other provision of this Ordinance that authorizes such an amendment) of the outstanding Bonds consent to such amendment or (b) a person that is unaffiliated with the Issuer (such as nationally recognized bond counsel) determined that such amendment will not materially impair the interest of the registered owners and beneficial owners of the Bonds. The Issuer may also amend or repeal the provisions of this continuing disclosure agreement if the SEC amends or repeals the applicable provision of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Bonds in the primary offering of the Bonds. If the Issuer so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided in accordance with subsection (b) of this Section an explanation, in narrative form, of the reason for the amendment and of the impact of any change in the type of financial information or operating data so provided.

Section 12. METHOD OF AMENDMENT. The Issuer hereby reserves the right to amend this Ordinance subject to the following terms and conditions, to-wit:

(a) The Issuer may from time to time, without the consent of any holder, except as otherwise required by paragraph (b) below, amend or supplement this Ordinance in order to (i) cure any ambiguity, defect or omission in this Ordinance that does not materially adversely affect the interests of the holders, (ii) grant additional rights or security for the benefit of the holders, (iii) add events of default as shall not be inconsistent with the provisions of this Ordinance and that shall not materially adversely affect the interests of the holders, (iv) qualify this Ordinance under the Trust Indenture Act of 1939, as amended, or corresponding provisions of federal laws from time to time in effect, or (v) make such other provisions in regard to matters or questions arising under this Ordinance as shall not be inconsistent with the provisions of this Ordinance and that shall not in the opinion of nationally recognized bond counsel materially adversely affect the interests of the holders.

(b) Except as provided in paragraph (a) above, the holders of Bonds aggregating in principal amount 51% of the aggregate principal amount of then outstanding Bonds that are the subject of a proposed amendment shall have the right from time to time to approve any amendment hereto that may be deemed necessary or desirable by the Issuer; provided, however, that without the consent of 100% of the holders in aggregate principal amount of the then outstanding Bonds, nothing herein contained shall permit or be construed to permit amendment of the terms and conditions of this Ordinance or in any of the Bonds so as to:

- (1) Make any change in the maturity of any of the outstanding Bonds;
- (2) Reduce the rate of interest borne by any of the outstanding Bonds;
- (3) Reduce the amount of the principal of, or redemption premium, if any, payable on any outstanding Bonds;
- (4) Modify the terms of payment of principal or of interest or redemption premium on outstanding Bonds or any of them or impose any condition with respect to such payment; or
- (5) Change the minimum percentage of the principal amount of the Bonds necessary for consent to such amendment.

(c) If at any time the Issuer shall desire to amend this Ordinance under this Section, the Issuer shall send by U.S. mail to each registered owner of the affected Bonds a copy of the proposed amendment. Such notice shall briefly set forth the nature of the proposed amendment and shall state that a copy thereof is on file at the office of the Issuer for inspection by all holders of such Bonds.

(d) Whenever at any time within one year from the date of mailing of such notice the Issuer shall receive an instrument or instruments executed by the holders of at least 51% in aggregate principal amount of all of the Bonds then outstanding that are required for the amendment, which instrument or instruments shall consent to and approve such amendment, the Issuer may adopt the amendment in substantially the same form.

(e) Upon the adoption of any amendatory Ordinance pursuant to the provisions of this Section, this Ordinance shall be deemed to be modified and amended in accordance with such amendatory Ordinance, and the respective rights, duties, and obligations of the Issuer and all holders of such affected Bonds shall thereafter be determined, exercised, and enforced, subject in all respects to such amendment.

(f) Any consent given by the holder of a Bond pursuant to the provisions of this Section shall be irrevocable for a period of six months from the date of such consent, and shall be conclusive and binding upon all future holders of the same Bond during such period. Such consent may be revoked at any time after six months from the date of such consent by the holder who gave such consent, or by a successor in title, by filing notice with the Issuer, but such revocation shall not be effective if the holders of 51% in aggregate principal amount of the affected Bonds then outstanding, have, prior to the attempted revocation, consented to and approved the amendment.

For the purposes of establishing ownership of the Bonds, the Issuer shall rely solely upon the registration of the ownership of such Bonds on the registration books kept by the Paying Agent/Registrar.

Section 13. DEFAULT AND REMEDIES.

(a) Events of Default. Each of the following occurrences or events for the purpose of this Ordinance is hereby declared to be an Event of Default:

(i) the failure to make payment of the principal of or interest on any of the Bonds when the same becomes due and payable; or

(ii) default in the performance or observance of any other covenant, agreement or obligation of the Issuer, the failure to perform which materially, adversely affects the rights of the Registered Owners of the Bonds, including, but not limited to, their prospect or ability to be repaid in accordance with this Ordinance, and the continuation thereof for a period of 60 days after notice of such default is given by any Registered Owner to the Issuer.

(b) Remedies for Default.

(i) Upon the happening of any Event of Default, then and in every case, any Registered Owner or an authorized representative thereof, including, but not limited to, a trustee or trustees therefor, may proceed against the Issuer for the purpose of protecting and enforcing the rights of the Registered Owners under this Ordinance, by mandamus or other suit, action or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief permitted by law, including the specific performance of any covenant or agreement contained herein, or thereby to enjoin any act or thing that may be unlawful or in violation of any right of the Registered Owners hereunder or any combination of such remedies.

(ii) It is provided that all such proceedings shall be instituted and maintained for the equal benefit of all Registered Owners of Bonds then outstanding.

(c) Remedies Not Exclusive.

(i) No remedy herein conferred or reserved is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or under the Bonds or now or hereafter existing at law or in equity; provided, however, that notwithstanding any other provision of this Ordinance, the right to accelerate the debt evidenced by the Bonds shall not be available as a remedy under this Ordinance.

(ii) The exercise of any remedy herein conferred or reserved shall not be deemed a waiver of any other available remedy.

(iii) By accepting the delivery of a Bond authorized under this Ordinance, such Registered Owner agrees that the certifications required to effectuate any covenants or representations contained in this Ordinance do not and shall never constitute or give rise to a personal or pecuniary liability or charge against the officers or employees of the Issuer or the City Council.

Section 14. APPROVAL OF ESCROW AGREEMENT AND TRANSFER OF FUNDS. In furtherance of authority granted by Section 1207.007(b), Texas Government Code, the Mayor or City Manager are further authorized to enter into and execute on behalf of the Issuer with the escrow agent named therein, an escrow or similar agreement, in the form and substance as shall be approved by the Pricing Officer, which agreement will provide for the payment in full of the Refunded Obligations. In addition, the Mayor or the Pricing Officer is authorized to purchase such securities, to execute such subscriptions for the purchase of the Escrowed Securities (as defined in the agreement), if any, and to authorize such contributions for the escrow fund as provided in the agreement.

Section 15. REDEMPTION OF REFUNDED OBLIGATIONS.

(a) Subject to execution and delivery of the Purchase Agreement with the Purchaser, the Issuer hereby directs that the Refunded Obligations be called for redemption on the dates and at such prices as set forth in the Pricing Certificate. The Pricing Officer is hereby authorized and directed to issue or cause to be issued Notice of Redemption of the Refunded Obligations in substantially the form set forth in Exhibit A attached hereto, completed with information from the Pricing Certificate, to the paying agents for the Refunded Obligations.

(b) In addition, the paying agent for the Refunded Obligations is hereby directed to provide the appropriate notices of redemption and defeasance as specified by the ordinance authorizing the issuance of Refunded Obligations and is hereby directed to make appropriate arrangements so that the Refunded Obligations may be redeemed on their redemption dates. The Refunded Obligations shall be presented for redemption at the paying agent therefor, and shall not bear interest after the date fixed for redemption.

(c) If the redemption of the Refunded Obligations results in the partial refunding of any maturity of the Refunded Obligations, the Pricing Officer shall direct the paying agent/registrar for the Refunded Obligations to designate at random and by lot which of the Refunded Obligations will be payable from and secured solely from ad valorem taxes of the Issuer pursuant to the ordinance of the Issuer authorizing the issuance of such Refunded Obligations (the "Refunded Bond Ordinance"). The paying agent/registrar shall notify by first-class mail all registered owners of all affected bonds of such maturities that: (i) a portion of such bonds have been refunded and are secured until final maturity solely with cash and investments maintained by the Escrow Agent in the Escrow Fund, (ii) the principal amount of all affected bonds of such maturities registered in the name of such registered owner that have been refunded and are payable solely from cash and investments in the Escrow Fund and the remaining principal amount of all affected bonds of such maturities registered in the name of such registered owner, if any, have not been refunded and are payable and secured solely from ad valorem taxes of the Issuer described in the Refunded Obligation Ordinance, (iii) the registered owner is required to submit his or her Refunded Obligations to the paying agent/registrar, for the purposes of re-registering such registered owner's bonds and assigning new CUSIP numbers in order to distinguish the source of payment for the principal and interest on such bonds, and (iv) payment of principal of and interest

on such bonds may, in some circumstances, be delayed until such bonds have been re-registered and new CUSIP numbers have been assigned as required by (iii) above.

(d) The source of funds for payment of the principal of and interest on the Refunded Obligations on their respective maturity or redemption dates shall be from the funds deposited with the Escrow Agent pursuant to the Escrow Agreement approved in Section 14 of this Ordinance.

Section 16. APPROPRIATION. To pay the debt service coming due on the Bonds, if any (as determined by the Pricing Certificate) prior to receipt of the taxes levied to pay such debt service, there is hereby appropriated from current funds on hand, which are hereby certified to be on hand and available for such purpose, an amount sufficient to pay such debt service, and such amount shall be used for no other purpose.

Section 17. SEVERABILITY. If any section, article, paragraph, sentence, clause, phrase or word in this Ordinance, or application thereof to any persons or circumstances is held invalid or unconstitutional by a court of competent jurisdiction, such holding shall not affect the validity of the remaining portion of this Ordinance, despite such invalidity, which remaining portions shall remain in full force and effect.

Section 18. EFFECTIVE DATE. In accordance with the provisions of V.T.C.A., Government Code, Section 1201.028, this Ordinance shall be effective immediately upon its adoption by the City Council.

[Execution Page Follows]

APPROVED AND ADOPTED ON THE 2nd DAY OF FEBRUARY, 2015

THE CITY OF SACHSE, TEXAS

Mayor

Attest:

City Secretary

[CITY SEAL]

SCHEDULE I

SCHEDULE OF ELIGIBLE REFUNDED OBLIGATIONS

City of Sachse, Texas, Combination Tax and Revenue Certificates of Obligation, Series 2003, dated February 1, 2003, maturities February 15 in the years 2016 through 2018, inclusive.

City of Sachse, Texas, General Obligation Refunding and Improvement Bonds, Series 2009, dated February 1, 2009, maturities February 15 in the years 2020 through 2034, inclusive.

EXHIBIT A

NOTICE OF REDEMPTION

CUSIP Prefix No. _____

NOTICE IS HEREBY GIVEN that the City of Sachse, Texas has called for redemption the outstanding Bonds and Certificates of Obligation of the City described as follows (collectively, the "Refunded Obligations"):

City of Sachse, Texas, _____, **Series** _____, dated _____, maturing _____, _____ through _____, _____, inclusive, in the aggregate principal amount of \$ _____, to the call date of the Refunded Obligations so called for redemption at _____. Call date: _____.

On _____, _____, interest on the Refunded Obligations shall cease to accrue and be payable.

THE REFUNDED OBLIGATIONS shall be redeemed in whole at _____, as the Paying Agent/Registrar for said Refunded Obligations. Upon presentation of the Refunded Obligations at the Paying Agent/Registrar on the aforementioned redemption date, the holder thereof shall be entitled to receive the redemption price equal to par and accrued interest to the redemption date.

NOTICE IS GIVEN that due and proper arrangements have been made for providing the place of payment of said Refunded Obligations called for redemption with funds sufficient to pay the principal amount of said Refunded Obligations and the interest thereon to the redemption date. In the event said Refunded Obligations, or any of them are not presented for redemption by the date fixed for their redemption, they shall not thereafter bear interest.

UNDER THE PROVISIONS of Section 3406 of the Internal Revenue Code of 1986, as amended paying agents making payments of interest and principal on municipal securities may be obligated to withhold a tax from remittance to individuals who have failed to furnish the paying agent with a valid taxpayer identification number. Registered holders who wish to avoid the imposition of the tax should submit certified taxpayer identification numbers (via form W-9) when presenting the Refunded Obligations for payment.

THIS NOTICE is issued and given pursuant to the redemption provisions in the proceedings authorizing the issuance of the aforementioned Refunded Obligations and in accordance with the recitals and provisions of said Refunded Obligations.

NOTICE IS FURTHER GIVEN that the Refunded Obligations should be submitted to the following address:

CITY OF SACHSE, TEXAS

Information Related to Proposed Refunding



City of Sachse

PARAMETER BOND SALE

Parameter Bond Sale

Section 1207 of the Government Code allows refunding bonds via a Parameter Sale

- Council delegates final pricing authority to Pricing Officer(s)
- Council establishes bond sale parameters:
 - ▶ Maximum Interest Rate
 - ▶ Minimum Savings Threshold for Refunding
 - ▶ Aggregate Principal Amount of Issue
 - ▶ Final Maturity Date
 - ▶ Expiration of Delegated Authority
 - 6 Months after Approval by Council
- Pricing Officer(s) can only approve sale if **ALL** Council parameters are met

CITY OF SACRE

Parameter Bond Sale

Reason for Parameter Bond Sale = FLEXIBILITY

Market Timing – Bond issue is in ‘Day-to-Day’ mode, meaning bonds can be priced at any time and in an interest rate environment that is advantageous rather than being locked into pricing on the date of a Council meeting.

CITY OF SACRE

SUMMARY OF THE PROPOSED REFUNDING

Proposed Bonds to be Refunded

- Certificates of Obligation, Series 2003
 - Callable Principal: **\$360,000**
 - Call Date: **Currently Callable**
 - Interest Rates: **3.90% - 4.20%**
 - Final Maturity: **February 15, 2018**
- General Obligation Refunding and Improvement Bonds, Series 2009
 - Callable Principal: **Approximately \$8,050,000**
 - Call Date: **February 15, 2019**
 - Interest Rates: **5.875%**
 - Final Maturity: **February 15, 2034**

CITY OF SACRAMENTO

Suggested Parameters

- ❑ Delegated Pricing Officers: **City Manager and Director of Finance**
- ❑ Minimum Savings Threshold: **\$1,050,000 Present Value**
- ❑ Maximum True Interest Cost: **3.50%**
- ❑ Maximum Principal Amount: **\$10,000,000**
- ❑ Final Maturity Year: **2034**
- ❑ Expiration of Parameter Authority: **6 Months**
- ❑ **Pricing Officers can only approve sale if ALL Council parameters are met**

CITY OF SACRAMENTO



Legislation Details (With Text)

File #:	15-2662	Version:	1	Name:	Compensation Consulting Services
Type:	Agenda Item	Status:		Status:	Agenda Ready
File created:	1/22/2015	In control:		In control:	City Council
On agenda:	2/2/2015	Final action:		Final action:	
Title:	Consider a resolution of the City Council of the City of Sachse, Texas approving the terms and conditions of a consulting services agreement, by and between the City of Sachse and Evergreen Solutions, LLC to provide human resource management consulting services to the city in an amount not to exceed \$35,000.				

Executive Summary

The City of Sachse requested proposals for a Comprehensive Compensation and Benefits Study. The City received and reviewed eight (8) bids and narrowed the list down to the top two firms based on the local market serviced by the company in addition to the base price. The purpose of this item is to present staff findings and to make a recommendation.

Sponsors:

Indexes:

Code sections:

Attachments: [Compensation Study Presentation 2-2-15.pdf](#)
[51SACHSE Evergreen Solutions Consulting Services Agreement.pdf](#)
[Section 3 - Approach and Work Plan.pdf](#)
[51SACHSE Evergreen Solutions Resolution Approving Consulting Agreement69930.pdf](#)

Date	Ver.	Action By	Action	Result
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Title

Consider a resolution of the City Council of the City of Sachse, Texas approving the terms and conditions of a consulting services agreement, by and between the City of Sachse and Evergreen Solutions, LLC to provide human resource management consulting services to the city in an amount not to exceed \$35,000.

Executive Summary

The City of Sachse requested proposals for a Comprehensive Compensation and Benefits Study. The City received and reviewed eight (8) bids and narrowed the list down to the top two firms based on the local market serviced by the company in addition to the base price. The purpose of this item is to present staff findings and to make a recommendation.

Background

Over the past 2 years, the City has experienced a rising turn-over rate of its employees (23% and 24%, respectively). Staff recognizes that both salary and benefits are key components in employee retention. To address the increasing turnover issue, and in accordance with the FY 15 Budget, the City issued a Request for Proposals to conduct a Comprehensive

Compensation and Benefits Study on November 21, 2014. After submitting the RFP to 18 vendors, eight (8) bids were received from firms across the country outlining their analytical capabilities, subject matter expertise of consultants, professional references highlighting past study efforts and costing requirements. Following analysis of all eight proposals, a team of six department heads conducted interviews with the top two vendors, Evergreen Solutions and Gallagher Benefit Services. Following the vendor interviews, HR conducted due diligence checks with reference cities for whom Evergreen and Gallagher have conducted comparable studies in the recent past. Following the interviews and reference checks, the team agreed that Evergreen Solutions presented the best value proposal. Evergreen Solutions has recently completed compensation studies for the cities of Little Elm, Rowlett and Southlake. The employees with direct knowledge of Evergreen's activities were very complimentary of the study process and results.

Evergreen Solutions is uniquely qualified to conduct a Comprehensive Compensation and Benefits Study for the City of Sachse as the project team includes recognized experts in local government and human resources management and understands that there is not a "one size that fits all" solution to compensation management. Evergreen's approach is built on working collaboratively with all cities to make sound, implementation-focused recommendations.

Specifically, Evergreen has developed a methodology that:

- focuses on market competitiveness;
- reflects changes in recent compensation strategies;
- designs custom solutions that take into account the diversity of needs present in the organization and allows the City to select the components and options that best meet our overall needs; and
- produces a structure that improves the organization's ability to recruit, reward, motivate, and retain talent in a competitive environment that includes both public and private sector employers.

The comprehensive scope of services includes the following task items:

- Evaluate the Current System
- Develop Compensation Philosophy/Identify List of Comparator Cities
- Approve List of Comparator Cities
- Conduct Market Survey and Provide External Assessment Summary
- Conduct Benefits Survey
- Develop Strategic Positioning Recommendations

- Develop and Submit Draft and Final Reports, including options for implementation
- Develop Recommendations for Compensation Administration

Evergreen Solutions possesses the ability, staff, skills and tools to conduct the Comprehensive Compensation and Benefits Study for the City of Sachse in three months from the project start date. This is based on a tentative start date of early/mid February 2015 and a completion date of mid/late May 2015. This timeline can be modified in any way to best meet the needs of the City of Sachse.

Policy Considerations

No policy considerations at this time.

Budgetary Considerations

Council approved \$35,000 for the Comprehensive Compensation and Benefits Study in the City of Sachse FY 2015 budget. Evergreen Solutions' proposal is \$31,500. Should the scope of services need to be expanded, i.e. more than three trips is required, the contracted amount would increase but not exceed the budgeted amount of \$35,000.

Staff Recommendations

Staff recommends approval of a resolution of the City Council of the City of Sachse, Texas approving the terms and conditions of a consulting services agreement, by and between the City of Sachse and Evergreen Solutions, LLC to provide human resource management consulting services to the city in an amount not to exceed \$35,000.



Compensation and Benefits Study Proposals

February 2, 2015

RECOMMENDATION

Staff recommends approval of a resolution of the City Council of the City of Sachse, Texas, approving the terms and conditions of a consulting services agreement, by and between the City of Sachse and Evergreen Solutions, LLC to provide human resource management consulting services to the city in an amount not to exceed \$35,000.

REQUEST FOR PROPOSAL PROCESS

- Advertised in the Dallas Morning News (November 21 and 28)
- Posted on City of Sachse website
- Sent RFP to 18 companies
- Eight bids were received
- Bid opening held December 18, 2014
- Reviewed and analyzed all bids
- Interviewed the top two vendors

RFP RESPONDENTS

- Condrey and Associates
- CPS HR Consulting
- Crowe Horwath
- Evergreen Solutions
- Gallagher Benefits Services
- Hay Group
- Ray Associates
- Slavin Management Consultants

PROPOSAL COMPARISONS

FIRM	QUALIFICATIONS/ EXPERIENCE OF FIRM AND PROJECT TEAM	D/FW CITIES	COSTS
Condrey and Associates	Team includes SMEs with 20-30 years experience each.	Forney	\$37,500 plus travel costs. Number of trips not included in proposal.
CPS HR Consulting	Project team would consist of six consultants with an average experience of nearly 20 years.	None listed	\$29,322 plus \$5,383 for reimbursable expenses. This includes four on-site visits.
Crowe Horwath	Engagement team will consist of personnel from Dallas office. Average of 20 years experience for each team member.	Ft. Worth	\$48,000 plus reimbursable expenses of up to \$4,800. Number of trips not included in proposal.

PROPOSAL COMPARISONS, CONT.

FIRM	QUALIFICATIONS/ EXPERIENCE OF FIRM AND PROJECT TEAM	D/FW CITIES	COSTS
Evergreen Solutions	Services will be provided from FL office. Executive VP Dr. Ling will be involved in the study. All project team members have extensive resumes and experience working in multiple disciplines of HR, average of 25 years for each team member.	Little Elm, Rowlett and Southlake	\$31,500 and includes three trips.
Gallagher Benefits Services	Services will be provided from the Phoenix office. Managing director will be Bruce Lawson, managing partner of Fox Lawson (purchased by Gallagher). Average of 25 years of experience for team members.	Dallas and Colleyville	\$35,000 and includes three trips.
Hay Group	Dallas office for 20 years, govt sector is a key focus for company. Two project team members located in Dallas office. No years of experience listed.	No reference list included and no listing of client cities/entities.	\$50,000-60,000 with out of pocket expenses (travel) being charged in addition to fee estimate. Number of trips not included in proposal.

PROPOSAL COMPARISONS, CONT.

FIRM	QUALIFICATIONS/ EXPERIENCE OF FIRM AND PROJECT TEAM	REFERENCES CITIES	COSTS
Ray Associates	Public mgmt consulting and service firm based in Austin with focus on public sector mgmt and policy issues. Principal Katherine Ray would be involved in components of the entire process. Average of 25-30 years of experience.	Highland Village, Corinth, Coppel	\$43,360 and includes three trips.
Slavin Mgmt Consultants	Principal in charge has local govt. experience. Project mgr is former town manager as well as HR Dir background. Analyst has over 20 years in local govt.	Dallas and Denton	Project total-\$42,030 and includes six trips.

SCORECARD CRITERIA

Local Projects with Similar Sized Cities:	Ranked on a scale of 0 or 5. 0 = no local projects with similar sized cities, 5 = one local project with similar sized city and 10 = two or more local projects with similar sized cities.
Project Budget:	Ranked on a scale of 0 or 10. 0 = proposed costs exceed the project budget and 10 = proposed costs are within the project budget.
Number of On-site Visits:	Ranked on a scale of 0 to 8. 0 = none included, at cost, one visit = 2, two visits = 4, three visits = 6 and four or more visits = 8.

PROPOSAL RANKINGS

Company	Local Projects with Similar Sized Cities	Project Budget	Number of On-site Visits	Total Points
Evergreen Solutions	10	10	6	26
Gallagher Benefits Services	5	10	6	21
CPR HR Consulting	0	10	8	18
Ray Associates	10	0	6	16
Slavin Mgmt Consultants	0	0	8	8
Condrey and Associates	5	0	0	5
Crowe Horwath	0	0	0	0
Hay Group	0	0	0	0

TOP TWO CONSIDERATIONS

Name of Company	Project Cost	D/FW Municipal Clients
Evergreen Solutions	\$31,500	Rowlett, Southlake and Little Elm
Gallagher Benefit Services	\$35,000	Colleyville

SCOPE OF SERVICES

- Evaluate Current System
- Develop Compensation Philosophy/
Identify List of Comparator Cities
- Approve List of Comparator Cities
- Conduct Market Survey and Provide
External Assessment Summary
- **Conduct Benefits Survey**
- Develop Strategic Positioning
Recommendations
- Develop and Submit Draft and
Final Reports, including implementation
options
- Develop Recommendations for
Compensation Administration

Council Discussion

Council Action

Council Action

PROPOSED PROJECT TIMELINE

PROJECT TASKS	#											
	February			March			April			May		
1.0 - Project Initiation												
2.0 - Evaluate the Current System												
3.0 - Develop Compensation Philosophy												
4.0 - Identify Approved List of Market Survey Benchmarks												
5.0 - Identify Approved List of Survey Targets												
6.0 - Conduct Market Survey and Provide External Assessment Summary												
7.0 - Conduct Benefits Survey												
8.0 - Develop Strategic Positioning Recommendations												
9.0 - Develop and Submit Draft and Final Reports												
10.0 - Develop Recommendations for Compensation Administration												

RECOMMENDATION

Staff recommends approval of a resolution of the City Council of the City of Sachse, Texas, approving the terms and conditions of a consulting services agreement, by and between the City of Sachse and Evergreen Solutions, LLC to provide human resource management consulting services to the city in an amount not to exceed \$35,000.



Consulting Services Agreement

By and Between

City of Sachse, TX

And

Evergreen Solutions, LLC

This Agreement (the "Agreement"), dated as of February 2, 2015, is made by and between Evergreen Solutions, LLC, a Florida corporation ("Evergreen"), and the City of Sachse (the "Client").

WHEREAS, Evergreen Solutions and the Client desire to enter into an agreement whereby Evergreen will provide certain human resource management consulting services for the Client on the terms and conditions hereinafter set forth; and

WHEREAS, Evergreen Solutions is willing to provide such human resource management consulting services for the Client.

NOW, THEREFORE, the parties hereto agree as follows:

1. Engagement. Evergreen Solutions hereby agrees to provide such human resource management consulting services for the Client as may be reasonably requested by the Client in connection with the Request for Proposal (RFP-14-0002) and Proposal submitted by Evergreen Solutions on December 18, 2014.

2. Extent of Services. Evergreen Solutions agrees to perform such services to the best of its ability and in a diligent and conscientious manner and to devote appropriate time, energies and skill to those duties called for hereunder during the term of this Agreement and in connection with the performance of such duties to act in a manner consistent with the primary objective of completing the engagement. Evergreen Solutions agrees to devote such time as is reasonably required to fulfill its duties hereunder.

Throughout the duration of this agreement, Evergreen Solutions will serve as an independent contractor of the Client, As such; Evergreen Solutions will obey all laws relating to federal and state income taxes, associated payroll and business taxes, licenses and fees, workers compensation insurance, and all other applicable state and federal laws and regulations.



In the successful completion of this engagement, Evergreen Solutions may utilize subcontractors, but Evergreen Solutions shall remain completely responsible to the Client for performance under this Agreement.

3. Term. The engagement of the Consultant hereunder by Client shall commence as of the date hereof and shall continue through May 31, 2015, unless earlier terminated pursuant to Section 6 hereof.

4. Compensation.

(a) As compensation for the services contemplated herein and for performance rendered by Evergreen Solutions of its duties and obligations hereunder, the Client shall pay to Evergreen Solutions an aggregate fee equal to \$31,500 (the "Consulting Fee"), earned and payable according to the following invoice/payment schedule:

- 25% - upon completion of Task 1 of the detailed work plan
- 25% - upon completion of Tasks 2 – 5 of the detailed work plan
- 25% - upon completion of Tasks 6 – 7 of the detailed work plan
- 25% - upon completion of Tasks 8 – 10 of the detailed work plan

(b) The Client's sole obligation shall be to pay Evergreen Solutions the amounts described in Section 4(a) of this Agreement, and the Consultant is not and shall not be deemed an employee of the Client for any purpose.

(c) The consulting fee includes three separate round-trips, includes all travel costs, to the client's place of business.

5. Reimbursement for Expenses.

The contract price indicated in section 4 of this agreement is inclusive of all expenses borne by Evergreen Solutions and therefore no expenses shall be reimbursed to Evergreen Solutions by the Client for the duration of this agreement.

6. Termination. This Agreement shall be terminated as follows:

(a) 30 days after written notice of termination is given by either party at any time after February 2, 2015, provided however, that if the Client shall terminate this Agreement pursuant to this Section 6(a) for any reason other than Consultant's material breach of this Agreement (having given prior notice of, and reasonable opportunity for Consultant to cure, any such breach), Client shall pay to consultant in one lump sum an amount equal to that portion of the aggregate Consulting Fee which has not been paid to Consultant as of the effective date of such termination.

(b) On such date as is mutually agreed by the parties in writing.

(c) Upon expiration of the Term as set forth in Section 3.

If Client elects to terminate for material breach then Client shall pay to consultant in one lump sum an amount equal only to that for which services have been rendered.

Upon termination of this Agreement pursuant to this Section 6, except as contemplated by Section 6(a) in the event Client terminates this Agreement in the absence of continuing material breach hereof by



Consultant, Consultant shall be entitled to payment of only that portion of the Consulting Fee earned through the effective date of such termination and any portion of the Lump Sum Payment which has not been paid to Consultant as of the effective date of such termination.

7. Confidential Information. Evergreen Solutions shall not, at any time during or following expiration or termination of its engagement hereunder (regardless of the manner, reason, time or cause thereof) directly or indirectly disclose or furnish to any person not entitled to receive the same for the immediate benefit of the Client any trade secrets or confidential information as determined by the Client in writing.

8. Covenants. Evergreen Solutions agrees to (a) faithfully and diligently do and perform the acts and duties required in connection with its engagement hereunder, and (b) not engage in any activity which is or likely is contrary to the welfare, interest or benefit of the business now or hereafter conducted by the Client.

9. Binding Effect. This Agreement will inure to the benefit of and shall be binding upon the parties hereto and their respective successors or assigns (whether resulting from any re organization, consolidation or merger of either of the parties or any assignment to a business to which all or substantially all of the assets of either party are sold).

10. Entire Agreement. This Agreement, including the aforementioned RFP and proposal, contains the entire agreement and understanding of the parties with respect to the subject matter hereof, supersedes all prior agreements and understandings with respect thereto and cannot be modified, amended, waived or terminated, in whole or in part, except in writing signed by the party to be charged.

11. Construction. While the parties hereto believe that the terms hereof are fair, reasonable and enforceable in all respects, it is agreed that any provision of this Agreement which is held to be prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. In addition to any other remedy which Client may have at law or in equity, Client shall be entitled to injunctive relief for a breach of Sections 7 and 8 (b) of this Agreement by the Consultant.

12. Notices. All notices required to be given under the terms of this Agreement or which any of the parties desires to give hereunder shall be in writing and personally delivered or sent by registered or certified mail, return receipt requested, or sent by facsimile transmission, addressed as follows:

(a.) If to Evergreen Solutions addressed to:

Evergreen Solutions, LLC
Attention: Dr. Jeff Ling, Executive Vice President
2878 Remington Green Circle
Tallahassee, Florida 32308

(b.) If to the Client addressed to:

City of Sachse
Attention: Ms. Stacy Buckley, Human Resources Manager
3815-B Sachse Road



Sachse, Texas 75048

Any party may designate a change of address at any time by giving written notice thereof to the other parties.

13. Miscellaneous. This Agreement:

(a) shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns;

(b) may not (except as provided in Section 9 hereof) be assigned by either party hereto without the prior written consent of the other party (any purported assignment hereof in violation of this provision being null and void);

(c) may be executed in any number of counterparts, and by any party on separate counterparts, each of which as so executed and delivered shall be deemed an original but all of which together shall constitute one and the same instrument, and it shall not be necessary in making proof of this Agreement as to any party hereto to produce or account for more than one such counterpart executed and delivered by such party;

(d) may be amended, modified or supplemented only by a written instrument executed by all of the parties hereto; and

(e) embodies the entire agreement and understanding of the parties hereto in respect of the transactions contemplated hereby and supersedes all prior agreements and understandings among the parties with respect thereto.

(f) the laws of the State of Texas shall govern this Agreement; and venue for any action concerning the Agreement shall be in the State District Court of Dallas County, Texas. The parties agree to submit to the personal and subject matter jurisdiction of said court.

(g) in the event any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions, and the Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained in it.

(h) Any of the representations, warranties, covenants, and obligations of the parties, as well as any rights and benefits of the parties, pertaining to a period of time following the termination of this Agreement shall survive termination.

(I) the recitals to this Agreement are incorporated herein.

(j) Evergreen represents that no official or employee of Client has any direct or indirect pecuniary interest in this Agreement.



IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

Evergreen Solutions, LLC

Jeff Ling, Executive Vice President

City of Sachse

Mike Felix, Mayor



3.0 *Approach and Work Plan*

In this section we provide our overall approach and methodology for completing this study; a detailed work plan, identifying the tasks, activities, and milestones necessary to accomplish all required deliverables included in the purpose of the Request for Proposal (RFP), and a proposed timeline for completing all deliverables.

3.1 Evergreen's Approach

Evergreen Solutions is uniquely qualified to conduct a Comprehensive Compensation and Benefits Study for the City of Sachse (City) as our team includes recognized experts in local government and human resources management and understands that there is not a “one size that fits all” solution to compensation management. Our approach is built on working collaboratively with all parties to make sound, implementation-focused recommendations.

Specifically, we have developed a methodology that:

- focuses on market competitiveness;
- recognizes that compensation is comprised of more than just base pay levels;
- reflects changes in recent compensation strategies;
- designs custom solutions that take into account the diversity of needs present in the organization and allows you to select the components and options that best meet your overall needs; and
- produces a structure that improves the organization's ability to recruit, reward, motivate, and retain talent in a competitive environment that includes both public and private sector employers.

We will work closely with the City's designated Project Manager and other key staff throughout the process to ensure constant communication of issues, concerns, and potential outcomes. In addition, we will work closely with your staff to gain a solid understanding of your current operational realities, challenges, and desired outcomes. Moreover, Evergreen Solutions will work with you to balance your need to meet your performance goals while carefully managing the organization's resources.

Compensation management has undergone significant transformation in the private sector and over time public sector organizations have mirrored these changes. While compensation once centered on the separate administration of base pay and core benefits, a shift has occurred that has transformed compensation management.



	Progressive organizations now recognize that—to effectively recruit, reward, motivate, and retain employees—compensation management requires strategic thinking and planning. Compensation management must support an organization’s overall strategic direction. To accomplish this, effective organizations design a compensation philosophy that details where an organization wants to be in relation to the market in key areas. These key areas include cash compensation, benefits, and work/life balance. Compensation is thus a reflection of the organization’s philosophy. Evergreen Solutions realizes that we will need to tailor our approach to fit the operating, fiscal, and competitive needs of the client. Recommendations must always reflect competitive needs while supporting the client’s overall mission. Listed below is an overview of the typically recommended approach that Evergreen takes when conducting a study of this nature.
Kick Off Meeting	Evergreen Solutions begins each engagement by meeting with the client’s leadership team. Frequently, this initial meeting will accomplish several goals, including: • finalizing the project work plan; • identifying milestone and deliverable dates; • gaining insight into the management structure and approach; • collecting compensation data; • identifying additional data needs; and • developing preliminary schedules for subsequent tasks. At this time, we will also request a copy of the employee database that reflects current compensation data.
Communication Plan	Communication is a critical component of any comprehensive compensation and benefits study. Communicating with key staff directly and early in the process builds support for the process and the accompanying outcomes. As part of our communication plan, we meet first with key project staff to fully understand the nature and scope of the project. Regular updates are provided to the Client’s Project Manager and other key staff and can be posted on the client’s intranet site, if available and desired. Additionally, the communication plan for the distribution of the end product, particularly how the results will be distributed to employees, is also critical.
Developing the Compensation Philosophy	An organization’s compensation philosophy is designed to support the overall business strategy. It can take many forms, but ultimately the compensation philosophy selected will guide the structure of the overall compensation system. Evergreen will meet with the client’s leadership team to ascertain the client’s overall business strategy and document the various alternatives that are available to support that strategy. Based on the client’s needs, Evergreen Solutions will provide the client with a comprehensive compensation philosophy to guide



	subsequent decisions. Typically, a consultant can facilitate the process and make recommendations for the compensation philosophy, but the decision will ultimately rest with the organization itself. It is imperative for the client to agree upon a compensation philosophy prior to establishing the remaining components of the compensation system.
Compensation	Our approach to compensation analysis is based on the belief that compensation should be organization-specific, fair, equitable, and directly tied to strategic goals. To ensure that all these criteria are met, we will conduct an extensive analysis on the relevant labor market, the internal structure and inter-relatedness of jobs within the organization, and the relative worth of jobs within the organization vis-à-vis the compensation philosophy. The most traditional component of a total compensation program is base pay (fixed pay). However, inclusion of benefits in total compensation strategy is not a new concept. Provision of benefits was originally a recruitment tool, though over time the provision of core benefits has become an expectation. Research shows that public sector organizations commonly use superior benefits packages as a way to offset structural disadvantages in base pay. The purpose of the survey is to collect information for comparison to current offerings, and make recommendations for change consistent with the parameters of the compensation philosophy.
Market Survey	A key component of assessing compensation is to consider market position, which is sometimes referred to as external equity or competitiveness. Evergreen's consultants wait until well into the classification analysis to design the market survey to ensure that jobs are understood, anomalies in classification characteristics are documented, and sufficient input has been received. The market survey will obtain standard range information related to minimum, midpoint, and maximum salaries. Data collection will focus on the public sector, but will include information from the private sector where applicable. Further, we will look to include any employers to whom the client has recently lost employees. In addition, a benefits survey will also be administered in tandem with the market survey. Special consideration can be given to select highly competitive, market-driven positions if necessary.
Benchmarks	One of the most important components of the external assessment is in the selection and utilization of benchmark positions for the labor market survey. We will work with the client to identify the appropriate number of benchmark positions to best fit the client's needs in the labor market survey. Based on our experience, we have found that it is simply not practical to survey all positions within the organization—the resulting surveys become too cumbersome for labor market peers to complete, and the response rate on the whole suffers. We ensure, through multiple checks and balances, that the benchmark positions chosen will represent a broad spectrum of positions across the organization, from all job families, pay levels, and functional areas.



Targets	To conduct an external labor market assessment, we work with the client to identify the most appropriate targets to survey. Evergreen selects peer organizations based on the local labor competition, regional markets, and class-specific markets. Peer organizations should be those organizations that compete with the client for labor in at least one job family. An appropriate mix of peers in the public and private sectors will be included in the survey, and if necessary, augmented with published secondary data sources. Typically, Evergreen waits until the outreach process has been completed to identify the complete list of market peers. This is because we often will uncover specific information during the focus group and interview sessions that identifies potentially critical survey targets. Ideally, we would like to work with the client after the outreach has been concluded to identify the final list of potential market peers. An important factor of our methodology is that the client has the final approval of all aspects of the study. We will not proceed with the analysis unless the client is completely comfortable with the survey targets chosen. Often, there are different factors impacting an organization, such as proximity to a major metropolitan area, technology corridor, or specific market (i.e., military base), that have a direct effect on its ability to recruit and retain employees in specific positions. These factors have to be taken into account when selecting survey targets. Once the targets are selected and approved, the survey instrument is developed and sent to the client for final approval. Subsequent to the client's approval, the survey is then distributed to the targets in both paper and electronic formats. Evergreen Solutions uses a four-fold method of communicating with respondents. Our staff notifies the target group that the survey is being sent or made available, confirms receipt, and encourages participation. Once the data are received, they are cleaned, validated, and summarized. A separate report is issued that shows the results of the salary survey.
Compensation Administration Guidelines	In order for the client to maintain the recommended compensation system, Evergreen develops compensation administration guidelines for use by the client after completion of the study. The guidelines will include recommendations on installation and continuing administration of the system. The team first conducts a review of current practices and procedures then assesses their effectiveness, compliance with legal guidelines, and applicability to the recommended system. Once this review and assessment are complete, revisions to the current practices and/or new guidelines can be recommended, as needed. At a minimum, the recommendations will address areas such as: • how employees will move through the pay structure/system as a result of transfers, promotions, or demotions;



	• how performance will be linked to pay structure; • how to pay employees whose base pay has reached the maximum of their pay range or value of their position; • the proper mix of pay and benefits; • how often to adjust pay scales and survey the market; • timing of implementation; and • how to keep the system fair and competitive over time.
System Maintenance	Our goal is to produce recommendations that are effective and that can be maintained by our clients. We are strongly committed to providing transparent and replicable solutions. In essence, when we complete our core assignment, our goal is that our client's staff can maintain and update the system on their own. We are readily available to provide assistance, but our goal is to give our clients all the tools and training that are needed. Towards this end we will provide the Human Resources Department with all necessary tools and training to maintain the system over time.
3.2 Detailed Work Plan	The detailed work plan that Evergreen Solutions proposes to use to conduct the Comprehensive Compensation and Benefits Study for the City of Sachse is provided in this section. Evergreen understands that there are approximately 120 full-time and 40 part-time employees that will be included in this study. Our work plan consists of the following 10 tasks: • Task 1: Project Initiation • Task 2: Evaluate the Current System • Task 3: Develop Compensation Philosophy • Task 4: Identify List of Market Survey Benchmarks • Task 5: Identify Approved List of Survey Targets • Task 6: Conduct Market Survey and Provide External Assessment Summary • Task 7: Conduct Benefits Survey • Task 8: Develop Strategic Positioning Recommendations • Task 9: Develop and Submit Draft and Final Reports • Task 10: Develop Recommendations for Compensation Administration In Exhibit 3-1, we include a crosswalk of to Evergreen work tasks.



Exhibit 3-1**Crosswalk of RFP Expected Outputs to Evergreen's Work Tasks**

RFP Expected Outputs	Work Tasks
Development of salary schedule(s) with minimum, midpoint and maximums, to include range spreads and midpoint progression.	Task 8.0
Assignment of positions to a salary range (both benchmarked and non-benchmarked positions).	Task 8.0
Compa-Ratio (incumbent's current base salary amount to the midpoint of the new salary range).	Task 8.0
Projected cost analysis for incumbent's whose salary falls below the new minimum of the range, as well as, a projected cost analysis for incumbent's maintaining their placement in the range.	Task 9.0
Alternative phased-in implementation based on budget.	Task 9.0
Any tools that may assist the City of Sachse in maintaining the pay schedules in the future.	Task 10.0
Presentation of results to City Manager's Office and Human Resources.	Task 9.0
Request for all recommendations to be submitted electronically via Excel.	Task 9.0

**Task 1.0
Project Initiation****TASK GOALS**

- Finalize the project plan with the City of Sachse (City).
- Gather all pertinent data.
- Finalize any remaining contractual negotiations;
- Establish an agreeable final time line for all project milestones and deliverables.

TASK ACTIVITIES

- 1.1 Discuss with the City's Project Manager (CPM) and key staff the following objectives:



	• understand the City’s mission and current compensation philosophy (if any); • review our proposed methodology, approach, and project work plan to identify any necessary revisions; • reach agreement on a schedule for the project including all assignments and project milestones/deliverables; and • establish an agreeable communication schedule.
	1.2 Identify potential challenges and opportunities for the study. Discuss the strategic direction of the City and some of the short- and long-term priorities. This activity serves as the basis for assessing where the organization is going and what type of pay plan will reinforce current and future goals.
	1.3 Obtain relevant materials, including: • any previous projects, research, evaluations, or other studies that may be relevant to this project; • organizational charts for the departments and divisions, along with related responsibility descriptions; • current position and classification descriptions, salary (wage) schedule(s), and classification system; • strategic business plans and budgets; and • personnel policies and procedures, and the step placement policies.
	1.4 Review and edit the project work plan and submit a schedule for the completion of each project task.
	KEY PROJECT MILESTONES • Comprehensive project management plan • Comprehensive database of City employees
Task 2.0 Evaluate the Current System	TASK GOAL • Conduct a comprehensive preliminary evaluation of the City’s existing compensation plan. TASK ACTIVITIES 2.1 Obtain the existing pay structure and compensation philosophy. Review the existing pay structure and look for potential problems to be resolved.



	2.2 Determine the strengths and weaknesses of the current pay plan(s). 2.3 Complete an assessment of current conditions that details the pros and cons of the current system as well as highlights areas for potential improvement in the final adopted solution. KEY PROJECT MILESTONES • Review of existing compensation plan(s) • Assessment of current conditions TASK GOAL • Facilitate the development of the City’s initial compensation philosophy. TASK ACTIVITIES 3.1 Conduct a thorough review of all background materials related to the City’s compensation system. 3.2 Review information from department head interviews. 3.3 Review results of previous steps with the CPM and present various options for compensation philosophy components. 3.4 Develop initial compensation philosophy based on input from previous steps. KEY PROJECT MILESTONE • Initial compensation philosophy
Task 3.0 Develop Compensation Philosophy	Task 4.0 Identify List of Market Survey Benchmarks TASK GOAL • Identify the proper benchmark positions (including full-time and part-time positions) for the external labor market assessment to reach an appropriate number. Note: Evergreen understands that the City would like to include all 54 full-time classifications in the salary and benefits survey. TASK ACTIVITIES 4.1 Conduct a thorough review of all materials to date, including employee database for full-time and part-time employees, classification listing, compensation review, and discussions with the CPM.



Task 5.0
Identify Approved
List of Survey
Targets

- 4.2 Identify, from the initial review, a list of classifications (benchmarks) to include in the labor market survey.
- 4.3 Submit the proposed list of positions to the CPM for review.
- 4.4 Based on the CPM's review, make revisions to the benchmark list and finalize consistent with Evergreen Solutions' analysis.

KEY PROJECT MILESTONES

- Preliminary list of benchmark classifications
- Final list of benchmark positions for the external labor market assessment

TASK GOAL

- Identify the list of targets for conducting a successful external labor market assessment.

TASK ACTIVITIES

- 5.1 Review with the CPM the peer organizations that should be included in the survey.
- 5.2 Develop a preliminary list of organizations for the external labor market survey, placing a comparative emphasis on characteristics such as:
 - size of the organization;
 - geographic proximity to the Sachse area;
 - economic and budget characteristics; and
 - other demographic data.
- 5.3 Develop a list of survey targets by employee group. Develop a system for use of secondary data including potential sources and weighting of secondary data, if necessary.
- 5.4 Review survey methodology with CPM and refine survey methodology prior to distribution of survey.
- 5.5 After approval of survey methodology, develop contact list of peer organizations and notify peers of impending survey.

KEY PROJECT MILESTONES

- Initial list of survey peers
- Survey methodology
- Final list of survey organizations and contacts



Task 6.0
Conduct Market
Survey and Provide
External Assessment
Summary
(Concurrent with
Task 7.0)

TASK GOALS

- Conduct the external labor market salary survey.
- Provide a summary of the survey results to the City.

TASK ACTIVITIES

- 6.1 Discuss questions and categories with the CPM for the market survey.
- 6.2 Prepare a customized external labor market salary survey for the CPM's approval.
- 6.3 Contact the targets for electronic completion of the survey. Provide paper copies by fax, if requested.
- 6.4 Conduct necessary follow-up through e-mails, faxes, and phone calls.
- 6.5 Collect and enter survey results into Evergreen Solutions' electronic data analysis tools.
- 6.6 Validate all data submitted.
- 6.7 Develop summary report of external labor market assessment results.
- 6.8 Submit summary report of external labor market assessment results to the CPM.

KEY PROJECT MILESTONES

- Market survey instrument
- Summary report of external labor market assessment results

Task 7.0
Conduct Benefits
Survey
(Concurrent with
Task 6.0)

TASK GOALS

- Conduct an external labor market benefits survey.
- Provide a summary of the survey results to the CPM for review.

TASK ACTIVITIES

- 7.1 Develop a listing of the benefits provided by the City for full-time and part-time employees and review current vacation, sick leave, holiday, and leave policies as compared to competitive employers.



	7.2 Using the list of City provided benefits (i.e., medical benefits packages) and major benefits offerings not provided by the City develop a list of benefits to include in the external labor market survey.
	7.3 Prepare benefits survey to be included with salary survey developed in Task 6.0 .
	7.4 Conduct a survey of benefits in use by competitive employers, to include both private and public employers, and make recommendations regarding the benefits which the City might competitively employ in its market.
	7.5 Submit benefits survey to CPM for review.
	7.6 Revise benefits survey.
	7.7 Distribute benefits survey in conjunction with salary survey.
	7.8 Develop summary report of external labor market benefits results.
	7.9 Submit summary report of external labor market benefits results to CPM.
	KEY PROJECT MILESTONES • Catalogue of existing City benefits • Benefits survey instrument • Summary report of external labor market benefits results
	TASK GOAL • Assess the appropriateness of the City's current compensation philosophy and plan for all employees, providing issue areas and preliminary recommendations for strategic improvement.
Task 8.0 Develop Strategic Positioning Recommendations	TASK ACTIVITIES 8.1 Identify the accepted compensation philosophy and accompanying thresholds. 8.2 Using the market salary and benefits survey data collected in Tasks 6.0 and 7.0 determine the proper pay plan including number of grades, steps, and ranges. 8.3 Identify highly competitive positions within the City and customize recommendations for compensation where required.



Task 9.0
Develop and Submit
Draft and Final
Reports

- 8.4 Produce a pay plan(s) for benchmarked and non-benchmarked positions that best meets the needs of the City from an external equity standpoint. The pay plan will include ranges of pay (i.e., minimum, mid-point, and maximum) as well as Compa-Ratio (incumbent's current base salary amount to the midpoint of the new salary range).
- 8.5 Recommend pay structure features that will provide opportunities for advancement while minimizing salary overlap between levels of responsibility.
- 8.6 Provide a projected cost analysis for incumbent's whose salary falls below the new minimum of the range, as well as, a projected cost analysis for incumbents maintaining their placement in the range.

KEY PROJECT MILESTONES

- Proposed compensation strategic direction, taking into account internal and external equity
- Plan for addressing unique, highly competitive positions

TASK GOALS

- Develop and submit a draft and final report of the Comprehensive Compensation and Benefits Study for the City of Sachse.
- Present the final report to the City.

TASK ACTIVITIES

- 9.1 Produce a comprehensive draft report that captures the results of each previous step. Provide the draft report to the CPM for review and approval. The report will include alternatives for phased-in implementation based on the City's budget.
- 9.2 Submit the comprehensive draft report to the CPM.
- 9.3 Make edits and submit necessary copies of the final report in hard copy and electronically in Excel format which will describe the classification and pay plan.
- 9.4 Present the final report to the City Manager's Office and Human Resources.
- 9.5 Develop a communicating plan for sharing study results with employees.
- 9.6 Develop implementation database to communicate the process and progress of this project to the CPM and any other employee or groups designated by the CPM.



Task 10.0
Develop
Recommendations
for Compensation
Administration

9.7 Develop a plan for maintaining recommendations over time.

KEY PROJECT MILESTONES

- Draft and final reports
- Final presentation
- Implementation and maintenance database

TASK GOAL

- Develop recommendations and provide any necessary tools for continued administration by City staff to sustain the recommended compensation and classification structure.

TASK ACTIVITIES

10.1 Develop recommendations and any necessary tools for the continued administration and maintenance of the classification and compensation system, including recommendations and guidelines related to:

- how employees will move through the pay structure/system as a result of transfers, promotions, or demotions;
- how to pay employees whose base pay has reached the maximum of their pay range or value of their position;
- the proper mix of pay and benefits;
- how often to adjust pay scales and survey the market;
- the timing of implementation; and
- how to keep the system fair and competitive over time.

10.2 Recommend recruitment/retention strategies, where appropriate.

10.3 Present recommendations to the CPM for review.

KEY PROJECT MILESTONES

- Recommendations for compensation administration
- Recommendations for recruitment/retention policies



3.3 Proposed Timeline

Evergreen Solutions possesses the ability, staff, skills, and tools to conduct the Comprehensive Compensation and Benefits Study for the City of Sachse in three months of the project start date and following the signing of the contract. This is based on a tentative start date of early February 2015, and a completion date of mid-late May 2015, as shown in **Exhibit 3-1**.

This timeline can be modified in any way to best meet the needs of the City of Sachse.

**Exhibit 3-1
Proposed Time Schedule**

PROJECT TASKS	#											
	February			March			April			May		
1.0 - Project Initiation												
2.0 - Evaluate the Current System												
3.0 - Develop Compensation Philosophy												
4.0 - Identify Approved List of Market Survey Benchmarks												
5.0 - Identify Approved List of Survey Targets												
6.0 - Conduct Market Survey and Provide External Assessment Summary												
7.0 - Conduct Benefits Survey												
8.0 - Develop Strategic Positioning Recommendations												
9.0 - Develop and Submit Draft and Final Reports												
10.0 - Develop Recommendations for Compensation Administration												



RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SACHSE, TEXAS, APPROVING THE TERMS AND CONDITIONS OF A CONSULTING SERVICES AGREEMENT, BY AND BETWEEN THE CITY OF SACHSE AND EVERGREEN SOLUTIONS, LLC TO PROVIDE HUMAN RESOURCE MANAGEMENT CONSULTING SERVICES TO THE CITY IN AN AMOUNT NOT TO EXCEED THIRTY-FIVE THOUSAND DOLLARS (\$35,000); AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Council of the City of Sachse has been presented with a proposed Consulting Services Agreement by and between the City and Evergreen Solutions, LLC (the "Agreement") to provide human resource management consulting services to the City in an amount not to exceed Thirty-Five Thousand Dollars (\$35,000); and

WHEREAS, upon full review and consideration of the Agreement and all matters related thereto, the City Council is of the opinion and finds that the terms and conditions thereof should be approved, and that the Mayor should be authorized to execute the Agreement on behalf of the City of Sachse, Texas;

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

SECTION 1. The Mayor is hereby authorized to execute the Agreement, attached hereto as Exhibit "A", for Evergreen Solutions, LLC to provide human resource management consulting services to the City in an amount not to exceed Thirty-Five Thousand Dollars (\$35,000).

SECTION 2. This Resolution shall take effect immediately from and after its passage, and it is accordingly so resolved.

DULY RESOLVED AND ADOPTED by the City Council of the City of Sachse, Texas, this the _____ day of _____, 2015.

CITY OF SACHSE, TEXAS

Mike Felix, Mayor

ATTEST:

Terry Smith, City Secretary

EXHIBIT “A”
Consulting Services Agreement by and between
the City and Evergreen Solutions, LLC