



*** PUBLIC NOTICE ***

**NOTICE OF A CITY COUNCIL REGULAR SESSION IMMEDIATELY FOLLOWING
A WORKSHOP SESSION
OF THE CITY OF CORINTH
Thursday, March 16, 2017, 5:30 P.M.
CITY HALL - 3300 CORINTH PARKWAY**

CALL TO ORDER:

5:30 p.m. WORKSHOP BUSINESS AGENDA

1. Discuss Regular Meeting Items on Regular Session Agenda, including the consideration of closed session items as set forth in the Closed Session agenda items below.
2. Receive a presentation from Atmos Energy for construction updates of the gas pipeline distribution system in the City of Corinth.

ADJOURN WORKSHOP SESSION

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

7:00 p.m. CALL TO ORDER, INVOCATION, PLEDGE OF ALLEGIANCE:

PROCLAMATION:

The Prudential Spirit of Community Awards Honors Micah Pinson.

PROCLAMATION:

Katie Landaverde, Lake Dallas Elementary School Teacher, Winner of the Rather Prize Award.

CONSENT AGENDA

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

1. Consider and act on minutes from the January 12, 2017 Workshop Session.
2. Consider and act on minutes from the February 2, 2017 Joint Session.

3. Consider and act on minutes from the February 2, 2017 Regular Session.
4. Consider and/or act upon the approval of a Resolution to renew an agreement for ambulance billing services between Emergicon, LLC, and the City of Corinth
5. Consider and approve purchase of replacement ambulance from Siddons-Martin.
6. Consider and act on Resolution with Government Capital regarding a financial contract for the purpose of procuring a replacement 2017 Road Rescue Ambulance.

CITIZENS COMMENTS

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

BUSINESS AGENDA

7. Accept the Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30, 2016, as presented by Davis Kinard & Co, PC.
8. Consider and act on the site plan for Swisher/35 Retail on property legally described as Swisher 35-E Addition, Lot 4, Block A zoned C-2, Commercial in the City of Corinth, Denton County, Texas. This property is located north of Swisher and south of Burl.
9. Consider and act on a sign variance for Lake Dallas ISD School Addition Lot 1R, Block 1 in the City of Corinth, Denton County, Texas, having a physical address of 3016 Parkridge Drive.
10. Consider and act on a sign variance for Corinth Elementary Addition Lot 1, Block 1 in the City of Corinth, Denton County, Texas, having a physical address of 3501 Cliff Oaks Drive.
11. Consideration of a motion to reconsider an ordinance amending the Comprehensive Zoning Ordinance being a part of the Unified Development Code, Ordinance No. 13-05-02-08, as amended, and a portion of Planned Development Ordinance No. 99-03-18-05, as amended, by amending the zoning to Planned Development C-2 Commercial District and adding "Hospital" as a Permitted Use on Lot 1, Block A, Corinth Medical Center Addition being 5.00 acres in the City of Corinth, Denton County, Texas and calling a public hearing and continuation of action on an ordinance to April 20, 2017.

COUNCIL COMMENTS & FUTURE AGENDA ITEMS

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

CLOSED SESSION

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

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

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

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

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

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

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

ADJOURN:

Posted this 10 day of March, 2017 at 11:30 a.m. on the bulletin board at Corinth City Hall.

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

WORKSHOP BUSINESS ITEM 2.

City Council Regular and Workshop Session

Meeting Date: 03/16/2017

Title: Atmos Energy Construction Update

Submitted For: Fred Gibbs, Director

Submitted By: Mike Brownlee, City Engineer

Approval: Lee Ann Bunselmeyer, Acting City Manager

AGENDA ITEM

Receive a presentation from Atmos Energy for construction updates of the gas pipeline distribution system in the City of Corinth.

AGENDA ITEM SUMMARY/BACKGROUND

Atmos Gas will provide a briefing on their planned construction activities inside the City of Corinth including a regional gas pipeline renovation which is partially located inside Corinth along the eastern boundary. A survey of the underground utilities was performed a few months ago along the route which drew the attention of some of the residents along the existing pipeline corridor. Atmos is now preparing for construction activities. Tonight's presentation will provide more detail on the overall plan and a better idea of the current scheduling for the project phases.

RECOMMENDATION

It would be appropriate at this time to ask questions and/or request additional information concerning Atmos plans for construction projects in Corinth.

City Council Regular and Workshop Session

Meeting Date: 03/16/2017
Title: Proclamation for the Rather Prize Award
Submitted By: Kim Pence, City Secretary
City Manager Review: Approval: Bob Hart, City Manager

AGENDA ITEM

PROCLAMATION:

Katie Landaverde, Lake Dallas Elementary School Teacher, Winner of the Rather Prize Award.

AGENDA ITEM SUMMARY/BACKGROUND

The Rather Prize, founded in 2015 by newsman Dan Rather, and his grandson Martin Rather, awards \$10,000 to the educator, or the student with the best idea for how to improve Texas Public Schools and communities through strengthening public education.

Katie Landaverde, a teacher at Lake Dallas Elementary School, who out of 200 submissions has been selected as the winner of the Rather Prize for her idea to implement workshops targeted at elementary school students, and taught by high school students, where students attend seminars on topics of their choice. The program is to provide younger students the opportunity to explore their passion, while simultaneously allowing older students to develop their expertise by teaching the subjects of their interests.

RECOMMENDATION

N/A

Attachments

Proclamation



MAYOR'S PROCLAMATION

WHEREAS, *The Mayor and City Council would like to extend their congratulations to Katie Landaverde, a teacher at Lake Dallas Elementary School, who out of 200 submissions has been selected as the winner of the Rather Prize; and*

WHEREAS, *The Rather Prize, founded in 2015 by newsman Dan Rather, and his grandson Martin Rather, awards \$10,000 to the educator, or the student with the best idea for how to improve Texas Public Schools and communities through strengthening public education; and*

WHEREAS, *Ms. Landaverde was awarded for her idea to implement workshops targeted at elementary school students, and taught by high school students, where students attend seminars on topics of their choice. The program is to provide younger students the opportunity to explore their passion, while simultaneously allowing older students to to develop their expertise by teaching the subjects of their interests; and*

WHEREAS, *Ms. Landaverde referenced the need for building a strong culture of leadership, followed by ensuring that teachers, staff and community members are willing to help with execution; and*

NOW, THEREFORE I, Bill Heidemann by virtue of the authority vested in me as Mayor of the City of Corinth, do recognize and acknowledge Katie Landaverde for her innovation in the classroom and encourage all of its citizens to congratulate her on her accomplishment.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Seal of the City of Corinth to be affixed this 16th day of March, 2017.

Bill Heidemann, Mayor
City of Corinth

City Council Regular and Workshop Session

Meeting Date: 03/16/2017
Title: Proclamation
Submitted By: Kim Pence, City Secretary
Finance Review: N/A
City Manager Review: **Approval:** Bob Hart, City Manager

Legal Review: N/A

AGENDA ITEM

PROCLAMATION:

The Prudential Spirit of Community Awards Honors Micah Pinson.

AGENDA ITEM SUMMARY/BACKGROUND

The Prudential Spirit of Community Awards honors Fort Worth and Shady Shores students with \$1,000, medallions and a trip to the nation's Capital.

The Prudential Spirit of Community Awards represents the United States' largest youth recognition program based solely on volunteer service. All public and private middle schools and high schools in the country, as well as all Girl Scout Councils, County 4-H Organizations, American Red Cross chapters, YMCAs and HandsOn Network affiliates, were eligible to select a student or member for a local Prudential Spirit of Community Award. These Local Honorees were then reviewed by an independent judging panel, which selected State Honorees and Distinguished Finalists based on criteria including personal initiative, effort, impact and personal growth.

Micah Pinson, age 12, of Shady Shores was named Texas' Top Youth Volunteers of 2017 by The Prudential Spirit of Community Awards, a nationwide program honoring young people for outstanding acts of volunteerism.

Micah, a seventh-grader at Corinth Classical Academy, has conducted an annual holiday toy drive over the last five years that has gathered more than 15,000 toys and games for patients at Texas Scottish Rite Hospital for Children as a way of giving back to the hospital for the care he received there

Grateful for all the hospital had done, Micah and his father met with an officer there to find out how they could help Scottish Rite. That's when Micah decided to collect toys that the hospital could give to its patients throughout the year. So now, every year between Thanksgiving and Christmas, Micah and his family knock on doors and place collection boxes at businesses and other community locations, often with the help of local high school students and other volunteers. A few days before Christmas, Micah gathers all of the items that have been donated and delivers them to the hospital.

As State Honoree, Micah will receive \$1,000, an engraved silver medallion and an all-expense-paid trip in early May to Washington, D.C., where he will join the top two honorees from each of the other states and the District of Columbia for four days of national recognition events. During the trip, 10 students will be named America's top youth volunteers of 2017.

RECOMMENDATION

N/A

Attachments

Proclamation



MAYOR'S PROCLAMATION

WHEREAS, *The Prudential Spirit of Community Awards honors Fort Worth and Shady Shores students with \$1,000, medallions and a trip to the nation's Capital; and*

WHEREAS, *The Prudential Spirit of Community Awards represents the United States' largest youth recognition program based solely on volunteer service. All public and private middle schools and high schools in the country, as well as all Girl Scout Councils, County 4-H Organizations, American Red Cross chapters, YMCAs and HandsOn Network affiliates, were eligible to select a student or member for a local Prudential Spirit of Community Award. These Local Honorees were then reviewed by an independent judging panel, which selected State Honorees and Distinguished Finalists based on criteria including personal initiative, effort, impact and personal growth; and*

WHEREAS, *Micah Pinson, age 12, of Shady Shores was named Texas' Top Youth Volunteers of 2017 by The Prudential Spirit of Community Awards, a nationwide program honoring young people for outstanding acts of volunteerism; and*

WHEREAS, *Micah, a seventh-grader at Corinth Classical Academy, has conducted an annual holiday toy drive over the last five years that has gathered more than 15,000 toys and games for patients at Texas Scottish Rite Hospital for Children as a way of giving back to the hospital for the care he received there; and*

WHEREAS, *Grateful for all the hospital had done, Micah and his father met with an officer there to find out how they could help Scottish Rite. That's when Micah decided to collect toys that the hospital could give to its patients throughout the year. So now, every year between Thanksgiving and Christmas, Micah and his family knock on doors and place collection boxes at businesses and other community locations, often with the help of local high school students and other volunteers. A few days before Christmas, Micah gathers all of the items that have been donated and delivers them to the hospital; and*

WHEREAS, *As State Honoree, Micah will receive \$1,000, an engraved silver medallion and an all-expense-paid trip in early May to Washington, D.C., where he will join the top two honorees from each of the other states and the District of Columbia for four days of national recognition events.*

NOW, THEREFORE, *I, Bill Heidemann, by virtue of the authority vested in me as Mayor of Corinth, Texas do hereby honor Micah Pinson for outstanding acts of volunteerism and exemplary service to improve communities.*

Signed this 16th day of March, 2017.

*Bill Heidemann, Mayor
City of Corinth, Texas*

City Council Regular and Workshop Session

Meeting Date: 03/16/2017

Title: January 12, 2017 Workshop

Submitted For: Kim Pence, City Secretary

Submitted By: Kim Pence, City Secretary

City Manager Review: Approval: Bob Hart, City Manager

AGENDA ITEM

Consider and act on minutes from the January 12, 2017 Workshop Session.

AGENDA ITEM SUMMARY/BACKGROUND

Attached are minutes from the January 12, 2017 Workshop Session. The minutes are in draft form and not considered official until formally approved by the City Council.

RECOMMENDATION

Staff recommends approval of the January 12, 2017 Workshop Session minutes.

Attachments

Minutes

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

On this the 12th day of January, 2017 the City Council of the City of Corinth, Texas met in a Workshop Session at the Corinth City Hall at 5:30 P.M., located at 3300 Corinth Parkway, Corinth, Texas. The meeting date, time, place and purpose as required by Title 5, Subtitle A, Chapter 551, Subchapter C, Section 551.041, Government Code, with the following members to wit:

Members Present:

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

Staff Members Present:

Lee Ann Bunselmeyer, Acting City Manager
Fred Gibbs, Planning and Development Director
Cody Collier, Public Works Director
Kim Pence, City Secretary
Elaine Herzog, Engineering Manager
Curtis Birt, Fire Chief
Greg Wilkerson, Assistant Chief of Police
Shea Rogers, Technology Services Manager
Jason Alexander, Economic Development Director
Mike Brownlee, City Engineer
Chris Rodriguez, Finance Manager
Guadalupe Ruiz, Human Resources Director
Jane Krhovjak, Human Resources Generalist

CALL TO ORDER:

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

PRESENTATION:

1. Receive a presentation, hold a discussion and provide staff direction on the Water and Wastewater Master Plan, and the Water, Wastewater and Roadway Impact Fee Study.

Lee Ann Bunselmeyer, Acting City Manager - Ms. Bunselmeyer turned the meeting over to Planning and Development Director Fred Gibbs

Fred Gibbs, Planning and Development Director - We are getting close to wrapping this project up. We need guidance from the Council on percentages and fee collection on the Impact Fees. We are currently projected to go to the CIAC Committee which is the planning and zoning commission on January 23rd. Kimley-Horn and Associates, Inc. will go over the Impact Fees at that meeting. Also, an item for this is included on the February 2nd agenda to discuss to hold a public hearing report. Fred turned the meeting over to Anthony Samarripas with Kimley-Horn and Associates, Inc. to go over their presentation.

Anthony Samarripas, Project Manager at Kimley-Horn and Associates, Inc. - Mr. Samarripas introduced his colleague Jeff Whitacre, Project Manager at Kimley-Horn and Associates, Inc. Mr. Whitacre has dealt with the roadway and transportation component of the Impact Fee updates. Kimley-Horn and Associates is here to give a project status of where they are on the project and touch on the preliminary results for the Impact Fees, Water Roadway and Wastewater and will walk through the upcoming steps which Fred mentioned. Kimley-Horn and Associates, Inc. is requesting feedback from the Council on the Impact Fees and will answer any questions the Council may have. Kimley-Horn and Associates, Inc. is not looking for formal action or direction, but would like to provide the Council with a preview of how the new Impact Fees are looking and gauge the Council's thoughts on where they might want to see the new Impact Fees adopted, what rates and if there are any other options to look at before the public hearing.

The reason for Impact Fee update: The Impact Fees are governed by Texas local government code Chapter 395 and that law stipulates that cities have to update their Impact Fees every five years. The city updated their fees in 2011, so the five year window is coming up and the Impact Fees are being updated.

Water and Wastewater Master Plan update: As part of the Impact Fee project, the City of Corinth asked Kimley-Horn and Associates, Inc. to look at updating the Water and Wastewater Master Plans because those master plans were updated over ten years ago. It is time to reevaluate the master plans so we have been working on the master plans concurrently with the Impact Fees. Main discussion of this agenda item will be about the Impact Fees, but the analysis on the master plans are about done so Kimley-Horn and Associates, Inc. has identified future capital projects that will be needed to meet future demands and will start moving into developing master plan documents. In the next couple of months master plan documents will start coming in to the Council for review and approval. This process will continue.

A review of previous project milestones:

- April 21, 2016 Council Approves Engineering Services Agreement - this process was started in April 2016
- August 18, 2016 Impact Fee Workshop
 - Land Use Assumptions were presented to Council (Council had no comments on land use assumptions)
 - Financial Analysis Task was presented to Council (Council directed staff not to proceed with Financial Analysis)
- January 12, 2017
 - Discuss preliminary results and get feedback on those preliminary results
 - Financial Analysis Task Impact

In August we held a work session and we touched on Land Use Assumptions that we will use on the Impact Fees. The Land Use Assumptions are the growth projections that we use to determine the Impact Fees. For Impact Fees we look at a ten year window which is stipulated by the law and we look at how much growth the city going to have in the next ten years and what infrastructure is needed to serve that growth.

Councilmember Glockel - Please clarify if it has or hasn't been five years since the Impact Fees have been updated. If the last time that they were updated was in 2011, wouldn't we be coming up on six years?

Anthony Samarripas, Project Manager at Kimley-Horn and Associates, Inc. - The City of Corinth came up on their five years in December 2016. The process for the Impact Fee update started in April 2016. The process was started prior to the five year window. The city attorney has agreed that you are working toward fulfilling that five year commitment. Regarding the growth assumptions we presented back in August, we project that within the next ten years there will be a population growth of 3,554 and that non-residential growth will be about 1,625,000 sf. These numbers were developed by working with city staff, looking at historical growth rates and projecting out what those growth rates will look like in ten years.

Another item that was discussed in August was the credit calculation component of the Impact Fees. A section from Chapter 395 Credit Calculation/Financial Analysis (the law governing Impact Fees) was shared. Basically, the law says that you have to give a credit as part of the Impact Fee process so you don't double charge new development. You can do one of two things. You can go through a very detailed credit calculation which is what the first bullet walks through or in lieu of doing the detailed credit calculation, you can just reduce your Impact Fee number by 50%. You can do one or the other:

- A credit for the portion of ad valorem tax and utility service revenues generated by new service unit during the program period that is used for the payment of improvements, including the payment of debt, that are included in the capital improvements plan; or
- In the alternative, a credit equal to 50% of the total project cost of implementing the capital improvements plan.

These two options were discussed with Council. The first one, the detailed credit calculation, will allow you to end up with a higher Impact Fee number that you can charge. The 50% will be lower than that. We looked at benchmark cities. We looked at what the city was currently charging and a decision was made that the 50% approach will likely be sufficient because those numbers would be high or higher than Council would want to charge any way.

The direction we got was the detailed financial analysis was not needed. We would take the 50% approach and those results will likely be sufficient for what you would want to charge.

We can look at how the results compare to the 2011 study.

2011 Calculated versus 2016 Calculated

Single Family Dwelling Unit Impact Fees		
	2011	2016
Water	\$1,441	\$2,182
Wastewater		
Denton Basin	\$0	\$0
Upper Trinity East Basin	\$1,094	\$908
Upper Trinity West Basin	\$1,300	\$2,121
Roadway	\$3,207	\$3,356

Mayor Heidemann - What goes into the Roadway?

Jeff Whitacre, Project Manager at Kimley-Horn and Associates, Inc. - It's a combination of two things. It's some of the new roads that need to be built such as the widening and it captures some of the existing roads that need to be done such as 2181. Roads that have already been built that you are paying debt service on and a combination roads that you have to build in the future.

Anthony Samarripas, Project Manager at Kimley-Horn and Associates, Inc. - The 50% credit approach table is as follows:

	Pre Credit Total	50% Credit
Water	\$7,777,098	\$3,888,549
Wastewater		
Denton Basin	\$0	\$0
Upper Trinity East Basin	\$1,665,000	\$832,500
Upper Trinity West Basin	\$3,000,196	\$1,500,098
Roadway	\$25,290,000	\$12,645,000

Councilmember Garber - question about the cost of the financial analysis is it really going to get us more than the 50% now. These fees are paid by developers and people building the city, right? That is a lot of money. That seems like a lot of money to not take a detailed financial approach. Certainly it's not going to cost us three million to do a detailed financial analysis.

Anthony Samarripas, Project Manager at Kimley-Horn and Associates, Inc. - Correct. The financial analysis task is part of Kimley-Horn and Associates, Inc.'s contract. It is listed as a line item in case Council want to proceed and has not been used yet. The cost in total for Kimley-Horn and Associates, Inc.'s financial consultant to do the detailed analysis for Water Wastewater and Roadway is \$27,000.

Fred Gibbs, Planning and Development Director - Typically you do those (detailed financial analysis) if you are going over 50% collection rates. If you want to go over 50% you want to account for the reasoning and financial backing to go over 50%. That is typically when you kick in the financial analysis.

Councilmember Garber - Would going over the 50% adversely affect our ability to develop the city the way that we want to? It keeps us from being competitive

Fred Gibbs, Planning and Development Director - It will increase that number significantly which you are going to see the comparison at 50%.

Anthony Samarripas, Project Manager at Kimley-Horn and Associates, Inc. - We will go into the next session which will somewhat address what the Council is asking.

Councilmember Glockel - I read the whole report. I don't know where the East and West Trinity are. You can see in the breakdown that you are charging different for the Westside.

Anthony Samarripas, Project Manager at Kimley-Horn and Associates, Inc. - There is a map in the report that you will receive prior to the public hearing that show where the basins are at.

Councilmember Glockel - Might be good information to have to show why the pricing is different.

Councilmember Burke - Upper Trinity decides that, right?

Anthony Samarripas, Project Manager at Kimley-Horn and Associates, Inc. - The basin component was worked on with the city staff on defining basins based on the way they collect and where they flow. Decisions were made to use multiple basins. Water and Roadway are citywide, so no matter where you are at in the city, your water Impact Fee is the same. Your Roadway Impact Fee is the same. The Wastewater is broken up into three separate phases.

Councilmember Burke - We are close. In the price to control it.

Anthony Samarripas, Project Manager at Kimley-Horn and Associates, Inc. - Correct.

Fred Gibbs, Planning and Development Director - You don't want to east side of town paying for the west side of town and visa versa when it's flowing.

Anthony Samarripas, Project Manager at Kimley-Horn and Associates, Inc. - We have some slides that show comparisons to neighboring communities as well as what you are currently charging from an Impact Fee standpoint.

Impact Fee Comparison Single Family Dwelling Unit Roadway	
City	Adopted Fee
Lewisville	\$0
Allen	\$650
Coppell	\$890
Corinth 2011 (Adopted)	\$962
The Colony	\$1,898
Denton	\$2,000
McKinney	\$2,085
Southlake	\$2,292
Little Elm	\$2,310
Corinth 2011 (Max Assessable w/50% Credit)	\$3,207
Corinth 2016 (Max Assessable w/50% Credit)	\$3,356
Rowlett	\$3,490
Flower Mound	\$3,715
Frisco	\$4,261
Colleyville	\$4,941

Fred Gibbs, Planning and Development Director - That fee got lowered in November. An amendment was adopted to the Roadway Impact Fee and lowered it by about 15% to \$962.

Councilmember Harrison - The comparison is for 2016. You don't know what the comparison is for 2016 for all of those other cities on that chart, right.

Anthony Samarripas, Project Manager at Kimley-Horn and Associates, Inc. - The numbers for these cities on this chart are relatively recent. We pulled them for last year's (2016)

Jeff Whitacre, Project Manager at Kimley-Horn and Associates, Inc. - Most of the cities on the chart i.e., Rowlett, Flower Mound, Frisco, McKinney and Denton - they are pretty recent. Those are the current rates they are adopting right now.

Councilmember Harrison - So this is mostly what they are currently what they are charging. I didn't want to compare it to 2011.

Anthony Samarripas, Project Manager at Kimley-Horn and Associates, Inc. - That is what they are charging now. A lot of them have done their updates in the late couple of years as well.

Jeff Whitacre, Project Manager at Kimley-Horn and Associates, Inc. - One thing that has changed since the last time this was done by Corinth is Denton, in 2011, did not have Roadway Impact Fees so there wasn't a comparison to your nearest neighbor. Now they do.

Anthony Samarripas, Project Manager at Kimley-Horn and Associates, Inc. - And Denton is charging \$2,000.

Councilmember Harrison - How about Lake Dallas?

Jeff Whitacre, Project Manager at Kimley-Horn and Associates, Inc. - They currently don't have Roadway Impact Fees

Anthony Samarripas, Project Manager at Kimley-Horn and Associates, Inc. - We have another roadway example here. This one is for an example that would be an industrial development 100,000 sf.

Impact Fee Comparison 100,000 sq. ft. Industrial Roadway		Impact Fee Comparison 10,000 sq. ft. Retail Roadway	
City	Adopted Fee	City	Adopted Fee
Lewisville	\$0	Lewisville	\$0
Denton	\$58,775	The Colony	\$10,970
Allen	\$60,000	Coppell	\$13,398
Coppell	\$67,200	Allen	\$15,000
Rowlett	\$67,700	Colleyville	\$15,080
The Colony	\$91,600	Corinth 2016 (30% of Max)	\$17,904
Corinth 2011 (Adopted)	\$92,421	Corinth 2011 (Adopted)	\$18,842
McKinney	\$97,001	Denton	\$21,000
Corinth 2016 (30% of Max)	\$101,268	Flower Mound	\$24,259
Flower Mound	\$148,959	Corinth 2016 (45% of Max)	\$26,856
Corinth 2016 (45% of Max)	\$151,902	Rowlett	\$27,535
Southlake	\$166,725	Little Elm	\$32,550
Little Elm	\$187,200	Southlake	\$33,908
Corinth 2016 (60% of Max)	\$202,536	Corinth 2016 (60% of Max)	\$35,809
Colleyville	\$212,200	McKinney	\$37,640
Corinth 2011 (Max Assessable w/50% Credit)	\$308,072	Frisco	\$50,070
Frisco	\$309,100	Corinth 2011 (Max Assessable w/50% Credit)	\$62,805
Corinth 2016 (Max Assessable w/50% Credit)	\$337,560	Corinth 2016 (Max Assessable w/50% Credit)	\$59,682

Fred Gibbs, Planning and Development Director - Anthony added some more percentages in there to give you a birds-eye view of what 30% or a 45% would be.

Jeff Whitacre, Project Manager at Kimley-Horn and Associates, Inc. - One thing that is common that you may be questioning is a lot of cities will adopt 1% for residential and then maybe a different percentage for non-residential.

Anthony Samarripas, Project Manager at Kimley-Horn and Associates, Inc. - As Fred mentioned we have some different indicators here. Some points of preference.

Mayor Heidemann - Are those numbers that represent other cities current?

Anthony Samarripas, Project Manager at Kimley-Horn and Associates, Inc. - Yes. Current.

Fred Gibbs, Planning and Development Director - Those percentages is where we would land competitively with those other cities if we were to charge 30 or 45 or 60%. That is where we would land compared to the current rates the other cities are doing. So this gives you a good overview of where you may want to be competitive with the Impact Fees

Mayor Heidemann - The comparison is though that you don't know what percentage McKinney is charging. You would assume that their maximum is greater than our \$337,560, correct?

Jeff Whitacre, Project Manager at Kimley-Horn and Associates, Inc. - Their maximum is larger than the \$97,001. They are charging a lower percentage.

Anthony Samarripas, Project Manager at Kimley-Horn and Associates, Inc. - We don't have what they are actually charging relative to their maximums. We just have what they actually charge.

Impact Fee Comparison Single Family Dwelling Unit Water	
City	Adopted Fee
The Colony	\$475
Allen	\$1,200
McKinney	\$1,417
Corinth 2011 (Adopted/Max Assessable w/50% Credit)	\$1,441
Rowlett	\$1,466
Little Elm	\$1,578
Frisco	\$1,772
Corinth 2016 (Max Assessable w/50% Credit)	\$2,182
Colleyville	\$2,491
Southlake	\$2,815
Lewisville	\$3,165
Flower Mound	\$4,098
LCMUA	\$4,257
Denton	\$4,500

Impact Fee Comparison Single Family Dwelling Unit Wastewater	
City	Adopted Fee
McKinney	\$174
Allen	\$500
The Colony	\$570
Corinth 2016 Upper Trinity East (Max Assessable w/50% Credit)	\$908
Corinth 2011 Upper Trinity East (Adopted/Max Assessable w/50% Credit)	\$1,094
Corinth 2011 Upper Trinity West (Adopted/Max Assessable w/50% Credit)	\$1,300
Colleyville	\$643
Rowlett	\$1,377
Frisco	\$1,619
Southlake	\$1,675
Corinth 2016 Upper Trinity West (Max Assessable w/50% Credit)	\$2,121
Denton	\$2,200
Little Elm	\$2,492
Lewisville	\$2,724
Flower Mound	\$2,733
LCMUA	\$3,415

Anthony Samarripas, Project Manager at Kimley-Horn and Associates, Inc. - For water, the city adopted and are charging the maximum.

For wastewater, the city elected to adopt the maximum. You are currently collecting the maximum that you can collect.

Fred Gibbs, Planning and Development Director - Just to give you a background, historically, water has never been below 50%. It has always been 50% or more.

Councilmember Burke - What's the policy reason, if there is one, for why people track the water at the 50% or above and depart from it on Roadway?

Fred Gibbs, Planning and Development Director - Mostly just comes to cost, I believe. I think the Roadway is such a big ticket item that it kind of scares people away. It's just expensive to build roads.

Councilmember Burke - So it doesn't have to do with fund usage or TX DOT matching funds or anything like that? It's just the Roadway number gets scary.

Fred Gibbs, Planning and Development Director - Whether you know how many new roads you are going to build or how many you are going to expand. There are a lot of factors that are in it, but a lot of it just comes to pure cost and how much the Council wants to pass on the developer vs. residents.

Councilmember Johnson - We dealt with this before on this related topic with the Dallas office. The Roadway Impact Fees were a question of fairness. How much is that business responsible for the roads in Corinth? Whereas the water we know. He gets this water and he disposes it, so you know how much that is, but you don't ever know how much of a Roadway your customers are going to use. The Roadway is so much more difficult and it's always in court. There is always some developer suing some city over Roadway Impact Fees.

Fred Gibbs, Planning and Development Director - We allow mechanism in the ordinance typically if they have an issue with it to prove that their generation doesn't live up to what the study says. They have to basically prove that something is not right.

Councilmember Burke - If we do 50% or less do we have to do any kind of rough analysis on that or are we exempted out of that?

Fred Gibbs, Planning and Development Director - That always exists from my understanding.

Councilmember Burke - So you presume that you are probably roughly proportional if you 50% or less.

Fred Gibbs, Planning and Development Director - It does come in play if you did a rough proportionality issue you could give credit back to those Impact Fees. Say they built the max road width, they will get that credit within that Impact Fee. So that does factor into the equation when you are looking at building the roads. You get the credit if you actually build the ultimate roadway.

Councilmember Burke - But there's nothing about the statutory scheme that exempts you of how to do that analysis.

Jeff Whitacre, Project Manager at Kimley-Horn and Associates, Inc. - The state law for proportionality excludes the limitations of 395.

Councilmember Burke - So, it kind of gets us out of that trap. What we are doing when we evaluated development is not having to do a rough proportionality analysis and call them to come do it for us because we fit within the statutory scheme. There may be an appeal on it, but the presumption was done citywide.

Fred Gibbs, Planning and Development Director - That is what actually kicked in Impact Fees back in the day because of the issues. That is what got the train rolling on this one.

Anthony Samarripas, Project Manager at Kimley-Horn and Associates, Inc. - Upcoming Steps:

- Capital Improvements Advisory Committee on January 23rd will be presented with the results of the Impact Fees and they'll have the opportunity to provide comments to Council.
- On February 2, 2017, there will be a public hearing with Council. We will present the entire report for Council approval.
- The Council will adopt an ordinance setting the new fees. This could happen at the February 2, 2017, public hearing or it could happen after, but the law does require that Council adopt a new ordinance and new rates within 30 days from the public hearing, is that right, Jeff?

Jeff Whitacre, Project Manager at Kimley-Horn and Associates, Inc. - 30 days from the public hearing is correct.

Anthony Samarripas, Project Manager at Kimley-Horn and Associates, Inc. - One of the reasons we wanted to get feedback here and give you a little preview of how the fees were looking like they were going to end up was to answer any questions and get any initial feedback on where you might want the rates to be set or if you'd like more options when we come back with different percentages for the roadway or different percentages for water wastewater. Giving us and staff a little bit of direction on where you might want to go with those.

Councilmember Harrison - When you review all these Impact Fees and you go back to look at the adopted 2011 fees, you'll notice that's pretty drastic reductions of those. It's because we were in the middle of a recession and we didn't get, but four houses around, we weren't getting a roadwork, so now we are in a whole different atmosphere and so then that is the questions you are going to have to discuss. Do you want to go low or do you want to go high or do you want to hit someplace in the middle? And that's kind of how we did it the last time. We figure we weren't getting any applications in. We weren't doing anything in the first place. So we were dropping it down where we thought it was reasonable and that is how that figure was established and I assume that is what we are going to do this time. I'd like to see more variables when you come back. Where would it be reasonable someplace there in the middle? That's what I would like to see.

Mayor Heidemann - Lee Ann, Do we have different wastewater fees now? Do we charge differently in different parts of the city (Trinity East/Trinity West)?

Lee Ann Bunselmeyer, Acting City Manager - Are you talking Impact Fees or are you talking wastewater rates, like water/wastewater? For water wastewater, No. Like what we bill the individual residents on a monthly basis - it's the same regardless of where they are in the city.

Councilmember Harrison - But that was determined by our water wastewater rate design study, right?

Lee Ann Bunselmeyer, Acting City Manager - Correct. Your rates are technically set to cover for your operational cost and your impact fees are recovered to cover your capital costs.

Councilmember Johnson - One thing as we look forward to looking at this to decide where we want to go, when you see residential and you see that 2016 max accessible at 50% credit remember that \$3,356 is passed through right straight to the new homeowner. Every builder knows that that passes right straight through just like it does with the water and wastewater. Depending on where you set your rate you can either dampen or you can increase your rate of development or you can either open throttle and it goes a lot faster or you slow it down. You can adjust your development rate.

Whenever you start looking at retail, you'll see Lewisville doesn't charge anything. Lewisville's pretty well built out. They are not building too many new roadways related to their retail impact. Then you look at Frisco and you can see they charge \$50,000. That is a pretty steep number. We are back there kind of in the middle. That's still a pretty steep number. That is a big factor for somebody who wants to build something. They come here wanting to build retail or a restaurant. They are looking at that \$26,000 and there's other factors that go into that as you calculate your impact fees there's different types of operations have different rates of impact fees like gas stations get different rates over other things based on the number of trips especially on roadway. So it's a tool that can be used to either increase your development relative to your neighbors or decrease. That's why Denton started charging roadways. It's kind of interesting, Denton for years didn't have that roadway impact fee and now they are starting to charge. I wonder are they trying to slow things down or trying to catch up on the roads which is obvious to me that they are trying to catch up on the roads. We have to remember that directly affects what is going to show up on all of these undeveloped properties.

Councilmember Garber - Quick follow up to Mr. Johnson. Mr. Alexander had recommendations maybe next time we come back to meet.

Jason Alexander, Economic Development Director - Some of the smaller businesses have certainly looked at costs of building here in Corinth. I know that on the economic development side we can do some things through some incentives, but we also want to be mindful that we are not harming our infrastructure in the process. So there's a balance in that.

Councilmember Garber - Who on this list, in your opinion, have we been directly competing with as far as economic development? I would assume Denton and Flower Mound.

Jason Alexander, Economic Development Director - And Little Elm.

Councilmember Garber - Are we competing with our current rates?

Jason Alexander, Economic Development Director - That's difficult to assess just looking at those numbers.

Councilmember Johnson - I can tell you that two of the most recent economic development projects that involve particular individual groups be it Ashton Gardens or Choice the hotel. One of the things that economic development did was to help them with their Impact Fees.

Councilmember Gockel - This is the only slide, and I admit I don't fully understand the maximum accessible of the 50%, but this is the only slide I believe that the 2011 maximum accessible value at 50% is higher than the 2016.

Anthony Samarripas, Project Manager at Kimley-Horn and Associates, Inc. - Correct. I'll defer to Jeff because it has to do with traffic and some of the advancements from 2011 to 2016 as far as the studies say.

Jeff Whitacre, Project Manager at Kimley-Horn and Associates, Inc. - Part of study as we mentioned there's a lot more land use types for roadway and for those land use types, we do an evaluation based on a model. The model we used in 2011 was a DFW centric model. The model we used in 2016 was a North DFW/Denton/Corinth centric model. Some of the variables we put together affected those rates slightly and this happened to be one of those land uses where the rates slightly went down. I would say this one took into account more focus in this area and the other more regional-wide.

Councilmember Gockel - So it only affected the retail at 10,000 sf?

Jeff Whitacre, Project Manager at Kimley-Horn and Associates, Inc. - It affected retail more than some of the other categories. It didn't affect the residential category.

Anthony Samarripas, Project Manager at Kimley-Horn and Associates, Inc. - One thing to mention here is that Flower Mound was mentioned as one of the neighboring cities that we may compete with. A lot of these cities will adopt a different percentage for residential vs. non residential for various reasons. Flower Mound reduced non-residential to be more competitive they were comfortable having actual up a little higher. Right now I think Corinth's roadway fees are all set the same at 15% or some standard percentage of your maximum whether it's residential or non-residential, you are charging the same percentage. You may want to do the same thing. I'm just bringing that to your attention. That's what some of your surrounding communities are doing different.

Councilmember Johnson - That's all based on Corinth being one service unit. The whole of Corinth is one service unit. One service area, whereas McKinney has at least four different service areas if I remember from the 2013 study. The Impact Fees a different based on where

they are in the city. We talked in 2011 about adding more service areas - dividing our city up a little differently because we knew that there was more of a need on the west side vs. the east side. This still represents Corinth as one service area.

Anthony Samarripas, Project Manager at Kimley-Horn and Associates, Inc. - It does. Yes. Flower Mound has three service areas, Frisco has four. To try and put all of the service areas that every surrounding community has then this list becomes indigestible so we try to simplify.

Councilmember Johnson - So those are averages?

Jeff Whitacre, Project Manager at Kimley-Horn and Associates, Inc. - They are averages. McKinney's goes up to \$3,200 in some areas, but that's the average in McKinney and Frisco. That's the northern two growing service areas. They have two (2) high service areas and two small service areas.

Councilmember Harrison - How difficult would it be to come back and discuss it? To take those - whoever we are in competition with around here i.e., Denton or Flower Mound and The Colony and bring out how many service areas they have and what the charges are so we can use those as a model to compare if we want to make a service area for the police station for example then we could establish a service area over there.

Fred Gibbs, Planning and Development Director - Do you see any benefit of doing this, Jeff?

Jeff Whitacre, Project Manager at Kimley-Horn and Associates, Inc. - My suggestion on the roadway side goes down to what you adopt. If you adopt a lower rate like the \$962 you have right now, the reason you'd like to have one service area is you can pull that money and build a project if you adopt a lower rate. If you split it up then you have to spend the money in the service area. Most cities for example, Mesquite used to have 11 service areas because they had them really small. The last time they updated they went to three or four. They struggled getting enough money in the small service areas so they've been making service areas larger. Garland did the same.

Fred Gibbs, Planning and Development Director - When you're eight square miles, it's a good size for a service area and you can't grow any further.

Anthony Samarripas, Project Manager at Kimley-Horn and Associates, Inc. - Another item on the roadway, the law limits the size of your service area so some cities are big enough and have to be broken up and that's maybe one of the reasons they do multiple service areas because they have to not because they see a strategic advantage. Some of them may do it for a strategic reason, but sometimes the law dictates you have to break it up because of the size of your city.

Maybe if we can table the roadway flow that is usually a little more complex discussion. And get some feedback on water and wastewater. Currently the city is charging the maximum amount on water which is \$1,441. The preliminary maximum that you would be able to charge with the 2016 study is \$2,182. So with that being the new number, almost \$2,200 is the approach to charge that maximum - to come back with a percentage of that maximum and not go all the way to \$2,200.

Councilmember Garber - Lee Ann, do you remember the average cost of the home when we adopted these back in 2011?

Lee Ann Bunselmeyer, Acting City Manager - We are at 211 right now, I'm going to say we were somewhere around 180-185 is what I was thinking.

Councilmember Burke - What's the average cost of new construction?

Councilmember Garber - I think that's the essence to my question. The homes we were building in Corinth back then were probably around the 180 mark and now if we are trying to find a place in Corinth homes that are at least 300+ - the ones I can remember and see. Am I incorrect about that? I think the percentage of these new water and including the roadway impact may be an equal if not less percentage of the overall value of the home by the time it's done. And I would be interested in that. What percentages of the \$2,200 is that of what's due to be built? It looks like \$700 more, but the value of the homes have also gone up quite a bit so the percentage of that may not be a shocker. Plus Denton is up. You look at those things on both those deals and I feel on that residential side we are still under. I personally feel on some of those on the economic development side unless we have a way to mitigate that, in some cases we may be a little over priced on some of the industrial and retail.

Fred Gibbs, Planning and Development Director - Lake Dallas, Hickory Creek and Shady Shores - that is directly across the street from Corinth so they give you an idea where they land on their Impact Fees and water.

Lee Ann Bunselmeyer, Acting City Manager - Councilmember Garber, I don't have the 2011, I have some analysis on the website that I just found in 2012, it was \$180,000 and I don't think it changed too much from 2011 to 2012 and our 2016 was \$229,000.

Councilmember Garber - Do we have homes that are currently being built that are much under \$300,000 at this point?

Fred Gibbs, Planning and Development Director - No. They are averaging now between \$300,000 and \$500,000, that's all the new the new subdivisions.

Councilmember Garber - So, I don't think this is going to be a huge issue at \$300,000 to \$500,000.

Fred Gibbs, Planning and Development Director - The price of land has driven the price of property.

Councilmember Harrison - Lake City municipal utility district is \$4,257. If you build in Lake Dallas that is what you're going to pay. And in Hickory Creek, that's what they are paying and Shady Shores as far as water.

Lee Ann Bunselmeyer, Acting City Manager - Because they have a lot of capital and a lot of old pipes that need to be redone.

Councilmember Johnson - I am comfortable with that max number especially on the water and wastewater side. I don't have a problem with that at all.

Fred Gibbs, Planning and Development Director - You're kind of right in the middle.

Councilmember Johnson - Yes. We're kind of right in the middle.

Councilmember Garber - What if we try to lay in close to the same dollar amount \$2,000 - \$2,100? That puts us real close to where Denton is at. And that still is an increase from where we are at.

Councilmember Burke - So Denton, The Colony, Little Elm . . . if we were at \$2,000 no one would be choosing to go there based on cost.

Councilmember Johnson - So residential will then be about 40% of the maximum.

Lee Ann Bunselmeyer, Acting City Manager - It's actually 60% of the 50%. Because that \$962 is actually 30% of your max and if you stayed with that percentage at 30% you would be right at \$1,006, but the \$2,000 is right at 60% or 59%.

Anthony Samarripas, Project Manager at Kimley-Horn and Associates, Inc. - For single family dwelling units whether it is a 1,500 square foot house or a 5,000 square foot house they all pay the same. The cost of the house, the square footage of the house doesn't factor in of the amount of Impact Fees.

Councilmember Burke - The higher you go they are probably going to have to build a bigger house just theoretically to recover the cost, some of these costs.

Jeff Whitacre, Project Manager at Kimley-Horn and Associates, Inc. - There is a different category for town homes and condos. It would be a little bit lower.

Councilmember Burke - Start at \$2,000.

Councilmember Johnson - Yes.

Councilmember Garber - Yes.

Lee Ann Bunselmeyer, Acting City Manager - And this is Roadway?

Anthony Samarripas, Project Manager at Kimley-Horn and Associates, Inc. - And you said that is around 60% of the calculated maximum here? So 60% of \$3,356.

Councilmember Johnson - Yes. Puts you at about \$2,000. Pretty close

Councilmember Garber - It is \$2,013. So if we can round it to an even number that would be better.

Fred Gibbs, Planning and Development Director - Round it to \$2,100.

Councilmember Glockel - Mayor if I could, I have a little heartburn with this whole thing. Not the concept and not the numbers, but the timing. I think we just went through the whole process and hired a city manager and tonight there are two things on the agenda in a special workshop three weeks before he gets here that we are going to make these decisions without any of his input. And then if we're going to follow this schedule we're going to put this on a public hearing on the 2nd. Which virtually gives him no input whatsoever because he's not going to be here until after the 2nd. If we make suggestions tonight, since this is a workshop, I guess we really can't do anything other than just kick it around. Is that true?

Lee Ann Bunselmeyer, Acting City Manager - Correct

Councilmember Glockel - It's a workshop and I would say if everybody feels good about numbers, I would still request that we don't schedule a public hearing until after the city manager is on board so that he has some input in this because of the 30 day window that we have to vote on.

Lee Ann Bunselmeyer, Acting City Manager - I know there is time constraints that we have, correct? That it has to be done, so I will let you comment on that. I know that I did speak with Mr. Hart about both of these items today and we actually have a conference call scheduled next week to discuss them as well. So we've been in communication on all of the items that are going before Council and I know that he had planned on visiting with the Mayor as well. But tonight, you are correct, it is just a discussion item. There is no action item. And as far as if that can be pushed back, I will leave that to you.

Anthony Samarripas, Project Manager at Kimley-Horn and Associates, Inc. - Currently we have a public hearing scheduled for February 2nd. You may remember in December there was a Council item that set up the public hearing for February 2nd. The city has to advertise that public hearing for 30 days so there's been a process in place the law stipulates to go through it. If we were to delay the public hearing we would just go through those steps again. I know Fred talked with the attorney and while we are outside of that five year window, but since we are in the process the attorney said "I'm comfortable with we're meeting the spirit of the law." I think he said he didn't want to push this too much further than where we are at. He may have been comfortable delaying a little bit.

Lee Ann Bunselmeyer, Acting City Manager - There's no action items that have to be made on February 2nd. It's just the public hearing that has to be held on February 2nd and so then we could have the public hearing and then have the action item at a time when the city manager will be in place as long as it's within 30 days of February 2nd so by March 2nd.

Councilmember Glockel - Then my next question and follow on that same question is you said, I think, that the public hearing had to be publicized for at least 30 days so it's being publicized right now that we have a public hearing? The public notice is out?

Anthony Samarripas, Project Manager at Kimley-Horn and Associates, Inc. - Yes. It got advertised on the 28th. Right after Christmas it was advertised in the paper.

Fred Gibbs, Planning and Development Director - We have reports that they can come in and look at during that public process.

Mayor Heidemann - But there's not action that has to be taken on the 2nd?

Lee Ann Bunselmeyer, Acting City Manager - No. And we can definitely move that back and as I mentioned, Mr. Hart and I talked on it briefly today and we scheduled some time next week to go over it.

Councilmember Harrison - Would you go over the procedure if you collect Impact Fees and then you have a certain time when you must do the project that you collect that impact. Would somebody go over that process?

Anthony Samarripas, Project Manager at Kimley-Horn and Associates, Inc. - I'll speak to water and wastewater and Jeff can speak to roadway because the law is a little bit different on what you are required to do. For water and wastewater, the law stipulates, say someone wants to come in and develop in an area where it's not currently serviced and they come in with a plat and they plat it and they side plan it and the city says OK you can come in we want to collect Impact Fees. That then obligates you to provide service within a certain time frame. There's another stipulation to that. You have to provide service for someone who comes in. Also, if you are collecting Impact Fees you have to spend them within ten years of when you

collect them. So, if you collected Impact Fees, but you never built projects and you didn't spend it and the ten years are lapsed then you would be subject to refunding those Impact Fees. That's consistent for water and roadway and wastewater. Right, Jeff?

Jeff Whitacre, Project Manager at Kimley-Horn and Associates, Inc. - There's no commitment to build on the roadway side, it's a commitment to spend the money you are collecting in a certain amount of time.

Anthony Samarripas, Project Manager at Kimley-Horn and Associates, Inc. - Water and wastewater, there's a commitment to build. If someone comes in and you collect a fee you have to provide service within two or three years it stipulates. Roadway doesn't have the same requirement if you charge and impact fee, you don't have to build.

Councilmember Harrison - That's good. Thank you.

Anthony Samarripas, Project Manager at Kimley-Horn and Associates, Inc. - I think that one thing at the February 2nd meeting that we would want to know is if that 30 days will be sufficient for the new city manager to give his input and then bring back an ordinance. Then we would close the public hearing and we would look to Council to accept the report. If we think 30 days may not be enough for him to give input or digest the information, we would look to leave the public hearing open from that meeting and then that 30 day time frame doesn't start because that public hearing has not yet been closed.

Fred Gibbs, Planning and Development Director - It looks like we will come back with an ordinance on the 23rd or 2nd of March. That was kind of the way the time was going to put us.

Councilmember Gockel - If you close the meeting on the 2nd, you can't change anything from that point on. 30 days later you have to accept it or deny it.

Anthony Samarripas, Project Manager at Kimley-Horn and Associates, Inc. - You can't change anything with our report. In the report it's just calculations and running through numbers that calculate the maximum. So while the city manager may have comments on that, it's pretty cut and dry. These projects have to be built and this is the cost so this is the maximum. You don't have to commit to an adoption rate on the 2nd. What you chose to adopt can be whatever you decide and staff would come back with an ordinance that matches those numbers.

Councilmember Gockel - So we don't have to tell public hearing what the numbers are and stick with those numbers if we close the public hearing?

Anthony Samarripas, Project Manager at Kimley-Horn and Associates, Inc. - No. If you close the public hearing you would have to accept our report and say this appears to be in compliance with 395 and we agree with the calculations, but you don't have to set fees at that meeting. You can if you're ready and staff has the ordinance. You can then adopt whatever rates you chose to adopt relative to the max. Or you can choose to adopt those rates any time up until 30 days after the public hearing.

Fred Gibbs, Planning and Development Director - You'll actually set the rate with the new ordinance whether it's on the 23rd or the 2nd or whenever that is. You don't have to adopt the rate that you had the public hearing on is basically what I'm hearing.

Councilmember Gockel - That makes no sense to me, if I come in at the public hearing and I come in as a citizen and I raise hell and I say I want to stick with the \$2,000 on the roadway, then the public hearing is closed, then 30 days later we can change that without another public hearing?

Anthony Samarripas, Project Manager at Kimley-Horn and Associates, Inc. - At the public hearing, what we are going to present and what we'll focus on if we're not ready to adopt, is we'll just focus on the calculated maximums. We'll present the land use assumptions, the capital plans, the projects we've identified and we'll present the calculations that generated the maximum numbers that will be in the report. We don't have to speak at all. We've added the discussion items here that lead to possible adoption rates. That discussion doesn't have to happen in the public hearing necessarily. Unless you think you are going to be ready to adopt then we can go down the road of these percentages to get there. Yes. If you have the big discussion that looks like you are about to adopt a certain percentage, and then you said we are going to wait and then you come back with something different, it could undermine someone that was there that participated and thought that you were going to set it at say \$2,000 and then you changed it in 30 days. But the purpose of the public hearing is for us to present the maximums to Council and to get Council approval on the reports.

Councilmember Glockel - If we approve something less than that within the 30 days then we are legal?

Anthony Samarripas, Project Manager at Kimley-Horn and Associates, Inc. - Yes. If you adopt a collection rate less than that, then yes, you are within the law.

Councilmember Glockel - Ok. Thank you.

Fred Gibbs, Planning and Development Director - We have roadway at 21, water at 50, wastewater, I know we haven't closed that one yet.

Councilmember Johnson - Yes. I'm comfortable with that because I think that wastewater is going to be one of our most expensive items going forward. We know that Upper Trinity doesn't have near enough capacity in the plan over here then Lake Dallas to handle our growth. We already know that. We are going to have money from somewhere to make that plan bigger.

Fred Gibbs, Planning and Development Director - I hate to be the dead horse on the roadway piece, but I want to see if Anthony and Jeff can help me out here, these are 2016 rates and there's already a 2011 rate that we are assessing that's different so anything that was platted within that 2011 can get charged the 2011 rate and then everything is platted in 2004 is getting charged that rate. I want to let Council know that these rates are different. Now Council has the ability to amend those to charge one rate for all of those subsequent years that you charged an Impact Fee. I want to throw that out there to Council that currently you will be charging three different rates depending on when the property was platted.

Councilmember Garber - Can we bring that up again? That would be an interesting thing to discuss.

Fred Gibbs, Planning and Development Director - Ok. Sure. All of those 2011 rates is what is being charged. So this ordinance doesn't get rid of everything that was platted in 2011. Just from the adoption platted until today.

Councilmember Garber - But that can happen after we adopt a rate?

Fred Gibbs, Planning and Development Director - Later on when we adopt it in March or whenever that date is.

Councilmember Burke - Assuming you develop within time frames don't expire, I would assume, but I could be wrong.

Jeff Whitacre, Project Manager at Kimley-Horn and Associates, Inc. - I'll leave that up to the City Attorney. If you chose to change the 2011, through an ordinance, you can bring that up to \$2,100 as well. Because it's still below.

Councilmember Garber - I just want to make sure before we move on, Fred, that the ordinance to level out the fees can happen after we adopt this new fee, right? So that's a separate issue.

Jeff Whitacre, Project Manager at Kimley-Horn and Associates, Inc. - You can change the ordinance fees at pretty much any time.

Councilmember Garber - So adopt a new fee and then we'll address the other issues.

Fred Gibbs, Planning and Development Director - That's currently what we have in place. Or what we could have in place in the future.

Councilmember Johnson - To that point, one of the biggest pieces of platting property that we've got that nothing has happened on is the HEB property. They platted all of theirs correct? So their Impact Fees were based on 2011 or was it before 2011?

Fred Gibbs, Planning and Development Director - Most likely they will have to come and re-plat. Then they'll kick in the new fees. So it depends on when you platted when the fee is assessed.

Anthony Samarripas, Project Manager at Kimley-Horn and Associates, Inc. - We have what we need. Thank you for your time.

Mayor Heidemann recessed the meeting at 6:45 pm

Mayor Heidemann reconvened the meeting at 6:50 pm

BUSINESS AGENDA:

2. Hold a discussion and give staff direction regarding the findings of the 2016 Compensation Study.

Lee Ann Bunselmeyer, Acting City Manager - Thank you, Mayor. In July 2016, we presented the findings of internal compensation study that had been conducted by the human resources department. At that time Council took no action and we continued with our budget process and only included compensation or step increases for those police officers and firemen that were eligible for steps. Since that time we had a request from Councilmember Johnson to place it on the agenda tonight for further discussions with Council. We don't have any new information so to speak, but Guadalupe Ruiz, Director of Human Resources, will briefly go over what we presented in July. But before we do so I will see if Councilmember Johnson has any comments to add before Guadalupe starts her presentation.

Councilmember Johnson - Whenever we looked at this back in July, our financial situation was a bit more tight based on things related to contracts outside and we didn't really have a good projection or clear picture of exactly where we would be or where we are going and how everything would settle up since October would make a difference on where we are today. I wanted to bring this back and have a look at this now because our financial situation has improved considerably and whenever we look at the numbers you can kind of see where we are now in a position that we can help the employees out on the compensation side. Whereas we really couldn't and be comfortable within the tax rate, where we were at that time. And I think as we work through this we will also have the opportunity to make some decisions based on capital plans and spending more cutting tax rate and still being able to make our compensation study going forth with much better projections, much more refined. This is why I wanted to bring this back and see what we could do with helping our employees.

One of the ones we drastically need help is in public safety and I know both chiefs are here tonight and they can kind of tell you that being here at the Corinth Police Department and how far down they are and how much it costs to train a new employee and how much we've wasted and have to start over again. The fire department is in the same situation. In fact the fire department is making more than the police department. Not by much, but just a little more based on where we are on our ability to compete and get quality good help.

To me one of the biggest things that city provides is public safety. Police and fire. They get thrown to the water. Everybody likes five things. They like to be able to turn the water on and it comes on. They like to flush the toilet and it goes away. They like to be able to have a nice road to drive on. And they like to be able to call the police department and have them show up in reasonable minutes and they like not having to have their house bum down before the fire department gets there. A lot of those things are factors of personnel and because of that you have to be able to pay them in order to keep them and keep them trained so we can get to that point. We are looking at coming up on March 1st is our half way through the budget year and that would be a good even time to start looking at the possibility to go forward with a compensation increase package.

Guadalupe Ruiz, Director Human Resources - Thank you. I will go back and recap the presentation that we discussed mid-year. January 21st was the first time I presented to ask direction from the Council on what we wanted to do. At the time the direction was to have the HR Department complete the study, instead of going to an outside vendor based on what learned in 2013 from Ray Associates, Inc. The direction was to use the market cities that we used back in 2013. That is what we did and also if we wanted to be in the same market or lead the market. The decision was to be in the same position. In the review committee was the directors and the two chiefs. Then in July 2016, when we presented, there were questions about the factors that were used for the other cities. No action was taken at the time.

2016 Compensation Study

City Council Consensus

Direction from City Council on **January 21, 2016** concerning:

External Professional Services

- Engage with an External Professional to Perform Portions of the Compensation Study with City's HR Staff Conducting the Remaining Portions
- **Or, Have the City's HR Staff Complete All Portions of the Compensation Study**

Market Cities and Market Position

- **Utilize same Market Cities and Market Position used for the 2013 Compensation Study**
- **Or, Determine a New List of Market Cities, and a Different Market Position**

Review Committee

- Have Members of the Executive Team*, and Members of the City Council as Part of the Review Committee
- **Or, Have Members of the Executive Team Only *Including Fire and Police Chiefs**

June 21, 2016 Workshop: **Should be July 21, 2016**

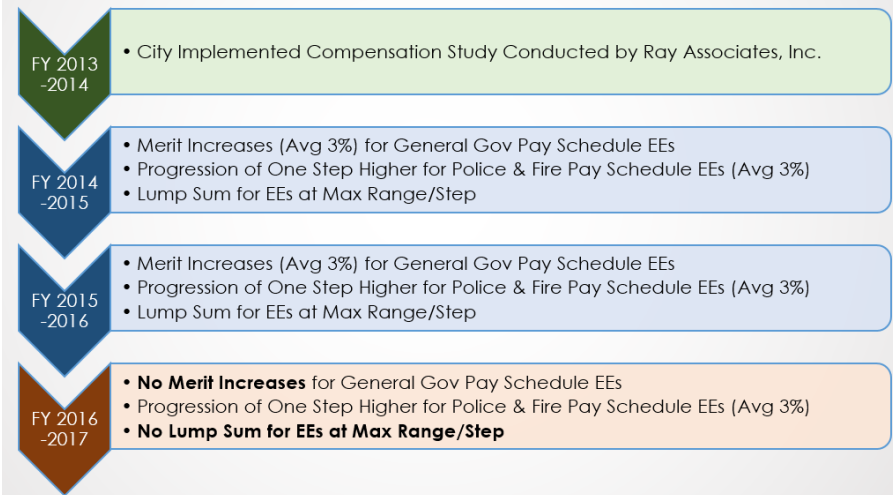
2016 Compensation Study Findings Presentation

- **No Action from City Council**

To give a little bit of background when it comes to the salaries, as mentioned in 2013, we adopted the recommendation from Ray Associates, Inc. in October. Also, February/March we had adjustments to help with the compression. The recommendation at the time was to give a cost of living, but we were not in a position to do that. So it was not done. In 2014, 2015 and 2016, we had merit increases at 3% average progressions for those on One Step Higher and for those that were at the max of the step to get a lump sum. During this year, there were no adjustments to the pay schedule. In 2016/2017, which is this fiscal year, there were no merit increases for general government employees. There was a progression of One Step Higher for those that had the opportunity to still move within their pay grade. There was nothing for those that were maxed (or lump sum like we had in the past).

BACKGROUND

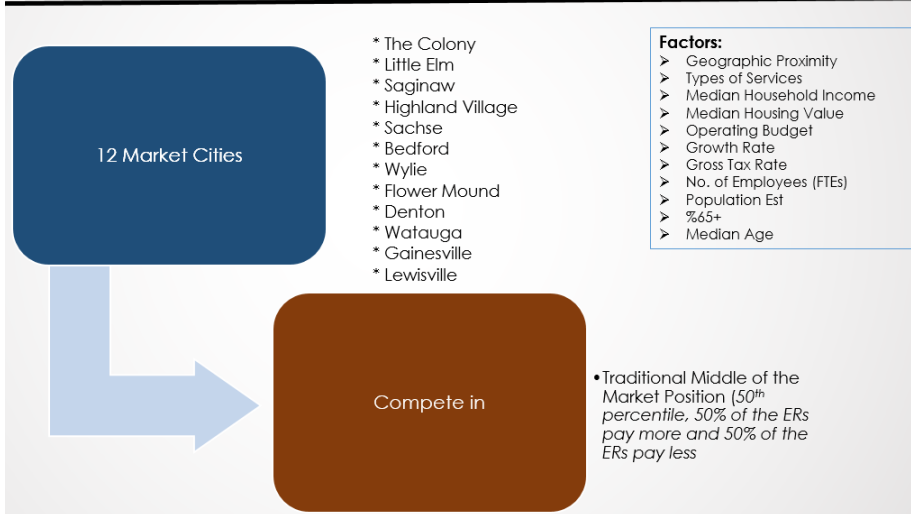
After the Classification and Compensation Study Implementation



This is going back to the cities that were selected in 2013. Those were the factors. After the presentation in July 2016, I emailed what had been considered. I have it with me if anyone wants to review it again.

CITY COUNCIL DIRECTION

Market Cities and Market Position



The findings from the HR Department back in July 2016, in the case of the fire department, when you look at the current pay schedule that they have and you look at the ranges. We compared to the market and we were to establish a new schedule based on the market. We would say that the minimum of the market needs a 5.9% increase and the maximum of the market would be at a 12.3% increase in the case of the firefighter/paramedic.

FINDINGS

Current Public Safety Pay Schedule vs. Market

Fire Department

CURRENT PAY RANGES vs. MARKET		
	Min % to Mkt	Max % to Mkt
FF-Paramedic	5.9%	12.3%
A.O.	15.0	8.0
Captain	10.3	4.0

CURRENT PAY RANGES vs. MARKET		
	Min \$/hr. to Mkt	Max \$/hr. to Mkt
FF-Paramedic	\$1.0	\$2.57
A.O.	2.87	1.82
Captain	2.38	1.07

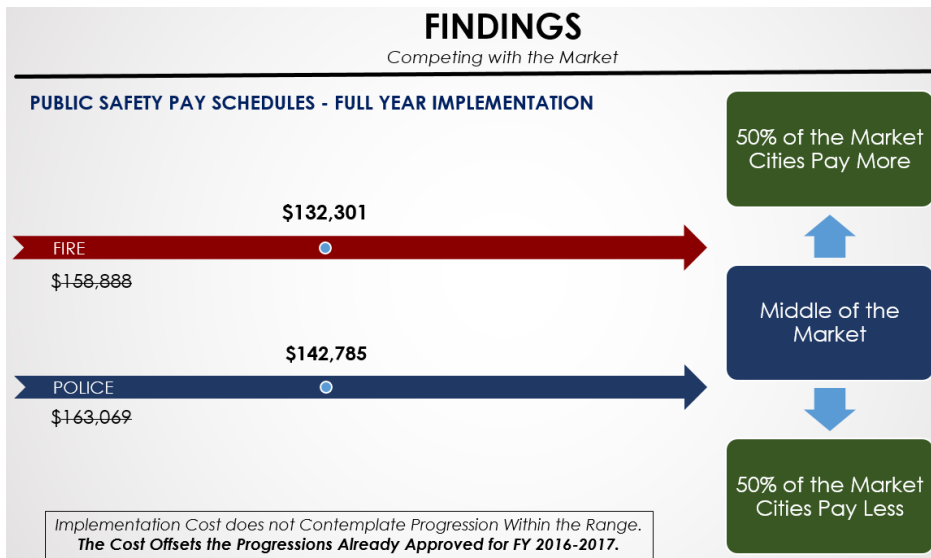
Police Department

CURRENT PAY RANGES vs. MARKET		
	Min % to Mkt	Max % to Mkt
Police Officer	6.7%	13.2%
Corporal	8.9	16.8
Sergeant	10.8	7.7
Lieutenant	3.7	6.8

CURRENT PAY RANGES vs. MARKET		
	Min \$/hr. to Mkt	Max \$/hr. to Mkt
Police Officer	\$1.59	\$3.86
Corporal	2.24	5.13
Sergeant	3.40	2.79
Lieutenant	1.43	2.80

Then you have the rest of the results for the other positions. It's important to know that these numbers have not been updated since July 2016, so the market that was considered have provided other increases already, maybe not all of them, maybe some of them and maybe some have new schedules. This is based on information that was presented in July of 2016.

In July 2016, we had this number, \$158,888. This is an updated number \$132,301 or in this case for Fire Department. It would have cost us to have these schedules and our employees at the middle of the market. In the case of Police, it would be \$142,785 to get them to the middle of the market. Please note that this implementation cost represented here does not contemplate progression within this step. So that means that the people that actually progress this fiscal year, that money that they received is going to be offsetting the new placement that we are going to have. So if someone is going to get \$2, but they already got the \$1, then they are only going to receive the difference.



Mayor Heidemann - When you talking about the \$158,888, who does that include? Does that include all of supervision? Supervision is not included.

Guadalupe Ruiz, Director Human Resources - These numbers include public safety employees that are on the pay schedule. Police and Fire has a separate pay schedule. Some of the supervision is included. In this case the Fire Captain is on the pay scheduled. For Police, starting at Corporal these are supervision positions. The ones you will not see here from the fire department is Deputy and Chief and for Police the Assistant Chief and the Chief. They are on the general government schedule.

These were the numbers we provided before, but since they already had progressions, this is the difference that is needed to get them where they need to be.

Councilmember Johnson - As you talk about implementation costs, does that contemplate progression within the range. Does that also affect someone that has moved up on the step, the whole schedule moves forward then they might come down a step. Because of how they were paid or how they are going to be paid on the schedule.

Guadalupe Ruiz, Director Human Resources - Correct. Right because it's going to be sticking the money not so much the number on the steps for example, everybody that is maxed that did not receive an increase in October those people, I have someone who is on step eight. The calculation considers that that individual is going to go to the same number, the same step eight that is on the new schedule. However, someone that was not on step eight as of October 1st, but moved to step eight since I'm going to consider that increase based on the proposal that is presented today, that person I'm going to place it on step seven of the new schedule. So they will still get an increase, but it's offsetting the money that was provided already in October. So, it's going back to do what was intended in October. All of those individuals have an additional - even when the number may look like they are going to a lower step because the schedule is the new schedule they are all getting an increase. At that point everybody is ready to be progressive within the plan. For that I don't think there were funds available to do that.

Councilmember Burke - This is for your implementation study in March?

Guadalupe Ruiz, Director Human Resources - Yes. I will cover general government. At the time I presented, I only had these seven positions. Now we have some changes. As we all know there were three positions that were eliminated. The reason that we are getting the new numbers, I need to add them because these people that I had here after I presented, people left and I went ahead and put the number back to the minimum of the pay. Now I need the money again. This way Ill represent to you everybody the only people that will be receiving any adjustment in the general government side.

FINDINGS

General Government Pay Schedule

Employee Salaries Under the designated Pay Range Minimum	
Job Class Title	Incumbents
Maintenance Worker (Includes 6 5 EEs on the Progression Plan)	16 13
Seasonal Summer Camp Leader	6
Technology Services Specialist	2
Municipal Court Clerk	1
Operations Manager	1
Permit Technician	1
PT Animal Control Officer	1
Crew Leader	1
Recreation Assistant	1
PW Supervisor	1
Seasonal Camp Coordinator	1

IMPLEMENTATION COST To Allocate Job Classes in Current General Gov. Pay Schedule that Includes a 2% Shift

- \$23,459
\$ 30,312
 - General Fund
- \$23,656
\$ 18,608
 - Water/Wastewater Fund
- \$ 4,487
\$ 4,501
 - Drainage

This is the cost for police and fire. If it starts in March, this is the cost for police and fire and here's the split of the money. When we are talking about the general fund, this number includes that \$8,300 for the crime control. Not all of this is general fund. When it comes to the general government pay schedule, if we were to reallocate the job classes in the current general government schedule, they would have a shift of 2%, then only those individuals that are under the new minimum will receive any adjustment. Are any questions about this?

Councilmember Burke - General government employees, what I thought I heard was that we are not giving anybody a raise, but bringing people up who are below the minimum and no raises. Is that correct?

Guadalupe Ruiz, Director Human Resources - Correct.

Councilmember Burke - On the police and fire we are raising their salaries or compensation to get them to the middle of the market.

Guadalupe Ruiz, Director Human Resources - Yes.

Councilmember Burke - We are not trying to do that on the general government side.

Guadalupe Ruiz, Director Human Resources - We are not moving people all the way to the middle. We are dealing with a schedule. I am only paying attention to those that are falling after I place them below the minimum.

Councilmember Burke - It's hard for me to understand to be honest with you.

Guadalupe Ruiz, Director Human Resources - Yes. And I totally understand.

Lee Ann Bunselmeyer, Acting City Manager - There's two different methodologies. When you do compensation for us general government employees we don't have defined steps where we progress. You have a range. You get hired in and you get hired in at a minimum or above depending on qualifications and so forth. When they do compensation studies as in you come in and you say that market is \$50,000, well as long as your compensation is within that market range then it is stating that you are within market. Because you have met that pay range that falls within that market for your general government employees. Now, for your police and fire those are more specific. They don't have ranges. They have steps and they have to be placed in progress through the steps. Typically we know when an officer for us, when we hire them in, they would be hired in at step one.

Councilmember Burke - Is that based on seniority and training.

Lee Ann Bunselmeyer, Acting City Manager - Yes. Every year they do evaluations and if they merit, they move to the next step and progress on those steps. When we do compensation studies, you still have a beginning salary and you still have an ending salary, but it gets more complex. You can't just say, hey you're within a range, we are going to leave you alone. You have to move them to the next step because they can't lie within a step. So if a step is \$20 and the next step is \$25 and they are making \$23 you can't leave them at \$23. You've got to move them up because now it changes and now you have people

that aren't on the defined steps. Where in ranges you don't have those defined steps. You can be anywhere between the first dollar on that range the last dollar on that range. Does that make a little bit more sense?

Councilmember Burke - A little bit. I assume that has something to do with the contracts that have been negotiated with them?

Lee Ann Bunselmeyer, Acting City Manager - There's no contracts.

Councilmember - It's employee by employee. Is there some kind of regulatory overlay that requires you to do that?

Lee Ann Bunselmeyer, Acting City Manager - Your Council can establish this. We have 3% steps. When you do market studies for the Council to determine how much you want between each step. Do you want it to be a 2% between step 1, 2 and 3 or 5% or whatever the percentage - that is up to the governing body. You can't have employees that fall within, they have to be on a defined step.

Councilmember Burke - So there are some rules that are imposed upon us that require us to define steps and so we have to work within that framework for how we pay them. Our flexibility about when we bump people up is limited by that framework.

Lee Ann Bunselmeyer, Acting City Manager - Right. If you have people that are off on those steps in police and fire it's going to cause a lot of problems.

Councilmember Burke - Is that a problem like a morale problem?

Fire Chief Curtis Birt - When you have steps, pretty much what the steps are for public safety is industry standard. Pretty much every police and fire department you look at, the firefighters and police are going to be on steps. Usually the way it is the starting firemen in this area make step one I've seen anywhere from three steps to ten or twelve steps. And then every year if you are good standing and do certain things you pass your performance evaluation you go to the next step. If you take the top and the bottom you guess what you divide by how many steps you have that's your step progression right there. So 90% of the time a five year guy here is in step five and then when he promotes in our city, he goes to wherever the driver is next promotion you go into that step plan, but he would go to 5% above whatever the hourly rate is he was as a fireman. His promotional rate is 5% above where he was.

Guadalupe Ruiz, Director Human Resources - If we were to go with what you are saying then we would be steps to a range.

Councilmember Burke - I'm not talking about anything, I'm just trying to understand.

Fire Chief Curtis Birt - Pretty much police and fire throughout the nation are on steps. It just depends on how many steps you want to use to get them from starting pay to top pay.

Assistant Chief of Police Greg Wilkerson - And you hit the nail on the head when you talked about experience. I believe that past history will show that municipalities went for those step programs, they didn't want to pay a tenured officers salary to a rookie who doesn't know what he's doing out there on the streets. In order to bring them in at what's a fair market rate based on that experience, you are going to start out as a step one (1). We will see different agencies come in and whether its promotions or laterals, you pay for that experience. We are going to take a green person and stick them in step one and let them progress from those steps. As we invest more money in them and training they have more experience they become more valuable to us and with that value becomes the need to pay them more.

Councilmember Burke - That makes sense.

Fire Chief Curtis Birt - Most of what it does is it started from collective bargaining and collective bargaining in union states. An industry standard for us.

Councilmember Burke - It sounds like that. This really ridged structure without a reason behind it.

Fire Chief Curtis Birt - When we lost our step program, Lee Anna and Guadalupe worked really hard when we decompressed. Both of us had four to five year tenured guys here that were stuck in step one with a brand new rookie. So part of the decompression was going, hey this guy has been here for five years and put five years worth of work here and he's still making what a rookie is making, we've got to fix this.

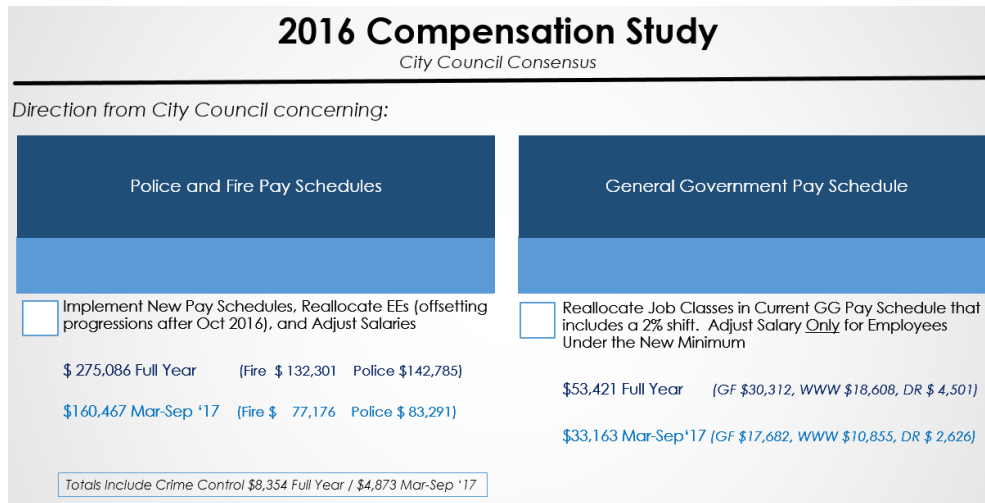
Lee Ann Bunselmeyer, Acting City Manager - Also, you were talking about contract negotiations. Those are done with agencies that are civil service, like Denton is a civil service organization and we're not. For them they do have collective

bargaining, they do have contracts that they get into discussions with the Council on an annual basis that defines what that pay is and we don't have that.

Councilmember Burke - Well that's what the terminology sounds like.

Fire Chief Curtis Birt - What you are seeing right now is because there is such a shortage of police and fire is you're seeing cities cut the amount of steps. You get it quicker and it's a very big incentive to hire to get employees to apply.

Guadalupe Ruiz, Director Human Resources - Actually, we see more steps now on the bottom for police and fire, we are seeing it more, because we want to make sure individuals stay and not go somewhere else. They have an opportunity, even if they don't promote, to stay with us.



Lee Ann Bunselmeyer, Acting City Manager - Once Guadalupe determined the cost to implement the plan. I want to walk through this forecast to see where we are currently financially. Right now for the current budget year 2016-17, we have that our revenues will exceed our expenditures about \$594,000. If you'll remember we adopted a tax rate that was higher than what we needed by about \$628-\$650 thousand dollars because at the time that we adopted it we were unsure about the fire contracts. We built that in so that the following year should those contracts terminate we would have that ongoing revenue to be able to support us taking over those additional salaries of the revenues that we were going to lose. We did add the three firefighters and we have that incorporated in our estimate in October. We also reduced three positions in the parks department as well. That is the net of that. This current year, we perceive that we will be putting in at least close to \$600,000 revenues over expenditures.

I want to focus on 2017-18, I put two scenarios together. One at a 4% increase and one at an 8% increase. The 4% estimate, historically even when our economy was down, kind of like a roller coaster, we always maintained somewhere around 3.5% average. I feel comfortable that looking forward that if things bottom out on average, we are probably going to hit about 4%. Because that is historically what we have done. The last three years we have hit close to 8% so I showed both scenarios here. To me an 8% is still conservative. In my projections, Chris and I went through all of her expenditures just very roughly for the out years, these numbers do not include (other than our steps) any type of wage increases for our employees. We did not make that assumption that is the decision that Council will make from a year to year basis. What we have factored in on those expenditures is benefits because your benefits are always those that are very volatile and the biggest one for us is health insurance. What we factored in was a 30% increase in health insurance. Last year we were at about 39% and I'm sure many of you have been listening to the news that the senate was discussing repealing Obamacare and they don't know what's going to happen to premiums and what's going to replace it. That causes some volatility in that market. We went out early in the market and we typically get a few better rates. I think our loss factor is still high. We will receive some type of adjustment probably an increase in health insurance for that. We are still too early on for our health benefits consultant to give us any type of estimates or projections on health insurance. Just know we built in 30% and last year was the only year we went 39% prior to that we were hitting a negative. Last year our benefits consultant said that we had one or two cases. If those hadn't been there we would have actually had a negative amount on our increases. Actually, we would have had a decrease in our health insurance rates. That is just an assumption that I have made on those. We've also gone in and made some assumptions on some of the other benefits as well following trends that we've had in the past years. On our revenues sales tax, last year we finished at almost a 9-10% increase over budget. Currently we are still continuing an upward trend which still astonishes me that we are trending upward. I still try to be very conservative when I'm doing projections like this and to make sure I only

did a 4% increase on that. Which is close to \$50,000. Everything else is running pretty stable. Our revenues don't fluctuate very much aside from property tax and sales tax. And our biggest fluctuation is, as I mentioned, is health insurance.

Our expenditure cost for the new public safety facility, we actually put that into the budget this year - water, electric, wastewater and so forth. Those costs will carry over. I don't foresee any additional operational costs for the joint public safety facility. When the new firehouse is put in place, as far as electrical and so forth, the electrical money that Chief Birt has right now for headquarters at Garrison would cover those electrical costs for the new fire station. This does not include any type of staffing, options for the new firehouse. That is one of the big decisions that Council will be making once that comes up midway of next year. When you look at the assumptions that I have that I know of right now, for next year when you look at just those basic revenues and expenditures, we have an excess that the Council would have about \$355,000 if we had a 4% increase in AV value. If you had an 8% increase in AV value you would have an excess of about \$674,000. With that you would be able to increase your expenditures or cut your tax rate. And then again as you move, I was conservative in the out years and left it at the 4%.

Now the other thing that I wanted to mention is that this is talking just about your operating side of your tax rate. On your debt side of your tax rate at 4% AV value, you have an excess of 2.5 cents in property tax that equates to \$467,000 in revenue. Basically you can cut 2.5 cents on your debt side or you can leave it in and issue up to \$5 million dollars worth of debt. On an 8% increase in AV value it would be about a 2.9 cent tax rate that you can eliminate, issue debt or rotate any of it to your operational side if you needed it. The 2.9 cents is equal to \$563,000 or about \$6 million in debt. That is for 2017/18. If we progress at 4%, you will still have an opportunity in 2020-21 for an additional 2 cents at that point as well because we have a lot of debt that is actually maturing over the next few years. If you have projects at that point and want to reduce the tax rate or we have new firefighters coming on line for the new station or so forth, there will be some other tax options that the Council will have to make those decisions.

When Guadalupe was presenting the cost, Councilman Burke mentioned what the total cost would be if we implemented this proposed compensation as of March 1st. The full year implementation is \$297,000 for a full twelve months. For March 1st through September in the current year, it would be \$173,000 to implement that. Again, as I mentioned, currently we have \$594,810. If you transfer that \$173,000 into next year, you would still probably have over half at a 4% increase in the AV value. You would have quite a bit more if we have somewhere around 8%.

General Fund Proposed Financial Forecast

Scenarios	2015-16 Actuals	2016-17 Estimate	2017-18 Projected	2018-19 Projected	2019-20 Projected	2020-21 Projected
1 - Ad Valorem Growth Assumptions			4%	4%	4%	4%
Revenues	\$ 15,086,425	\$ 16,065,870	\$ 16,397,816	\$ 16,863,399	\$ 17,268,609	\$ 17,774,552
Expenditures	15,078,256	15,471,060	16,042,570	16,119,118	16,642,277	17,206,789
Excess (Deficiency) of Revenues	\$ 8,169	\$ 594,810	\$ 355,246	\$ 744,281	\$ 626,332	\$ 567,763
Fund Balance Excess (Deficiency)	\$ 719,457	\$ 1,227,536	\$ 1,353,449	\$ 2,082,420	\$ 2,604,121	\$ 3,058,980
Effective Fund Balance	24.77%	27.93%	28.44%	32.92%	35.65%	37.78%
2 - Ad Valorem Growth Assumptions			8%	4%	4%	4%
Revenues			\$ 16,716,652	\$ 17,194,989	\$ 17,613,462	\$ 18,133,199
Expenditures			16,042,570	16,119,118	16,642,277	17,206,789
Excess (Deficiency) of Revenues			\$ 674,082	\$ 1,075,871	\$ 971,185	\$ 926,410
Fund Balance Excess (Deficiency)			1,672,285	\$ 2,732,846	\$ 3,599,400	\$ 4,412,907
Effective Fund Balance			30.42%	36.95%	41.63%	45.65%

DEBT SERVICE CAPACITY

4% Ad Valorem Growth = 2.5¢ = \$467,839 or \$5 million in debt
 8% Ad Valorem Growth = 2.9¢ = \$563,566 or \$6 million in debt

Full annual implementation impact = \$297,044
 March 1, 2017 implementation impact = \$173,276

Mayor Heidemann - Just looking at \$173,000, who's actually going to get the increases?

Lee Ann Bunselmeyer, Acting City Manager - 95% of it will be your police and fireman, not administrative. From the lieutenant down on the police side and from the captain down on the fire side. On your general government side it would mostly be your maintenance workers. I think we have 13 maintenance workers.

Mayor Heidemann - That's 2%?

Lee Ann Bunselmeyer, Acting City Manager - No. It depends because on some of them they may fall a little bit further below minimum.

Guadalupe Ruiz, Director Human Resources - It would be 13 maintenance workers. For our summer camp we only have them for eight weeks or a little more. Then one (1) employee. Those are the individuals. I have only one of those positions.

Lee Ann Bunselmeyer, Acting City Manager - When we look at salaries you want to commit those only if you have ongoing revenues that you are going to have from year to year. You're talking about the public safety facility. Those funds would come out of your fund balance. One time money that you can put into a project. That project or any project.

Councilmember Burke - What you're showing us there are annual revenues.

Lee Ann Bunselmeyer, Acting City Manager - Correct. Our target for general fund is 20% of your budgeted expenditures. For 2016-17, you have \$1.2 million in fund balance above and beyond what you need based on our policies and for 2017-18, it would be about \$1.3 million. Those are funds that you can use for one time projects.

Revenues over expenditures is what you can commit to ongoing expenditures. An expenditure that you are going to have from year to year.

Mayor Heidemann - How about if we gave this increase, the \$173 are we able to pass this on in our fire contract?

Lee Ann Bunselmeyer, Acting City Manager - At this point, no.

Mayor Heidemann - So the City of Corinth will just have to eat it?

Lee Ann Bunselmeyer, Acting City Manager - Yes. Until your next negotiations.

One thing I consider the big ticket item that we have that will be facing this Council is the decision on how you want to staff station three. One of the things that we talked about in the past is we have the Safer Grant that will pay 100%.

Fire Chief Curtis Birt - It is set up right now. They pay 100% for two years.

Lee Ann Bunselmeyer, Acting City Manager - 100% for two years. At the point the decision is made, we would apply for that to get funding for however many the Council will want at six or twelve. That would probably buy you a couple of years. The other thing is once the new census numbers come out, there is the fire district sales tax where you can repeal your street improvement sales tax and actually go to your voters to do the fire district which would generate about \$6 or \$7 hundred thousand dollars that could be attributed solely to the police department. We only missed it by that one criteria and that was the population in Denton County. We missed it like by \$20,000. That was based on the census that was done ten years ago. When that is refined in 2020 that falls right in line at the time that your four years on your street maintenance sales tax will be up and so at that point you will have those funds to offset any increases in your firemen as well. Assuming that is passed by your voters because that will have to go before your voters.

Councilmember Gockel - I'm not sure if I understood the answer you gave to the mayor. We're talking about the \$173,000. If you approve that, that I understand will not be in the fire contract because that is in this year and it's an existing contract, but the next five years that we just negotiated, are there any steps in that?

Lee Ann Bunselmeyer, Acting City Manager - We did calculate steps. Yes. I didn't calculate that we were going to be shifting a pay plan and steps, but I did factor in steps.

Councilmember Garber - So the shifting in the pay plan is not included in the contract, but the steps are.

Lee Ann Bunselmeyer, Acting City Manager - When we did the analysis, I assume our current staffing was progressing through the steps. After two or three years most of them would have been topped out. It factors in that top out rate with the turnover that we've had of six or seven officers that we had some higher paid officers that I had calculated in those contracts. Now we are hiring them back in as the minimum. That all factors in the calculations as well.

Councilmember Johnson - You recognize salary savings. Whatever that number is for your tenured officer and your junior officer.

Lee Ann Bunselmeyer, Acting City Manager - Correct.

Councilmember Glockel - So in the 2017-18 you just talked about the three new firemen that were coming in on the 2016-17 budget. It's been talked about since day one that hopefully we can get the grant. If they don't get the grant then their cost is going to follow that expenditure line, right? And the \$355 is going to drop quite a bit.

Lee Ann Bunselmeyer, Acting City Manager - No. For the three firemen we did not apply for the grant and we do not plan on applying for the grants. The cost for those three firemen. That \$229,000 annual for those three are included throughout the projection for each year. With the grant you typically you apply one time and we didn't want to use it for three firemen, we wanted to use it for the six or twelve that you may hire to staff station six because that is going to benefit us more - 100% of that for a million dollars vs. \$229,000. We factored in the three firefighters on an annual. That grant will be for any new ones that we decide to move forward with for station three. That make sense?

Councilmember Glockel - For the new fire station, none of the employees that will man that are in any of the budget numbers? It's on the screen though?

Lee Ann Bunselmeyer, Acting City Manager - Correct. Twelve will be about \$1,000,053. Six will be 1.2 million once they are brought on at 100% of the cost. You can forego that for two years if we got all of them on the Safer Grant.

Mayor Heidemann - How about equipment?

Lee Ann Bunselmeyer, Acting City Manager - It depends, again, on what the Council wants. We have a reserve engine. Those are discussions that Council needs to make decisions on. On what you want in that facility.

Mayor Heidemann - Any other questions?

Councilmember Garber - Real quick, from our two leaders from police and fire. How much of past turnover or expected potential turnover has there been due to them able to go to Coppell and find higher paying jobs? And I use Coppell as an example because I have a friend that is an officer there and he teased me recently that they were pulling some of our officers and related specifically because of pay it was nothing else.

Assistant Chief of Police Greg Wilkerson - You are exactly correct. The numbers again, I am absorbing a lot of the information that is coming in and as of recent I know we've lost officers in the last year, some of those to Coppell. We just recently lost one to Dallas County, the district attorney's office because of money, one of my lead detectives. I just lost my second lead detective today to child protective services - again another \$12 to \$15,000 increase. I will say that there are probably 20% or 30% of those that may have not made training or wasn't a fit for the city or was a disciplinary issue let's say without having all the facts in front of me right now. It would be safe to say that 50% or around that part have left because of the money. Unlike these larger agencies, we don't have specialized units. Our traffic equipment and both motorcycles are sitting right now collecting dust in the shed. We are cranking them on a weekly basis trying to keep them ready to go until we can staff that. My point is with the lack of special units to give officers that keep people attracted pay is the only thing I have to offer as a leader in the absence of that good morale and a pat on the back, you bet that does help, but as leaders of this Chief Walthall and I both know we are grasping at straws trying to turn that turnover, to stop the bleeding and we're doing the best we can, but it does hamper our recruiting efforts.

Councilmember Johnson - To carry that thought just a little further, if the police department is fully staffed, you got a traffic unit you can put two guys back on motorcycles, you can send someone to the Denton County Drug Task Force, you can send somebody to the FBI task force, you can do that then, you can send them to training because you have the staff to back them up. When you're a third down you don't have enough people to answer calls on the street and it takes 30 minutes to get somebody out to visit with you about your car being burglarized. You won't be the 14th safest city.

Assistant Chief of Police Greg Wilkerson - They may not know that my criminal investigation sergeant, Sgt. Ventra, about five weeks ago was moved out of CID and is now working on the streets. I guarantee that Chief Walthall and I are going to insure that when someone calls 911 we're going to have somebody to do that, but I can't promise you that there's not going to be other units and other deficiencies that we have to answer to the public. There are going to be some service issues. Absolutely, but when it comes to 911, we're going to do what we need to do, but there's going to be some negative impacts at least in other areas of that organization.

Lee Ann Bunselmeyer, Acting City Manager - Chief Walthall and I had a lot of discussions about this over the last couple of months and Chief Wilkerson can correct me if I'm misstating, but one of her concerns is the trend that is happening. Previously we were losing first year guys. People come in, they struggle through training and we lose them and over the last few months we are starting to lose the veterans. We're retaining the ones that are trying to get some experience right now for a while. It's the veterans that are starting that are corporals that are leaving here to go be a patrolman at another city because

they can lose their stripes and earn more money. The concern is you start getting a department full of rookies and so forth and when you start losing your veteran officers. I think that is a big concern that Chief is facing right now.

Councilmember Garber - Is the same concern on the fire side also at this point.

Fire Chief Curtis Birt - Yes, we are having the same issues, different titles, different colors, of course. You have that, but you have departments. Denton County Fire Chiefs the other day did a study and there are 400 jobs coming available in the next two years. And you don't have to move away from the north Metroplex. If I have guys that want to go to Frisco starting at \$65,000 when they start at \$45,000 here. Firemen top out at \$100,000, here they top out at \$60,000. And they're going to be there in four or five steps vs. eight or ten. What you're seeing and they are seeing it too, is guys are being able to lateral. A captain here can start to move to another department and are getting \$20, \$30, \$40 thousand dollar increases in their lateral movement. They don't even lose their stripes or their bugles, but there is such a growth and there is such a shortage of people that can do it. We are going to get to see is us getting to the bottom of the barrel.

Councilmember Garber - I noticed a couple things. The first one was when we had asked for the documentation on the college education for the team. I was blown away at the amount of college educated officers and I don't remember if we had firemen on that list or if they were even part of it. It was a point of pride. It was amazing, I think, to have that many college educated folks on our team period. I compare that to when we sat in here there was an HOA meeting, I think it was a community meeting and police and fire were presenting the amount of calls. I could kind of see the look on the citizens' faces. I had no idea that the word was going up that much like from 2012 to 2015 and 2016 was a significant increase in the amount of work. This is not work that our police and fire are going out to go find work and projects. These are calls and things that need to be responded to and I think we are at a situation personally. If we are losing this many folks that are this highly respected in our police and fire departments. Calls are going up. I think that if we don't do something (our fellow Councilmembers) now, it's only going to get worse. We are going to start losing guys that we really don't want to lose and ladies. And on top of that, I'm just talking to the other police and fire departments, I have friends in Wylie, Sachse, Lewisville and Coppell, they are competing, too. Right? But they are just ahead of us. That's the thing so this may be revisited even next year and the year after because they are losing their top end guys to other departments that are paying even more than Coppell is for instance. So I just want to leave that with us. I think we have or had an amazing team. I think our citizens, if anything, they really respect our public safety. You hear that unanimously. And number three I think that if we don't intervene, I think it was a godsend the contract got signed because it allows us the opportunity to do some other things. I think that this situation is going to compound itself. So I'll leave it there.

Assistant Chief of Police Greg Wilkerson - Council, If I may, I'd like to add more thing. Correct me if I'm wrong, we're not asking to compete with Allen or Frisco. We realize the reality that we would never be able to do that, but my best friend is the Chief of Sachse Police Department we talk often on issues. I want to compete with them though. I want to compete with Gainesville and some of these other agencies because that's what I'm trying to. It's a pecking order, if you will. Like Chief said we don't want the bottom of the barrel. I want to find those good officers in some of these very similar cities and tell them, I want you to come to Corinth. We have a great management team. We've got great morale. We've got great equipment. We've got great insurance and we're competitive in our pay. That would help seal the deal. I want you to understand, we're not coming to you asking for the moon, we're trying to get in that middle and I want to compete with those middle agencies.

Councilmember Garber - I think you're right. We can't compete with some of those cities, but what happens is those cities we do compete with, when these other cities raises their step pay well then Coppell, if that's one of them loses their team to over hear and now Coppell is paying \$1,000 finder fee from what I understand for officers, plus better pay, plus this other stuff and they're having to do that because they are losing officers from what I understand to some of these larger cities. We need to do a better job of competing.

Fire Chief Curtis Birt - Other things you have to look at, too, is workload. I've done this over the last year, over the departments that we are competing with. Let's take Flower Mound for instance, Flower Mound's fire department ran 5,000 calls, so that's five stations running 5,000 calls. This year we ran 3,400 with two stations. Each one of my stations is running 1,700 calls each one of their stations is running 800 calls and they are making \$7,000 more.

Councilmember Garber - That doesn't count being short staffed? We've lost five officers.

Fire Chief Curtis Birt - Doesn't mean being short staffed. Them having support staff to do special projects while our guys are having to do it while on duty. There's a lot of these little fringe things that you have to look at, too. Coppell police officer making \$15,000 more an hour he's running three calls and has time to do a reports and has time to do training and these guys are running eight and nine and don't have.

Assistant Chief of Police Greg Wilkerson - The Town of Hickory Creek are helping us answer a lot of calls here, but frankly, I appreciate their help, but they shouldn't be.

Councilmember Glockel - Certainly we've got to do something. You said Sachse and you talked about Gainesville. I asked for something the last time we had all these towns listed and I don't see it, but we were at the bottom of the barrel in sales tax in the entire list. Sachse has a lot of industrial stuff over there. I'm going to say this with tongue and cheek, I would be hard pressed to believe that either one of you have lost an employee to a town who's AV tax base is lower than ours and the sales tax is lower than ours. So somehow we've got to get somewhere between where we are and where they are that we can afford. I just want to say that because it's just a matter of numbers. I'd love to give them all a raise, but you've got to look at the numbers pretty hard. If there's no equipment in the 2017-18 for those new firemen, that's going to take you, yourself who's telling me the tremendous number of dollars it takes to outfit one person. You're talking about six to a dozen, I don't know, whatever that number turns out to be. It's going to be an uphill battle. We've got to get there, but at this point looking at those numbers I don't know how we do it.

Did you ever have a chance to look at the sales tax for every city that was on that list and it was amazing where we stood in that?

Guadalupe Ruiz, Director Human Resources - No. What I had is the information that was gathered at the time.

Lee Ann Bunselmeyer, Acting City Manager - When these cities were discussed with the Council in 2012, those were the factors that were used. At that point sales tax was not a factor.

Councilmember Glockel - Population was a big driving factor which doesn't really prove much.

Councilmember Burke - Well, the officers don't care about your taxes.

Councilmember Garber - That's a Council issue not necessarily for our police department.

Lee Ann Bunselmeyer, Acting City Manager - We had discussions about how many cities have proximity to a lake and a more service area type discussions and that's how some of the cities were pulled out and pulled in. Median household plays a big difference because if you have a more fluid community you may not have those drug calls and so forth vs. if you have a less affluent community. I think those were the factors in going through there.

Guadalupe Ruiz, Director Human Resources - I just would add also that when we're looking at these cities based on the methodology that we learned we are not using an average. When we're looking at the middle of the market, the city that continues to show as the one we use as reference is Wylie. For example, for the case of police lieutenant, it's Wylie that we are using. For police officer it's a combination of Wylie and Highland Village. Even when we are using those cities, then it gets adjusted so that the maximum does not overlap with our next level. In addition, these are numbers that we are already behind on. We don't have the cost of living. These numbers, I'm sure have already increased? I have Wylie combined with Highland Village. For example, for police officers, I have Wylie and they are paying more than Highland Village. Sachse is paying more than those two.

Councilmember Glockel - Have you looked at Sachse's sales tax? Sachse is a pretty well off city.

Councilmember Harrison - It's my opinion, if you get in this business about competing with each other and trying to meet what the other cities are going to provide it's a lost cause. As you said Coppell loses to Frisco, Frisco loses to whoever. So Coppell raises theirs and it's just a pyramid. It's going to eat you up. So the way I look at it is what's reasonable for the City of Corinth? We can compare all day long and that's not going to help the City of Corinth. We've got to determine what is reasonable for the City of Corinth. That's the way I look at it. I'm not trying to deprive anybody of salary or anything else and I've always felt that we've provided them the best of everything that they can do for the job as far as equipment and anything else. We have to play around with the salaries, but I'm not going to compete, I've never been able to compete with Frisco except the first two years that I was here. You can compete about these things. I've said that all along. When we first started off salary comparison I saw we were being compared against Southlake, Highland Park because that's what we selected to compare against. University City, you can't compare that. You are going to eat yourself up trying to compete.

Councilmember Garber - Joe, I don't know if I was necessarily excited to try to compete with other cities, but what I do think what's right for Corinth is to not lose their officers. My motivation is to find a happy pay to where we are not losing officers like a sieve because I know that's not right for Corinth. Wherever the scale needs to be and who we need to compete with I agree with you, I don't think we need to get into that game.

Councilmember Harrison - We've hired people for public safety and we didn't have any budget for them. We never budgeted out in the old years. So we had to go back in our budget and make adjustments to pay for that. If that's our plan to do, then fine, I don't have any problem with that.

Councilmember Johnson - The thought in my mind is kind of like what you're talking about. What is the happy medium for Corinth? It is authorizing the strength of 33 officers without us having to worry about being down a third. It is maintaining the 36 firefighters we have.

That's the happy medium. That's where we are. It's not really a competition. It's the salary between us and Lewisville. It's just like Chief Wilkerson mentioned, we know we can't keep up. If a sergeant here, can go to Lewisville and make \$20,000 more and give his stripes up and just answer calls all day long - that's Mark's decision. That's what he wants to do. The happy medium is what keeps us at full strength and what keeps our officers engaged and keeps our crime rate at a manageable level. Last year we were number 14 on the safest cities in Texas. I think we've been as low as the second lowest crime rate city. That's a testament of what we've got working the way we work. It's not a competition between the other cities it's where we think and right now our assigned strength is 33 for the police department and 36 for the fire department. We determined those numbers based on the numbers of calls and what man power requirements are.

But, I do not believe and will not ever believe that this isn't a public meeting when citizens of this city can come and speak that they would tell you that's not what they want. That they don't want a fire department that's under strength by five or six or eight firemen. They don't want a police department that's understrength by five, six, eight or ten officers. If they are willing to support whatever decision we make to help keep those organizations at that level. The best thing we can do in that situation here is to adjust our pay so that we can keep those guys and not have to train them, spend \$35 to \$40 thousand dollars on them. In the police department situation, spend \$35 to \$40 thousand on them just to get them out the door in the car with a trainer the first day and then understand that that officer is not going to be strong enough to stand on his own to feet for at least two years without having to have more supervision. Understand, it's going to be five years before that officer really feels comfortable with going out and answering calls so that we've got two officers that can answer a call and not two officers answering one call.

Councilmember Johnson - So what's the happy medium? The happy medium that we've already established is our strength level. That's pretty simple. How do we do that? We give them the best equipment, we give them best benefits and we give them the best pay to keep us at that level. Because there will be some that will come back from the other cities. But that's where our happy medium is - it's that assigned strength number, the benefits and the pay to keep them here. We need to keep our pay so that we can keep that assigned strength number so that we can keep that happy medium.

Lee Ann Bunselmeyer, Acting City Manager - I just want to make one quick point because I think we rushed through it very quickly. The majority of our employees in our fire department are right here in your lower level, your firefighters/paramedics. So what the new pay scale is doing is raising their annual salary by \$2,000 a year. I wanted to make sure that we understand that. The maximum it's raising it by about \$5,000 a year. These guys are the one that as Chief Birt was saying they'll promote up and any of them that promotion up you're looking at those salaries are only being increased a little bit less than \$4,000 a year. On the police officer side, the majority are up here on your lower level and that is about \$3,000 a year that the pay scale would be moved. We're not increasing it by a substantial amount. I wanted to clarify that.

Guadalupe Ruiz, Director Human Resources - I want to share one thing. The years that I have been here listening to them, usually it's Jane that interviews them as they leave, as we've been losing more, I've also been talking to them and one thing that really got my attention that I never heard before, usually it was going to be more money, but the one thing that I heard this last time was safety. It's not the same any more. Because it's not the same to be with people that have the same experience as you have to be out there on a call to have somebody new. Now you not only have to pay attention to what you're doing, but pay attention to the other person you have here when you're responding to a call. I just wanted to share that because I have never heard that until now and I believe it does make sense that now they have to pay attention to them and to the person next to them.

Mayor Heidemann - I think at this point we need to get our new City Manager involved and get his viewpoint on this and bring it back at a later date to the Council. Once he feels comfortable with that.

Lee Ann Bunselmeyer, Acting City Manager - As a workshop item or as an action item?

Mayor Heidemann - I would say we need to talk to Mr. Hart to see how he wants to approach it. See if he wants it to be just another workshop or does he want the action item.

Councilmember Burke - Hopefully an action item.

Councilmember Garber - If we do a workshop and an action item and we decide as a Council not to take action on the action item then at least it was rescheduled and we can pull it from the agenda.

Lee Ann Bunselmeyer, Acting City Manager - Absolutely.

Councilmember Garber - So that way if we decide if we need to or want to take action we can have that ability to do that at that point.

Councilmember - I would suggest that's probably what he'll do.

Lee Ann Bunselmeyer, Acting City Manager - We will visit with him.

CLOSED SESSION:

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

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

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

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

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

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

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

There was no closed session.

ADJOURN:

Mayor Heidemann adjourned the meeting at 8:00 P.M.

AYES: All

Meeting adjourned.

Approved by Council On _____ day of _____, 2017.

Kimberly Pence, City Secretary
City of Corinth, Texas

CONSENT ITEM 2.

City Council Regular and Workshop Session

Meeting Date: 03/16/2017

Title: February 2, 2017 Joint Session

Submitted For: Kim Pence, City Secretary

Submitted By: Kim Pence, City Secretary

City Manager Review: Approval: Bob Hart, City Manager

AGENDA ITEM

Consider and act on minutes from the February 2, 2017 Joint Session.

AGENDA ITEM SUMMARY/BACKGROUND

Attached are the minutes from the February 2, 2017 Joint Session. The minutes are in draft form and not considered official until formally approved by the City Council.

RECOMMENDATION

Staff recommends approval of the February 2, 2017 Joint Session minutes.

Attachments

Minutes

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

On this the 2nd day of February 2017 the City Council and the Planning and Zoning Commission met in a Joint Session at 5:30 pm at the Corinth City Hall, located at 3300 Corinth Parkway, Corinth, Texas. The meeting date, time place and purpose as required by Title 5, Subtitle A, Chapter 551, Subchapter C, Section 551.041, Government Code, with the following members to wit:

Members Present:

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

Members Absent:

None

Staff Members Present:

Lee Ann Bunselmeyer, Acting City Manager
Curtis Birt, Lake Cities Fire Chief
Michael Ross, Deputy Fire Chief
Greg Wilkerson, Asst. Chief of Police
Fred Gibbs, Director of Planning and Development Services
Barbara Cubbage, Planning and Development Manager
Mike Brownlee, City Engineer
Nathan Abato, Coordinator
Kim Pence, City Secretary
Mack Reinwand, City Attorney
Shea Rodgers, Technology Services Manager

Planning and Zoning Commission:

Brian Rush, Chair
Bruce Hanson, Vice Chair
Dwayne Zinn, Board Member
Breien Velde, Commissioner

Members Absent:

Marc Powell
Chick Mills

Others Present:

Charlie Kearns, Eikon
Kate Kennedy, Eikon
Keith Durst, Sedalco

CALL TO ORDER:

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

BUSINESS AGENDA

1. Consider and act on a site plan for the Public Safety Complex that includes the Public Safety building and new Fire Station on 6.08 acres situated on the proposed Lot 1R-1R, Block One, Pinnell Subdivision to be a replat of Lots 1R-1 and 1R-2, Block One, Pinnell Subdivision as recorded in DOC# 2016-56-PRDCT in the City of Corinth, Denton County, Texas.

Lee Ann Bunselmeyer, Acting City Manager – this process started back in May 2016 when we purchased the property and hire Eikon Services to begin the architectural design for the facility. We developed a Committee to oversee the design and to look at the cost associated with the project. Councilmember Joe Harrison and Councilmember Don Glockel were on the Committee. From staff we had Curtis Birt, Fire Chief Michael Ross, Deputy Fire Chief, Debra Walthall, Chief of Police, Greg Wilkerson, Deputy Chief of Police, myself and Shea Rodgers, Technology Services Manager and Brenton Copeland, Assistant Manager. Representative from Eikon are here tonight and will be making the presentation.

Fred Gibbs, Planning and Development Director – Eikon Representative will make a presentation on the site plan details as well as some waivers that are going to be requested tonight from both Planning and Zoning Commission and the City Council.

Charlie Kearns, Eikon – We are proposing the following waiver requests:

Utilize split-faced CMU in lieu of brick	\$121,200
Dumpster Screening from masonry to cedar	\$2,500
Eliminate mechanical yard screening devices	-
Eliminate stand-up curb at new vehicular pavement north of fire house	\$21,784
Eliminate interior staff parking lot landscaping south of firehouse	-
Utilize chain link security fencing to match existing fence	\$52,000
Total Waiver Project Savings	\$197,484

Councilmember Glockel – we have been talking about residential adjacency and the dumpster and those things are down right behind the current police department existing building. Today, that is a different piece of property than where the fire department is going so the fire department butts up maybe to the 400’ foot adjacency issue but I don’t think this piece of property does? It is not one piece of property it is two, is that correct?

Fred Gibbs, Planning and Development Director – currently the project is going through the re-plat process so that lot line is going to be removed so the fire station and the public safety building will be on one lot now so you will not have two separate lots anymore.

Charlie Kearns, Eikon – the lost presentation we did, we brought you some numbers and they were over the budget that you had given us and hopefully everyone understood that this was the process and we had work to still do and everything was working within that process. Since then the committee has done a lot of hard work and made some choices and decision to cut some things out of the project and these are the current numbers that we are bringing you tonight. We did not get to \$7.7 million and we have worked hard to get where we are now.

The following is the estimated costs based on 60% Construction documents, Building Committee cost reductions of \$917,967 and Proposed Waivers of \$197,484.

<u>Project Items</u>	<u>Scenario #1</u>	<u>Scenario #2</u> Do not build Sally Port & Holding Facility
Public Safety Building	\$3,884,041	\$3,659,357
Fire House	\$4,349,801	\$4,349,801
Materials Testing	<u>\$60,000</u>	<u>\$60,000</u>

Total	\$8,293,842	\$8,069,158
Current Capital Funding	\$7,700,000	\$7,700,000
Balance	(\$593,842)	(\$369,158)

The next step if we are going to reduce anymore dollars out of this project it will be to start cutting square footage and affecting program at this point. We have taken out everything we can.

Councilmember Harrison – explain what is the purpose and responsibility of Eikon, Sedalco, and Komatsu?

Charles Kearns, Eikon – This project is being developed under the Construction Manager at Risk process which is a little bit different than a bid process for construction documents. Eikon was engaged early on, and Sedalco came on board within a month or so after. We have been working together to come up with a design and Komatsu is our partner on this and they do a lot of public safety work. Eikon is the overall project manager in charge of the fire house design and Sedalco’s role is really to work with us hand in hand in constructability and cost estimate as we go so we can work within the budget without having any surprises at the end of the process.

Councilmember Garber – the difference between scenario 1 and 2 is about \$224,000 or so. Where is the \$197,000 that we pulled out from the waivers at?

Lee Ann Bunselmeyer, Acting City Manager – the numbers in scenario #1 already include the \$917,967 cost reductions and the proposed waivers of \$197,484. If the waivers are not approved then we would need to add \$197,484 back to either scenario. So scenario #1 would now be instead of 600,000 we would be looking at about an \$800,000 shortfall. Under scenario #1 you would be looking at almost \$600,000 so the difference between scenario #1 and Scenario #2 is the Sally Port and that is \$225,000.

Councilmember Johnson – you are talking sally port, the holding cells? Are you talking everything back there, including the secured interview etc..?

Charles Kearns, Eikon – yes, that constitutes the \$224,000.

Councilmember Johnson – asked Deputy Chief Wilkerson to come up and talk about officer safety issue we might be creating?

Greg Wilkerson, Deputy Chief of Police – without this we are going to be where we are today. You understand that when we secure a prisoner we are doing paperwork that prisoner is brought into the area where officers complete their reports. There is currently a bench that is now affixed to the floor because shortly after my first arrival with this police department that bench was picked up and thrown at an officer. In these rooms we have staplers, pens and scissors and as you all know from the recent events whether it be Little Elm or Dallas Police Department all the things that happened we are not a very well-liked entity to a lot of people. Without this we have no place to secure prisoners.

Currently, we use Denton County Sherriff’s Department to house our prisoners long-term. What we find is that when an officer arrests a person, we are married to that prisoner until we can give them to someone else. We have no place in our current facility to hold that prisoner for a short amount of time so we can have something very serious going on and we have no place to temporarily place a prisoner so that officer is out of service. We have to wait on Lake Dallas, Denton or even another agency to come and assist us on a major incident. This is one of the reasons to go to another facility to have options to temporarily contain individuals until we can transport.

Councilmember Johnson - where does the \$593,842 play in our contingency in the budget for this facility?

Lee Ann Bunselmeyer, Acting City Manager - there is a contingency factor in currently because these are 60% construction documents so as we get closer to 90% and 100% that contingency hopefully should shrink unless something unexpected comes up. I believe right now we are probably sitting at about \$450,000 contingency so of the \$593,842, \$450,000 is contingency at this point.

Councilmember Johnson - what is our current reserve in dollars and percentage?

Lee Ann Bunselmeyer, Acting City Manager - we have a 20% fund balance requirement, typically that is about \$3.5 million or so. We currently have about \$1.3 million in excess of our 20% budget contingency.

Councilmember Johnson - so if we chose scenario 1 then we could use money for one time purchase out of the reserve right? We really don't know what that balance number is until we work all the way down to the point to where we have 90% or 100% and Sedalco is going to step up and give us their construction manager risk figure.

Lee Ann Bunselmeyer, Acting City Manager - correct. These are estimates at this point and until we go out to bid we won't know what that final dollar will be.

Councilmember Johnson - I don't think one officer's life is worth \$600,000 and I think we are very short-sided if we march into scenario 2. I don't want to put us in the situation to where we have an officer hurt or possibly we decide we want to do this down the road and it end up costing us twice as much then it cost today. I am real concerned about the scenario that compromises the safety of our officers and our volunteers that are there as well.

Councilmember Glockel - there is no one on the committee that wants to cut the Sally Port. The purpose of cutting the Sally Port is if for some reason the budget does not get increased we are trying to give you options of what you can do. You can also cut the bay out of the fire station which will save you \$162,000 but talking to the people that I consider experts in the building trade, are saying the penalties for that are so astronomical it might come back in 8 or 10 times to try to add the bay later. The Sally Port, should we have to cut it, there is no real potential penalties at this time that we couldn't do it at budget time next year and the building is not going to be done until next year.

Councilmember Johnson - then I don't see any sense in us going forward, we see scenario 2 up there but I think we need to stand on scenario 1 until we have an idea of what the costs are going to be. I don't know why scenario 2 would be up there at this point.

Councilmember Harrison - I agree. When we get the final numbers in we may have to go much further higher and then we will have to make a big decision. What we did as a member on the committee is try to give everyone the best guess that we could. We already cut \$1 million off of this before we got to this point. I want to go with scenario #1. I think that is the best way.

Councilmember Glockel - If we are going to go with option 1 we have to tell these folks how to go back and draw the plans so they can get the bids in. We have to have a good feel if this Council is willing to go above that \$7,700,000.

Bruce Hanson, Vice Chair, Planning and Zoning Commission - on the waivers that were are seeking, they seem to be for residential adjacency can we go over exactly which parts of the new plan are adjacent to a residential use?

Fred Gibbs, Planning and Development Director - our residential adjacency standards are if a building is within 400 feet of a single-family property line that have to go beyond our typical ordinance requirements

in this case that is where a lot of these waivers are coming before the Planning and Zoning Commission and the City Council.

The split-faced is one of them within that 400 feet to have brick and stone. CMU is allowable material, just outside of a residential adjacency but in this case it would not be.

The Dumpster screening needs to match the building. Typically, if it was brick the dumpster screening would be out of brick in this case they are asking for a cedar fence in lieu of the brick.

We require mechanical screening whether you put it on the roof top or if it is ground mounted it has to be screened as well.

Our Ordinance requires driveways and fire lanes to have some curb on them.

The Landscaping has nothing to do with residential adjacency it is just preference from the committee.

Bruce Hanson, Vice Chairman, Planning and Zoning Commission - of the two buildings that are on the site plan and not including the dumpsters or other equipment, what else is in that 400 feet of the residences?

Fred Gibbs, Planning and Development Director - the Fire Station itself is within the 400 feet.

MOTION made by Bruce Hanson, Vice Chairmen of the Planning and Zoning Commission to approve the site plan as presented with waivers contingent on the approval of the replat. Seconded by Brian Rush.

Councilmember Hanson - the waivers that are being presented make sense, for example the screening of equipment that is over on the east of the building is going to be blocked from anyone's view residentially. The use of the split-faced CMU does sound as it is described will not be an issue. I think that is similar to what the existing fire station #2 used and having seen that does not look like it would be objectionable. All in all these waivers look like they would fit.

AYES: Bruce Hanson, Brian Rush, Breien Velde, Dwayne Zinn
NOES: None
ABSENT: Marc Powell, Chuck Mills

MOTION CARRIED

MOTION made by Councilmember Johnson to approve the site plan approval and the waivers requested pending the replat of both properties into a single piece. Seconded by Councilmember Garber.

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

MOTION CARRIED

Charles Kearns, Eikon – Sedalco will begin bidding documents to Sub-Contractors on February 8, 2017. Replat presentation to the Planning and Zoning Commission on February 27, 2017. The plan right now is for Sedalco to bring me the Guarantee Matching Price (GMP) on March 30, 2017 and amend the contract and construction starts the first week in April. Those are the key milestones that we will move forward with.

Mack Reinwand, City Attorney - do you want to talk with staff and give them direction on the question that was presented on which type of Sally Port, do you want them to come back to Council? There is no motion needed staff just needs direction.

Councilmember Glockel - the Sally Port is being bid as an alternate. It is in the plans as it goes out. We will make that decision when you get the bid back what it is going to cost to do the whole project.

There was no Closed Session.

CLOSED SESSION

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

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

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

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

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

ADJOURN

Brian Rush, Chairman, Planning and Zoning Commission closed the Joint meeting at 6:30 p.m.

Mayor Heidemann adjourned the Joint meeting at 6:30 p.m.

AYES: All

Meeting adjourned.

Approved by Council on ____ day of _____, 2017.

Kimberly Pence, City Secretary
City of Corinth, Texas

CONSENT ITEM 3.

City Council Regular and Workshop Session

Meeting Date: 03/16/2017

Title: February 2, 2017 Regular Session

Submitted For: Kim Pence, City Secretary

Submitted By: Kim Pence, City Secretary

City Manager Review: Approval: Bob Hart, City Manager

AGENDA ITEM

Consider and act on minutes from the February 2, 2017 Regular Session.

AGENDA ITEM SUMMARY/BACKGROUND

Attached are the minutes from the February 2, 2017 Regular Session. The minutes are in draft form and not considered official until formally approved by the City Council.

RECOMMENDATION

Staff recommends approval of the February 2, 2017 Regular Session minutes.

Attachments

Minutes

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

On this the 2nd day of February 2017 the City Council of the City of Corinth, Texas met in a Regular Session at the Corinth City Hall at 7:00 PM, located at 3300 Corinth Parkway, Corinth, Texas. The meeting date, time, place and purpose as required by Title 5, Subtitle A, Chapter 551, Subchapter C, Section 551.041, Government Code, with the following members to wit:

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

Staff Members Present: Lee Ann Bunselmeyer, Acting City Manager
Fred Gibbs, Planning and Development Director
Guadalupe Ruiz, Human Resources Director
Mike Brownlee, City Engineer
Barbara Cubbage, Planning and Development Manager
Kim Pence, City Secretary
Mack Reinwand, City Attorney
Shea Rodgers, Technology Services Manager
Jason Alexander, Economic Development Director

CALL TO ORDER, INVOCATION, PLEDGE OF ALLEGIANCE:

Mayor called the meeting to order at 7:00 p.m. Associate Pastor, Jacob Fields delivered the Invocation and led in the Pledge of Allegiance.

CONSENT AGENDA

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

1. Consider and act on minutes from the December 1, 2016 Workshop Session.

Councilmember Glockel – pulled item #1 from the Consent Agenda for discussion. Change Mr. Alexander’s comments from “Yes Sir” to “No Sir” on page 6 of the minutes.

MOTION made by Councilmember Glockel to approve with corrections on the December 1, 2016

Workshop Session Minutes. Seconded by Councilmember Johnson.

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

MOTION CARRIED

2. Consider and act on minutes from the December 1, 2016 Regular Session.

Councilmember Harrison – pulled item #2 from the Consent Agenda. He was not present at that meeting.

MOTION made by Councilmember Burke to approve the minutes from the December 1, 2016 Regular Session. Seconded by Councilmember Garber.

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

MOTION CARRIED

3. Consider and act on minutes from the December 10, 2016 Special Session.
4. Consider and act on minutes from the December 15, 2016 Workshop Session.
5. Consider and act on minutes from the December 15, 2016 Regular Session.
6. Consider and act on minutes from the January 5, 2017 Regular Session.
7. Consider and act on a resolution approving the Investment Policy for the City of Corinth.
8. Consider and act on a resolution approving the Investment Policy for the Economic Development Corporation.
9. Consider and act on a resolution approving the Investment Policy for the Crime Control & Prevention District.

MOTION made by Councilmember Garber to approve items #3, 4, 5, 6, 7, 8, and 9 of the Consent Agenda. Seconded by Councilmember Burke.

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

MOTION CARRIED

CITIZENS COMMENTS

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

Taylor Holley, 8153 Plainview Road, Krum, Texas 76244 – would like to open up a produce stand in Corinth. I have two stands, one in Krum and one in Sanger. People love fresh produce and would like to see if there is any interests in opening a stand here.

PUBLIC HEARING/BUSINESS ITEM

10. TO HEAR PUBLIC OPINION REGARDING THE AMENDMENT OF LAND USE ASSUMPTIONS, CAPITAL IMPROVEMENTS PLANS, AND ASSOCIATED IMPACT FEES FOR WATER, WASTEWATER AND ROADWAY CAPITAL IMPROVEMENTS.

Fred Gibbs, Planning and Development Director - A public hearing has been scheduled to receive input on the adoption of the 2016 Land Use Assumptions, Water, Wastewater and Roadway Impact Fee reports. The reports provide a detailed discussion of the land use assumptions and capital improvements plan under which roadway, water and wastewater impact fees may be imposed for new development. Any member of the public has the right to appear at the hearing and present evidence for or against the land use assumptions and the capital improvements plan.

Once the public hearing is closed, City Council has a time limit (by state statute) of thirty days to adopt the report and set impact fee levels via ordinance. The next City Council meeting to adopt the Impact Fee Ordinance is scheduled for March 2, 2017 which is within the 30 day timeframe required to set fee levels.

In order to set fee levels, an Ordinance setting the Impact Fee levels must be adopted by Council. Fee levels can range from zero to the maximum calculated amount as shown in the report. It is important to note that while fee levels cannot go beyond the calculated maximum level (without a Special Financial Analysis), Council can change the fee levels after they have been set by Ordinance. Previously established fee levels (from previous Impact Fee studies) can also be adjusted by Ordinance provided the new fees are not raised beyond the maximum calculated fee amount.

In addition to adopting the report, staff is also seeking guidance for the desired fee levels to be included in the Impact Fee Ordinance. The Impact Fee Ordinance will be presented at the regular City Council meeting on March 2, 2017.

Anthony Samarripas, Kimley-Horn – we presented the content to the CIAC on January 23rd and they provided minor comments to the Roadway components, unit prices associated with the cost projections that were in the reports. We addressed those and have provided updated reports that was passed out to the Council this evening. See Exhibit A.

Anthony spoke on the impact fee components and calculations.

There are 3 main components associated with the impact fee, the Land Use Assumption, The Service Unit Calculation, and the Capital Improvement Plans.

Land Use Assumptions are the growth projections that we use over the next 10 years to identify what infrastructure needs the city is going to have. We worked with the City staff to determine what previous growth rates to determine what growth rate we wanted to use for the next 10 years. Those growth projections are consistent with the current Future Land Use Plan.

Land Use Assumptions (cont)

	Year	Population Growth	Employment (Sq. Ft.) Growth			
			Basic	Service	Retail	Total
Corinth	2016 - 2026	3,554	150,000	622,500	852,500	1,625,000

- 10-Year Growth Projections
 - Population Growth 3,554
 - Non-Residential Growth 1,625,000 Square Feet

Over the next 10 years we are projecting a population growth rate of about 3,500 people and an employment growth rate of about 1.6 million sq. feet.

One of the key items regarding Impact Fee that is in the law is Service Units. What the law says is that in order for a City to apply impact fees fairly you have to have Service Units and be able to measure each type of development against another development whether it is a single family resident or 100,000 sq. foot lots or industrial development. There has to be a way to figure out what each proportional share for each of those different development types.

Service Units (Governed by TLC)

- Chapter 395 "Service Unit" Definition
 - Standardized measure of consumption attributable to an individual unit of development calculated in accordance with generally accepted engineering or planning standards and based on historical data and trends applicable to the political subdivision in which the individual unit of development is located during the previous 10 years
- Roadway utilizes vehicle miles - One vehicle to travel one mile
- Water and wastewater utilize standard water meter (5/8"x3/4")
 - Standard water meter equates to one (1) service unit, all larger meters are some equivalent number of service units based on meter capacity

For Roadway, we use vehicle miles and vehicle miles are a way to measure the anticipated traffic that a certain development will put on the roadway. The more vehicle miles you generate the bigger proportional share you have of the roadway because you are impacting it more than another developer potentially.

The water and wastewater is based on the water meter size. If a development chooses a larger water meter size their impact is going to be higher on the water/wastewater infrastructure thus their impact fee will be higher.

The third component is the Capital Improvement Plan, the Impact Fee/CIP. We developed an impact fee CIP and is very similar to your Master Plan/CIP but it is a little different in some aspects.

Impact Fee Calculations for water and roadway it is city wide and in one surface area so no matter where development comes in to the City they will be subject to the same water and roadway impact fee.

Wastewater is broken up into 3 basins so depending on which basin in development it is in they could pay a different impact fee.

The law requires when we go through the impact fee calculation we account for a credit and there is one of two ways to do that. One, is a detailed analysis or we can reduce the impact fee by 50%. Based on the previous direction we received from Council we proceeded to the 50% reduction and that is what you will see in the results that were presented.

Credit Calculation/Financial Analysis

- Chapter 395
 - A plan for awarding:
 - (A) A credit for the portion of ad valorem tax and utility service revenues generated by new service unit during the program period that is used for the payment of improvements, including the payment of debt, that are included in the capital improvements plan; or
 - (B) In the alternative, a credit equal to 50 percent of the total project cost of implementing the capital improvements plan.

Roadway CIP



We take the Roadway CIP and develop a cost to implement that CIP and develop a cost to build that infrastructure and also add in finance costs. The law allows the City to recover cost associated with issuing debt whether that is financing cost or anticipated interests, you can recover that costs and we try to include that in the calculations. We cut the total in half and once we get to that number we divide that by the projected 10 year growth and the growth is shown in traffic (Vehicle Miles) and that is the base service unit for roadway.

Roadway Maximum Allowable

Cost of CIP	\$40,776,798
Recoverable Impact Fee CIP Cost	\$20,253,678
Financing Cost	\$6,724,221
Existing Impact Fee Fund Balance	(\$224,904)
Pre-Credit Recoverable Cost	\$26,752,995
Credit	(\$13,376,498)
Maximum Recoverable Cost for Impact Fee	\$13,376,498

Maximum Impact Fee =	$\frac{\$13,376,498}{15,057 \text{ (Vehicle-Miles)}}$	=	\$888
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Roadway Impact Fee Example – Single Dwelling Unit

Step 1	Determine Development Unit and Vehicle-Miles Per Development Unit
	<i>From Table 10 (Land Use – Vehicle-Mile Equivalency Table)</i> Development Type: 1 Dwelling Unit of Single-Family Detached Housing Number of Development Units: 1 Dwelling Unit Veh-Mi Per Development Unit: 4.00
Step 2	Determine Maximum Assessable Impact Fee Per Service Unit (Vehicle-Mile)
	<i>From Table 9, Line 18 (Maximum Assessable Fee Per Service Unit)</i> Service Area: \$888
Step 3	Determine Maximum Assessable Impact Fee
	Impact Fee = # of Development Units * Veh-Mi Per Dev Unit * Max. Fee Per Service Unit
	Impact Fee = 1 * 4.00 * \$888 Maximum Assessable Impact Fee = \$3,552

This table shows what Corinth is currently charging as well as some of the neighboring cities are currently charging. The adopted rate of \$962 is what a single-family dwelling pays today. The maximum Assessable of what the city could be charging is \$3,208 so the city is charging quite a bit less than the maximum today.

The new maximum assessable based on the calculations is \$3,552 which is the exercise shown on the previous slide. Based on the discussion we had at the last workshop is we show an option for \$2,000 for a single-family dwelling and that was one of the numbers that Council has mentioned they were considering so we placed it on the table so you could see where that is with the neighboring communities as well as with respect to your maximum assessable and that is about 56% of what your maximum could be if you charged \$2,000.

Roadway Comparison

Impact Fee Comparison Single Family Dwelling Unit Roadway	
City	Adopted Fee
Lewisville	\$0
Allen	\$650
Coppell	\$890
The Colony	\$944
Corinth 2011 (Adopted)	\$962
Corinth 2016 (56.3% of Max)	\$2,000
Denton	\$2,000
Southlake	\$2,292
Little Elm	\$2,310
Corinth 2011 (Max Assessable w/Credit)	\$3,208
Rowlett	\$3,490
Corinth 2016 (Max Assessable w/ Credit)	\$3,552
Flower Mound	\$3,715
McKinney	\$3,800
Frisco	\$3,816
Colleyville	\$4,940

The table below shows similar information but for a different development type. We show different percentages just as a reference point if Council wanted to look at what percent of the maximum you would want to set the fees at for non-residential.

Roadway Comparison

Impact Fee Comparison 100,000 sq. ft. Industrial Roadway	
City	Adopted Fee
Lewisville	\$0
Denton	\$58,775
Allen	\$60,000
Coppell	\$67,200
Rowlett	\$67,700
The Colony	\$91,600
Corinth 2011 (Adopted)	\$92,421
McKinney	\$97,001
Corinth 2016 (30% of Max)	\$103,363
Flower Mound	\$148,959
Corinth 2016 (45% of Max)	\$155,045
Southlake	\$166,725
Little Elm	\$187,200
Corinth 2016 (60% of Max)	\$206,726
Colleyville	\$212,200
Corinth 2011 (Max Assessable w/Credit)	\$308,072
Frisco	\$309,100
Corinth 2016 (Max Assessable w/Credit)	\$344,544

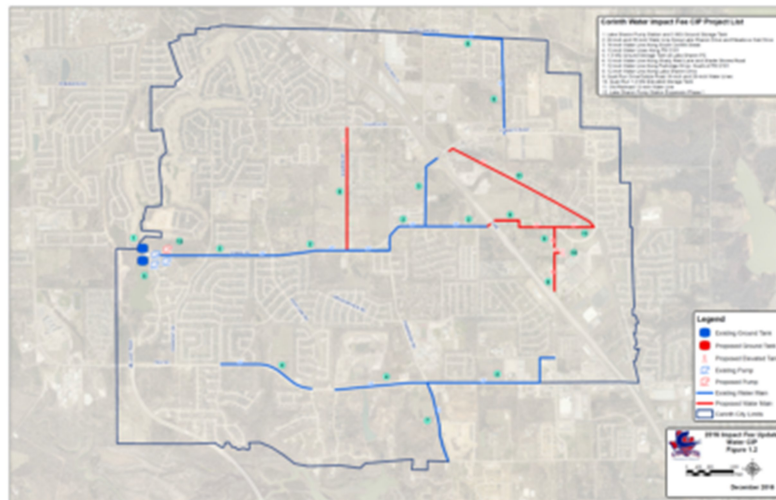
The table below show 10,000 sq. ft. for Retail example with similar information and what those rates would look like at 30%, 45%, and 60% to give you a feel for where that would put you at with surrounding cities.

Roadway Comparison

Impact Fee Comparison 10,000 sq. ft. Retail Roadway	
City	Adopted Fee
Lewisville	\$0
The Colony	\$10,970
Coppell	\$13,398
Allen	\$15,000
Colleyville	\$15,080
Corinth 2016 (30% of Max)	\$18,275
Corinth 2011 (Adopted)	\$18,842
Denton	\$21,000
Flower Mound	\$24,259
Corinth 2016 (45% of Max)	\$27,413
Rowlett	\$27,535
Little Elm	\$32,550
Southlake	\$33,908
Corinth 2016 (60% of Max)	\$36,550
McKinney	\$37,640
Frisco	\$50,070
Corinth 2011 (Max Assessable w/Credit)	\$62,805
Corinth 2016 (Max Assessable w/Credit)	\$60,917

We have a very similar water CIP map. We are showing existing and proposed water lines as well as tanks, pump stations and any infrastructure that provides water service. We take that CIP and develop a cost to implement that CIP. Again we add in financing cost and reduce that number by 50% so we are buying the credit of almost 3.9 million dollars and that leaves a recoverable cost of about \$3.9 million dollars. We take that cost and divide it by the growth for water and wastewater in terms of service units for single-family dwelling so now we have 1,782 service units and that is just another way to take the 3,500 population growth, the 1.6 million sq. ft. of employment growth and turn it into a service unit or equivalent dwelling unit number. The maximum result in impact fee for water is \$2,182.

Water CIP



Below is another similar table of what the city is currently charging on water and wastewater. The city adopted the maximum rate so you will see one line item for 2011 the city is currently charging \$1,441 for a single – family dwelling unit and based on the updated 2016, you could be charging as much as \$2,182. Both of those numbers put you relative to the benchmark of the cities that we have shown.

Water Comparison

Impact Fee Comparison Single Family Dwelling Unit Water	
City	Adopted Fee
The Colony	\$475
Allen	\$1,200
McKinney	\$1,417
Corinth 2011 (Adopted/Max Assessable w/50% Credit)	\$1,441
Rowlett	\$1,466
Little Elm	\$1,578
Frisco	\$1,772
Corinth 2016 (Max Assessable w/50% Credit)	\$2,182
Colleyville	\$2,491
Southlake	\$2,815
Lewisville	\$3,165
Flower Mound	\$4,098
LCMUA	\$4,257
Denton	\$4,500

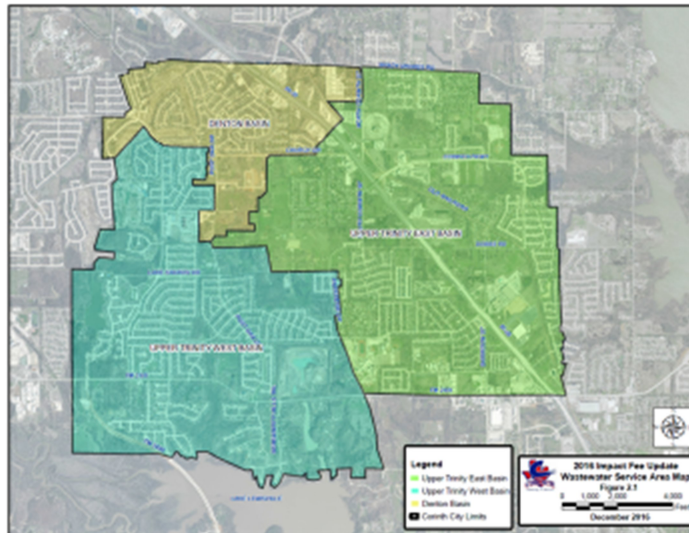
Water Maximum Allowable

Cost of CIP	\$19,443,056
Recoverable Impact Fee CIP Cost	\$5,838,663
Financing Cost	\$1,938,435
Pre-Credit Recoverable Cost	\$7,777,098
Credit	(\$3,888,549)
Maximum Recoverable Cost for Impact Fee	\$3,888,549

Maximum Impact Fee =	$\frac{\$3,888,549}{1,782 \text{ (Service Units)}}$	=	\$2,182
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For wastewater there are 3 service areas, Denton Basin, Upper Trinity West and Upper Trinity East.

Wastewater Service Areas



The Water CIP map that shows existing and proposed infrastructure. The Denton Basin is relatively close to being fully developed, there is not any proposed projects they are anticipated to be needed to serve future development so there is not project shown on the impact fee CIP. As a result the impact fee for Denton Basin is 0. The other two basins do have impact fees because they have projects.

The table below shows what the City is currently charging and what the new maximum assessable rates have been calculated to be. Upper Trinity East, the City is currently charging \$1,094 and the new maximum assessable is \$1,271. Upper Trinity West, the current maximum assessable is \$1,300 and the new maximum assessable is \$2,121.

Wastewater Comparison

Impact Fee Comparison Single Family Dwelling Unit Wastewater	
City	Adopted Fee
McKinney	\$174
Allen	\$500
The Colony	\$570
Colleyville	\$643
Corinth 2011 Upper Trinity East (Adopted/Max Assessable w/50% Credit)	\$1,094
Corinth 2016 Upper Trinity East (Max Assessable w/50% Credit)	\$1,271
Corinth 2011 Upper Trinity West (Adopted/Max Assessable w/50% Credit)	\$1,300
Rowlett	\$1,377
Frisco	\$1,619
Southlake	\$1,675
Corinth 2016 Upper Trinity West (Max Assessable w/50% Credit)	\$2,121
Denton	\$2,200
Little Elm	\$2,492
Lewisville	\$2,724
Flower Mound	\$2,733
LCMJA	\$3,415

As far as the next steps, we are having a Public Hearing this evening, answer any questions you may have and at some point we will look to Council to approve the studies, which is approving what is in the report, the maximum assessable calculations, the land use assumptions and as a separate item the Council will adopt an Ordinance that sets what the new impact fees are going to be. Council has at their discretion to set those fees anywhere from 0 up to the maximum that we have talked about.

Mayor Heidemann opened the Public Hearing at 7:12 p.m.

Lee Ann Bunselmeyer, Acting City Manager – right now if you close the public hearing tonight you have to adopt your rates 30 days from today which would be March 2, 2017. That would be at our next Council meeting and you would not have the option of discussing and postponing it at a later date.

If you opt to leave the public hearing open and extend it to March 2, 2017, at that point it will give you flexibility if you choose not to adopt your rates on March 2, 2017 and you close your public hearing on that date that will give you an extra 30 days to be able to review and make a decision.

MOTION made by Councilmember Burke to continue the Public Hearing to March 2, 2017.
Seconded by Councilmember Garber.

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

MOTION CARRIED

Councilmember Glockel – for traffic, where it talks about the trips and how it counts, you don't look at existing people? That is only for new traffic? If I build 100 homes in a subdivision we are only talking about those 100 homes?

Anthony Samarripas, Kimley-Horn – we do existing counts on the roadways to figure how much traffic is out there already but we are only counting the fee for new homes.

Councilmember Glockel – when did you use the method to determine the traffic?

Anthony Samarripas, Kimley-Horn - approximately six months ago. During the school year in early fall.

BUSINESS ITEM:

- 10a.** Consider and discuss the amendment of land use assumptions, capital improvements plans, and associated impact fees for water, wastewater and roadway capital improvements.

No Action taken on Business item.

BUSINESS AGENDA

11. Consider and act on a Resolution ordering a Joint General Election with Denton County to be held on May 6, 2017 to fill the offices of the Mayor and Councilmember Places 2 and 5; establishing procedures for that election and providing an effective date.

MOTION made by Councilmember Harrison to approve the Resolution ordering a Joint/General Election with Denton County to be held on May 6, 2017. Seconded by Councilmember Burke.

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

MOTION CARRIED

12. Consider and act on a Joint Election Agreement and Contract for Election Services with Denton County for the May 6, 2017 General Election.

MOTION made by Councilmember Johnson to approve a Joint/General Agreement and Contract of Election Services with Denton County for the May 6, 2017 Election. Seconded by Councilmember Harrison.

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

MOTION CARRIED

COUNCIL COMMENTS & FUTURE AGENDA ITEMS

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

Councilmember Burke – would like to ask the Acting City Manager and our Council to consider adding language to our contracts with contractors such as Eikon that would allow us to take some action if they lose a key representative or personnel and add that as a standard clause to those types of contracts.

Mayor Heidemann – expressed thanks to the police department and fire department in all their efforts in helping and assisting Little Elm through the tragedy they went through.

Mayor Heidemann recessed the Regular Session at 7:36 p.m. * See Closed Session.

CLOSED SESSION

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

Section 551.07 (1) Private consultation with its attorney to seek advice about pending or contemplated litigation; and/or settlement offer; and/or (2) a matter in which the duty of the attorney to the government body under the Texas Disciplinary Rules of Professional Conduct of the State of Texas clearly conflicts with chapter 551.

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

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

City Council met in Closed Session from 7:36 p.m. until 8:48 p.m.

a City Manager

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

After discussion of any matters in closed session, any final action or vote taken will be in public by the City Council. City Council shall have the right at any time to seek legal advice in Closed Session from its Attorney on

any agenda item, whether posted for Closed Session or not.

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

Mayor Heidemann reconvened the Regular Session at 8:48 p.m.

There was no action taken from Closed Session.

ADJOURN:

Mayor Heidemann adjourned the meeting at 8:49 p.m.

AYES: All

Meeting adjourned.

Approved by Council on ____ day of _____, 2017.

Kimberly Pence, City Secretary
City of Corinth, Texas

City Council Regular and Workshop Session

Meeting Date: 03/16/2017

Title: EMS Billing Contract Renewal

Submitted For: Curtis Birt, Chief

Submitted By: Curtis Birt, Chief

City Manager Review:

AGENDA ITEM

Consider and/or act upon the approval of a Resolution to renew an agreement for ambulance billing services between Emergicon, LLC, and the City of Corinth

AGENDA ITEM SUMMARY/BACKGROUND

Our current billing contract will expire April 2017. The current contract pays Emergicon 7% and the new contract would stay at the current 7% for EMS billing and collections. Only change in the terms of the contract is to pay 2% of the 3% charged fee on Credit card transactions.

Emergicon has demonstrated to be a good partner and is good to work with and has done a good job of submitting and collecting on EMS.

RECOMMENDATION

Staff recommends approval.

Attachments

Agreement for EMS Billing

Resolution EMS Billing

Business Agreement EMS Billing

AGREEMENT FOR SPECIALIZED PROFESSIONAL AMBULANCE BILLING SERVICES

This Agreement is entered into this _____ day of _____, 2017, by and between Emergicon, LLC, a Texas business corporation (“Emergicon”), and City of Corinth, a Texas municipality (“Client”), (each a “Party” and collectively the “Parties”), each acting by and through their respective authorized officers and representatives.

RECITALS

WHEREAS, Client provides emergency and/or non-emergency ambulance services for which it is eligible for payment or reimbursement by patients, insurance carriers, governmental agencies, employers and others;

WHEREAS, Emergicon is engaged in the business of providing third-party billing and accounts receivable management specialized professional services for ambulance and emergency medical service organizations;

WHEREAS, Client desires to utilize Emergicon for billing and claims management services for its organization; and

WHEREAS, Emergicon is willing to provide such specialized professional services upon the terms and conditions provided in this Agreement;

THEREFORE, in consideration of the mutual promises contained in this Agreement, and other good and valuable consideration, the sufficiency of which is acknowledged, the parties, intending to be legally bound, agree as follows:

1. Appointment. Client hereby engages Emergicon to exclusively perform the Specialized Professional Services set described in Paragraph 2 of this Agreement and Emergicon accepts such exclusive appointment and agrees to provide Specialized Professional Services in accordance with the terms of this Agreement. Client agrees that it will not enter into any contract, agreement, arrangement or understanding with any other person or entity, the purpose of which is to provide for the same or substantially similar specialized professional services during the term of the Agreement, unless the parties agree otherwise as set forth in writing in an Addendum to this Agreement. For purposes of the appointment, the recitals set forth above are incorporated by reference and made a part of this Agreement as if set forth in their entirety.

2. Specialized Professional Services. Emergicon agrees to perform the following duties (collectively referred to as the “Services”) on behalf of Client:

a. Provide Client with instructions for the submission of Required Documentation to Emergicon. For purposes of this Agreement, “Required Documentation” shall consist of prehospital patient care reports (PCRs) (also referred to as “trip sheets” or “run reports”), physician certification statements (PCSs) (required for non-emergency transports), patient authorization signatures (sometimes referred to as “assignment of benefits form” or “signature form”), Advance Beneficiary Notices of Non-coverage (ABNs) and other documentation necessary for Emergicon to perform the Specialized Professional Services under this Agreement. All Required Documentation must be signed in accordance with applicable laws, regulations and payer guidelines.

b. Review the Required Documentation, based on the information supplied by Client, for completeness and eligibility for submission to request reimbursement and to verify compliance under applicable laws, regulations or payer rules, based upon Emergicon's understanding of said laws, regulations or payer rules applicable to the date the ambulance services were rendered. If any Required Documentation is missing, Emergicon will request necessary documentation from Client.

c. Promptly prepare and submit claims deemed complete and eligible for submission by Emergicon in conformance with this Agreement for electronic or paper submission to the appropriate party or payer based on the information supplied by Client. In the event that Emergicon deems the Required Documentation to be incomplete or inconsistent, Emergicon will notify Client that additional information may be required to process the claim, and Emergicon will return any or all of the Required Documentation to Client that Emergicon determines may be incomplete or inaccurate and will not be responsible to submit any claims with insufficient documentation. Emergicon will make a decision regarding the appropriate coding and payer for submission of the claim based on the information supplied by Client. Client understands and acknowledges that not all accounts will satisfy the eligibility requirements of all payers, and that it might not be possible to obtain reimbursement in all cases. Emergicon makes no representation or warranty that all claims are payable or will be paid, and Client agrees to abide by Emergicon's decisions with regard to proper coding and payer based on the information provided to Emergicon by Client.

d. Promptly post payments made on Client's behalf by patients, insurers and others.

e. Unless otherwise directed by Client, make reasonable efforts for the collection of co-payments, deductibles or other patient balances, to include the preparation of invoices and a maximum of three contact attempts to patients, supplemental insurers or other financially responsible parties at industry-appropriate intervals.

f. Perform follow-up for a commercially reasonable period of time following the initial billing date on all open accounts. After this follow-up period, Emergicon will either return the accounts to Client or forward the accounts to a collection agency of Client's choosing at no cost to Client. Client and/or its designated collection agency shall bear all costs and liabilities of collections activities and collection agency charges, which charges shall not include any amounts due to Emergicon under this Agreement.

g. Provide monthly reports to Client, which include, at a minimum, cash received, accounts receivable and balance summary. Emergicon shall furnish those reports to Client.

h. Notify Client of any potential overpayments and/or credit balances of which Emergicon becomes aware that may be required to be refunded. Client bears sole responsibility for the refund of any overpayments or credit balances to Medicare, Medicaid, patients, or other payers or insurers, and agrees to make such refunds when and within the time frames required by law. Emergicon may, at its option, assist Client in processing such refunds, but all refunds are to be made solely with Client's funds, and Emergicon has no responsibility to make such refunds unless and until Client transfers such funds to Emergicon for this purpose. Emergicon shall not

advance funds on behalf of Client for this purpose. Client acknowledges that federal law requires that any overpayments made by Medicare or any other federal health care program be refunded within 60 days of the identification of any such overpayments. Notwithstanding any contrary provision in this Agreement, Emergicon shall refund to Client all money paid to Emergicon by Client under any one or more provisions of this Agreement, if the overpayment is as a result of Emergicon's actions, based upon the overpayment amount. Such payments shall be made to Client within fifteen (15) days of written demand by Client.

i If Client desires that its patients be able to pay their accounts utilizing credit cards, establish a credit card merchant account and related capabilities to permit Client's patients to pay via any major credit card. Emergicon shall in its sole discretion determine which credit cards it will accept.

3. Specifically Excluded Duties of Emergicon. Notwithstanding any provisions of this Agreement to the contrary, Emergicon shall *not* be responsible to:

a Initiate or pursue litigation for the collection of past due accounts.

b Invoice for Client's non-ambulance medical transportation services, including but not limited to mobile integrated health programs, paratransit services, wheelchair van, invalid coach services, litter vans and stretcher cars, unless specific arrangements are made otherwise.

c Negotiate any checks made payable to Client, though Emergicon may receive funds as an agent of Client for transmittal to Client where permitted by Client;

d Accept reassignment of any benefits payable to Client;

e Provide legal advice or legal services to Client, any of Client's patients or payers, or anyone acting on Client's behalf;

f Obtain any prior authorizations on behalf of Client, or obtain a Physician Certification Statement or other Certificate of Medical Necessity on behalf of Client.

g Assist Client in preparing, filing and updating the information on its Medicare, Medicaid or other insurer provider enrollment forms, as well as responding to required revalidations of Client's provider enrollment status. Client bears the sole responsibility to ensure that its Medicare, Medicaid or other insurer provider enrollment forms are submitted and updated in accordance with federal and state law, regulations and policies. Client bears the exclusive responsibility for the submission of such form and any fees that may be associated with the submission of such forms. Upon specific written request from Client, Emergicon may agree to assist with such form submission and/or revalidation of Medicare, Medicaid or other insurer provider enrollment forms, provided that the responsibility for actual submission and all fees associated with the forms shall be borne exclusively by Client and paid prior to submission of these forms by Emergicon.

4. Responsibilities of Client. Client agrees to do the following, at its sole cost and expense:

a. Provide Emergicon with all Required Documentation, as set forth in Paragraph 2(a), above, as well as the following data: Patient Name and Address, Date of Birth, Date of Service, Patient Medical Condition, Reason for Transport, Services Rendered (including assessments, interventions and other care), Origin and Destination with accompanying Zip Code, Transport Destination with accompanying Zip Code, Odometer Reading/Loaded Mileage (to the nearest tenth of a mile), and all relevant insurer or payer information, including identity of payer, group or plan numbers, patient's Insurance/Medicare/Medicaid Number, and all other relevant information and ensure that this data and the information contained on the Required Documentation is complete and accurate based upon the information provided to Client. Emergicon reserves the right to modify any Required Documentation or data at any time in accordance with new or revised payer requirements, and will provide a copy of any such revisions to Client in writing. Client acknowledges that Emergicon must rely upon the accuracy and completeness of the forms, signatures and other documentation provided to it by Client to allow Emergicon to perform the Specialized Professional Services specified in this Agreement. Emergicon is not in a position to verify the accuracy or completeness of the Required Documentation provided by Client. By forwarding any such documentation to Emergicon, Client expressly represents that any such documentation is complete and accurate, and that Emergicon may rely upon the completeness and accuracy of any such documentation in performing its Services under this Agreement.

b. Maintain its qualifications to provide ambulance services, including any required local, state and/or federal licenses, permits, certificates or enrollments (collectively, "Licenses"), and to remain in good standing with Medicare, Medicaid and all other state and federal health care programs. Client shall provide copies of all current Licenses, including renewals, to Emergicon. Client shall be responsible to maintain a National Provider Identifier (NPI) number and to update the information associated with its NPI. Client expressly represents that it will not forward accounts for processing by Emergicon if Client is ineligible for payment by any payers or insurers as a result of its licensure status, exclusion or other sanction with such payer or insurer, or other legal impediment, and that it will promptly notify Emergicon of any suspension or revocation of any required license, permit, certification or enrollment, or exclusion from any state or federal health care program or any change in ownership or management of Client.

c. Provide Emergicon with a copy of all required Licenses, permits, certificates and enrollments as referenced in Paragraph 4(b), and forward updates of these documents to Emergicon as they are renewed.

d. Provide Emergicon with odometer readings or other documentation of mileage accepted by the payer on all calls reflecting loaded mileage (from the point of patient pickup to the destination) recorded in tenths of a mile as required by Medicare guidelines.

g. In accordance with appropriate payer guidelines, obtain the signature of the patient or other authorized representative of the patient or otherwise meet the ambulance signature requirements set forth at 42 C.F.R. § 424.36 on each call and forward to Emergicon as part of the Required Documentation.

f. In the event that Client operates a subscription or membership program, client represents that its program is actuarially sound in accordance with the guidance of the Office of Inspector General (OIG) and operated in accordance with any applicable state laws, regulations or guidelines. Emergicon will bill in accordance with the terms of such program, provided that

Client furnishes those terms to Emergicon in writing. Client is responsible to inform Emergicon of its patients who are members or subscribers of Client's membership or subscription program.

g. If Client is a party to any ALS-BLS "joint billing" or "bundle billing" agreement, Client shall be responsible to provide Emergicon with a copy of such agreement. Client also agrees to submit a PCR from the other party to the joint billing agreement along with the Required Documentation.

h. Obtain a completed and valid PCS form on all trips where required by law and provide copies of all PCS forms to Emergicon as part of the Required Documentation.

i. Provide Emergicon with a copy of all Client rate schedules, contracts or agreements which pertain to Client's billing or charges for services.

j. Notify Emergicon of any or all changes in billing charges for service or changes in any of Client's billing policies or contracts not later than thirty (30) days prior to the effective date of said changes.

k. Report all payments made directly to Client within three (3) business days of Client's receipt of same.

l. Cooperate reasonably with Emergicon so as to enable Emergicon to meet its obligations under this Agreement. In the event that Client's approval is required in order for Emergicon to fulfill any obligations it may have under this Agreement, Client shall not unreasonably withhold, condition or delay its approval.

m. In writing, notify Emergicon of any customized needs (reporting, scheduling, etc.). Client understands that the processing of customized needs may entail additional charges to Client by Emergicon.

n. Designate a contact person, authorized to transact business on behalf of Client, who can promptly respond to any questions raised by Emergicon, or who can execute required forms and other documents necessary to the provision of Services by Emergicon under this Agreement.

o. Agree to permit Emergicon to provide training to Client personnel in the event that Emergicon and Client agree that such training is necessary and/or desirable at a cost to be mutually agreed upon in writing by the parties and paid by Client.

p. Provide electronic transfer of PCR data in an acceptable NEMESIS format to Emergicon, Client agrees to bear all cost of the development and implementation of the electronic software "bridge" as agreed upon by and in conjunction with Emergicon information technology personnel, representatives or contractors.

5. Record Ownership and Access.

a. Client understands that all documentation provided to Emergicon by Client, whether in paper and/or electronic form, is for the sole and express purpose of permitting Emergicon to provide Specialized Professional Services under this Agreement. It is Client's

responsibility to maintain all of its documents and business records, including copies of any documents or records provided to Emergicon (“Client-Provided Records”). Emergicon does not act as Client’s records custodian.

b. As a convenience to Client, Emergicon will, during the term of this Agreement, produce patient care reports in response to routine attorney requests (with appropriate patient authorization) for such documentation, if those records are in Emergicon’s possession at the time it receives such attorney request. For subpoenas, as well as any requests beyond those deemed by Emergicon to be routine attorney requests, Emergicon shall forward such requests to Client for disposition at no additional cost to Client.

c. During the term of this Agreement, Emergicon shall, upon Client’s written request, provide to Client, in electronic format and within 14 days of receipt of such written request, copies of any Client-Provided Records furnished to Emergicon by Client, and to any Claim Adjudication Documents generated by and received from insurers or payers in response to claims submitted by Emergicon on Client’s behalf. “Claim Adjudication Documents” shall consist of the documents generated secondary to claim submission in the normal course of claim processing by payers and insurers, including Explanation of Benefits (EOB) documents, Remittance Advice (RA) documents, Medicare Summary Notice (MSN) documents, denials and other documents of a similar type or nature.

d. Any documents, data, records or information compiled in the course of Emergicon’s provision of Specialized Professional Services under this Agreement, other than those Client-Provided Records and Claim Adjudication Records defined in Paragraphs 5(a) and (c) above, shall be the sole and exclusive property of Emergicon and shall be considered the business and/or proprietary records of Emergicon. Emergicon shall have no obligation to furnish any such business or proprietary records of Emergicon to Client, and Client shall have a right of access only to the Client-Provided Records and Claim Adjudication Documents as defined in Paragraphs 5(a) and (c), above. Notwithstanding the foregoing, Client and Emergicon understand and agree that documents required to be disclosed by court order, federal or state law, including without limitation, those documents, records or information which are responsive to a request for public information under state or federal law, shall be provided to Client by Emergicon.

e. If Client or a third party requests any documents or records to which Client or the third party has a right of access under Paragraphs 5(a) and (c) of this Agreement, and such documents cannot be provided to Client in electronic form, Emergicon may charge Client the per-copy amount for medical records permitted under the Texas Public Information Act for disclosure to the public at the time of Client’s request.

f. Should this Agreement be terminated for any reason, all documents and records to which Client has a right of access under Paragraphs 5(a) and (c) of this Agreement shall be maintained in electronic format at a site convenient to Emergicon for a reasonable amount of time for follow-up of all open claims, but in any event not to exceed ninety (90) days following the effective date of termination of this Agreement. Electronic or paper copies of the records to which Client has a right of access under Paragraphs 5(a) and (c) will be made available to Client, at Client’s sole cost and expense, in a format agreed upon by Emergicon and Client at the Client’s written request provided that Client makes such request within thirty (30) days following termination of the Agreement, and provided that Client has no disputed outstanding invoices due to Emergicon at

the time of the request. Emergicon shall have absolutely no responsibility whatsoever after termination of this Agreement to provide any monthly reports or other such Emergicon-generated reports to Client, except as required by Court order or applicable law.

g. Upon termination of this Agreement, Client is responsible to notify all payers, patients, and other correspondents of its new address, phone and/or fax numbers for billing or payment purposes. After termination, Emergicon will not be responsible for mail, deliveries, faxes, messages or other communications sent in Client's name to Emergicon after the effective termination date of this Agreement, and Emergicon shall have no duty to accept, maintain, copy, deliver or forward any such communications to Client following termination of this Agreement.

h. Costs for copies of documents required and/or requested by Client beyond the requirement of the normal daily claim handling requirements will be invoiced to Client by Emergicon at a reasonable per copy price to be established by Emergicon from time to time and applicable to all customers.

6. Client Accounting and Auditing Requirements. If Client requires Emergicon's assistance in Client's accounting or other internal audits, Emergicon will charge Client for said audit support services at its customary rates, to be established by Emergicon from time to time. Upon written request of Client for same, Emergicon shall furnish said rates to Client in writing prior to undertaking any work pursuant to this Paragraph.

7. Term and Termination.

a. This Agreement is for an initial term of one (1) year, commencing upon the execution of this Agreement, and will automatically renew under the terms herein unless otherwise mutually agreed to in writing, for successive like terms unless terminated hereunder.

b. This Agreement may be terminated upon the expiration of its then-current term, with or without cause, by either party, upon written notice to the other party, given no later than thirty (30) days prior to the expiration of the then-current term or as otherwise expressly provided herein.

c. This Agreement may be terminated by Emergicon immediately upon written notice to Client for any of the following reasons:

i. If either Party makes an assignment for the benefit of creditors, files a voluntary or involuntary petition in bankruptcy, is adjudicated insolvent or bankrupt, petitions or applies to any tribunal for the appointment of any receiver of any trustee over its assets or properties, commences any proceeding under any reorganization, arrangement, readjustment of debt or similar law or statute of any jurisdiction, whether now or hereafter in effect, or if there is commenced against the other party any such proceeding which remains un-dismissed, un-stayed, or the other party by any act or any omission to act indicated its consent to, approval of or acquiescence in any such proceeding or the appointment of any receiver or of any trustee, or suffers any such receivership or trusteeship to continue undischarged, un-stayed, or un-vacated for a period of thirty (30) days.

ii. If either Party loses its license, permit or certification necessary to do business, or is excluded from any state or federal health care program.

iii. If either Party fails to perform any of its responsibilities as set forth in this Agreement, fails to pay the other Party as set forth herein within thirty (30) days of the date such payment becomes due or such other time period as expressly provided herein, takes any actions which either Party reasonably determines to be, illegal, immoral or non-compliant, or fails to cooperate in any way that prevents, impedes, obstructs or delays either Party in the performance of its respective obligations hereunder as set forth in this Agreement.

d. Upon termination for any reason, Emergicon shall perform follow-up on any open accounts submitted by Emergicon on Client's behalf for a period not to exceed ninety (90) days from the date of termination, unless Client declines that service from Emergicon by providing written notice to Emergicon. Emergicon shall have no responsibility to perform such follow-up in the event Client takes any actions which prevent Emergicon from engaging in such follow-up, or in the event that Client has any unpaid balances due to Emergicon on the date of termination of this Agreement.

e. Upon termination for any reason, Client shall be responsible to pay the fees set forth in Paragraph 10 below, for all revenues collected by Emergicon on Client's behalf during the 90-day follow-up period set forth in Paragraph 7(d) above, and Emergicon shall be responsible to refund to Client fees paid by Client to Emergicon on overpayments as required under the terms of this Agreement. After notice of termination is given, all invoices are due and payable by each Party within five (5) days of same. In the event that Client does not remit payment on any such invoice within five (5) days of the invoice, Emergicon shall have no responsibility to perform any further follow-up on open accounts, notwithstanding the provisions of Paragraph 7(d) above.

8. External and Internal Audits.

a. Client shall immediately notify Emergicon if there has been any prepayment audit or review, post payment audit or review, or any investigation or other formal inquiry into the billing practices of Client and/or Emergicon, or claims submitted by Emergicon on behalf of Client, where such audit or investigation is or appears to have been initiated by any governmental agency, insurer, payer, carrier, Medicare Administrative Contractor, Recovery Audit Contract, Zone Program Integrity Contractor, Medicaid Fraud Control Unit, other Medicare or Medicaid contractor or other agency or entity authorized to carry out any such audit or investigation. This obligation shall survive termination of this Agreement for any reason.

b. The Client bears sole responsibility for obtaining and paying for any legal or consulting assistance necessary in defending itself in any such audit or investigation. Emergicon shall assist Client in producing any records, reports or documents in its possession which pertain to the audit or investigation and may charge Client a reasonable fee for copying, preparation, assembly or retrieval of such documents or reports. Emergicon shall have no obligation to perform any duties under this Paragraph 8(b) following termination of this Agreement for any reason.

c. Client is solely responsible for repaying any overpayments or recoupments sought or imposed by any insurer, carrier, payer or governmental agency or contractor, including interest, civil monetary penalties, fines or other such assessments. Notwithstanding any contrary provision in this Agreement, Emergicon shall be responsible for refunding to Client all money paid to Emergicon by Client under any one or more provisions of this Agreement based upon the overpayment amount, if such refund is as a result of Emergicon's actions. Such payments shall be

made to Client within fifteen (15) days of written demand by Client

d Client understands and acknowledges that Emergicon, as part of its compliance program, may on occasion, and at its sole discretion, perform or contract for the performance of periodic, random, internal audits of its coding, billing and other business practices. These voluntary, internal compliance audits may reveal the existence of Client overpayments, and Client agrees that any such overpayments identified by Emergicon in its internal auditing process will be refunded by Client as described in more detail in Paragraph 2(h) of this Agreement. Notwithstanding any contrary provision in this Agreement, Emergicon shall refund to Client all money paid to Emergicon by Client under any one or more provisions of this Agreement based upon the overpayment amount, if such refund is as a result of Emergicon's actions. Such payments shall be made to Client within fifteen (15) days of written demand by Client

9. Disposition of Funds.

a All funds Emergicon receives from third party payers, patients or other sources for ambulance services provided by Client shall be made in the name of Client and forwarded monthly to Client or deposited into a Client account as directed by Client.

b If Client desires that its patients be able to pay their accounts utilizing credit cards, then Emergicon shall accept credit card payments on behalf of Client's patients in a manner that is secure and agreed upon by the parties, and only to the extent possible and feasible, without making Emergicon a collection agency and responsible for compliance with the federal Fair Debt Collection Practices Act and other state or federal debt collection laws.

c Emergicon shall not accept a reassignment of any benefits where prohibited by law.

10. Compensation.

a In exchange for the Specialized Professional Services described in this Agreement, Client shall pay Emergicon a fee equivalent to seven percent (7%) of all revenues collected by Emergicon on behalf of Client. Credit card payments accepted by Emergicon will be charged an additional two percent (2.0%) that shall be charged directly to the payer utilizing the credit card.

b If Client instructs Emergicon to collect on an account(s) initially billed by another Contractor, Emergicon shall be compensated and paid for the collection efforts on said account in accordance with the following schedule: Twenty-two Percent (22%) of the total amount collected on the account.

c If Client instructs Emergicon to continue to pursue Patient Pay accounts with balances beyond 120 days from the date of transport, Emergicon shall be compensated and paid for the collection efforts on said account in accordance with the following schedule: Eighteen Percent (18%) of the total amount collected on the account.

d The fees payable by Client to Emergicon shall be invoiced to Client on a monthly basis and shall be calculated in accordance with the receipts report generated by Emergicon and the terms of this Agreement.

e. Emergicon shall submit invoices to Client on a monthly. Invoices are to be paid by Client within thirty (30) days of the invoice date. Emergicon reserves the right to add simple interest at an annual rate of 18%, compounded daily or the maximum amount allowed by law, whichever is less, on all where Emergicon has not received payment within thirty (30) days of the date of its invoice.

f. In the event that Client is obligated to refund any overpayment or credit balance as set forth in Paragraph 2(h), fees paid to Emergicon by Client for such refunded overpayment or credit balance shall not be credited or refunded to Client in accordance with the provisions of this Agreement.

g. The rates set forth by Emergicon to be charged to Client for Specialized Professional Services rendered are subject to change by Emergicon upon thirty (30) days written notice to Client.

h. Client agrees to reimburse Emergicon for any and all sales tax liabilities that may arise as a result of this Agreement.

11. Indemnification and Insurance.

a. In addition to any specific indemnification provisions set forth in this Agreement, Emergicon shall hold harmless, indemnify and defend Client and/or its employees, officers, directors and agents from and against any and all costs, claims, losses, damages, liabilities, expenses, judgments, penalties, fines and causes of action to the extent caused by any willful or grossly negligent misconduct of any Emergicon agent, servant, contractor or employee and which relate to the Specialized Professional Services performed by Emergicon under this Agreement.

b. Emergicon shall maintain errors and omissions insurance coverage in an amount not less than \$1,000,000. Emergicon shall provide proof of such coverage to Client upon execution of this Agreement and thereafter upon within ten (10) days of written request for same.

c. Notwithstanding any other provision of this Agreement, neither Party shall not be liable for any damages, including but not limited to loss in profits, or for any special, incidental, indirect, consequential or other similar damages suffered in whole, or in part, in connection with this Agreement.

12. Confidentiality. Neither Emergicon nor Client shall, during the term of this Agreement or for any extension hereof, for any reason, disclose to any third parties any proprietary information regarding the other party unless required to do so by law, regulation or subpoena. For purposes of this Agreement, "proprietary information" shall include, but not be limited to, pricing or rate information, information pertaining to contracts with payers, insurers, facilities, ambulance providers, health care systems, or other such parties, audit requests, audit results, billing processes, client lists or other such information. The Parties understand and agree that any determination regarding whether "proprietary information" or "confidential" (as defined or deemed under this Agreement) may lawfully be withheld may be subject to review by the Texas Attorney General or by a Court of proper jurisdiction, and disclosure to either the Texas Attorney General or a Court for purposes of determining whether disclosure is required shall not be considered a breach of confidentiality

The Parties shall remain, throughout the term of this Agreement, in compliance with the separately negotiated Business Associate Agreement attached and incorporated herein.

13. Compliance.

a. Emergicon will conduct its activities and operations in compliance with all state and federal statutes, rules and regulations applicable to billing activities. Emergicon expressly represents and warrants that it is under no legal impediment to billing or receiving reimbursement for its services, and that all of Emergicon's personnel are appropriately licensed and/or certified to furnish the services provided by Emergicon. Emergicon agrees to defend, indemnify and hold harmless Client from any and all claims, damages and losses in the event that Emergicon breaches its obligation under this paragraph to operate in compliance with state and federal statutes, rules and regulations applicable to billing activities.

b. Client shall conduct its activities, operations and documentation in compliance with all applicable state and federal statutes, rules and regulations. Client expressly represents that it is under no legal impediment to billing or receiving reimbursement for its services, and that all of Client's personnel are appropriately licensed and/or certified to furnish the services provided by Client.

c. Each party is responsible for monitoring and ensuring its own compliance with all applicable state and federal laws and regulations pertaining to billing and reimbursement for its services. However, either party which becomes aware of a violation of any such state or federal laws or regulations or of a questionable claim or claim practice agrees to notify the other party in writing within fifteen (15) days of becoming aware and such notice shall be in writing.

d. The parties represent that they are not the subject of any actions or investigations pertaining to its participation in or standing with any state or federal health care program, are not subject to exclusion from any state and/or federal health care program, and that no persons providing services for which reimbursement is sought were at the time such services were rendered excluded from any state or Federal health care program.

e. The parties recognize that this Agreement is at all times subject to applicable state, local, and federal laws and shall be construed accordingly. The parties further recognize that this Agreement may become subject to or be affected by amendments in such laws and regulations or to new legislation or regulations. Any provisions of law that invalidate, or are otherwise inconsistent with, the material terms and conditions of this Agreement, or that would cause one or both of the parties hereto to be in violation of law, shall be deemed to have superseded the terms of this Agreement and, in such event, the parties agree to utilize their best efforts to modify the terms and conditions of this Agreement to be consistent with the requirements of such law(s) in order to effectuate the purposes and intent of this Agreement. In the event that any such laws or regulations affecting this Agreement are enacted, amended or promulgated, either party may propose to the other a written amendment to this Agreement to be consistent with the provisions of such laws or regulations. In the event that the parties do not agree on such written amendments within thirty (30) days of receipt of the proposed written amendments, then either party may terminate this Agreement without further notice, unless this Agreement would expire earlier by its terms.

f. Non-Engagement of Individuals on the OIG Exclusion List. The parties

further warrant that each will take all reasonable steps as set forth by the Office of Inspector General, United States Department of Health and Human Service, to ensure that it does not employ or otherwise engage individuals who have been excluded from participation in federal health care programs. The parties agree to periodically check the OIG exclusion website to ensure that employees, volunteers and all others providing services for each respective organization are not excluded. The website is: <http://exclusions.oig.hhs.gov>.

14. Independent Contractor Relationship. Emergicon and Client stand in an independent contractor relationship to one another and shall not be considered as joint venturers or partners, and nothing herein shall be construed to authorize either party to act as general agent for the other. There is no liability on the part of either party to any entity for any debts, liabilities or obligations incurred by or on behalf of the other party hereto.

15. Prevention of Performance. If a party's obligation to perform any duty hereunder is rendered impossible of performance due to any cause beyond such party's control, including, without limitation, an act of God, war, civil disturbance, fire or casualty, labor dispute, hardware or software failures beyond the party's control, or governmental rule, such party, for so long as such condition exists, shall be excused from such performance, provided it promptly provides the other party with written notice of its inability to perform stating the reasons for such inability and provided that the party takes all appropriate steps as soon as reasonably practicable upon the termination of such condition to recommence performance.

16. Assignment. This Agreement may not be assigned by Emergicon to any successors or assigns of Emergicon without the express written consent of Client. This Agreement may not be assigned by Client without the express written consent of Emergicon. This Agreement shall be binding upon all successors and assigns.

17. Notices. Notices required to be given under this Agreement shall be made to the parties at the following addresses and shall be presumed to have been received by the other party (i) three days after mailing by the party when notices are sent by First Class mail, postage prepaid; (ii) upon transmission (if sent via facsimile with a confirmed transmission report); or (iii) upon receipt (if sent by hand delivery or courier service).

Emergicon:
Emergicon LLC.
PO Box 180446
Dallas, TX 75218
Fax: (469) 602-5542

Client:
City of Corinth
Lake Cities Fire Department
3101 S. Garrison
Corinth, Texas 76208
Fax: (940) 497-3455

with copy to:

with a copy to:
Attn: Wm. Andrew Messer
Messer, Rockefeller & Fort, PLLC
6351 Preston Rd., Ste. 350
Frisco, TX 75034
Facsimile: 972-668-6414

18. Non-Competition and Non-Solicitation Clause. Without prior, written authorization from Emergicon, Client shall not:

a During the term of this Agreement, or for two (2) years following its expiration or termination for any reason, employ, retain as an independent contractor, or otherwise in any way hire any personnel currently employed or employed at any time during the term of this Agreement by Emergicon.

19. Governing Law and Forum Selection Clause. This Agreement shall be deemed to have been made and entered into in Texas and shall be interpreted in accordance with the laws thereof, without regard to conflicts of laws principles. The parties expressly agree that the exclusive forum for resolving any legal disputes under this Agreement shall be the state or federal courts serving the City of Corinth, Denton County, Texas.

IN WITNESS WHEREOF, the parties have executed this Agreement to commence on the date first above written. Client represents that the individual who has executed this Agreement on behalf of the Client is authorized by Client and by law to do so.

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CORINTH, TEXAS, APPROVING AN AGREEMENT FOR AMBULANCE BILLING SERVICES WITH EMERGICON, LLC, AND AUTHORIZING THE CITY MANAGER OR HIS DESIGNEE TO EXECUTE THE AGREEMENT

WHEREAS, the Lake Cities Fire Department has an agreement with Emergicon LLC for ambulance billing services which expires in April 2017; and

WHEREAS, the Lake Cities Fire Department has reviewed an Agreement for Specialized Professional Ambulance Billing Services as well as a Business Associate Agreement (collectively, the “Agreement”) renewal agreement to be effective prior to the expiration of the existing agreement; and

WHEREAS, the City has the authority to enter into a contract or agreement with another entity for certain governmental services.

NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CORINTH, TEXAS, AS FOLLOWS:

Section 1. That the Agreement attached hereto as *Exhibit A* is hereby approved in form and substance for the provision of ambulance billing services on behalf of the Lake Cities Fire Department.

Section 2. That the City Manager or his designee is authorized to execute the Agreement attached hereto as *Exhibit A* with Emergicon, LLC on behalf of the City.

DULY RESOLVED by the City Council of the City of Corinth, Texas, on this the ____ day of _____, 2017.

APPROVED:

Bill Heidemann, Mayor

ATTEST:

Kimberly Pence, City Secretary

**Business Associate Agreement
Between
City of Corinth and
Emergicon, LLC**

This Business Associate Agreement (“Agreement”) between City of Corinth, a Texas municipality (“Covered Entity”) and Emergicon, LLC (“Business Associate”) is executed to ensure that Business Associate will appropriately safeguard Protected Health Information (“PHI”) that is created, received, maintained, or transmitted on behalf of Covered Entity in compliance with the applicable provisions the Health Insurance Portability and Accountability Act of 1996 (“HIPAA”), the Health Information Technology for Economic and Clinical Health Act (“HITECH”), the Standards for Privacy of Individually Identifiable Health Information (the “Privacy Rule”), and the Security Standards for the Protection of Electronic Protected Health Information (the “Security Rule”) promulgated thereunder (collectively, the “HIPAA Privacy Rules and/or Security Standards”).

A. General Provisions

1. **Definitions.** When used in this Agreement and capitalized, the following terms have the following meanings:

- (a) "Breach" shall have the same meaning as the term “Breach” in 45 C.F.R. §164.402.
- (b) "Electronic Protected Health Information" or “e-PHI” shall mean Protected Health Information transmitted by electronic media or maintained in electronic media.
- (c) "Individual" shall have the same meaning as the term "Individual" in 45 C.F.R. §160.103 and shall include a person who qualifies as a personal representative in accordance with 45 C.F.R. §164.502(g).
- (d) "Privacy Rule" shall mean the Standards for Privacy of Individual Identifiable Health Information as set forth at 45 C.F.R. Parts 160 and 164 Subparts A and E.
- (e) "Protected Health Information" or "PHI" shall have the same meaning as the term "protected health information" in 45 C.F.R. § 160.103, limited to the information created or received by Business Associate from or on behalf of Covered Entity.
- (f) "Required by Law" shall have the same meaning as the term "required by law" in 45 C.F.R. § 164.103.
- (g) "Secretary" shall mean the Secretary of the Department of Health and Human Services or his or her designee.
- (h) “Security Incident” shall mean any attempted or successful unauthorized access, use, disclosure, modification or destruction of information or systems operations in an electronic information system.
- (i) “Security Rule” shall mean the Standards for Security of PHI, including ePHI, as set forth at 45 C.F.R. Parts 160 and 164 Subparts A and C.
- (j) “Unsecured Protected Health Information” or “Unsecured PHI” shall mean protected health information that is not rendered unusable, unreadable, or indecipherable to unauthorized persons

through the use of a technology or methodology specified by the Secretary.

Terms used but not defined in this Agreement shall have the same meaning as those terms in the HIPAA Privacy Rules and/or Security Standards.

2. **Regulatory References**. Any reference in this Agreement to a regulatory section means the section currently in effect or as amended.
3. **Interpretation**. Any ambiguity in this Agreement shall be interpreted to permit compliance with HIPAA.

B. Obligations of Business Associate

Business Associate agrees that it will:

1. Not use or further disclose PHI other than as permitted or required by this Agreement or as Required by Law;
2. Use appropriate safeguards and comply, where applicable, with the HIPAA Security Rule with respect to Electronic Protected Health Information (“e-PHI”) and implement appropriate physical, technical and administrative safeguards to prevent use or disclosure of PHI other than as provided for by this Agreement;
3. Report to Covered Entity any use or disclosure of PHI not provided for by this Agreement of which it becomes aware, including any Security Incident (as defined in the HIPAA Security Rule) and any Breaches of Unsecured PHI as required by 45 C.F.R. §164.410. Breaches of Unsecured PHI shall be reported to Covered Entity without unreasonable delay but in no case later than 60 days after discovery of the Breach;
4. In accordance with 45 C.F.R. 164.502(e)(1)(ii) and 164.308(b)(2), ensure that any subcontractors that create, receive, maintain, or transmit PHI on behalf of Business Associate agree to the same restrictions, conditions, and requirements that apply to Business Associate with respect to such information;

5. Make PHI in a designated record set available to Covered Entity and to an Individual who has a right of access in a manner that satisfies Covered Entity's obligations to provide access to PHI in accordance with 45 C.F.R. §164.524 within 30 days of a request;
6. Make any amendment(s) to PHI in a designated record set as directed by Covered Entity, or take other measures necessary to satisfy Covered Entity's obligations under 45 C.F.R. §164.526 in a reasonable time and manner designated by Covered Entity;
7. Maintain and make available information required to provide an accounting of disclosures to Covered Entity or an Individual who has a right to an accounting within 60 days and as necessary to satisfy Covered Entity's obligations under 45 C.F.R. §164.528;
8. To the extent that Business Associate is to carry out any of Covered Entity's obligations under the HIPAA Privacy Rule, Business Associate shall comply with the requirements of the Privacy Rule that apply to Covered Entity when it carries out that obligation;
9. Make its internal practices, books, and records relating to the use and disclosure of PHI received from, or created or received by Business Associate on behalf of Covered Entity, available to the Secretary of the of Health and Human Services for purposes of determining Business Associate and Covered Entity's compliance with HIPAA and the HITECH Act;
10. Restrict the use or disclosure of PHI if Covered Entity notifies Business Associate of any restriction on the use or disclosure of PHI that Covered Entity has agreed to or is required to abide by under 45 C.F.R. §164.522; and
11. If Covered Entity is subject to the Red Flags Rule (found at 16 C.F.R. §681.1 *et seq.*), Business Associate agrees to assist Covered Entity in complying with its Red Flags Rule obligations by: (a) implementing policies and procedures to detect relevant Red Flags (as defined under 16 C.F.R. §681.2); (b) taking all steps necessary to comply with the policies and procedures of Covered Entity's Identity Theft Prevention Program; (c) ensuring that any agent or third party who performs services on its behalf in connection with covered accounts of Covered Entity agrees to implement reasonable policies and procedures designed to detect, prevent, and mitigate the risk of identity theft; and (d) alerting Covered Entity of any Red Flag incident (as defined by the Red Flag Rules) of which it becomes aware, the steps it has taken to mitigate any potential harm that may have occurred, and provide a report to Covered Entity of any threat of identity theft as a result of the incident.

C. Permitted Uses and Disclosures by Business Associate

The specific uses and disclosures of PHI that may be made by Business Associate on behalf of Covered Entity include:

1. The preparation of invoices to patients, carriers, insurers and others responsible for payment or reimbursement of the services provided by Covered Entity to its patients;
2. Preparation of reminder notices and documents pertaining to collections of overdue accounts;
3. The submission of supporting documentation to carriers, insurers and other payers to substantiate the healthcare services provided by Covered Entity to its patients or to appeal denials of payment for the same; and
4. Other uses or disclosures of PHI as permitted by HIPAA necessary to perform the services that Business Associate has been engaged to perform on behalf of Covered Entity.

D. Termination

1. Covered Entity may terminate this Agreement if Covered Entity determines that Business Associate has violated a material term of the Agreement.
2. If either party knows of a pattern of activity or practice of the other party that constitutes a material breach or violation of the other party's obligations under this Agreement, that party shall take reasonable steps to cure the breach or end the violation, as applicable, and, if such steps are unsuccessful, terminate the Agreement if feasible.
3. Upon termination of this Agreement for any reason, Business Associate shall return to Covered Entity or destroy all PHI received from Covered Entity, or created, maintained, or received by Business Associate on behalf of Covered Entity that Business Associate still maintains in any form. Business Associate shall retain no copies of the PHI. If return or destruction is infeasible, the protections of this Agreement will extend to such PHI.

E. Amendment

The parties may agree to amend this Agreement from time to time in any other respect that they deem appropriate. This Agreement shall not be amended except by written instrument executed by the parties.

F. Indemnification

BUSINESS ASSOCIATE SHALL INDEMNIFY AND HOLD HARMLESS COVERED ENTITY FROM AND AGAINST ANY AND ALL COSTS, EXPENSES, CLAIMS, DEMANDS, CAUSES OF ACTION, DAMAGES, ATTORNEYS' FEES AND JUDGMENTS THAT ARISE OUT OF OR THAT MAY BE IMPOSED UPON, INCURRED BY, OR BROUGHT AGAINST COVERED ENTITY TO THE EXTENT DIRECTLY RESULTING FROM A BREACH OF THIS AGREEMENT OR ANY VIOLATION OF THE PRIVACY RULE OR OTHER APPLICABLE HIPAA REGULATIONS BY BUSINESS ASSOCIATE. THE INDEMNIFICATION OBLIGATIONS PROVIDED FOR IN THIS SECTION WILL COMMENCE ON THE EFFECTIVE DATE OF THIS AGREEMENT AND WILL SURVIVE ITS TERMINATION.

G. Severability

The parties intend this Agreement to be enforced as written. However, (i) if any portion or provision of this Agreement is to any extent declared illegal or unenforceable by a duly authorized court having jurisdiction, then the remainder of this Agreement, or the application of such portion or provision in circumstances other than those as to which it is so declared illegal or unenforceable, will not be affected thereby, and each portion and provision of this Agreement will be valid and enforceable to the fullest extent permitted by law; and (ii) if any provision, or part thereof, is held to be unenforceable because of the duration of such provision, the Covered Entity and the Business Associate agree that the court making such determination will have the power to modify such provision, and such modified provision will then be enforceable to the fullest extent permitted by law.

H. Notices

All notices, requests, consents and other communications hereunder will be in writing, will be addressed to the receiving party's address set forth below or to such other address as a party may designate by notice hereunder, and will be either (i) delivered by hand, (ii) made facsimile transmission, (iii) sent by overnight courier, or (iv) sent by registered mail or certified mail, return receipt requested, postage prepaid.

If to the Covered Entity:

City of Corinth
Attn: Fire Chief
Lake Cities Fire Department
3101 S. Garrison
Corinth, Texas 76208
Facsimile: (940) 497-3455

If to the Business Associate:

Emergicon, LLC
PO Box 180446
Dallas, TX 75218
Facsimile: (469) 602-5542

with copy to:

Attn: Wm. Andrew Messer
Messer, Rockefeller & Fort, PLLC
6351 Preston Rd., Ste. 350
Frisco, TX 75034
Facsimile: 972-668-6414

I. Miscellaneous

1. The headings and captions of the various subdivisions of the Agreement are for convenience of reference only and will in no way modify or affect the meaning or construction of any of the terms or provisions hereof.
2. This Agreement sets forth the entire understanding of the parties with respect to the subject matter set forth herein and supersedes all prior agreements, arrangements and communications, whether oral or written, pertaining to the subject matter hereof.
3. The provisions of this Agreement shall be binding upon and shall inure to the benefit of both parties and their respective successors and assigns.
4. No failure or delay by a party hereto in exercising any right, power or remedy under this Agreement, and no course of dealing between the parties hereto, will operate as a waiver of any such right, power or remedy of the party. No single or partial exercise of any right, power or remedy under this Agreement by a party hereto, nor any abandonment or discontinuance of steps to enforce any such

right, power or remedy, will preclude such party from any other or further exercise thereof or the exercise of any other right, power or remedy hereunder. The election of any remedy by a party hereto will not constitute a waiver of the right of such party to pursue other available remedies. No notice to or demand on a party not expressly required under this Agreement will entitle the party receiving such notice or demand to any other or further notice or demand in similar or other circumstances or constitute a waiver of the right of the party giving such notice or demand to any other or further action in any circumstances without such notice or demand. The terms and provisions of this Agreement may be waived, or consent for the departure therefrom granted, only by written document executed by the party entitled to the benefits of such terms or provisions. No such waiver or consent will be deemed to be or will constitute a waiver or consent with respect to any other terms or provisions of this Agreement, whether or not similar. Each such waiver or consent will be effective only in the specific instance and for the purpose for which it was given, and will not constitute a continuing waiver or consent.

5. This Agreement will be governed by and construed in accordance with the laws of the State of Texas. Should any action, whether real or asserted, at law or in equity, arise out of the execution, performance, attempted performance of this Agreement, venue for said action shall lie in Denton County, Texas.
6. The parties acknowledge that each party and its counsel have had the opportunity to review and revise this Agreement and that the normal rules of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or exhibits hereto.
7. The person signing this Agreement hereby warrants that he or she has the legal authority to execute this Agreement on behalf of his or her respective party, and that such binding authority has been granted by proper order, resolution, ordinance or other authorization of the entity. The other party is fully entitled to rely on this warranty and representation in entering into this Agreement.

Agreed to this _____ day of _____, 2017

City of Corinth

Emergicon, LLC

By:

By:

Signature

Date



Signature

6 Feb 2017

Date

Print Name

CHRISTOPHER TURNER

Print Name

Title

CEO

Title

City Council Regular and Workshop Session

Meeting Date: 03/16/2017

Title: Purchase Ambulance

Submitted For: Curtis Birt, Chief

Submitted By: Curtis Birt, Chief

City Manager Review:

AGENDA ITEM

Consider and approve purchase of replacement ambulance from Siddons-Martin.

AGENDA ITEM SUMMARY/BACKGROUND

This ambulance will replace our reserve medic and will go into front line service. The front line medic is starting to need constant repair and monitoring and is at the end of its front line life. This medic will be moved to reserve. Our reserve medic is at the end of its life cycle, we will trade in this medic on the new medic after new medic is placed in service. This medic is was bid by three (3) manufactures and found to be best value.

This Medic was approved in the FY 2016-2017 budget and funds are in the LCFD Vehicle and Replacement fund.

RECOMMENDATION

Staff recommends City Council approve the purchase of this equipment.

Attachments

S-M Proposal

Medic Drawings



3500 Shelby Lane
 Denton, Texas 76207
 GDN P115891
 TXDOT MVD No. A115890
 EIN 27-4333590

February 20, 2017

Brandon Shepard, Deputy Chief
 Lake Cities FD
 3101 S Garrison
 Corinth TX 76210

Proposal for Road Rescue Type 1 Ultramedic

Siddons-Martin Emergency Group, LLC is pleased to provide the following proposal to Lake Cities FD. Unit will comply with all specifications attached and made a part of this proposal. Total price includes delivery FOB Lake Cities FD and training on operation and use of the apparatus.

Description	Amount
RRUM, No. 004, Road Rescue Type 1 Ultramedic Dodge, Dodge, 2 Door, Ambulance, Type I, No Tank, No Pump Price guaranteed for 30 days. Delivery within 8.5-9.5 months of order date.	Vehicle Price \$ 257,971.00
	SUB TOTAL \$ 257,971.00
	Extended Chassis Warranty \$ 5,895.00
	2010 Trade In (\$ 12,000.00)
	TOTAL \$ 251,866.00

Additional. This proposal includes a trip to the factory for (2) Lake Cities Fire Department Employees for a final inspection of the completed unit.

Taxes. Tax is not included in this proposal. In the event that the purchasing organization is not exempt from sales tax or any other applicable taxes and/or the proposed apparatus does not qualify for exempt status, it is the duty of the purchasing organization to pay any and all taxes due. Balance of sale price is due upon acceptance of the apparatus at the factory.

Late Fee. A late fee of .033% of the sale price will be charged per day for overdue payments beginning ten (10) days after the payment is due for the first 30 days. The late fee increases to .044% per day until the payment is received. In the event a prepayment is received after the due date, the discount will be reduced by the same percentages above increasing the cost of the apparatus.

Cancellation. In the event this proposal is accepted and a purchase order is issued then cancelled or terminated by Customer before completion, Siddons-Martin Emergency Group may charge a cancellation fee. The following charge schedule based on costs incurred may be applied:

- (A) 10% of the Purchase Price after order is accepted and entered by Manufacturer;
- (B) 20% of the Purchase Price after completion of the approval drawings;
- (C) 30% of the Purchase Price upon any material requisition.

The cancellation fee will increase accordingly as costs are incurred as the order progresses through engineering and into manufacturing. Siddons-Martin Emergency Group endeavors to mitigate any such costs through the sale of such product to another purchaser; however, the customer shall remain liable for the difference between the purchase price and, if applicable, the sale price obtained by Siddons-Martin Emergency Group upon sale of the product to another purchaser, plus any costs incurred by Siddons-Martin to conduct such sale.

Acceptance. In an effort to ensure the above stated terms and conditions are understood and adhered to, Siddons-Martin Emergency Group, LLC requires an authorized individual from the purchasing organization sign and date this proposal and include it with any purchase order. Upon signing of this proposal, the terms and conditions stated herein will be considered binding and accepted by the Customer. The terms and acceptance of this proposal will be governed by the laws of the state of TX. No additional terms or conditions will be binding upon Siddons-Martin Emergency Group, LLC unless agreed to in writing and signed by a duly authorized officer of Siddons-Martin Emergency Group, LLC.

Sincerely,

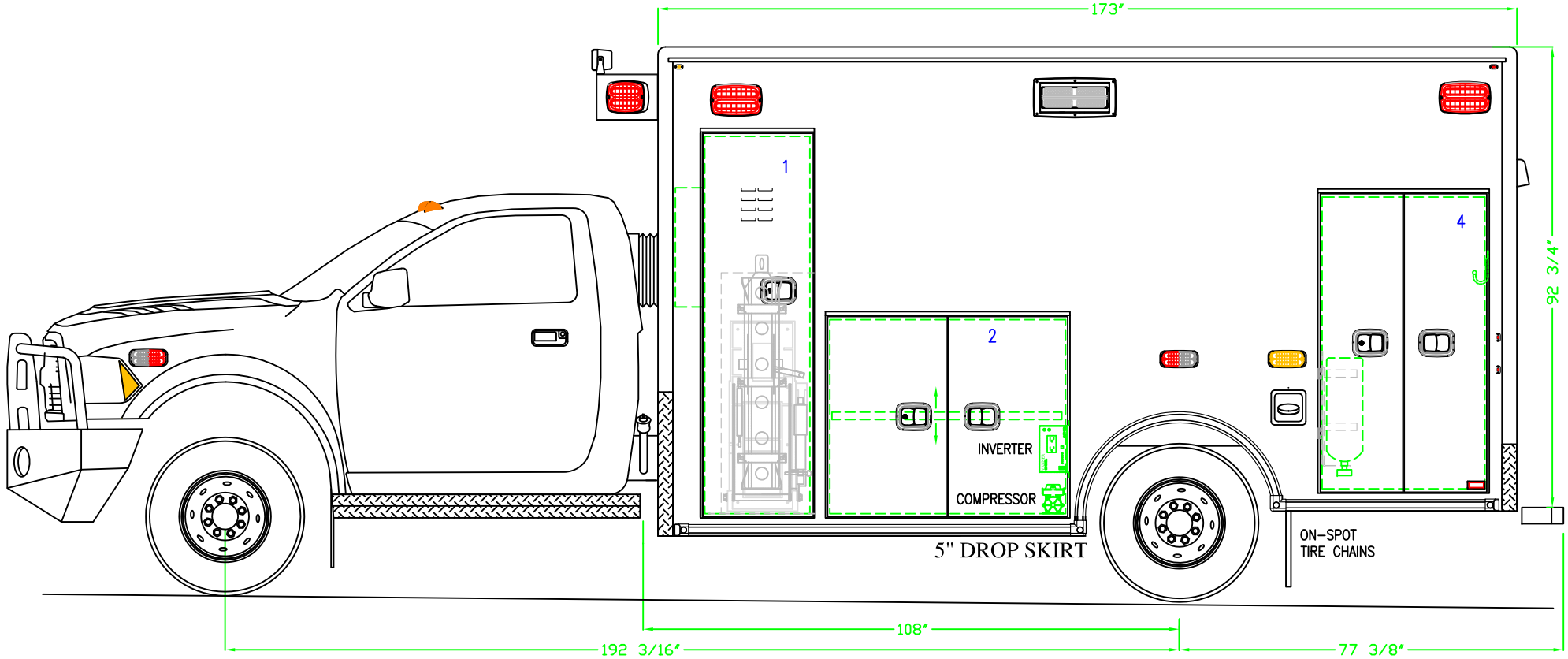
Liz Roberts
Siddons-Martin Emergency Group, LLC

I, _____, the authorized representative of Lake Cities FD, agree to purchase the proposed and agree to the terms of this proposal and the specifications attached hereto.

Signature & Date



LAKE CITIES FIRE DEPARTMENT RAM-5500 4 X 2 ULTRAMEDIC PASS-THROUGH



DOOR NO.	INTERIOR DIMENSIONS			NOTES
	HEIGHT	WIDTH	DEPTH	
1	77.00"	23.25"	22.00"	ZICO O2 LIFT, FIXED L-SHELF
2	40.50"	49.25"	21.25"	(1) ADJ. SHELF
4	59.06"	34.50"	21.25"	SCBA AND TURNOUT STORAGE

DETAILS ARE CONCEPTUAL ONLY.
LAYOUT AND ALL DIMENSIONS ARE APPROXIMATE AND
SUBJECT TO MODIFICATION BY DESIGN ENGINEERING.

PROPRIETARY AND CONFIDENTIAL
THIS INFORMATION CONTAINED IN THIS DRAWING IS THE SOLE PROPERTY OF ROAD RESCUE ANY REPRODUCTION IN PART OR AS A WHOLE WITHOUT THE WRITTEN PERMISSION OF ROAD RESCUE IS PROHIBITED.

Road Rescue 2737 N. FORSYTH RD
WINTER PARK, FL 32792
www.roadrescue.com PHONE 800-932-7077 FAX 800-513-2688

STREETSIDE EXTERIOR DETAIL

BID NUMBER

DRAWN BY RRS DATE 08/30/2016 REVISION 1 09/14/2016

REVISION 2

REVISION 3

SCALE

SHEET 1 OF 9

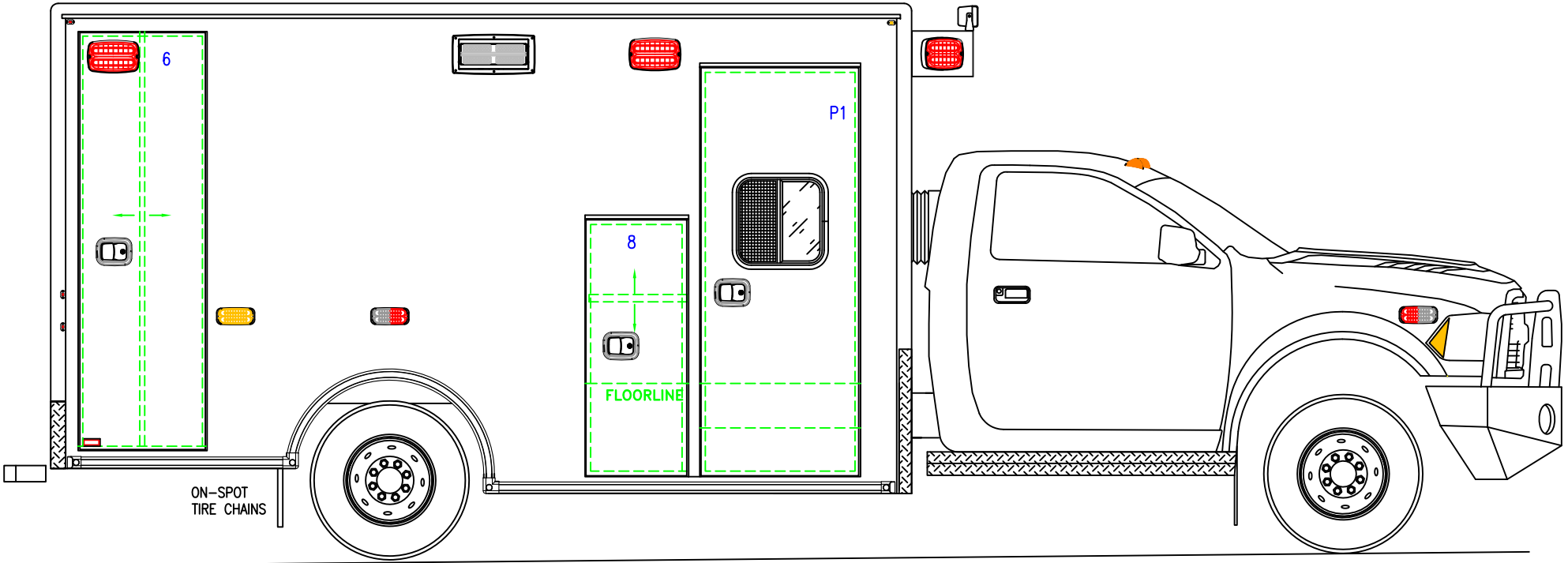


17665





LAKE CITIES FIRE DEPARTMENT RAM-5500 4 X 2 ULTRAMEDIC PASS-THROUGH



DOOR NO.	INTERIOR DIMENSIONS			NOTES	DOOR NO.	DOOR DIMENSIONS		MISC. NOTES
	HEIGHT	WIDTH	DEPTH			HEIGHT	WIDTH	
6	83.50"	25.75"	21.25"	(1) ADJ. DIVIDER	8	51.31"	20.25"	RIGHT STACK/ALS ACCESS
8.5	16.00"	22.00"	21.00"	BATTERY DRAWER	P1	82.00"	30.06"	SLIDING TINTED WINDOW 18" X 18"
<small>DETAILS ARE CONCEPTUAL ONLY. LAYOUT AND ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO MODIFICATION BY DESIGN ENGINEERING.</small>								

PROPRIETARY AND CONFIDENTIAL
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Road Rescue 2737 N. FORSYTH RD
 WINTER PARK, FL 32792
 www.roadrescue.com PHONE 800-932-7077 FAX 800-513-2688

CURBSIDE EXTERIOR DETAIL

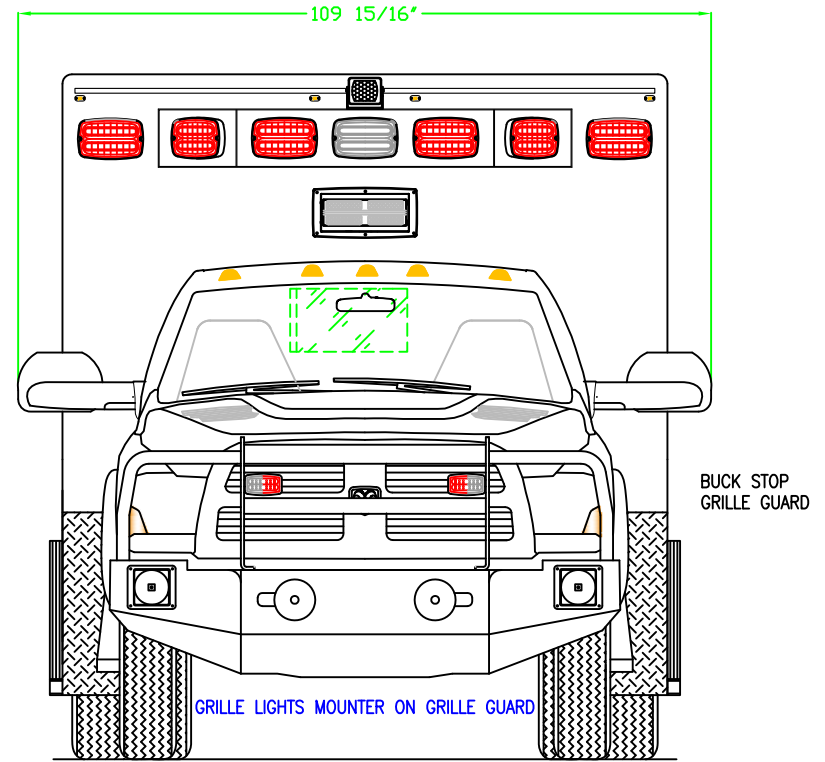
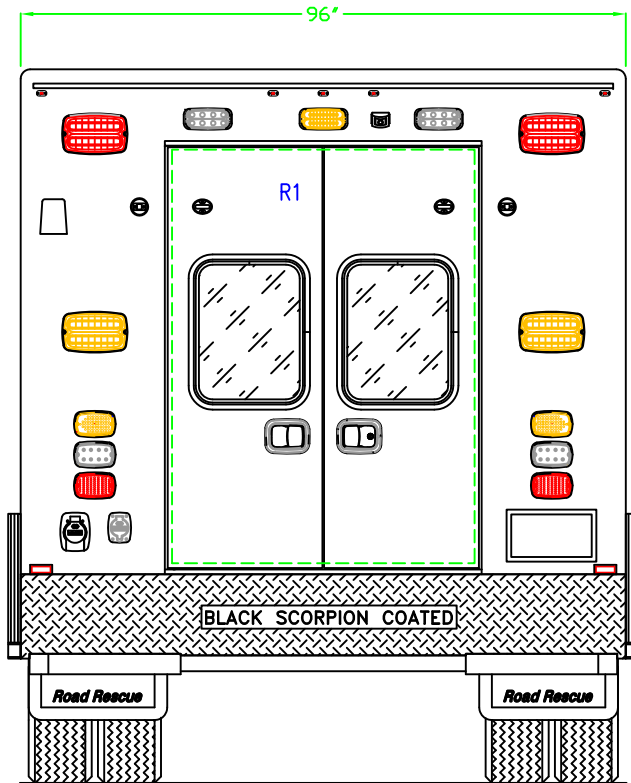
BID NUMBER
17665

DRAWN BY: RRS DATE: 08/30/2016 REVISION 1: 09/14/2016 REVISION 2: REVISION 3: SCALE: SHEET 2 OF 9



LAKE CITIES FIRE DEPARTMENT

RAM-5500 4 X 2 ULTRAMEDIC PASS-THROUGH



DOOR NO.	CLEAR OPENING		NOTES
	HEIGHT	WIDTH	
R1	61.62"	50.25"	FIXED TINTED WINDOWS 18" X 24"
NOTES:			

NOTES:

DETAILS ARE CONCEPTUAL ONLY.
LAYOUT AND ALL DIMENSIONS ARE APPROXIMATE AND
SUBJECT TO MODIFICATION BY DESIGN ENGINEERING.

PROPRIETARY AND CONFIDENTIAL
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Road Rescue 2737 N. FORSYTH RD
WINTER PARK, FL 32792

FRONT & REAR EXTERIOR DETAIL

BID NUMBER
17665

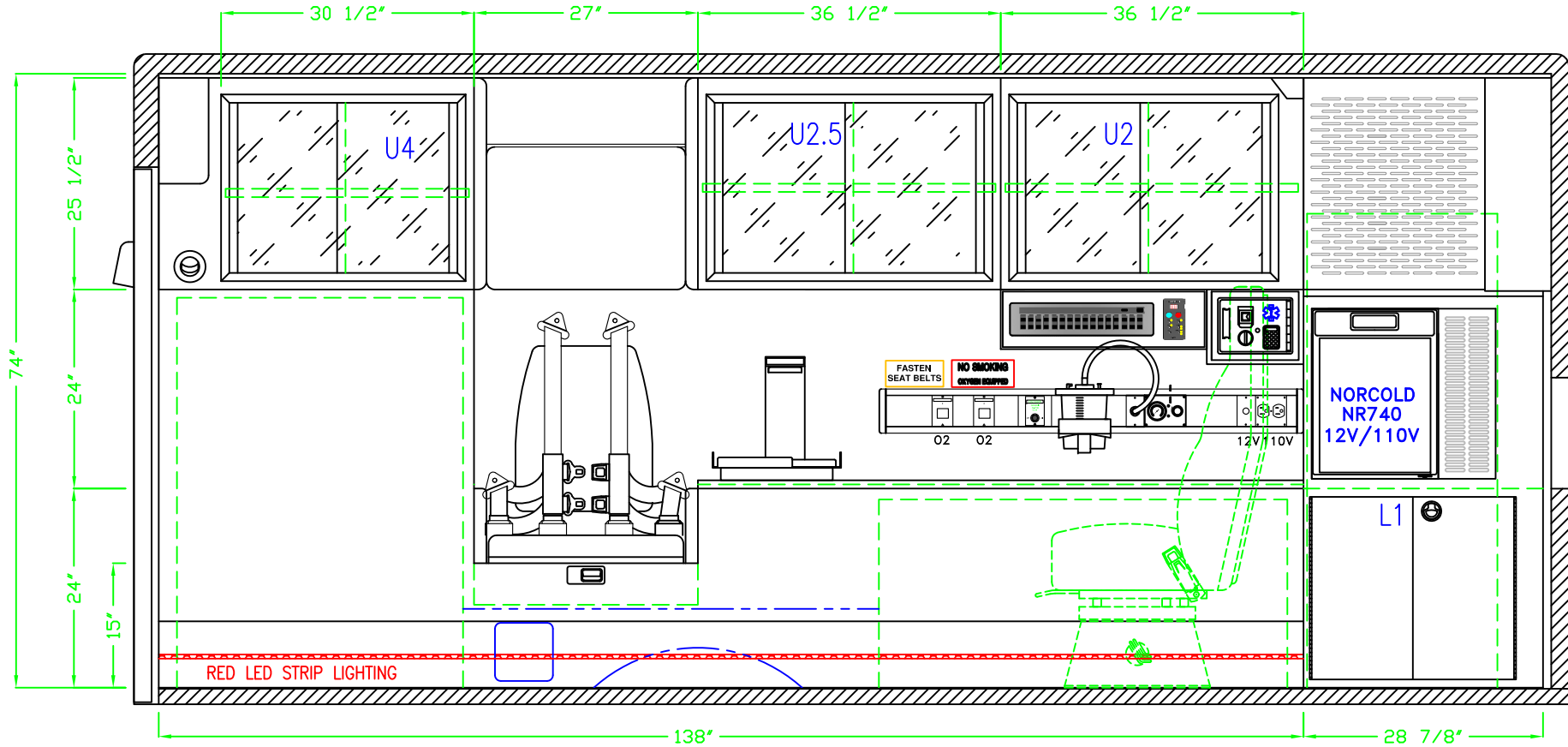
www.roadrescue.com PHONE 800-932-7077 FAX 800-513-2688

DRAWN BY RRS	DATE 08/30/2016	REVISION 1 09/14/2016
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REVISION 2	REVISION 3	SCALE	SHEET 3 OF 9
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LAKE CITIES FIRE DEPARTMENT RAM-5500 4 X 2 ULTRAMEDIC PASS-THROUGH



DOOR NO.	INTERIOR DIMENSIONS			NOTES	DOOR NO.	INTERIOR DIMENSIONS			MISC. NOTES
	HEIGHT	WIDTH	DEPTH			HEIGHT	WIDTH	DEPTH	
C1	23.00"	28.50"	15.50"	DOUBLE ALUM. LOCKING DOOR, (1) ADJ. SHELF	U4	25.50"	30.50"	18.12"	SLIDING PLEX DOORS, (1) ADJ. SHELF, RESTOCK
L1	23.62"	28.50"	15.50"	DOUBLE ALUM. LOCKING DOOR,	DETAILS ARE CONCEPTUAL ONLY. LAYOUT AND ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO MODIFICATION BY DESIGN ENGINEERING.				
U2	25.50"	36.25"	18.12"	SLIDING PLEX DOORS, (1) ADJ. SHELF, RESTOCK					
U2.5	25.50"	36.25"	18.12"	SLIDING PLEX DOORS, (1) ADJ. SHELF, RESTOCK					

PROPRIETARY AND CONFIDENTIAL
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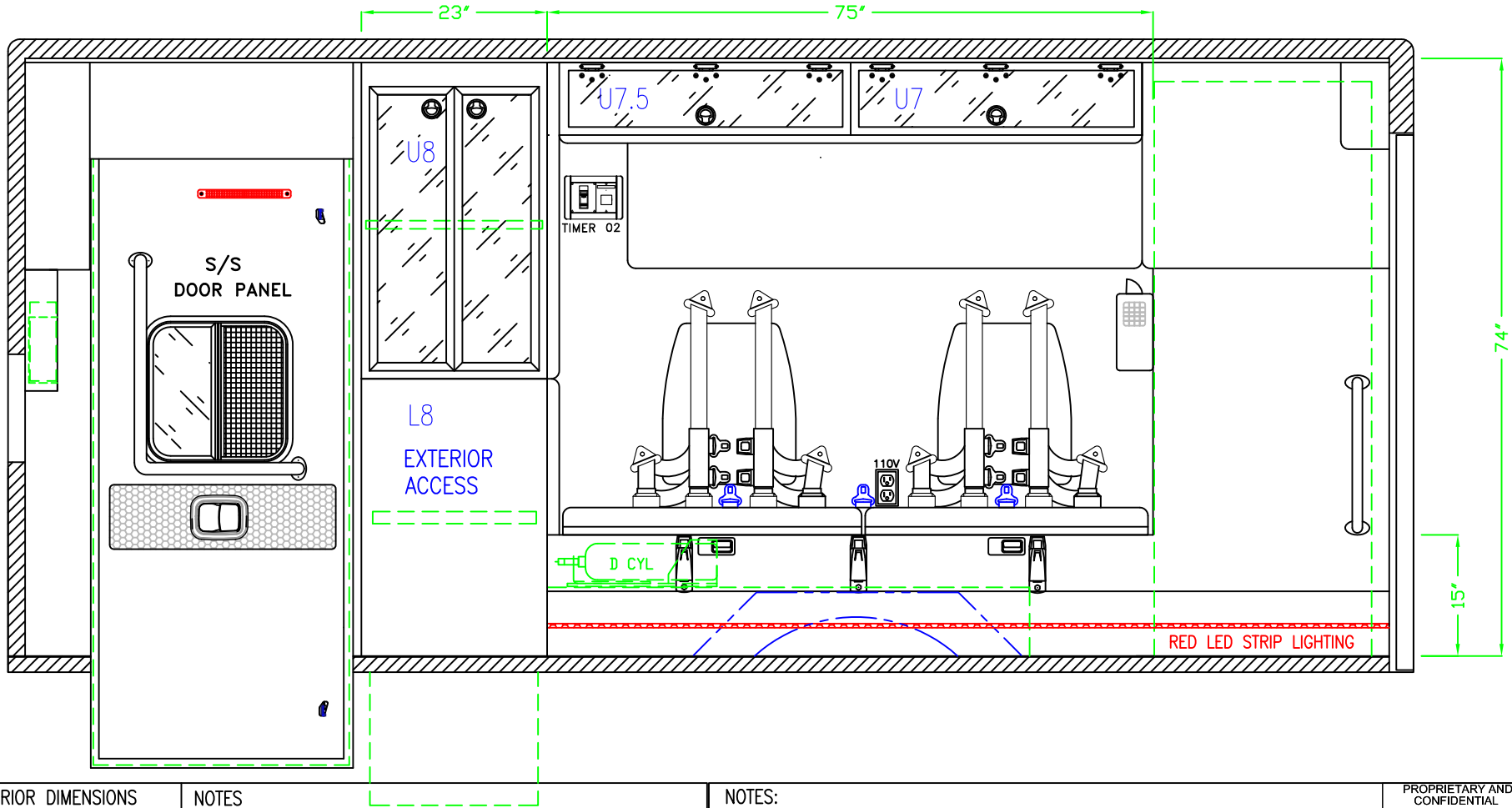
Road Rescue 2737 N. FORSYTH RD
 WINTER PARK, FL 32792
 www.roadrescue.com PHONE 800-932-7077 FAX 800-513-2688
 DRAWN BY DATE REVISION 1 REVISION 2 REVISION 3 SCALE
 RRS 08/30/2016 09/14/2016

STREETSIDE INTERIOR DETAIL

BID NUMBER
17665



LAKE CITIES FIRE DEPARTMENT RAM-5500 4 X 2 ULTRAMEDIC PASS-THROUGH



DOOR NO.	INTERIOR DIMENSIONS			NOTES
	HEIGHT	WIDTH	DEPTH	
U7	9.00"	37.00"	8.50"	LIFT UP DOOR, RESTOCK
U7.5	9.00"	35.00"	8.50"	LIFT UP DOOR, RESTOCK
U8	39.00"	26.00"	8.50"	FRAMED LEXAN DOORS, (1) ADJ. SHELF

NOTES:

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Road Rescue 2737 N. FORSYTH RD
WINTER PARK, FL 32792
www.roadrescue.com PHONE 800-932-7077 FAX 800-513-2688

CURBSIDE INTERIOR DETAIL

BID NUMBER

DRAWN BY RRS DATE 08/30/2016 REVISION 1 09/14/2016

REVISION 2

REVISION 3

SCALE

SHEET 5 OF 9

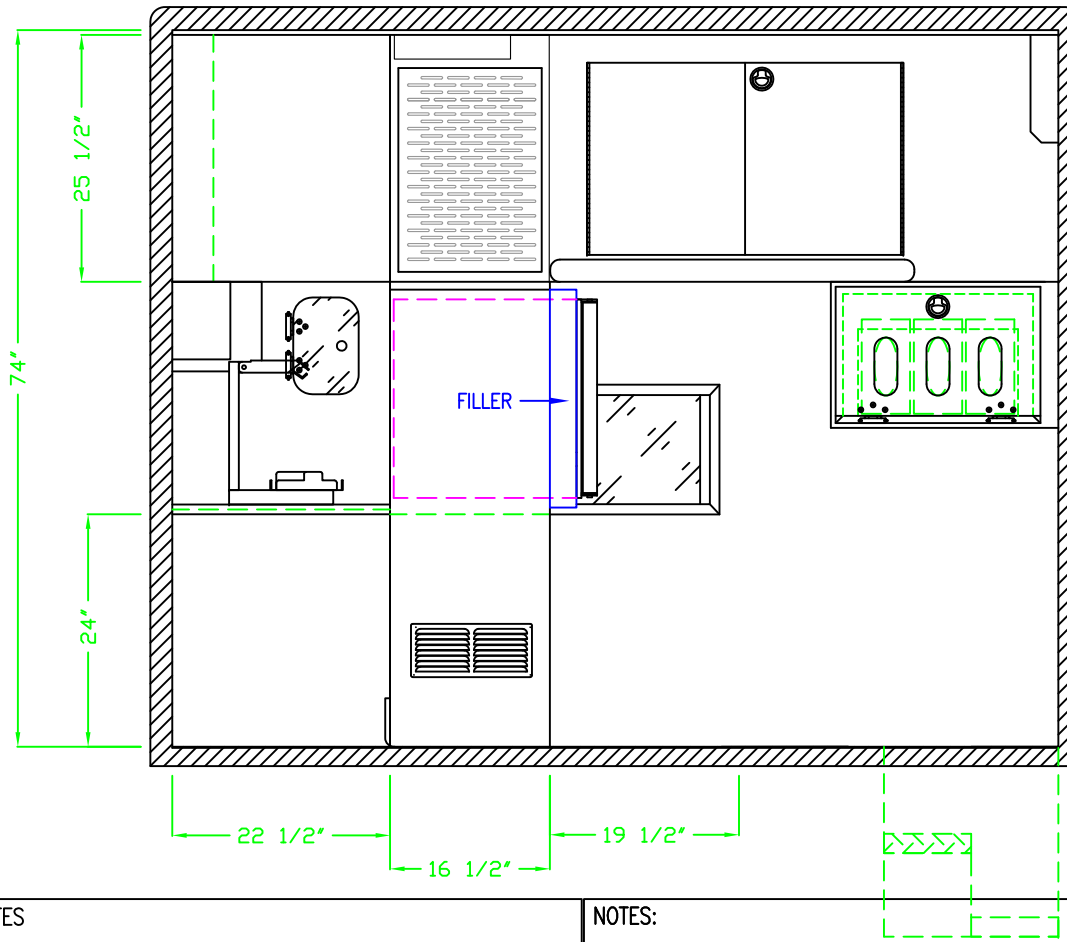


17665





LAKE CITIES FIRE DEPARTMENT RAM-5500 4 X 2 ULTRAMEDIC PASS-THROUGH



DOOR NO.	INTERIOR DIMENSIONS			NOTES
	HEIGHT	WIDTH	DEPTH	
U8	10.00"	25.00"	26.00"	SINGLE ALUM. DOOR, LOCKING LATCH
L8	50.00"	28.00"	26.00"	DOUBLE PLEX DOORS, (2) ADJ. SHELVES

NOTES:

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Road Rescue 2737 N. FORSYTH RD
WINTER PARK, FL 32792

FRONT INTERIOR DETAIL

BID NUMBER
17665

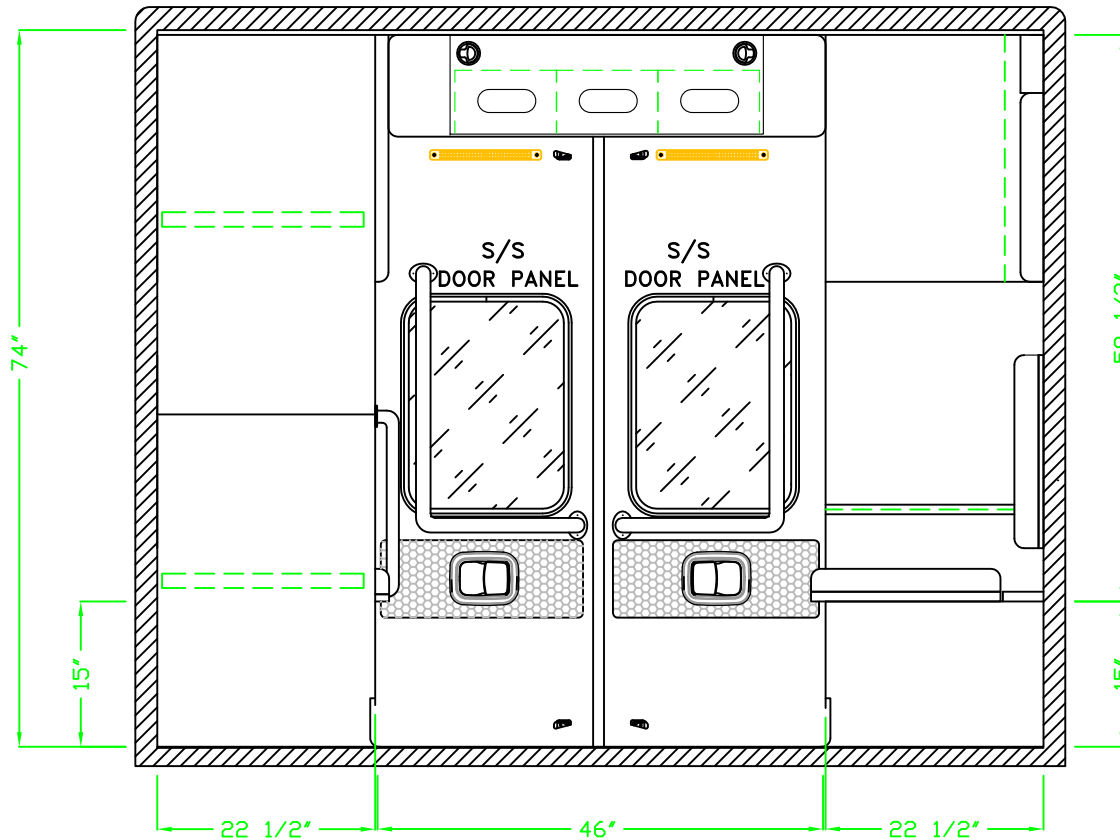
www.roadrescue.com PHONE 800-932-7077 FAX 800-513-2688

DRAWN BY RRS	DATE 08/30/2016	REVISION 1 09/14/2016	REVISION 2	REVISION 3	SCALE
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SHEET 6 OF 9



LAKE CITIES FIRE DEPARTMENT RAM-5500 4 X 2 ULTRAMEDIC PASS-THROUGH



NOTES:

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Road Rescue

2737 N. FORSYTH RD
WINTER PARK, FL 32792

REAR INTERIOR DETAIL

BID NUMBER

www.roadrescue.com PHONE 800-932-7077 FAX 800-513-2688

DRAWN BY RRS	DATE 08/30/2016	REVISION 1 09/14/2016	REVISION 2
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REVISION 2

REVISION 3

SCALE

SHEET 7 OF 9



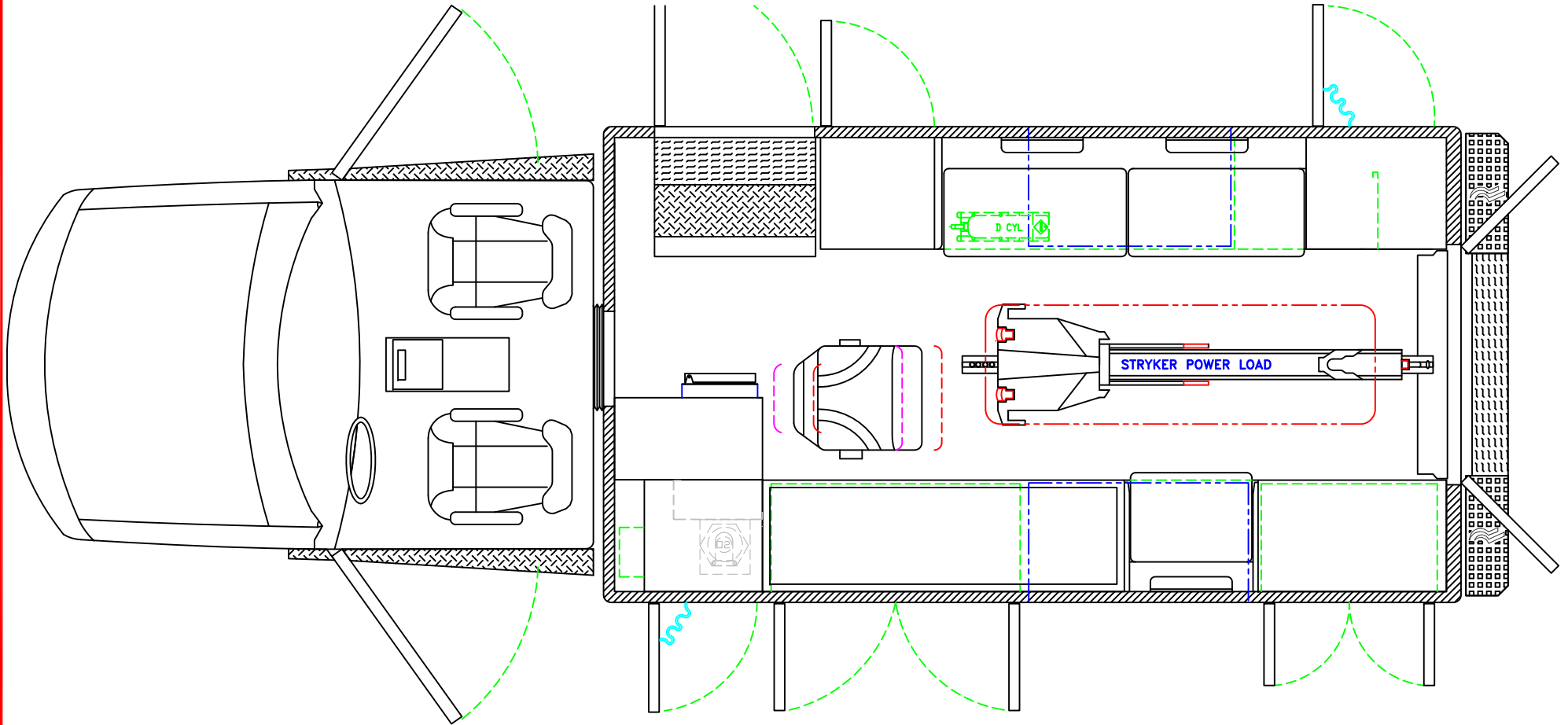
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LAKE CITIES FIRE DEPARTMENT RAM-5500 4 X 2 ULTRAMEDIC PASS-THROUGH



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Road Rescue

2737 N. FORSYTH RD
WINTER PARK, FL 32792

OVERHEAD FLOOR DETAIL

BID NUMBER

www.roadrescue.com PHONE 800-932-7077 FAX 800-513-2688

DRAWN BY DATE REVISION 1 REVISION 2 REVISION 3 SCALE

RRS 08/30/2016

09/14/2016

REVISION 2

REVISION 3

SCALE

SHEET 8 OF 9

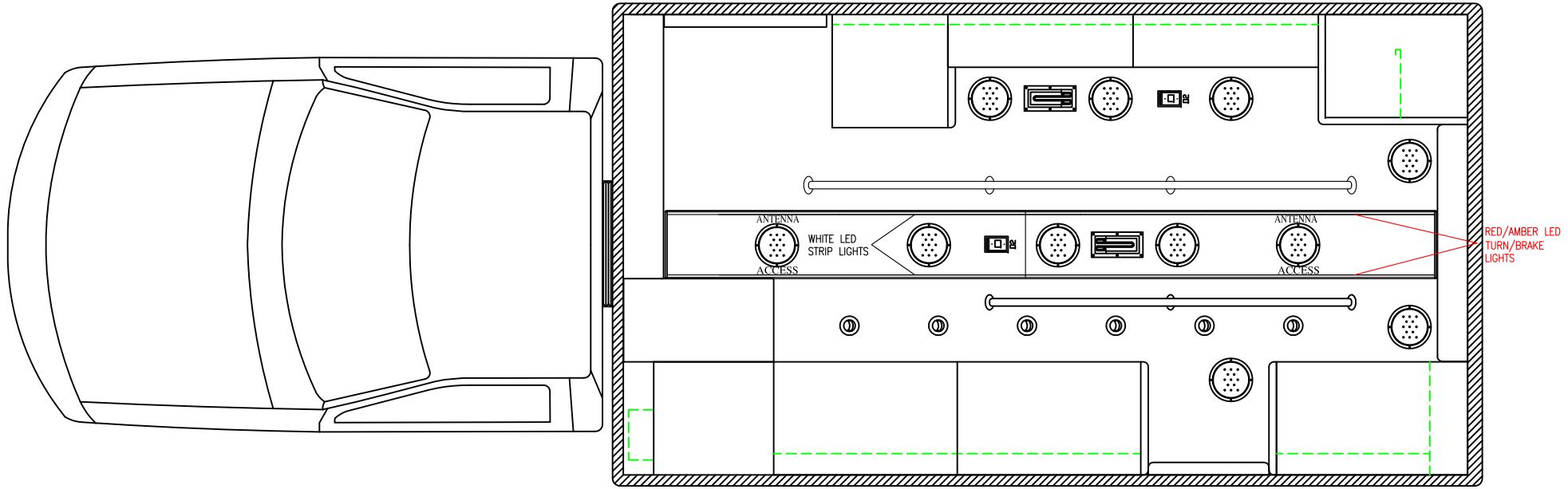


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LAKE CITIES FIRE DEPARTMENT RAM-5500 4 X 2 ULTRAMEDIC PASS-THROUGH





NOTES:

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Road Rescue 2737 N. FORSYTH RD
 WINTER PARK, FL 32792
 www.roadrescue.com PHONE 800-932-7077 FAX 800-513-2688

OVERHEAD CEILING DETAIL

BID NUMBER
 **17665** 

DRAWN BY RRS DATE 08/30/2016 REVISION 1 09/14/2016 REVISION 2 REVISION 3 SCALE SHEET 9 OF 9

City Council Regular and Workshop Session

Meeting Date: 03/16/2017

Title: Medic Financing

Submitted For: Curtis Birt, Chief

Submitted By: Curtis Birt, Chief

City Manager Review:

AGENDA ITEM

Consider and act on Resolution with Government Capital regarding a financial contract for the purpose of procuring a replacement 2017 Road Rescue Ambulance.

AGENDA ITEM SUMMARY/BACKGROUND

Government Capital will provide funding under a Tax Exempt Contractual Obligation under Public Property Finance Act Contract. Contract for \$251,866 over seven (7) years with a payment of \$40,410.86 per year.

RECOMMENDATION

Staff recommends approval.

Attachments

Medic Finance Resolution

Finance Proposal

Resolution # _____

A RESOLUTION REGARDING A FINANCE AGREEMENT FOR THE PURPOSE OF PROCURING AN AMBULANCE.

WHEREAS, contingent upon the approval of the Attorney for the City of Corinth (the City), the City desires to enter into certain Finance Agreement dated as of (Council Mtg. Date), by and between the City of Corinth and Government Capital Corporation, for the purpose of procuring an Ambulance. The City of Corinth desires to designate this Agreement as a "qualified tax-exempt obligation" of the City for the purpose of Section 265 (b)(3) of the Internal Revenue Code of 1986, as amended. The City desires to designate Bob Hart, City Manager, as an authorized signer of the Agreement.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CORINTH.

Section 1: The City enter into a Finance Agreement with Government Capital Corporation for the purpose of procuring an Ambulance.

Section 2: That the Finance Agreement dated (Council Mtg. Date), by and between the City of Corinth and Government Capital Corporation is designated by the City as a "qualified tax exempt obligation" for the purposes of Section 265 (b)(3) of the Internal Revenue Code of 1986, as amended.

Section 3: The City designates Bob Hart, City Manager as an authorized signer of the Finance Agreement dated as of (Council Mtg. Date) by and between the City of Corinth and Government Capital Corporation.

PASSED AND APPROVED by the City Council of in a meeting held on _____

Mayor Signature

Printed Name

ATTEST:

City Secretary

Monday, February 27, 2017

City of Corinth
Lake Cities Fire Dept
3300 Corinth Parkway
Corinth, TX 76208

Deputy Chief Shepard

Thank you for the opportunity to present proposed financing for the City of Corinth. I understand Lake Cities Fire Department / the City of Corinth is considering the acquisition of an Ambulance, and is interested in utilizing Tax Exempt financing. I am submitting for your review the following proposed financing structures.

BORROWER:	The City of Corinth, TX
FINANCING STRUCTURE:	Tax Exempt Contractual Obligation Public Property Finance Act Contract

PROPOSED EQUIPMENT AMOUNT:	<u>\$ 251,866.00</u>
----------------------------	-----------------------------

PAYMENT TERM:	<u>5 Annual Pmts</u>
INTEREST RATE:	2.895%
PAYMENT AMOUNT:	\$ 54,205.67/yr

PAYMENT TERM:	<u>7 Annual Pmts</u>
INTEREST RATE:	2.99%
PAYMENT AMOUNT:	\$ 39,935.06/yr

First Payment will be due October 16, 2017 with subsequent payments due annually thereafter.

The above proposal is an expression of interest, subject to audit analysis and mutually acceptable documentation and is not a binding commitment. The terms outlined herein are subject to change and rates are valid for fourteen (14) days from the date of this proposal. If funding does not occur within this time period, rates and terms may be indexed to current market at that time.

Our finance programs are extremely flexible and our goal is total customer satisfaction. If you have any questions or wish to consider other payment terms, frequencies or conditions, please contact me toll free at (800) 883-1199 x116.

With Best Regards,

Kevin D. Lerner

Kevin D. Lerner
Vice President, Public Finance

City Council Regular and Workshop Session

Meeting Date: 03/16/2017
Title: Annual Audit
Submitted For: Lee Ann Bunselmeyer, Director
Submitted By: Lee Ann Bunselmeyer, Director
City Manager Review: Approval: Bob Hart, City Manager

AGENDA ITEM

Accept the Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30, 2016, as presented by Davis Kinard & Co, PC.

AGENDA ITEM SUMMARY/BACKGROUND

The City Charter, in compliance with Chapter 103 of the Local Government Code requires an annual independent audit. The audit of the City of Corinth's financial records for the year-ended September 30, 2016 was conducted by Davis, Kinard & Co, PC. The audit firm, in its second year as the City's independent audit firm, issued an unqualified opinion on the financial statements, stating that the financial statements present fairly, in all material respects, the City's financial position in conformity with generally accepted accounting principles.

The Comprehensive Annual Financial Report (CAFR) was presented to the Citizen Finance Audit Committee on Tuesday, February 15, 2017. Representatives from Davis Kinard & Co, PC will be present at the City Council meeting to provide their opinion.

RECOMMENDATION

Staff recommends accepting the Comprehensive Annual Financial Report for the Fiscal Year ended September 30, 2016.

Attachments

Presentation
September 2016 Financial Report
CAFR



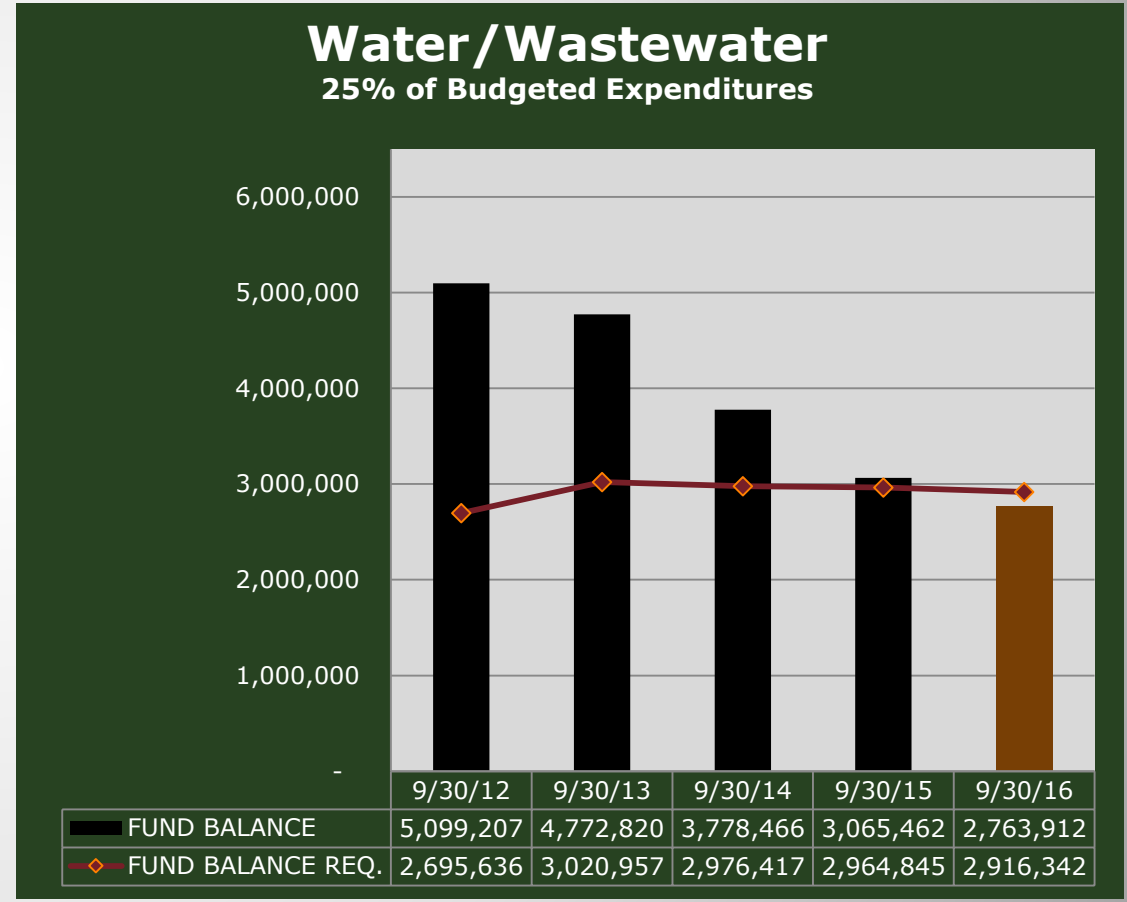
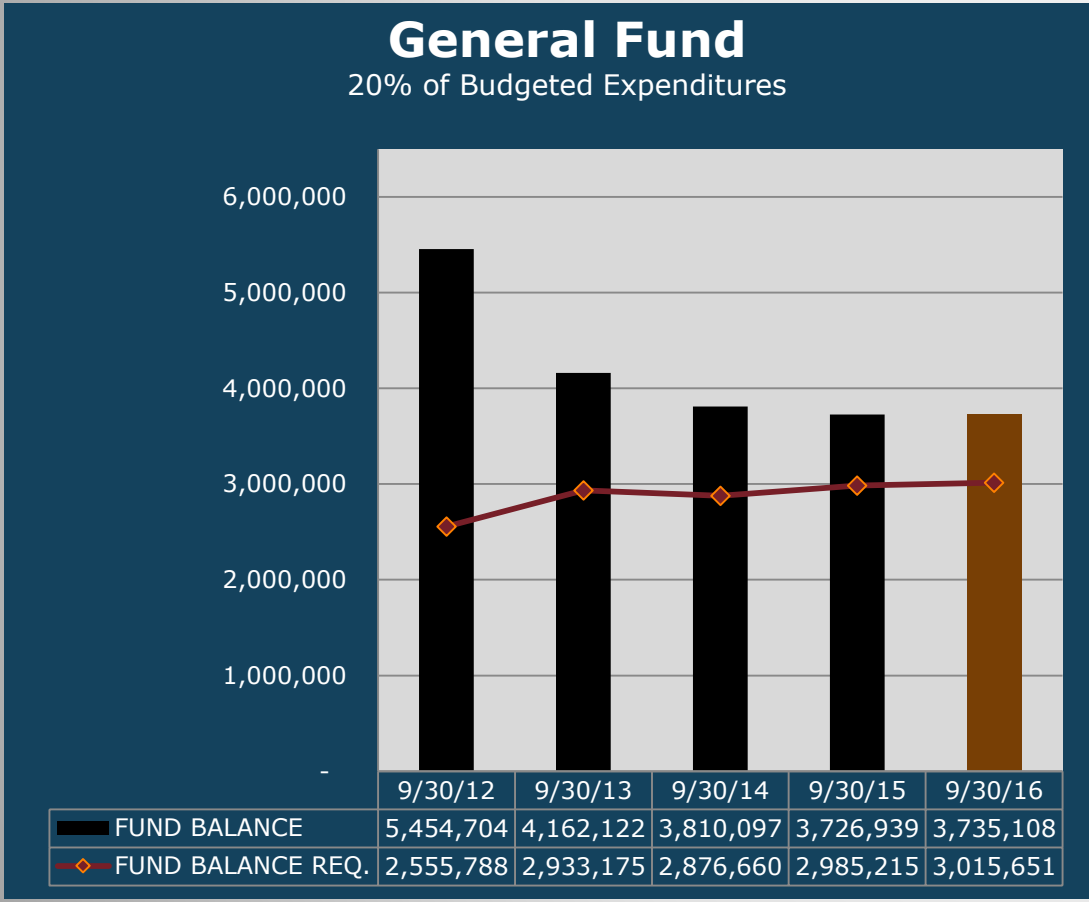
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the fiscal year ended September 30, 2016

Comprehensive Annual Financial Report (CAFR)

- Report is organized into three sections:
 - Introductory, Financial & Statistical Section
- CAFR has been designed to comply with GAAP/GASB guidelines
- City has received an unqualified opinion from the audit firm
- Three suggested audit adjustments.
 - Current Year GASB 68 adjustment – Net Pension Asset/Liability on Financial Statements
 - Year-End Debt Entry correction
 - Year-End Lease Entry correction

Fund Balance Historical Analysis

Actual vs Policy Requirement



ENDING FUND BALANCE COMPARISON

	9/30/2015	9/30/2016	Variance	% Change
Operating Funds	\$11,119,908	\$11,328,070	\$ 208,162	1.9%
Reserve Funds	224,419	347,253	122,834	54.7%
Internal Service Funds	1,587,445	1,705,614	118,169	7.4%
Impact/Escrow Funds	1,008,342	1,048,540	40,198	4.0%
Bond/Capital Project Funds ⁽¹⁾	3,250,965	13,676,737	10,425,772	320.7%
Special Revenue Funds	441,490	748,464	306,974	69.5%
Grant Funds ⁽²⁾	9,818	1,895	(7,923)	-80.7%
Total all Funds	\$17,642,386	\$28,856,573	\$11,214,187	63.6%

(1) The net increase in fund balance is due to the May 2016 bond sale of \$13 million and the purchase of the Public Safety Facility for \$3 million.

(2) Decrease in fund balance is due to the closing out of the TxDOT Grant Fund.

GENERAL LONG-TERM DEBT

As of September 30, 2016

Issue	Original Principal Amount of Issue	Outstanding Principal as of 09/30/16	Outstanding Interest as of 09/30/16	Total Outstanding as of 09/30/16	%	Fiscal Year 2015-2016			
						General Fund Payment	Water/ WW Payment	Drainage Payment	Total Debt Payment
2001 GO	2,000,000	-	-	-	0.0%	127,969	-	-	127,969
2005 GO Refunding	5,080,000	1,510,000	78,700	1,588,700	29.7%	475,860	134,217	-	610,077
2007 GO Refunding	5,250,000	2,765,000	197,538	2,962,538	52.7%	714,500	151,561	-	866,060
2007 CO	24,020,000	15,245,000	4,688,800	19,933,800	63.5%	771,746	845,140	195,277	1,812,163
2010 CO	1,500,000	335,000	23,026	358,026	22.3%	140,196	-	-	140,196
2016 CO	13,275,000	13,275,000	7,295,277	20,570,277	100.0%	-	-	-	-
Total	\$ 51,125,000	\$ 33,130,000	\$ 12,283,342	\$ 45,413,342	64.8%	\$ 2,230,270	\$ 1,130,917	\$ 195,277	\$ 3,556,465

General Fund total Outstanding \$33,100,790
Water/Wastewater Fund total Outstanding \$10,122,085
Drainage Fund total Outstanding \$2,190,467



City of Corinth

Monthly Financial Report

For the Period Ended September 30, 2016

About This Report

This report has been prepared by the City of Corinth's Finance Department. The Comprehensive Monthly Financial Report (CMFR) is intended to provide our audience (internal and external users) with timely and relevant information regarding the City's financial position.

This report includes information for the month ending September 2016 and is presented in four sections.

1. The Financial Summary section reports the performance of the major operating funds of the City. In addition, the report provides a comparison to budget for major revenue sources and expenditure items. Narrative disclosures are included to highlight any significant changes or fluctuations.
2. The Revenue & Economic Analysis section provides additional analysis regarding key revenue sources and economic indicators.
3. The Executive Summary section contains a high level fund balance summary for all City funds. The report provides year-to-date revenues, expenditures, and transfers.
4. The Capital Improvement Program Report contains a high level expenditure summary for all CIP projects. The report contains a fund summary and a project summary that provides revenues, current and historical expenditures, and available fund balance.

If you would like additional information, feel free to contact the Finance Department at (940) 498-3280.

Section 1

City of Corinth
Monthly Financial Report
September 2016

FINANCIAL SUMMARY

This report is designed for internal use and does not include all the funds and accounts included in the City of Corinth's operations. For a complete report, refer to the City of Corinth's Annual Financial Report available on the city's website at www.cityofcorinth.com



City of Corinth General Fund

Schedule of Revenues & Expenditures - Budget vs Actual (Unaudited)
For the Period Ended September 2016

	Current Fiscal Year, 2015-2016					Prior Year
	Budget FY 2015-16	September 2016 Actual	Year-to- Date Actual	Y-T-D Variance	Y-T-D % of Budget	Sep-15 Y-T-D Actual
RESOURCES						
Property Taxes	\$ 7,232,923	\$ 8,170	\$ 7,237,081	\$ 4,158	100.1%	\$ 6,964,929
Delinquent Tax, Penalties & Interest	34,500	(70,648)	37,579	3,079	108.9%	94,745
Sales Tax	1,238,319	350,612	1,374,704	136,385	111.0%	1,288,977
Franchise Fees	1,076,835	249,117	1,068,911	(7,924)	99.3%	1,074,215
Utility Fees	12,500	40	29,761	17,261	238.1%	19,113
Traffic Fines & Forfeitures	753,154	44,336	682,805	(70,349)	90.7%	650,649
Development Fees & Permits	380,937	22,436	488,865	107,928	128.3%	592,175
Police Fees & Permits	24,100	2,815	29,834	5,734	123.8%	28,383
Recreation Program Revenue	174,532	5,441	147,343	(27,189)	84.4%	166,401
Fire Services	2,453,651	298,419	2,588,686	135,035	105.5%	2,532,951
Investment Income	28,130	2,131	40,124	11,994	142.6%	39,762
Miscellaneous	73,600	13,896	33,202	(40,398)	45.1%	75,812
Charges for Services	1,248,571	2,423	1,247,533	(1,038)	99.9%	1,213,905
Transfer In	99,230	(19,235)	79,995	(19,235)	80.6%	100,897
TOTAL ACTUAL RESOURCES	14,830,982	909,953	15,086,425	255,443	101.7%	14,842,916
Use of Fund Balance	647,000		-		0.0%	83,159
TOTAL RESOURCES	\$ 15,477,982	\$ 909,953	\$ 15,086,425	\$ 255,443	97.5%	\$ 14,926,074
EXPENDITURES						
Wages & Benefits	11,125,259	1,094,983	10,871,013	(254,246)	97.7%	10,749,074
Professional Fees	1,476,266	116,944	1,404,867	(71,399)	95.2%	1,205,135
Maintenance & Operations	587,237	93,823	558,210	(29,027)	95.1%	504,534
Supplies	389,601	47,902	376,875	(12,726)	96.7%	354,188
Utilities & Communications	631,884	94,228	609,756	(22,128)	96.5%	565,709
Vehicles/Equipment & Fuel	344,484	61,002	343,599	(885)	99.7%	316,811
Training	94,521	12,435	86,662	(7,859)	91.7%	101,819
Capital Outlay	255,726	80,583	254,271	(1,455)	99.4%	173,414
Charges for Services	156,381	-	156,381	-	100.0%	120,826
Transfer Out	416,623	80,000	416,623	-	100.0%	834,565
TOTAL EXPENDITURES	\$ 15,477,982	\$ 1,681,900	\$ 15,078,256	\$ (399,726)	97.4%	\$ 14,926,074
EXCESS/(DEFICIT)	\$ -	\$ (771,946)	\$ 8,169	\$ 655,169		\$ -

KEY TRENDS

Resources	Expenditures
<p>Property Taxes are received primarily in December & January and become delinquent February 1st.</p> <p>Sales Tax - As required by the Government Accounting Standards Board, sales tax is reported for the month it is collected by the vendor. September 2016 revenues are remitted to the City in November 2016. Sales Tax received in September represents July collections.</p> <p>Franchise Fees - Oncor and Atmos franchise payments represent half of the total franchise taxes budgeted. Oncor remits payments on a quarterly basis. Atmos franchise payments are received annually, typically in January or February.</p> <p>Recreation revenue - includes special events, facility rentals and summer camp programs. Summer camp registration starts April 1st.</p> <p>Transfer In includes \$79,994 from the Water/Wastewater Fund for the HOA Water Contracts and \$.58 from the Confiscation Fund to close out the fund.</p>	<p>Transfer Out includes \$146,965 from the Fire Department to the Vehicle Replacement Fund for the future purchases of vehicles and equipment, \$22,150 to the Tech Replacement Fund for the future purchases of computers, \$100,000 to the General Government Capital Improvement Fund for the Public Safety Communications Upgrade, \$17,508 to the Municipal Court Security Fund for a part-time bailiff, \$50,000 to the General Fund Vehicle & Equipment Replacement Fund for the future purchases of vehicles and equipment, \$30,000 to the General Capital Improvement Fund for the Little Elm Training Field and \$50,000 to the General Capital Improvement Fund for the Planning & Development Software.</p> <p>Budget Amendments: The following amendments were approved by City Council: Ordinance #15-12-17-25 for \$100,000 for legal services on December 17, 2015, Ordinance #16-03-17-06 for \$40,000 for legal services on March 16, 2016 and Ordinance #16-06-16-17 for \$100,000 for legal services on June 16, 2016.</p>



City of Corinth
Water & Wastewater Fund

Schedule of Revenues & Expenditures - Budget vs Actual (Unaudited)
 For the Period Ended September 2016

	Current Fiscal Year, 2015-2016					Prior Year
	Budget FY 2015-16	September 2016 Actual	Year-to- Date Actual	Y-T-D Variance	Y-T-D % of Budget	Sep-15 Y-T-D Actual
RESOURCES						
Water Charges	\$ 6,199,557	\$ 659,420	\$ 5,662,493	\$ (537,064)	91.3%	\$ 5,517,835
Wastewater Disposal Charges	4,282,865	365,845	4,308,415	25,550	100.6%	4,308,468
Garbage Revenue	781,000	61,494	735,646	(45,354)	94.2%	677,479
Garbage Sales Tax Revenue	64,000	4,966	59,377	(4,623)	92.8%	52,907
Water Tap Fees	60,000	1,500	61,711	1,711	102.9%	90,100
Wastewater Tap Fees	40,000	1,210	49,940	9,940	124.9%	65,340
Service/Reconnect & Inspection Fees	52,000	4,300	71,731	19,731	137.9%	73,243
Penalties & Late Charges	160,000	15,486	142,718	(17,282)	89.2%	146,914
Investment Interest	6,000	903	7,363	1,363	122.7%	6,996
Credit Card Processing Fees	48,000	5,530	66,238	18,238	138.0%	57,433
Miscellaneous	8,000	103	6,616	(1,384)	82.7%	4,904
Charges for Services	191,569	-	191,569	-	100.0%	144,758
Transfer In	-	-	-	-	0.0%	-
TOTAL ACTUAL RESOURCES	11,892,991	1,120,757	11,363,816	(529,175)	95.6%	11,146,377
Use of Fund Balance	97,380	-	301,550	204,170	0.0%	713,004
TOTAL RESOURCES	\$ 11,990,371	\$ 1,120,757	\$ 11,665,366	\$ (325,005)	97.3%	\$ 11,859,381
EXPENDITURES						
Wages & Benefits	1,521,486	232,083	1,546,454	24,968	101.6%	1,317,787
Professional Fees	2,130,242	179,790	2,119,044	(11,198)	99.5%	1,930,217
Maintenance & Operations	402,585	47,162	384,255	(18,330)	95.4%	513,590
Supplies	90,886	11,395	74,691	(16,195)	82.2%	105,148
Utilities & Communication	5,373,373	491,588	5,372,011	(1,362)	100.0%	5,140,323
Vehicles/Equipment & Fuel	108,484	14,438	108,435	(49)	100.0%	106,160
Training	12,489	99	10,416	(2,073)	83.4%	11,848
Capital Outlay	66,624	63,707	66,623	(1)	100.0%	37,861
Debt Service	1,144,695	-	1,139,315	(5,380)	99.5%	1,136,250
Charges for Services	710,627	-	710,627	-	100.0%	678,428
Transfer Out	428,880	(411,969)	133,494	(295,386)	31.1%	881,770
TOTAL EXPENDITURES	\$ 11,990,371	\$ 628,294	\$ 11,665,366	\$ (325,005)	97.3%	\$ 11,859,381
EXCESS/(DEFICIT)	\$ -	\$ 492,463	\$ -	\$ -		\$ -

KEY TRENDS

Resources	Expenditures
<p>Operating revenues are determined by the water and wastewater rates, as well as, the volume of water sold and wastewater treated. These revenues are highly influenced by weather patterns.</p> <p>Water and Wastewater Disposal Charges: The FY 2015-16 budget incorporates the second year of the adopted three year rate structure for water and wastewater services, as adopted by ordinance in May 2014.</p> <p>Going into the summer months, water charges were below budget by 37%. Typically water usage increases during the summer due to the higher temperatures and less rainfall. However, the summer of 2016 received on average 4 inches compared to the prior summer's average of 2 inches. Additionally, the average temperature was 1.35% lower than the prior summer. These variables resulted in less water usage by the citizens, causing water charges revenues to be below budget.</p>	<p>Operating expenses are dominated by contractual payments for 1) the purchase of water for resale and City use from the Upper Trinity Regional Water District; 2) wastewater treatment from Upper Trinity Regional Water District and the City of Denton.</p> <p>Debt Service payments are processed in February and August.</p> <p>Transfer Out includes \$79,994 to the General Fund for the homeowner's association water credits, \$50,000 contribution to the Utility Meter Replacement Fund for the future purchases of water taps and meters and \$3,500 to the Tech Replacement Fund for the future purchases of computers.</p> <p>Budget Amendment was approved by City Council on December 3, 2015 for \$40,289 for the Brookshire Run sewer line replacement, Ord# 15-12-03-24.</p>



City of Corinth

Storm Water Utility Fund

Schedule of Revenues & Expenditures - Budget vs Actual (Unaudited)
For the Period Ended September 2016

	Current Fiscal Year, 2015-2016					Prior Year
	Budget FY 2015-16	September 2016 Actual	Year-to- Date Actual	Y-T-D Variance	Y-T-D % of Budget	Sep-15 Y-T-D Actual
RESOURCES						
Storm Water Utility Fee	\$ 680,000	\$ 58,732	\$ 695,050	\$ 15,050	102.2%	\$ 686,296
Investment Interest	600	411	2,720	2,120	453.3%	418
Miscellaneous	-	-	8,733	8,733	0.0%	7,023
Transfers	-	-	-	-	0.0%	-
TOTAL ACTUAL RESOURCES	680,600	59,143	706,503	25,903	103.8%	693,736
Use of Fund Balance	133,000	-	-	(133,000)	0.0%	-
TOTAL RESOURCES	\$ 813,600	\$ 59,143	\$ 706,503	\$ (107,097)	86.8%	\$ 693,736
EXPENDITURES						
Wages & Benefits	\$ 165,884	\$ 9,788	\$ 118,075	\$ (47,809)	71.2%	\$ 157,683
Professional Fees	132,259	9,790	52,518	(79,741)	39.7%	29,076
Maintenance & Operations	26,140	997	7,323	(18,817)	28.0%	12,182
Supplies	11,555	639	5,600	(5,955)	48.5%	2,750
Utilities & Communication	7,110	677	6,004	(1,106)	84.4%	5,945
Vehicles/Equipment & Fuel	23,506	1,636	9,377	(14,129)	39.9%	12,636
Training	1,100	-	-	(1,100)	0.0%	350
Capital Outlay	133,000	-	38,587	(94,413)	29.0%	-
Debt Service	195,278	-	195,277	(1)	100.0%	193,999
Charges for Service	92,518	-	92,518	-	100.0%	107,733
Transfer Out	25,250	-	25,250	-	100.0%	138,424
TOTAL EXPENDITURES	\$ 813,600	\$ 23,528	\$ 550,530	\$ (263,070)	67.7%	\$ 660,778
EXCESS/(DEFICIT)	\$ -	\$ 35,615	\$ 155,973	\$ 155,973		\$ 32,958

KEY TRENDS

Resources

Investment Interest - The budget for investment interest is based on prior year trends. Interest rates have been on the rise. As a result, funds are being invested at a higher rate than budgeted.

Expenditures

Debt Service payments are processed in February and August.

Transfer Out includes \$25,000 annual contribution to the Vehicle Replacement Fund for future purchases of vehicles and equipment and \$250 to the Tech Replacement Fund for the future purchases of computers.



City of Corinth

Street Maintenance Sales Tax Fund

Schedule of Revenues & Expenditures - Budget vs Actual (Unaudited)
For the Period Ended September 2016

	Current Fiscal Year, 2015-2016					Prior Year
	Budget FY 2015-16	September 2016 Actual	Year-to- Date Actual	Y-T-D Variance	Y-T-D % of Budget	Sep-15 Y-T-D Actual
RESOURCES						
Sales Tax (.25¢)	\$ 305,576	\$ 86,582	\$ 339,725	\$ 34,149	111.2%	\$ 318,430
Interest	1,000	361	2,302	1,302	230.2%	932
Miscellaneous Income	-	-	-	-	0.0%	-
TOTAL ACTUAL RESOURCES	306,576	86,944	342,027	35,451	111.6%	319,361
Use of Fund Balance	-	-	-	-	0.0%	-
TOTAL RESOURCES	\$ 306,576	\$ 86,944	\$ 342,027	\$ 35,451	111.6%	\$ 319,361
EXPENDITURES						
Professional Services	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -
Maintenance & Operations	150,000	8,522	123,697	(26,303)	82.5%	95,664
Capital Outlay	-	-	-	-	0.0%	-
Transfer Out	-	-	-	-	0.0%	209,000
TOTAL EXPENDITURES	\$ 150,000	\$ 8,522	\$ 123,697	\$ (26,303)	82.5%	\$ 304,664
EXCESS/(DEFICIT)	\$ 156,576	\$ 78,422	\$ 218,330	\$ 61,754		\$ 14,698

KEY TRENDS

Resources

Sales Tax - As required by the Government Accounting Standards Board, sales tax is reported for the month it is collected by the vendor. September 2016 revenues are remitted to the City in November 2016.

Expenditures

Maintenance & Operations - The budget includes funding for miscellaneous paving projects.



City of Corinth

Crime Control & Prevention Sales Tax Fund

Schedule of Revenues & Expenditures - Budget vs Actual (Unaudited)
For the Period Ended September 2016

	Current Fiscal Year, 2015-2016					Prior Year
	Budget FY 2015-16	September 2016 Actual	Year-to- Date Actual	Y-T-D Variance	Y-T-D % of Budget	Sep-15 Y-T-D Actual
RESOURCES						
Sales Tax (.25¢)	\$ 264,037	\$ 76,441	\$ 308,630	\$ 44,593	116.9%	\$ 281,612
Investment Interest	180	63	689	509	382.8%	149
TOTAL ACTUAL RESOURCES	264,217	76,504	309,320	45,103	117.1%	281,761
Use of Fund Balance	51,078	-	-	(51,078)	0.00%	-
TOTAL RESOURCES	\$ 315,295	\$ 76,504	\$ 309,320	\$ (5,975)	98.1%	\$ 281,761
EXPENDITURES						
Wages & Benefits	\$ 160,639	\$ 16,635	\$ 124,388	\$ (36,251)	77.4%	\$ 195,355
Maintenance & Operations	-	-	-	-	0.00%	-
Supplies	-	-	-	-	0.00%	-
Capital Outlay	154,656	34,599	150,833	(3,823)	97.5%	64,658
TOTAL EXPENDITURES	\$ 315,295	\$ 51,233	\$ 275,221	\$ (40,074)	87.3%	\$ 260,014
EXCESS/(DEFICIT)	\$ -	\$ 25,271	\$ 34,099	\$ 34,099		\$ 21,748

KEY TRENDS

Resources

Sales Tax - As required by the Government Accounting Standards Board, sales tax is reported for the month it is collected by the vendor. September 2016 revenues are remitted to the City in November 2016.

Investment Interest - Interest rates have been on the rise. As a result, funds are being invested at a higher rate than budgeted.

Expenditures

Wages & Benefits - The budget reflects funding for two full-time police officers.

Capital Outlay - The budget includes funding for the replacement of two patrol vehicles, and in-car video and migration.



City of Corinth
Corinth Economic Development Corporation

Schedule of Revenues & Expenditures - Budget vs Actual (Unaudited)
 For the Period Ended September 2016

	Current Fiscal Year, 2015-2016					Prior Year
	Budget FY 2015-16	September 2016 Actual	Year-to- Date Actual	Y-T-D Variance	Y-T-D % of Budget	Sep-15 Y-T-D Actual
RESOURCES						
Sales Tax (.50¢)	\$ 611,131	\$ 173,159	\$ 679,427	68,296	111.2%	\$ 636,837
Interest Income	250	43	790	540	316.1%	532
Investment Income	7,000	1,741	17,338	10,338	247.7%	10,494
Miscellaneous Income	-	-	-	-	0.0%	-
Projective Incentive Default	-	-	-	-	0.0%	-
Transfers In	-	-	-	-	0.0%	-
TOTAL ACTUAL RESOURCES	618,381	174,943	697,555	79,174	112.8%	647,863
Use of Fund Balance	150,000	-	-	(150,000)	0.0%	-
TOTAL RESOURCES	\$ 768,381	\$ 174,943	\$ 697,555	\$ (70,826)	90.8%	\$ 647,863
EXPENDITURES						
Wages & Benefits	\$ 147,746	\$ 26,840	\$ 136,391	\$ (11,355)	92.3%	33,440
Professional Fees	102,731	2,524	76,590	(26,141)	74.6%	102,654
Maintenance & Operations	267,891	4,350	169,036	(98,855)	63.1%	33,179
Supplies	9,552	1,706	5,969	(3,583)	62.5%	49
Utilities & Communication	2,910	272	2,791	(119)	95.9%	1,928
Vehicles/Equipment & Fuel	-	-	-	-	0.0%	-
Training	29,400	255	5,485	(23,915)	18.7%	11,025
Capital Outlay	2,500	-	2,500	-	100.0%	2,659
Debt Service	-	-	-	-	0.0%	-
Charges for Services	105,401	-	105,401	-	100.0%	92,142
Transfer Out	100,250	50,000	100,250	-	100.0%	50,250
TOTAL EXPENDITURES	\$ 768,381	\$ 85,946	\$ 604,413	\$ (163,968)	78.7%	\$ 327,325
EXCESS/(DEFICIT)	\$ -	\$ 88,997	\$ 93,142	\$ 93,142		\$ 320,538

KEY TRENDS

Resources

Sales Tax - As required by the Government Accounting Standards Board, sales tax is reported for the month it is collected by the vendor. September 2016 revenues are remitted to the City in November 2016.

Investment Interest - Interest rates have been on the rise. As a result, funds are being invested at a higher rate than budgeted.

Expenditures

Transfer Out represents \$50,000 to the Park Development Fund and \$250 to the Tech Replacement Fund for the future purchases of computers.

Budget Amendment was approved by City Council on February 18, 2016 for \$150,000 for the DATCU performance agreement, Ord# 16-02-18-03.

Section 2

City of Corinth
Monthly Financial Report
September 2016

REVENUE & ECONOMIC ANALYSIS

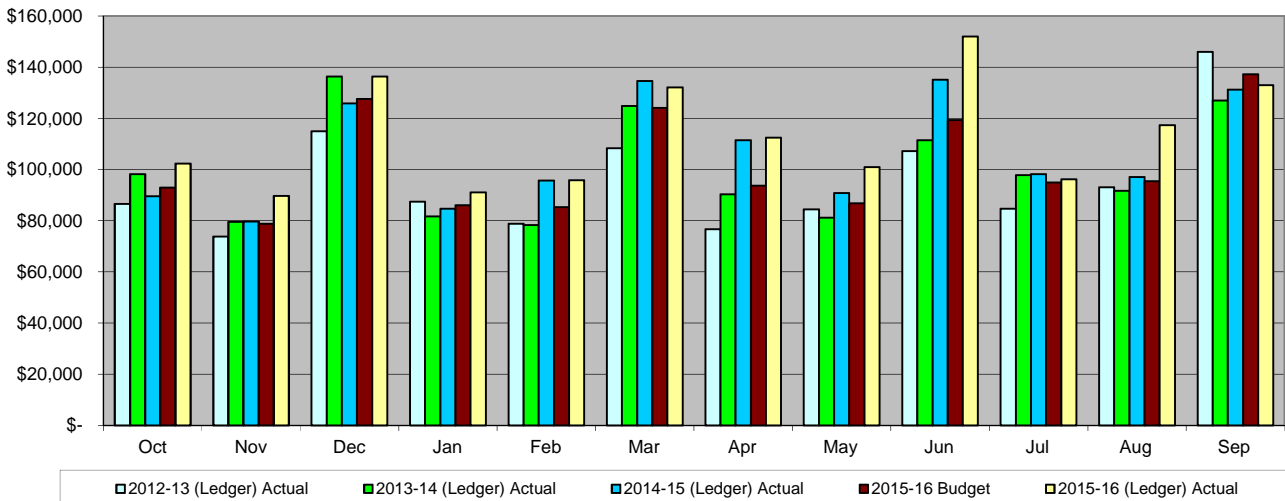
This section provides additional analysis regarding key revenue sources and economic indicators.



General Fund
General Purpose Sales Tax
 PY Comparison and Variance Analysis

	2012-13 (Ledger) Actual	2013-14 (Ledger) Actual	2014-15 (Ledger) Actual	2015-16 Budget	2015-16 Cash Receipts	2015-16 (Ledger) Actual	Variance, Actual to Budget	Variance, Actual to Budget %	Variance, CY to PY	Variance CY to PY %
Oct	\$ 86,550	\$ 98,241	\$ 89,559	\$ 92,932	\$ 97,043	\$ 102,297	\$ 9,366	10.1%	\$ 12,738	14.2%
Nov	73,806	79,527	79,682	78,862	131,200	89,656	10,794	13.7%	9,974	12.5%
Dec	114,959	136,380	125,795	127,627	102,297	136,322	8,695	6.8%	10,526	8.4%
Jan	87,464	81,662	84,702	86,067	89,656	91,001	4,934	5.7%	6,299	7.4%
Feb	78,813	78,261	95,707	85,344	136,322	95,820	10,476	12.3%	113	0.1%
Mar	108,276	124,813	134,593	124,123	91,001	132,047	7,923	6.4%	(2,547)	-1.9%
Apr	76,680	90,294	111,426	93,703	95,820	112,463	18,760	20.0%	1,036	0.9%
May	84,440	81,205	90,745	86,766	132,047	100,967	14,202	16.4%	10,223	11.3%
Jun	107,219	111,379	135,097	119,340	112,463	151,980	32,641	27.4%	16,884	12.5%
Jul	84,738	97,860	98,146	94,902	100,967	96,154	1,251	1.3%	(1,992)	-2.0%
Aug	93,030	91,704	97,043	95,415	151,980	117,263	21,848	22.9%	20,220	20.8%
Sep	145,902	126,992	131,200	137,204	96,154	132,907	(4,297)	-3.1%	1,707	1.3%
TOTAL	\$ 1,141,878	\$ 1,198,319	\$ 1,273,696	\$ 1,222,285	\$ 1,336,950	\$ 1,358,877	\$ 136,592	11.2%	\$ 85,181	6.7%

Monthly Collections Comparison



KEY TRENDS

Description

The sales tax in Corinth is 8.25% for goods and services sold within the City's boundaries. The tax is collected by businesses making the sale and is remitted to the State Comptroller of Public Accounts on a monthly, and in some cases, a quarterly basis. Of the 8.25%, the state retains 6.25% and distributes 1% to the City of Corinth, .25% to the Street Maintenance Sales Tax Fund, .25% to the Crime Control & Prevention District, and .50% to the Economic Development Corporation. The State distributes tax proceeds to local entities within forty days following the period for which the tax is collected by businesses.

Sales Tax - As required by the Government Accounting Standards Board, sales tax is reported for the month it is collected by the vendor. September 2016 revenues are remitted to the City in November 2016.

Analysis

As the second largest revenue source to the City's General Fund, sales and use taxes are essential to the delivery of services to the community. The General Fund sales tax revenue reflects a year-to-date increase in collections compared to the budgeted amounts.

Revenues are deposited into the city's general revenue fund and may be used for any lawful purpose. (Chapter 321 Tax Code)



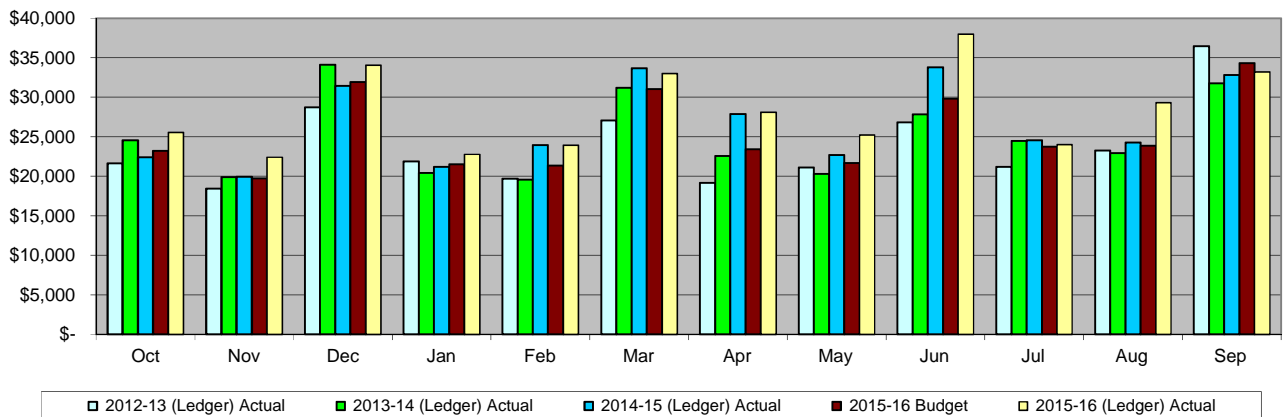
Street Maintenance Sales Tax Fund

Street Maintenance Sales Tax

PY Comparison and Variance Analysis

	2012-13 (Ledger) Actual	2013-14 (Ledger) Actual	2014-15 (Ledger) Actual	2015-16 Budget	2015-16 Cash Receipts	2015-16 (Ledger) Actual	Variance, Actual to Budget	Variance, Actual to Budget %	Variance, CY to PY	Variance CY to PY %
Oct	\$ 21,638	\$ 24,561	\$ 22,390	\$ 23,233	\$ 24,261	\$ 25,575	\$ 2,342	10.1%	\$ 3,185	14.2%
Nov	18,452	19,882	19,921	19,716	32,801	22,414	2,699	13.7%	2,494	12.5%
Dec	28,740	34,096	31,449	31,907	25,575	34,081	2,174	6.8%	2,632	8.4%
Jan	21,867	20,416	21,176	21,517	22,414	22,751	1,234	5.7%	1,575	7.4%
Feb	19,704	19,566	23,927	21,336	34,081	23,955	2,619	12.3%	28	0.1%
Mar	27,069	31,204	33,649	31,031	22,751	33,012	1,981	6.4%	(637)	-1.9%
Apr	19,170	22,574	27,857	23,426	23,955	28,116	4,690	20.0%	259	0.9%
May	21,110	20,302	22,687	21,692	33,012	25,242	3,551	16.4%	2,556	11.3%
Jun	26,805	27,845	33,775	29,835	28,116	37,996	8,160	27.4%	4,221	12.5%
Jul	21,185	24,466	24,537	23,726	25,242	24,039	313	1.3%	(498)	-2.0%
Aug	23,258	22,926	24,261	23,854	37,996	29,316	5,462	22.9%	5,055	20.8%
Sep	36,476	31,749	32,801	34,302	24,039	33,227	(1,074)	-3.1%	427	1.3%
TOTAL	\$ 285,475	\$ 299,585	\$ 318,430	\$ 305,576	\$ 334,243	\$ 339,725	\$ 34,149	11.2%	\$ 21,296	6.7%

Monthly Collections Comparison



KEY TRENDS

Description

The sales tax in Corinth is 8.25% for goods and services sold within the City's boundaries. The tax is collected by businesses making the sale and is remitted to the State Comptroller of Public Accounts on a monthly, and in some cases, a quarterly basis. Of the 8.25%, the state retains 6.25% and distributes 1% to the City of Corinth, .25% to the Street Maintenance Sales Tax Fund, .25% to the Crime Control & Prevention District, and .50% to the Economic Development Corporation. The State distributes tax proceeds to local entities within forty days following the period for which the tax is collected by businesses.

Sales Tax - As required by the Government Accounting Standards Board, sales tax is reported for the month it is collected by the vendor. September 2016 revenues are remitted to the City in November 2016.

Analysis

The Street Maintenance sales tax revenue reflects a year-to-date increase in collections compared to the budgeted amounts.

Funds are deposited into the Street Maintenance Sales Tax Fund and can only be used to repair and maintain existing city streets. (Chapter 327, Tax Code)

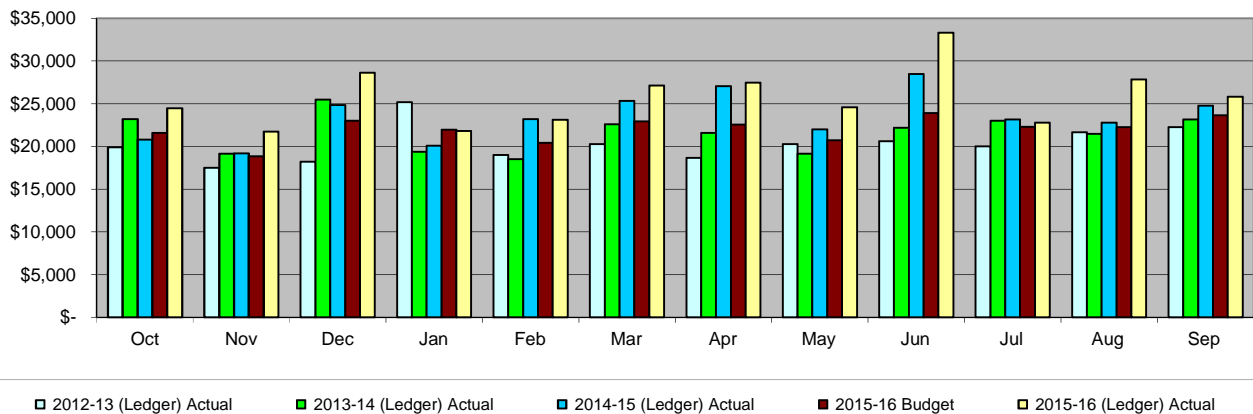
A special election was held on September 11, 2004 for the purpose of adopting a local 0.25% sales and use tax in Corinth for street maintenance. An election on May 12, 2012 reauthorized the tax.



Crime Control & Prevention District
Crime Control & Prevention Sales Tax
 PY Comparison and Variance Analysis

	2012-13 (Ledger) Actual	2013-14 (Ledger) Actual	2014-15 (Ledger) Actual	2015-16 Budget	2015-16 Cash Receipts	2015-16 (Ledger) Actual	Variance, Actual to Budget	Variance, Actual to Budget %	Variance, CY to PY	Variance CY to PY %
Oct	\$ 19,879	\$ 23,185	\$ 20,786	\$ 21,565	\$ 22,769	\$ 24,447	\$ 2,882	13.4%	\$ 3,661	17.6%
Nov	17,509	19,157	19,194	18,841	24,753	21,722	2,881	15.3%	2,528	13.2%
Dec	18,213	25,480	24,840	23,010	24,447	28,612	5,602	24.3%	3,771	15.2%
Jan	25,161	19,384	20,093	21,965	21,722	21,807	(158)	-0.7%	1,714	8.5%
Feb	18,996	18,516	23,207	20,415	28,612	23,118	2,703	13.2%	(90)	-0.4%
Mar	20,260	22,589	25,312	22,914	21,807	27,117	4,203	18.3%	1,806	7.1%
Apr	18,662	21,587	27,052	22,540	23,118	27,466	4,926	21.9%	413	1.5%
May	20,278	19,134	21,974	20,703	27,117	24,586	3,883	18.8%	2,612	11.9%
Jun	20,612	22,187	28,471	23,892	27,466	33,316	9,424	39.4%	4,845	17.0%
Jul	19,999	23,020	23,162	22,295	24,586	22,775	480	2.2%	(387)	-1.7%
Aug	21,655	21,470	22,769	22,243	33,316	27,841	5,598	25.2%	5,072	22.3%
Sep	22,260	23,151	24,753	23,654	22,775	25,825	2,171	9.2%	1,072	4.3%
TOTAL	\$ 243,486	\$ 258,860	\$ 281,612	\$ 264,037	\$ 302,486	\$ 308,630	\$ 44,593	16.9%	\$ 27,018	9.6%

Monthly Collections Comparison



KEY TRENDS

Description

The sales tax in Corinth is 8.25% for goods and services sold within the City's boundaries. The tax is collected by businesses making the sale and is remitted to the State Comptroller of Accounts on a monthly, and in some cases, a quarterly basis. Of the 8.25%, the state retains 6.25% and distributes 1% to the City of Corinth, .25% to the Street Maintenance Sales Tax Fund, .25% to the Crime Control & Prevention District, and .50% to the Economic Development Corporation. The State distributes tax distributes tax proceeds to local entities within forty days following the period for which the tax is collected by businesses.

Sales Tax - As required by the Government Accounting Standards Board, sales tax is reported for the month it is collected by the vendor. September 2016 revenues are remitted to the City in November 2016.

Analysis

The Crime Control & Prevention sales tax revenue reflects a year-to-date increase in collections compared to the budgeted amounts.

Funds are deposited into the Crime Control & Prevention District Fund and may be used to finance a wide variety of crime control and prevention programs (Chapter 363, Local Government Code, Section 323.102, Tax Code).

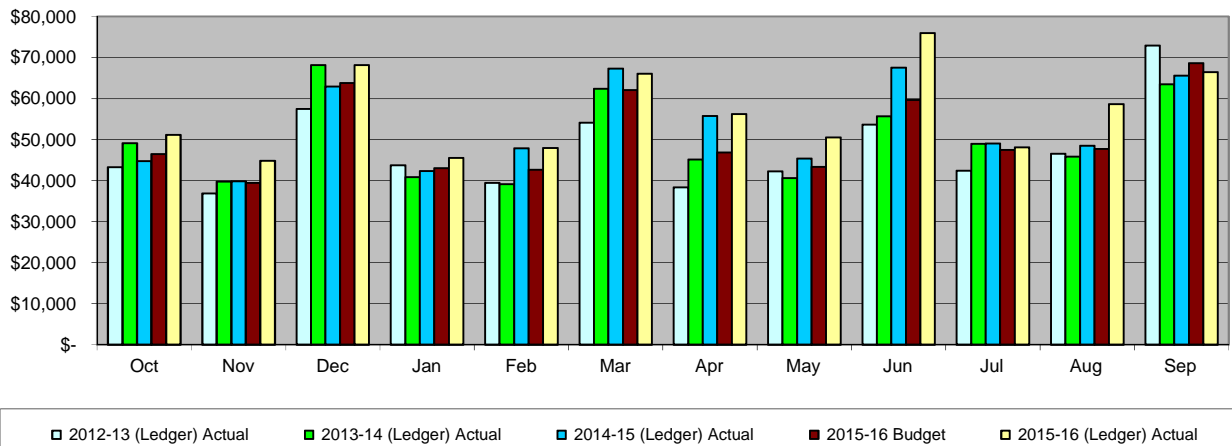
A special election was held on September 11, 2004 for the purpose of adopting a local 0.25% sales and use tax in Corinth for crime control and prevention. An election on May 10, 2014 reauthorized the dedicated sales tax for five additional years.



Corinth Economic Development Corporation
Economic Development Sales Tax
 PY Comparison and Variance Analysis

	2012-13 (Ledger) Actual	2013-14 (Ledger) Actual	2014-15 (Ledger) Actual	2015-16 Budget	2015-16 Cash Receipts	2015-16 (Ledger) Actual	Variance, Actual to Budget	Variance, Actual to Budget %	Variance, CY to PY	Variance CY to PY %
Oct	\$ 43,274	\$ 49,120	\$ 44,779	\$ 46,465	\$ 48,521	\$ 51,148	\$ 4,683	10.1%	\$ 6,369	14.2%
Nov	36,902	39,763	39,840	39,430	65,599	44,827	5,397	13.7%	4,987	12.5%
Dec	57,479	68,189	62,897	63,812	51,148	68,160	4,348	6.8%	5,263	8.4%
Jan	43,731	40,830	42,350	43,033	44,827	45,500	2,467	5.7%	3,150	7.4%
Feb	39,406	39,130	47,853	42,671	68,160	47,909	5,238	12.3%	56	0.1%
Mar	54,137	62,405	67,295	62,060	45,500	66,022	3,962	6.4%	(1,273)	-1.9%
Apr	38,339	45,146	55,712	46,851	47,909	56,230	9,380	20.0%	518	0.9%
May	42,219	40,602	45,372	43,382	66,022	50,483	7,101	16.4%	5,111	11.3%
Jun	53,609	55,689	67,547	59,669	56,230	75,989	16,320	27.4%	8,442	12.5%
Jul	42,368	48,929	49,072	47,450	50,483	48,076	626	1.3%	(996)	-2.0%
Aug	46,514	45,851	48,521	47,707	75,989	58,630	10,924	22.9%	10,110	20.8%
Sep	72,950	63,495	65,599	68,601	48,076	66,452	(2,148)	-3.1%	853	1.3%
TOTAL	\$ 570,929	\$ 599,149	\$ 636,837	\$ 611,131	\$ 668,463	\$ 679,427	\$ 68,296	11.2%	\$ 42,590	6.7%

Monthly Collections Comparison



KEY TRENDS

Description

The sales tax in Corinth is 8.25% for goods and services sold within the City's boundaries. The tax is collected by businesses making the sale and is remitted to the State Comptroller of Public Accounts on a monthly, and in some cases, a quarterly basis. Of the 8.25%, the state retains 6.25% and distributes 1% to the City of Corinth, .25% to the Street Maintenance Sales Tax Fund, .25% to the Crime Control & Prevention District, and .50% to the Economic Development Corporation. The State distributes tax proceeds to local entities within forty days following the period for which the tax is collected by businesses.

Sales Tax - As required by the Government Accounting Standards Board, sales tax is reported for the month it is collected by the vendor. September 2016 revenues are remitted to the City in November 2016.

Analysis

The EDC sales tax revenue reflects a year-to-date increase in collections compared to the budgeted amounts.

Revenues are deposited into the Economic Development Corporation Fund and must be used on behalf of the city in carrying out programs related to a wide variety of projects including public parks and business development. (Tex.Rev.Civ.St. art 5190.6-the Development Corporation Act of 1979).



Hotel Occupancy Tax Collection Report

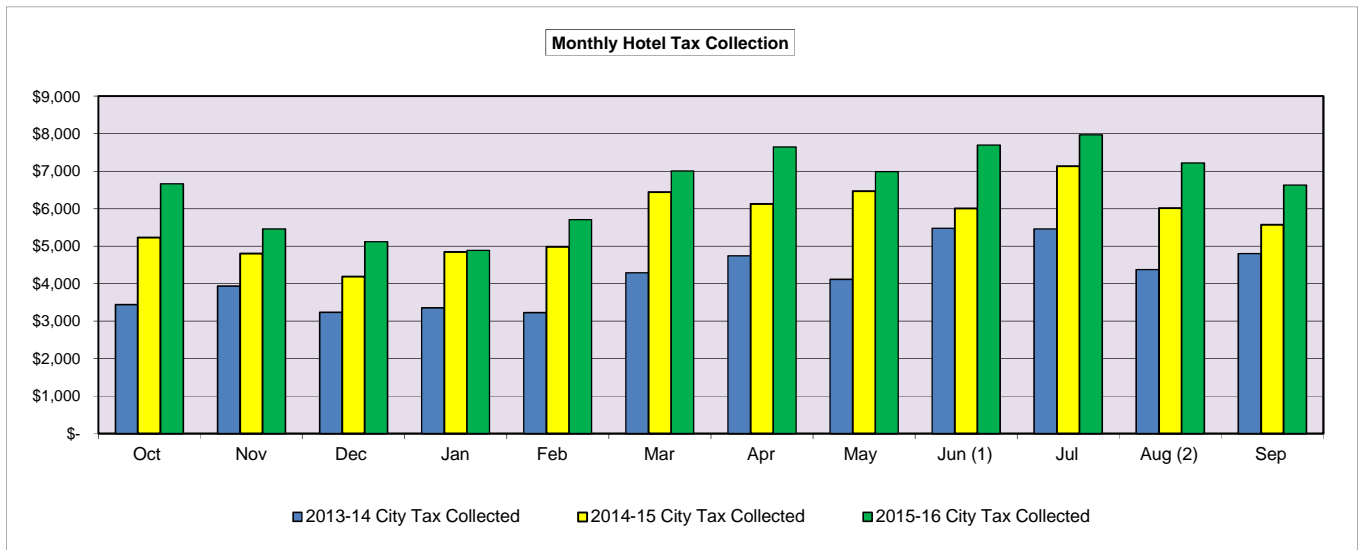
Comfort Inn & Suites

For the Period Ended September 2016

	Occupancy Rate	Total Gross Sales	Less Exemptions & Allowances	Total Taxable Revenues Reported	Taxable Revenues X 7%	Total City Tax Due	City Tax Collected FY 2015-16	Date Received	% Change CY to PY	City Tax Collected FY 2014-15	City Tax Collected FY 2013-14
Oct	71%	\$ 95,242	\$ -	\$ 95,242	\$ 6,667	\$ 6,667	\$ 6,667	11/23/2015	27.5%	\$ 5,230	\$ 3,434
Nov	61%	78,036	-	78,036	5,463	5,463	5,463	12/21/2015	13.8%	4,802	3,933
Dec	54%	73,073	-	73,073	5,115	5,115	5,115	1/19/2016	22.0%	4,192	3,234
Jan	53%	69,866	-	69,866	4,891	4,891	4,891	2/22/2016	0.8%	4,850	3,350
Feb	68%	81,595	-	81,595	5,712	5,712	5,712	3/21/2016	14.6%	4,985	3,227
Mar	73%	100,039	-	100,039	7,003	7,003	7,003	4/19/2016	8.7%	6,445	4,294
Apr	80%	112,029	2,790	109,239	7,647	7,647	7,647	5/20/2016	24.7%	6,130	4,741
May	70%	100,112	239	99,873	6,991	6,991	6,991	6/21/2016	8.0%	6,471	4,114
Jun (1)	79%	113,848	3,112	110,736	7,752	7,752	7,699	7/18/2016	28.1%	6,008	5,481
Jul	86%	114,084	180	113,903	7,973	7,973	7,973	8/22/2016	11.8%	7,129	5,461
Aug (2)	86%	105,293	2,475	102,818	7,197	7,197	7,216	9/19/2016	19.9%	6,018	4,373
Sep	76%	99,838	5,586	94,252	6,598	6,598	6,631	10/19/2016	19.0%	5,573	4,800
TOTALS		\$ 1,143,055	\$ 14,382	\$ 1,128,673	\$ 79,007	\$ 79,007	\$ 79,007			\$ 67,833	\$ 50,441

(1) Exemption report provided by management differs from the exemptions claimed. Difference of \$52.04 is owed by Management. Paid 09/19/2016.

(2) Exemption report provided by management differs from the exemptions claimed. Difference of \$33.60 is owed by Management. Paid 10/19/2016.



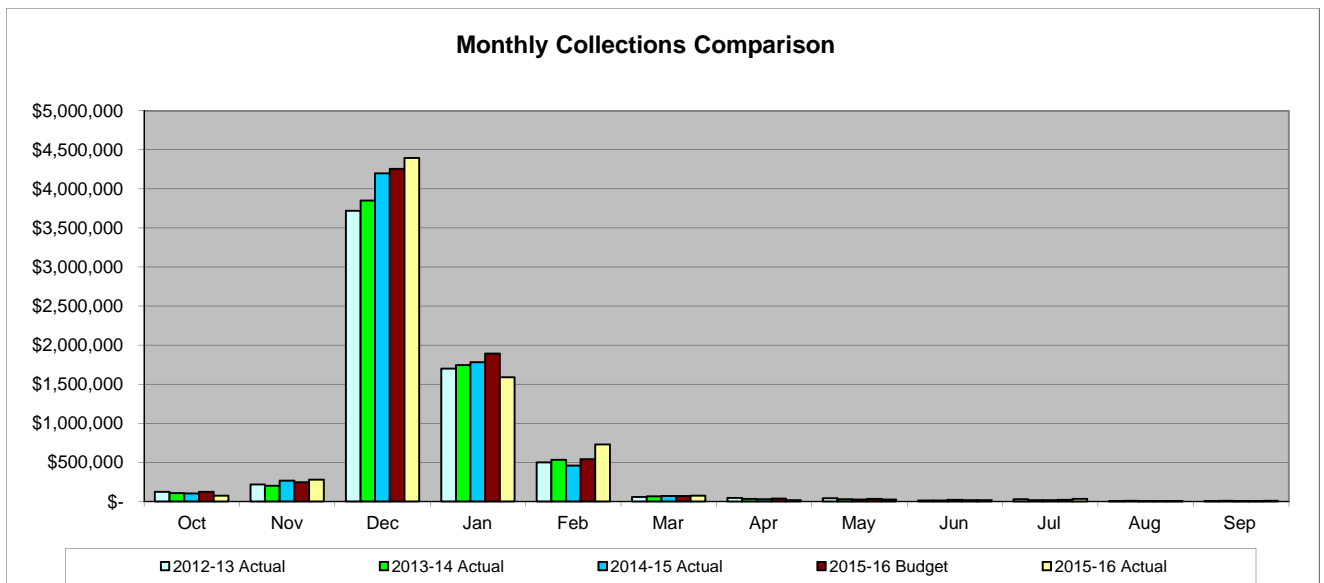
KEY TRENDS	
<p>Description</p> <p>The City's Hotel Occupancy Tax is levied at 7% of room rental rates. City Ordinance 08-06-05-15 mandates that hotel occupancy taxes are due and payable to the City on or before the 20th day of the month for the previous months collections.</p> <p>Hotel Tax Revenues increased \$11,174 or 16.5% over prior year collections.</p>	<p>Analysis</p> <p>The Comfort Inn & Suites, the City's first hotel opened in March 2009.</p>



General Fund
Property Tax
 PY Comparison and Variance Analysis

	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Actual	Variance, Actual to Budget	Variance, Actual to Budget %	Variance, CY to PY	Variance CY to PY %
Oct	\$ 122,374	\$ 105,024	\$ 102,508	\$ 119,724	\$ 74,226	\$ (45,497)	-38.0%	\$ (28,281)	-27.6%
Nov	216,914	200,802	263,699	245,956	277,233	31,278	12.7%	13,534	5.1%
Dec	3,718,646	3,851,761	4,201,374	4,255,666	4,396,109	140,443	3.3%	194,734	4.6%
Jan	1,698,459	1,746,065	1,780,466	1,890,980	1,588,480	(302,499)	-16.0%	(191,986)	-10.8%
Feb	498,231	532,039	457,322	539,473	729,582	190,109	35.2%	272,261	59.5%
Mar	55,276	63,459	69,529	67,978	72,713	4,735	7.0%	3,183	4.6%
Apr	44,244	30,033	26,041	36,568	13,588	(22,980)	-62.8%	(12,453)	-47.8%
May	38,152	26,830	24,927	32,730	25,310	(7,420)	-22.7%	383	1.5%
Jun	12,242	10,417	19,975	15,309	16,432	1,123	7.3%	(3,542)	-17.7%
Jul	25,669	15,269	16,617	20,950	30,395	9,445	45.1%	13,778	82.9%
Aug	3,567	6,478	1,671	4,283	4,843	559	13.1%	3,172	189.8%
Sep	3,300	4,908	800	3,308	8,170	4,862	147.0%	7,370	921.1%
TOTAL	\$ 6,437,073	\$ 6,593,085	\$ 6,964,929	\$ 7,232,923	\$ 7,237,081	\$ 4,158	0.1%	\$ 272,153	3.9%

Monthly Collections Comparison



KEY TRENDS	
<p>Description: The ad valorem (property tax) accounts for the largest source of revenue for the General Fund. Property tax is dependent on two variables: appraised value and the tax rate. The property tax rate is .58489 per \$100 valuation and is collected by the Denton County Tax Office. Denton County remits payment to the city on a monthly basis.</p>	<p>Analysis The city estimates 100% collection rate. The majority of taxes are collected in December and January.</p>



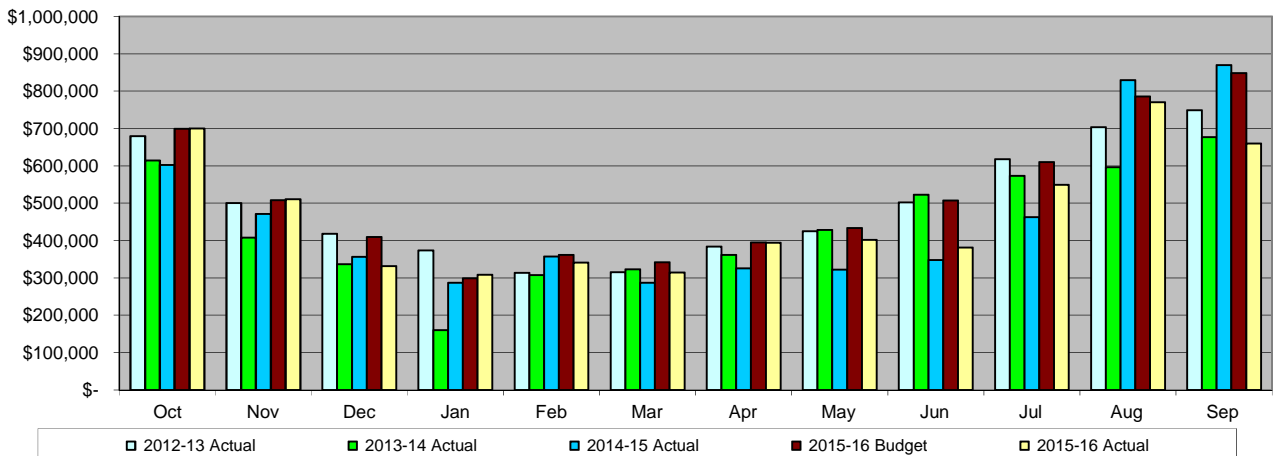
Water/Wastewater Fund

Water Charges

PY Comparison and Variance Analysis

	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Actual	Variance, Actual to Budget	Variance, Actual to Budget %	Variance, CY to PY	Variance CY to PY %
Oct	\$ 679,297	\$ 614,673	\$ 602,147	\$ 699,480	\$ 700,252	\$ 772	0.1%	\$ 98,105	16.3%
Nov	500,095	407,473	471,595	508,018	510,370	2,351	0.5%	38,775	8.2%
Dec	418,482	337,082	356,312	409,245	331,747	(77,498)	-18.9%	(24,565)	-6.9%
Jan	373,224	160,230	287,240	298,902	308,329	9,427	3.2%	21,089	7.3%
Feb	313,617	307,603	357,213	361,874	340,963	(20,911)	-5.8%	(16,249)	-4.5%
Mar	315,252	322,897	286,730	341,995	314,604	(27,391)	-8.0%	27,874	9.7%
Apr	383,770	361,654	325,454	395,258	393,923	(1,335)	-0.3%	68,468	21.0%
May	424,552	428,107	321,967	433,909	401,414	(32,495)	-7.5%	79,448	24.7%
Jun	501,833	522,699	348,080	507,210	381,423	(125,787)	-24.8%	33,342	9.6%
Jul	618,180	573,401	462,517	610,005	549,310	(60,694)	-9.9%	86,793	18.8%
Aug	703,302	596,486	829,134	785,706	770,738	(14,969)	-1.9%	(58,396)	-7.0%
Sep	749,111	676,958	869,445	847,953	659,420	(188,533)	-22.2%	(210,025)	-24.2%
TOTAL	\$ 5,980,715	\$ 5,309,263	\$ 5,517,835	\$ 6,199,557	\$ 5,662,493	\$ (537,064)	-8.7%	\$ 144,658	2.6%

Monthly Collections Comparison



KEY TRENDS

Description:

Water charges are billed on a monthly basis in two billing cycles. Citizens are billed on the 1st and 15 of every month based on their meter rate, as well as, the volume of water used. This revenue is highly influenced by weather patterns. Hot, dry summers result in high water sales. The summer of 2016 received on average 4 inches compared to the prior summer's average of 2 inches. Additionally, the average temperature was 1.35% lower than the prior summer. These variables resulted in less water usage by the citizens, causing water charges revenues to be below budget.

Analysis

The FY 2015-16 budget incorporates the second year of the adopted three year rate structure for water and wastewater services as adopted by ordinance in May 2014.



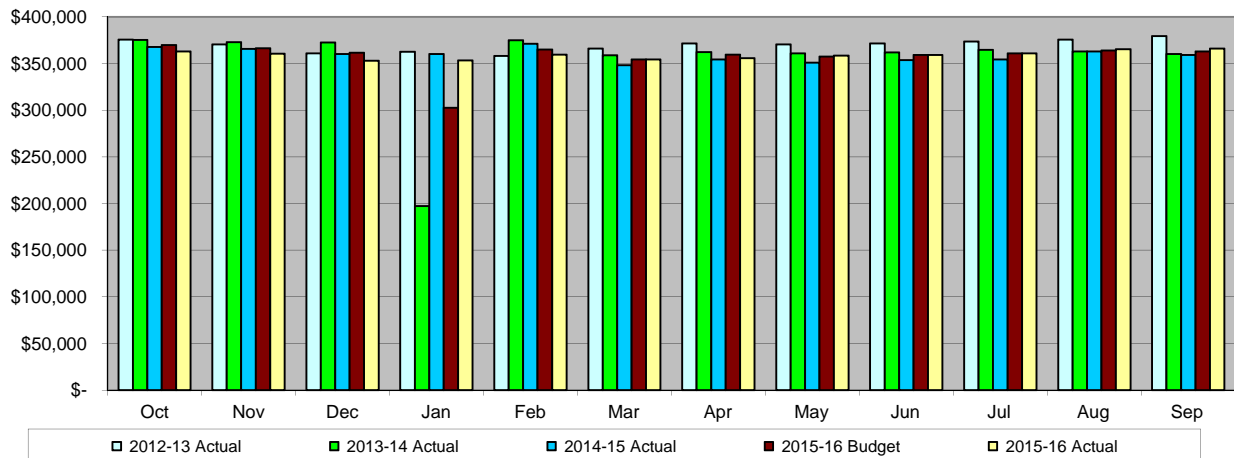
Water/Wastewater Fund

Sewer Charges

PY Comparison and Variance Analysis

	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Actual	Variance, Actual to Budget	Variance, Actual to Budget %	Variance, CY to PY	Variance CY to PY %
Oct	\$ 375,723	\$ 375,215	\$ 367,800	\$ 369,645	\$ 362,732	\$ (6,913)	-1.9%	\$ (5,068)	-1.4%
Nov	370,351	372,906	365,711	366,443	360,374	(6,069)	-1.7%	(5,337)	-1.5%
Dec	360,854	372,349	360,211	361,375	352,814	(8,561)	-2.4%	(7,397)	-2.1%
Jan	362,572	197,110	360,066	302,645	353,400	50,756	16.8%	(6,665)	-1.9%
Feb	357,955	374,894	371,143	364,925	359,581	(5,344)	-1.5%	(11,562)	-3.1%
Mar	366,098	358,638	348,288	354,478	354,410	(67)	0.0%	6,122	1.8%
Apr	371,364	362,039	354,345	359,330	355,795	(3,535)	-1.0%	1,449	0.4%
May	370,439	360,761	351,056	357,510	358,338	828	0.2%	7,282	2.1%
Jun	371,471	361,694	353,604	359,002	359,214	212	0.1%	5,609	1.6%
Jul	373,365	364,636	354,269	360,826	360,775	(51)	0.0%	6,507	1.8%
Aug	375,481	362,956	362,958	363,818	365,137	1,318	0.4%	2,179	0.6%
Sep	379,460	360,225	359,019	362,871	365,845	2,974	0.8%	6,826	1.9%
TOTAL	\$ 4,435,132	\$ 4,223,423	\$ 4,308,469	\$ 4,282,865	\$ 4,308,415	\$ 25,550	0.6%	\$ (54)	0.0%

Monthly Collections Comparison



KEY TRENDS

Description:

Wastewater charges are determined by wastewater rates & volume of wastewater treated. Residential wastewater treatment charges are determined by a winter average process that takes the lowest three months of water consumption to determine a baseline wastewater treatment demand.

Analysis

The FY 2015-16 budget incorporates the second year of the adopted three year rate structure for water and wastewater services as adopted by ordinance in May 2014.

Section 3

City of Corinth
Monthly Financial Report
September 2016

EXECUTIVE SUMMARY

This section contains a high level fund balance summary for all city funds. The report provides year-to-date revenues, expenditures and transfers.



City of Corinth Fund Balance Summary

For the Period Ended September 2016

	Audited Appropriable Fund Balance 9/30/15	Year-to-Date Revenue	Year-to-Date Expense	Transfers In/(Out)	Audited Fund Balance 9/30/16
OPERATING FUNDS					
100 General Fund (1)	\$ 3,726,939	\$ 15,006,430	\$ 14,661,633	\$ (336,628)	\$ 3,735,108
110 Water/Wastewater Operations (2)	3,065,462	11,363,816	11,531,872	(133,494)	2,763,912
120 Storm Water Utility (3)	539,738	706,503	525,280	(25,250)	695,711
130 Economic Development Corporation (4)	3,088,939	697,555	504,163	(100,250)	3,182,081
131 Crime Control & Prevention	217,437	309,320	275,221	-	251,536
132 Street Maintenance Sales Tax	481,393	342,027	123,697	-	699,723
	<u>\$ 11,119,907</u>	<u>\$ 28,425,650</u>	<u>\$ 27,621,865</u>	<u>\$ (595,622)</u>	<u>\$ 11,328,070</u>
RESERVE FUNDS					
200 General Debt Service Fund (5)	\$ 224,419	\$ 3,572,841	\$ 3,456,818	\$ 6,812	\$ 347,253
	<u>\$ 224,419</u>	<u>\$ 3,572,841</u>	<u>\$ 3,456,818</u>	<u>\$ 6,812</u>	<u>\$ 347,253</u>
BOND/CAPITAL PROJECT FUNDS					
193 Governmental Capital Projects (6)	\$ 1,741,304	\$ 42,833	\$ 174,778	\$ 230,000	\$ 1,839,359
194 Water/Wastewater Projects	729,222	3,040	352,140	-	380,123
702 2004 Tax Note	15,519	51	15,570	-	-
703 2007 C.O. - Streets (7)	392,129	350	729,208	467,467	130,738
704 2007 C.O. - Tech (8)	3,699	14	-	(3,713)	-
705 2010 C.O. - Fire (9)	25,038	85	18,311	(6,812)	-
706 2016 C.O. - General Fund Capital Projects	-	15,269,849	3,943,332	-	11,326,517
707 2016 Public Prop. (LCFD)	-	661,695	661,695	-	-
800 2007 C.O. - Water Projects (10)	13,424	56	-	(13,479)	-
801 2007 C.O. - Wastewater Projects (11)	14,077	51	-	(14,129)	-
802 2007 C.O. - Drainage (12)	316,552	140,708	21,115	(436,145)	-
	<u>\$ 3,250,965</u>	<u>\$ 16,118,732</u>	<u>\$ 5,916,149</u>	<u>\$ 223,188</u>	<u>\$ 13,676,737</u>
INTERNAL SERVICE FUNDS					
300 General Vehicle & Equip Replacement (13)	\$ 55,088	\$ 26,694	\$ 90,105	\$ 50,000	\$ 41,677
301 LCFD Vehicle & Equip Replacement (14)	89,669	130,174	167,358	146,965	199,450
302 Tech Replacement Fund (15)	15,797	1,579	13,779	26,150	29,747
310 Utility Vehicle & Equip Replacement (16)	311,058	11,730	23,565	25,000	324,223
311 Utility Meter Replacement Fund (17)	878,506	6,902	50,000	50,000	885,408
320 Insurance Claims and Risk Fund	237,327	44,015	56,233	-	225,109
	<u>\$ 1,587,445</u>	<u>\$ 221,094</u>	<u>\$ 401,039</u>	<u>\$ 298,115</u>	<u>\$ 1,705,614</u>
SPECIAL PURPOSE FUNDS					
400 Hotel-Motel Tax	\$ 132,029	\$ 79,620	\$ 41,551	\$ -	\$ 170,098
401 Keep Corinth Beautiful	28,482	6,607	10,739	-	24,350
404 County Child Safety Program	21,296	29,367	24,164	-	26,499
405 Municipal Court Security (18)	26,959	13,066	8,160	17,508	49,373
406 Municipal Court Technology	34,008	17,295	21,725	-	29,578
420 Police Lease Fund	3,956	2,647	706	-	5,898
421 Police Donations	13,823	12,802	24,591	-	2,033
422 Police Confiscation - State	3,905	1	3,906	-	0
423 Police Confiscation - Federal (19)	288	-	287	(1)	(0)
451 Parks Development (20)	133,174	54,622	-	50,000	237,797
452 Community Park Improvement	22,323	10,409	20,682	-	12,050
453 Tree Mitigation Fund	-	184,682	24,040	-	160,642
460 Fire Donations	21,246	11,215	2,315	-	30,146
	<u>\$ 441,490</u>	<u>\$ 422,332</u>	<u>\$ 182,866</u>	<u>\$ 67,507</u>	<u>\$ 748,464</u>
GRANT FUNDS					
522 Bullet Proof Vest Grant	\$ 1,442	\$ 3,152	\$ 2,700	\$ -	\$ 1,895
523 Tx Dot Grant Fund	8,375	21	8,397	-	0
	<u>\$ 9,818</u>	<u>\$ 3,174</u>	<u>\$ 11,097</u>	<u>\$ -</u>	<u>\$ 1,895</u>
IMPACT FEE & ESCROW FUNDS					
610 Water Impact Fees	\$ 315,104	\$ 77,086	\$ 73,324	\$ -	\$ 318,865
611 Wastewater Impact Fees	240,508	70,752	73,317	-	237,944
620 Storm Drainage Impact Fees	90,353	340	-	-	90,693
630 Roadway Impact Fees	210,714	60,141	21,932	-	248,923
699 Street Escrow	151,663	453	-	-	152,115
	<u>\$ 1,008,342</u>	<u>\$ 208,771</u>	<u>\$ 168,573</u>	<u>\$ -</u>	<u>\$ 1,048,540</u>
TOTAL ALL FUNDS	<u>\$ 17,642,385</u>	<u>\$ 48,972,594</u>	<u>\$ 37,758,407</u>	<u>\$ -</u>	<u>\$ 28,856,572</u>



City of Corinth
Fund Balance Summary
For the Period Ended September 2016

TRANSFER IN/(OUT) EXPLANATIONS:

- (1) The transfer in of \$79,994 represents the annual contribution the Water/Wastewater Fund for the homeowners association water contracts and \$.58 from the Confiscation Fund to close out the fund. The transfer out of \$100,000 to the General Capital Projects Fund for the Public Safety Communications Systems upgrade. The \$146,965 to LCFD Vehicle and Equipment Fund for the future purchases of vehicles and equipment. The \$22,150 to the Technology Replacement Fund for the future purchases of computers. The \$50,000 to the General Fund Vehicle & Replacement Fund for the future purchases of vehicles and equipment. The \$17,508 to the Municipal Court Security Fund for a part-time bailiff. The \$30,000 to the General Capital Projects Fund for the Little Elm Training Field. the \$50,000 to the General Capital Projects Fund for the Planing & Development Software.
- (2) The transfer out of \$79,994 represents the annual allocation to the General Fund for the homeowner's association water contracts. The \$50,000 represents the annual contribution to the Utility Meter Replacement Fund for the future purchases of water taps and meters. The \$3,500 represents the annual contribution to the Tech Replacement Fund for the future purchases of computers.
- (3) The transfer out of \$25,000 to the Vehicle Replacement Fund for the future purchase of vehicles and equipment. The \$250 represents the annual contribution to the Tech Replacement Fund for the future purchases of computers.
- (4) The transfer out of \$50,000 to the Parks Development Fund for park improvements. The \$250 represents the annual contribution to the Tech Replacement Fund for the future purchases of computers. The \$50,000 to the General Capital Projects Fund for the Planning & Development Software.
- (5) The transfer in of \$6,812 from the 2010 CO Fire Fund to close out the fund.
- (6) The transfer in of \$100,000 from the General Fund for the Public Safety Communications Systems upgrade. The \$30,000 from the General Fund for the Little Elm Training Field. The \$50,000 from the General Fund and the \$50,000 from EDC for the Planning & Development Software.
- (7) The transfer in of \$326,014 from the 2007 CO Drainage Fund, \$13,479 from the 2007 CO Water Project Fund, \$134 from the 2007 CO Tech Fund, and \$516 from the 2007 CO Wastewater Project Fund for the Shady Rest project and the Lake Sharon extension project. The \$3,579 from the 2007 CO Tech Fund, the \$13,613 from the 2007 CO Wastewater Project Fund and \$110,131 from the 2007 CO Drainage Fund to consolidate the 2007 CIP Funds.
- (8) The transfer out of \$134 and \$3,579 to the 2007 CO Street fund for the Lake Sharon extension project and to consolidate the 2007 CIP Funds.
- (9) The transfer out of \$6,812 to the Debt Service Fund to close out the fund.
- (10) The transfer out of \$13,479 to the 2007 CO Street fund for the Lake Sharon extension project.
- (11) The transfer out of \$516 and \$13,613 to the 2007 CO Street fund for the Lake Sharon extension project and to consolidate the 2007 CIP Funds.
- (12) The transfer out of \$326,014 and \$110,131 to the 2007 CO Street fund for the Shady Rest project and the Lake Sharon extension project and to consolidate the 2007 CIP Funds.
- (13) The transfer in of \$50,000 from the General Fund for the future purchase of vehicles and equipment.
- (14) The transfer in of \$146,965 represents the annual contribution from the Fire Department for the future purchase of vehicles and equipment.
- (15) The transfer in of \$22,150 from the General Fund, \$3,500 from the Water/Wastewater Fund, \$250 from the Storm Drainage Fund and \$250 from the Economic Development Fund represents the annual contribution for the future purchases of computers.
- (16) The transfer in of \$25,000 represent the annual contribution from the Storm Drainage Fund for the future purchase of vehicles and equipment.
- (17) The transfer in of \$50,000 from the Water/Wastewater Fund for the future purchase of water taps and meters.
- (18) The transfer in of \$17,508 from the General Fund for a part-time bailiff.
- (19) The transfer out of \$.58 to the General Fund to close out the Fund.
- (20) The transfer in of \$50,000 from the Economic Development Fund for park improvements.

Section 4

City of Corinth
Monthly Financial Report
September 2016

Capital Improvement Report

This section contains a high level expenditure summary for all CIP projects. The report contains a fund summary and a project summary that provides revenues, current and historical expenditures, and available fund balance.

FUND 193 - GENERAL FUND CAPITAL PROJECTS
As of September 30, 2016

REVENUE

	09/30/13	09/30/14	09/30/15	09/30/16	TOTAL REVENUES
TRANSFER IN	\$ 1,806,850	\$ 1,906,500	\$ 685,000	\$ 230,000	4,628,350
AID IN CONSTRUCTION	-	-	-	31,059	31,059
INTEREST REVENUE	5,689	10,096	9,058	11,774	36,618
TOTAL BOND REVENUES	\$ 1,812,539	\$ 1,916,596	\$ 694,058	\$ 272,833	\$ 4,696,027

EXPENDITURES

PROJECT NAME	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET ADJ	OPERATING AID IN CONST	PROJECT TOTAL	TOTAL ENCUM	EXPENDITURES		TOTAL OBLIGATIONS	AVAILABLE BUDGET
							PRIOR YEARS	09/30/16		
Projects in Progress										
PUBLIC SAFETY COMMUNICATION SYSTEM UPGRADE	2200	\$ 300,000	\$ 300,000	\$ -	\$ 600,000	\$ 2,905	\$ 497,835	\$ 79,634	\$ 580,374	\$ 19,626
LAKE SHARON EXTENSION	4800	1,500,000	38,871	-	1,538,871	17,773	276,655	53,884	348,312	1,190,559
I-35 AESTHETICS & ENTRYWAY FEATURES	4802	425,000	-	-	425,000	-	-	-	-	425,000
LAKE CITIES/LITTLE ELM JOINT FIRE TRAINING FIELD	2301	-	-	60,000	60,000	-	-	14,185	14,185	45,815
PLANNING & DEVELOPMENT SOFTWARE	1400	-	-	100,000	100,000	-	-	-	-	100,000
Completed Projects										
COMMUNITY PARK IMPROVEMENTS	5600	\$ 806,845	\$ (3,648)	\$ 61,500	\$ 864,698	-	\$ 864,698	\$ -	\$ 864,698	-
TOWER RIDGE	4801	850,000	(54,874)	195,000	990,126	-	990,126	-	990,126	-
PUBLIC SAFETY FACILITY	2000	60,000	19,651	-	79,651	-	52,576	27,075	79,651	-
		\$ 3,941,845	300,000	\$ 416,500	\$ 4,658,345	\$ 20,678	\$ 2,681,890	\$ 174,778	\$ 2,877,345	\$ 1,781,000

TOTAL REVENUES TO DATE	\$ 4,696,027
ADJUSTED BUDGET	4,658,345
AVAILABLE FUND BALANCE	\$ 37,681

UNALLOCATED INTEREST	\$ 36,618
UNALLOCATED FUNDS	1,064
AVAILABLE FUND BALANCE	\$ 37,681

FUND 194 - WATER/WASTEWATER CAPITAL PROJECTS
As of September 30, 2016

EXPENDITURES

PROJECT NAME	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET ADJ	ADJUSTED BUDGET	TOTAL ENCUM	EXPENDITURES		TOTAL OBLIGATIONS	AVAILABLE BUDGET
						PRIOR YEARS	09/30/16		
Projects in Progress									
REPAINT ELEVATED WATER STORAGE TANK	8801	450,000	-	450,000	14,649	36,502	\$ 352,140	403,291	46,709
SANITARY SEWER REHAB AMITY VILLAGE		-	307,267	307,267	-	-	-	-	307,267
Projects Completed									
12" WATERLINE ON SHADY SHORES	8896	570,000	(110,830)	459,170	-	459,170	-	459,170	-
SANITARY SEWER REHAB CORINTH SHORES	8897	500,000	(127,317)	372,683	-	372,683	-	372,683	-
CONSTRUCTION OF BOOSTER PUMP STATION	8800	136,497	(54,820)	81,677	-	81,677	-	81,677	-
30" SANITARY SEWER THROUGH OAKMONT	8800	450,000	(14,300)	435,700	-	435,700	-	435,700	-
		\$ 2,106,497	\$ -	\$ 2,106,497	\$ 14,649	\$ 1,385,733	\$ 352,140	\$ 1,752,521	\$ 353,976

TOTAL REVENUES TO DATE \$2,117,995
ADJUSTED BUDGET 2,106,497
AVAILABLE FUND BALANCE \$ 11,499

UNALLOCATED INTEREST \$ 11,499
UNALLOCATED FUNDS -
AVAILABLE FUND BALANCE \$ 11,499

CIP SUMMARY
2007 CERTIFICATES OF OBLIGATION
As of September 30, 2016

Purpose:

Proceeds from the sale of the Certificates will be used for (i) constructing and improving streets and roads, (ii) constructing , installing improvements to the City's waterworks and sanitary sewer system, (iii) computer and technology equipment and upgrade.

EXPENDITURES

PROJECTS IN PROGRESS	ACCT #	ORIGINAL BUDGET	BUDGET ADJUSTMENTS	ADJUSTED BUDGET	IMPACT FEES	ESCROW FEES	AID IN CONSTR	OPERATING FUNDS	ECONOMIC DEV. FUNDS	PROJECT TOTAL	TOTAL ENCUM	EXPENDITURES		TOTAL OBLIGATIONS	AVAILABLE BUDGET
												PRIOR YRS	09/30/16		
LAKE SHARON EXTENSION	079	\$ -	\$ 259,914	\$ 259,914	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 259,914	\$ -	\$ -	\$ 129,464	\$ 129,464	130,450
ISSUANCE COSTS		136,897	(52,620)	76,195	-	-	-	-	-	76,195	-	76,195	-	76,195	-
TOTAL		\$ 136,897	\$ 207,294	\$ 336,109	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 336,109	\$ -	\$ 76,195	\$ 129,464	205,660	\$ 130,450

PROJECTS COMPLETED	ACCT #	ORIGINAL BUDGET	BUDGET ADJUSTMENTS	ADJUSTED BUDGET	IMPACT FEES	ESCROW FEES	AID IN CONSTR	OPERATING FUNDS	ECONOMIC DEV. FUNDS	PROJECT TOTAL	TOTAL ENCUM	EXPENDITURES		TOTAL OBLIGATIONS	AVAILABLE BUDGET
												PRIOR YRS	09/30/16		
DOBBS ROAD	064	\$ -	\$ 319,628	\$ 319,628	\$ -	\$ 213,024	\$ 400,000	\$ -	\$ 134,000	\$ 1,066,652	\$ -	\$ 1,066,652	\$ -	\$ 1,066,652	\$ -
CHURCH ST	070	2,658,768	(1,099,960)	1,558,808	963,032	146,000	-	80,030	-	2,747,870	-	2,747,870	-	2,747,870	-
8" SS NISSAN TRISTEEL	071	600,369	96,264	696,633	-	-	-	48,400	-	745,033	-	745,033	-	745,033	-
15" SS LYNCHBURG PHASE 1	072	935,600	(308,389)	627,210	330,103	-	-	106,200	-	1,063,513	-	1,063,513	-	1,063,513	-
15" SS LYNCHBURG PHASE 2	073	935,600	(892,426)	43,174	-	-	-	191,174	-	234,348	-	234,348	-	234,348	-
FM 2181 RELOCATIONS	074	4,685,683	(956,680)	3,729,003	409,462	-	28,817	500,000	-	4,667,282	-	4,667,282	-	4,667,282	-
WESTSIDE LS EXPANSION	075	2,664,160	(768,313)	1,895,847	390,325	-	-	-	-	2,286,172	-	2,286,172	-	2,286,172	-
12" WL IH-35 SOUTH (BURL ST TO WINDRIDGE)	076	269,925	(227,818)	42,107	-	-	-	-	-	42,107	-	42,107	-	42,107	-
PARKRIDGE (FM 2181 TO MEADOWVIEW)	077	583,604	370,909	954,513	-	41,285	750,000	60,000	-	1,805,798	-	1,805,798	-	1,805,798	-
LAKE SHARON	078	8,987,486	(1,041,148)	7,946,338	852,934	180,300	-	269,399	109,000	9,357,971	-	9,357,971	-	9,357,971	-
REPLACE TECHNOLOGICAL INFRASTRUCTURE	079	565,000	125,500	690,500	-	-	-	-	-	690,500	-	690,500	-	690,500	-
I-35 UPSTREAM IMPROVEMENTS	081	-	101,000	101,000	-	-	-	-	-	101,000	-	101,000	-	101,000	-
S. CORINTH STREET	084	-	2,137,686	2,137,686	-	-	-	-	-	2,137,686	-	2,137,686	-	2,137,686	-
REHAB 1.5 MG GROUND STORAGE	085	-	495,513	495,513	-	-	-	-	-	495,513	-	495,513	-	495,513	-
1.5 MG GROUND STORAGE TANK	086	-	1,158,354	1,158,354	-	-	-	900,000	-	2,058,354	-	2,058,354	-	2,058,354	-
PARKRIDGE DR SOUTH	090	-	292,190	292,190	262,000	-	719,283	280,717	-	1,554,190	-	1,554,190	-	1,554,190	-
SHADY REST LANE	091	-	367,169	367,169	-	-	75,000	1,160,000	-	1,602,169	-	981,311	620,858	1,602,169	-
TOWER RIDGE	092	-	114,875	114,875	-	-	-	-	-	114,875	-	114,875	-	114,875	-
CAPITAL IMPROVEMENT TRACKING	171	60,000	(13,846)	46,154	-	-	-	-	-	46,154	-	46,154	-	46,154	-
PLANNING & PERMITTING	172	140,000	(8,090)	131,910	-	-	-	-	-	131,910	-	131,910	-	131,910	-
PHONE SYSTEM UPGRADE	173	90,000	45,571	135,571	-	-	-	-	-	135,571	-	135,571	-	135,571	-
PINNELL POINT DRAINAGE	174	-	108,423	108,423	-	-	140,000	-	-	248,423	-	248,423	-	248,423	-
SECURITY & FIRE SUPPRESSION	176	66,910	(50,489)	16,421	-	-	-	-	-	16,421	-	16,421	-	16,421	-
SECURITY CARD SYSTEM	178	30,000	-	30,000	-	-	-	-	-	30,000	-	30,000	-	30,000	-
GRAND TOTAL		\$ 23,493,103	\$ 145,924	\$ 23,639,027	\$ 3,207,856	\$ 580,609	\$ 2,113,100	\$ 3,595,921	\$ 243,000	\$ 33,379,512	\$ -	\$ 32,758,654	\$ 620,858	33,379,512	\$ -
GRAND TOTAL		\$ 23,630,000	\$ 353,218	\$ 23,975,136	\$ 3,207,856	\$ 580,609	\$ 2,113,100	\$ 3,595,921	\$ 243,000	\$ 33,715,622	\$ -	\$ 32,834,849	\$ 750,323	\$ 33,585,172	130,450

UNALLOCATED INTEREST	\$ (16,659)
UNALLOCATED BOND PROCEEDS	16,949
AVAILABLE FUND BALANCE	\$ 289

TOTAL RESOURCES	\$ 33,715,911
UNALLOCATED BOND PROCEEDS	-
PROJECT TOTAL	(33,715,622)
AVAILABLE FUND BALANCE	\$ 289

**FUND 705 - FIRE
2010 CERTIFICATES OF OBLIGATION
As of September 30, 2016**

Purpose:

Proceeds from the sale of the Certificates will be used for
(i) purchasing fire equipment and vehicles.

EXPENDITURES

PROJECT NAME	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET ADJ	ADJUSTED BUDGET	TOTAL ENCUM	EXPENDITURES		TOTAL OBLIGATIONS	AVAILABLE BUDGET
						PRIOR YEARS	09/30/16		
Projects Completed									
RADIO SYSTEM	2300	\$ -	\$ 17,056	\$ 17,056	\$ -	\$ -	\$ 17,056	\$ 17,056	\$ -
RESCUE TOOLS	2300	366,515	(35,008)	331,507	-	330,502	1,005	331,507	-
FIRE ENGINE	079	600,000	(10,722)	589,278	-	589,278	-	589,278	-
AMBULANCES	171	400,000	(326)	399,674	-	399,674	-	399,674	-
COMMAND VEHICLES	172	80,000	3,573	83,573	-	83,573	-	83,573	-
THERMAL CAMERA	2300	28,485	-	28,485	-	28,485	-	28,485	-
RADIOS	2300	-	22,822	22,822	-	22,822	-	22,822	-
ISSUANCE COSTS/ ADMIN FEES		25,000	4,283	29,283	-	29,033	250	29,283	-
		\$ 1,500,000	1,677	\$ 1,501,677	\$ -	\$ 1,483,365	\$ 18,311	\$ 1,501,677	\$ -

TOTAL REVENUES TO DATE	\$ 1,501,677
ADJUSTED BUDGET	1,501,677
AVAILABLE FUND BALANCE	\$ -

UNALLOCATED INTEREST	4,479
UNALLOCATED BOND PROCEEDS	(4,479)
AVAILABLE FUND BALANCE	-

**FUND 706 - GENERAL FUND
2016 CERTIFICATES OF OBLIGATION
As of September 30, 2016**

Purpose:

Proceeds from the sale of the Certificates will be used for (i) constructing and improving streets, roads, alleys and sidewalks, and related utility relocation, drainage, signalization, landscaping, lighting and signage; (ii) constructing and equipping improvements and renovation to City Hall; (iii) acquiring, improving and equipping a public safety facility for the police and fire departments; (iv) constructing and equipping a new fire station and improvements to existing fire stations; (v) constructing, acquiring, installing and equipping additions, extensions and improvements to the City's waterworks and sewer system.

EXPENDITURES

PROJECT NAME	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET ADJ	OPERATING AID IN CONST	PROJECT TOTAL	EXPENDITURES		TOTAL OBLIGATIONS	AVAILABLE BUDGET
						TOTAL ENCUM	09/30/16		
Projects in Progress									
PUBLIC SAFETY FACILITY & FIRE STATION	2000	\$ 12,000,000	\$ -	\$ -	\$ 12,000,000	\$ 645,878	\$ 3,727,303	\$ 4,373,181	\$ 7,626,819
LAKE SHARON EXTENSION	4800	2,500,000	-	-	2,500,000	-	-	-	2,500,000
FACILITY RENOVATIONS - CITY HALL/ FIRE STATION #2	1004	500,000	-	-	500,000	-	-	-	500,000
ISSUANCE COSTS		246,030	-	-	246,030	-	216,030	216,030	30,000
		\$ 15,246,030	\$ -	\$ -	\$ 15,246,030	\$ 645,878	\$ 3,943,332	\$ 4,589,211	\$ 10,656,819

TOTAL REVENUES TO DATE	\$ 15,269,849
ADJUSTED BUDGET	15,246,030
AVAILABLE FUND BALANCE	\$ 23,820

UNALLOCATED INTEREST	\$ 23,820
UNALLOCATED FUNDS	-
AVAILABLE FUND BALANCE	\$ 23,820

CITY OF CORINTH, TX

COMPREHENSIVE ANNUAL FINANCIAL REPORT For the fiscal year ended September 30, 2016



**Bob Hart
City Manager**

**Department of
Finance & Administrative Services**

**Lee Ann Bunselmeyer
Director of Finance & Administrative Services**

**Caryn Riggs
Assistant Director of Finance**

CITY OF CORINTH, TEXAS
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED SEPTEMBER 30, 2016

TABLE OF CONTENTS

	<u>Page</u>	<u>Exhibit/Table</u>
INTRODUCTORY SECTION		
Letter of Transmittal_____	1	
GFOA Certificate of Achievement_____	5	
Organizational Chart_____	6	
Elected and Appointed Officials_____	7	
FINANCIAL SECTION		
Independent Auditor's Report_____	9	
Management's Discussion and Analysis (Required Supplementary Information_____	11	
<u>Basic Financial Statements</u>		
Government-Wide Financial Statements:		
Statement of Net Position_____	23	Exhibit A-1
Statement of Activities_____	24	Exhibit A-2
Fund Financial Statements:		
Balance Sheet – Governmental Funds_____	26	Exhibit A-3
Reconciliation of the Balance Sheet of Governmental Funds to Statement of Net Position_____	28	Exhibit A-4
Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds_____	30	Exhibit A-5
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities_____	32	Exhibit A-6
Statement of Net Position – Proprietary Funds_____	33	Exhibit A-7
Statement of Revenues, Expenses, and Changes in Fund Net Position – Enterprise Funds_____	34	Exhibit A-8
Statement of Cash Flows – Enterprise Funds_____	36	Exhibit A-9
Notes to the Financial Statements_____	38	
<u>Required Supplementary Information:</u>		
Budgetary Comparison Schedules:		
General Fund_____	61	Exhibit B-1
Schedule of Changes in Net Pension Liability and Related Ratios_____	62	Exhibit B-2
Schedule of Employer Contributions – Texas Municipal Retirement Systems_____	63	Exhibit B-3
Notes to Required Supplementary Information_____	64	
<u>Combining Statements and Budgetary Comparison Schedules as Supplementary Information:</u>		
Combining Balance Sheet – Nonmajor Governmental Funds_____	67	Exhibit C-1
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds_____	68	Exhibit C-2
Special Revenue Funds:		
Combining Balance Sheet – Nonmajor Special Revenue Funds_____	70	Exhibit C-3
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds_____	74	Exhibit C-4

Budgetary Comparison Schedules:

Crime Control & Prevention Fund _____	78	Exhibit C-5
Street Maintenance Fund _____	79	Exhibit C-6
Hotel Motel Tax Fund _____	80	Exhibit C-7
Keep Corinth Beautiful Fund _____	81	Exhibit C-8
Child Safety Fund _____	82	Exhibit C-9
Municipal Court Security Fund _____	83	Exhibit C-10
Municipal Court Technology Fund _____	84	Exhibit C-11
Police Confiscation (State) Fund _____	85	Exhibit C-12
Police Confiscation (Federal) Fund _____	86	Exhibit C-13
Parks Development Fund _____	87	Exhibit C-14
Community Park Improvement Fund _____	88	Exhibit C-15
Debt Service Fund _____	89	Exhibit C-16
Tree Mitigation Fund _____	90	Exhibit C-17
Roadway Impact Fee Fund _____	91	Exhibit C-18

Capital Projects Funds:

Combining Balance Sheet – Nonmajor Capital Projects Funds _____	92	Exhibit C-19
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Capital Projects Funds _____	94	Exhibit C-20

Discrete Presented Component Unit

Balance Sheet _____	96	Exhibit C-21
Budgetary Comparison Schedule _____	97	Exhibit C-22

STATISTICAL SECTION

Net Position by Component _____	101	Table D-1
Expenses, Program Revenues, and Net (Expense)/Revenue _____	102	Table D-2
General Revenues and Total Change in Net Position _____	103	Table D-3
Fund Balances of Governmental Funds _____	104	Table D-4
Changes in Fund Balances of Governmental Funds _____	105	Table D-5
Tax Revenues by Source, Governmental Funds _____	106	Table D-6
Assessed Values and Estimated Actual Value of Taxable Property _____	107	Table D-7
Direct and Overlapping Property Tax Rates _____	108	Table D-8
Principal Property Tax Payers _____	109	Table D-9
Property Tax Levies and Collections _____	110	Table D-10
Taxable Sales by Category _____	111	Table D-11
Direct and Overlapping Sales Tax Rates _____	112	Table D-12
Ratios of Outstanding Debt by Type _____	113	Table D-13
Ratios of General Bonded Debt Outstanding _____	114	Table D-14
Direct and Overlapping Governmental Activities Debt _____	115	Table D-15
Legal Debt Margin Information _____	116	Table D-16
Demographic and Economic Statistics _____	117	Table D-17
Principal Employers _____	118	Table D-18
Full-Time Equivalent Employees by Function/Program _____	119	Table D-19
Operating Indicators by Function/Program _____	120	Table D-20
Capital Asset Statistics by Function/Program _____	121	Table D-21

INTRODUCTORY SECTION



3300 Corinth Parkway · Corinth, TX · 940.498.3200

February 13, 2017

Honorable Mayor,
Members of the City Council
and Citizens
City of Corinth, Texas

The City Manager and the Finance Division of the City of Corinth are pleased to submit the Comprehensive Annual Financial Report of the City of Corinth for the fiscal year ended September 30, 2016. The purpose of this report is to provide the council, staff, the citizens of Corinth and other interested parties with detailed information reflecting the City's financial condition.

This report satisfies §103.001 of the Texas Local Government Code and was conducted in accordance with Section 9.12 of the City Charter. The Comprehensive Annual Financial Report (CAFR) consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with Generally Accepted Accounting Principles (GAAP). The cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The CAFR is organized into three sections: Introductory, Financial and Statistical. The Introductory section includes this transmittal letter, the City's organization chart, and a list of principal officials. The Financial section includes the auditors' report, Management's Discussion and Analysis (MD&A), basic financial statements, required supplementary information, combining and individual fund financial statements and other supplemental information. The Statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The information is presented in table format to assist the reader with a comparative analysis.

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

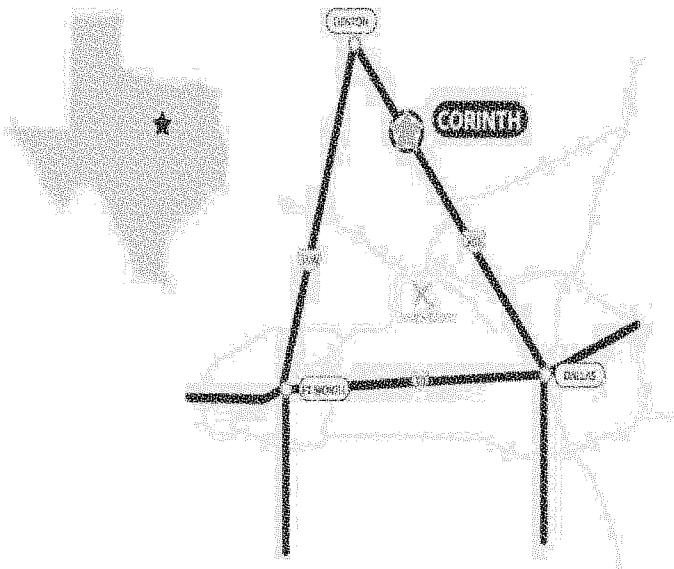
INDEPENDENT AUDIT

The City of Corinth's financial statements have been audited by Davis Kinard & Co, PC, a firm of licensed certified public accountants. The goal of the independent auditor is to provide reasonable assurance that the financial statements of the City of Corinth, for the fiscal year ended September 30, 2016, are free from material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditor concluded based upon the

audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Corinth's financial statements for the fiscal year ending September 30, 2016, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component in the financial section of this annual report.

PROFILE OF THE GOVERNMENT

The City of Corinth, which was incorporated in September 19, 1960, is located in the north central portion of Texas. This area of the state has proven to be one of the top growth areas in Texas and the United States. The City currently occupies a land area of 7.8 square miles. The City is empowered to levy a property tax on real property and certain personal property located within its boundaries. Corinth is also empowered, by state statute, to extend its corporate limits by annexation, which has occurred periodically when deemed appropriate by the governing council of the City.



Corinth has operated under the council-manager form of government since May 6, 1999. This has become a popular form of government throughout the State of Texas. Policy-making and legislative authority are vested in the City Council consisting of the mayor and five other members. The City Council's primary responsibilities include passing ordinances, adopting the budget, appointing boards and committees, and hiring both the City Manager and City Attorney. The City Manager is responsible for carrying out the policies and ordinances of the City Council, overseeing the day-to-day operations of the government, and for appointing the heads of the various City departments. The City Council is elected on a non-partisan, at-large basis. Council members serve two-year staggered terms, with three members elected on one of the two-year rotations, and the Mayor and two remaining members elected on the other two-year rotation.

The City of Corinth provides a full range of municipal services including general government, public safety (police, fire and animal control), streets, parks and recreation, planning and zoning, code enforcement, and water/wastewater and drainage utilities. Water/wastewater and drainage services are provided through the public works department, which functions, in essence, as a department of the City and, therefore, has been included as an integral part of the City's financial statements.

LOCAL ECONOMY

Corinth's location, straddling the I35E corridor in Denton County, is ideal for both businesses and residents many of whom commute north to Denton or south to Lewisville or Dallas. Corinth maintains a small-town feel while having the advantages of nearby metro areas.

The city's estimated population for 2016 is 20,740. This estimate is based on current trends from the Corinth Economic Development Department.

The City of Corinth, as well as, the State of Texas, experienced economic growth compared to prior years. The overall Texas economy is still considered healthier than most of the country. Figures from the Texas Workforce Commission indicate a local unemployment rate (Denton County) of 3.1%. For the same period, Dallas County's unemployment rate was 3.6%, the overall state of Texas rate was 4.2% and the nation's rate, as a whole, was 4.7%.

Corinth continues to rely heavily on property tax to support its continuing operations, with the City being approximately 85% residential. Certified property values increased 9.82% for the 2016 tax year over the 2015 certified value.

Sales Tax Revenue, the second largest revenue source for the City's General Fund, increased 6.7% over the prior year's receipts. For fiscal year 2016-17, sales tax revenue is projected to increase to \$1.3 million. Primarily a residential community, Corinth relies on sales tax paid on utilities. All sales tax collections are reported by the Texas Comptroller of Public Accounts. The City is continuing to work to increase its sales tax base with the Corinth Economic Development Corporation, which receives the proceeds from a ½ cent sales tax enacted in 2003. Corinth is currently focused on encouraging commercial development and providing the infrastructure required to support it. With the Interstate 35 expansion and growth in the DFW area, Corinth continues to draw interest from apartment, restaurant and commercial developers.

MAJOR INITIATIVES

Due to the hard work, tough decisions, and structural reductions made by city officials and staff in previous years, the City was able to propose a balanced budget that maintained the City's fiscal integrity, addressed Council priorities, and maintained service levels. In FY 2015-16, the City replaced three patrol vehicles, one police administration vehicle and one fire administration vehicle. The City continued to fund step increases for Public Safety employees, as well as, an average 3% merit for general employees. Health insurance costs for the city decreased by 0.75%. The cost of health insurance also includes the shift of dependent coverage from 78.5% to 75%. The Utility Fund includes the second year of utility rate study that was adopted by the City Council in May 2014.

LONG TERM FINANCIAL PLAN

The FY 2015-16 budget was developed in context of long-term financial plans. The plans anticipate funding needs and available revenues and forecast methods for matching future revenue and expenses. Plans have been developed for all the City's major operating funds. Each plan presents the fund over seven fiscal years: two previous years, the adopted "base year" budget and four projected years. There are several benefits to these plans. First, the plans give future Councils a valuable perspective when considering budgets within each plan's five-year horizon. Second, the plans impart a measure of discipline on staff. The General fund long-term plan assumes that for fiscal years 2016-2020 the City's property tax, sales tax, and all other revenues during the planning horizon will remain constant with conservative growth from 0% - 3%.

The City of Corinth continues its focus on maintaining or increasing reserve balances for emergencies to provide stability and flexibility for the organization. The reserve requirement was established at a level of 20% of budgeted expenditures for the General Fund and 25% of budgeted expenditures for both the Water/Wastewater and the Storm Drainage Fund. For fiscal year ended September 30, 2016 the General Fund's unassigned fund balance is \$3,295,692, or 22% of annual budgeted expenditures. The unrestricted net position for the Water/Wastewater Fund is \$3,520,593 or 29% of annual budgeted expenditures and the unrestricted net position for the Storm Drainage is 75% of budgeted expenditures or \$764,436 for the fiscal year ended September 30, 2016.

As a result of the recent national economic recession, bond rating agencies have increased their scrutiny on the financial stability of local governments. In April 2016, Standard & Poor's Rating Services affirmed its "AA" rating on the City's general obligation debt. The rating agency attributed their opinion to various factors surrounding the city's financial stability, growth and financial policies and practices.

BUDGETARY CONTROLS

The annual budget serves as the foundation for the City's financial planning and control. The budget is prepared by the City Manager and adopted by the City Council in accordance with policies and procedures established by State law, City Charter, and Council Ordinances. All departments of the City of Corinth are required to submit requests for appropriation to the City Manager based on a budget calendar issued annually. The City Manager uses these requests as the starting point for developing the proposed budget. The proposed budget is then presented to the City Council for review prior to approval and adoption. The City Council is required to hold public hearings on the proposed budget and to adopt a final budget no later than September 30, the close of the City's fiscal year. The appropriated budget is prepared by fund, department (i.e., Public Works) and division (i.e., Parks & Recreation). Department Directors may make transfers of appropriations between divisions within a department. All transfers of appropriations between departments require the approval of the City Manager. Any changes to appropriations or transfers between funds require City Council

approval. Budgetary comparison schedules are provided in this report in the required supplemental information subsection for the General Fund, and in the supplemental information subsection for other funds with legally adopted annual budgets.

CASH MANAGEMENT POLICIES AND PRACTICES

Funds of the City are invested in accordance with all applicable Texas statutes, the City's Investment Policy and any other approved, written administrative procedures. The five objectives of the City's investment activities, in order of priority, are as follows: Safety – Preservation and Safety of Principal, Liquidity, Diversification, Market Rate-of-Return (Yield) and Public Trust.

The Investment Policy is updated, reviewed and approved annually. The purpose of the Investment Policy is to set forth specific investment strategy guidelines for the City, in order to safeguard assets with a minimal amount of risk, while maintaining the necessary level of liquidity and maximizing the yield on investments. Accordingly, all of the City's deposits are either insured by the Federal Deposit Insurance Corporation (FDIC) or are collateralized by governmental securities. The maturities of the investments range from 30 days to 36 months, with an average maturity of approximately 241 days. On September 30, 2016, the annualized yield on investments was .62%, compared to .49% for the same period in 2015. Funds available for investment at September 30, 2016 were \$24 million, which is an increase of \$10.5 million from 2015. The net increase in portfolio balance is due to the receipt of \$15 million in bond proceeds for the 2016 Certificates of Obligation that were issued in May 2016. Bond proceeds of \$3.65 million were expensed to purchase the Public Safety Facility. Operation expenditures include Public Safety Communications upgrade and legal fees. Capital expenditures include the repainting the elevated water storage tank, Shady Rest Lane reconstruction and the Lake Sharon road extension.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Corinth for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30, 2015. This was the seventh consecutive year that the City received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of only one year. 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.

In addition, the City also received the GFOA's Distinguished Budget Presentation Award for its annual budget document dated October 1, 2015. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document must be proficient in several categories; including serving as a policy document, a financial plan, an operations guide, and a communications device.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance and Administration Services department. We would like to express our appreciation for the assistance provided by our auditors, Davis Kinard & Co, PC. Credit must also be given to the Mayor and City Council for their unfailing support in maintaining the highest standards of professionalism in the management of the City of Corinth and its finances.

Respectfully Submitted,

Bob Hart
City Manager

Lee Ann Bunselmeyer
Director of Finance & Administrative Services



Government Finance Officers Association

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

Presented to

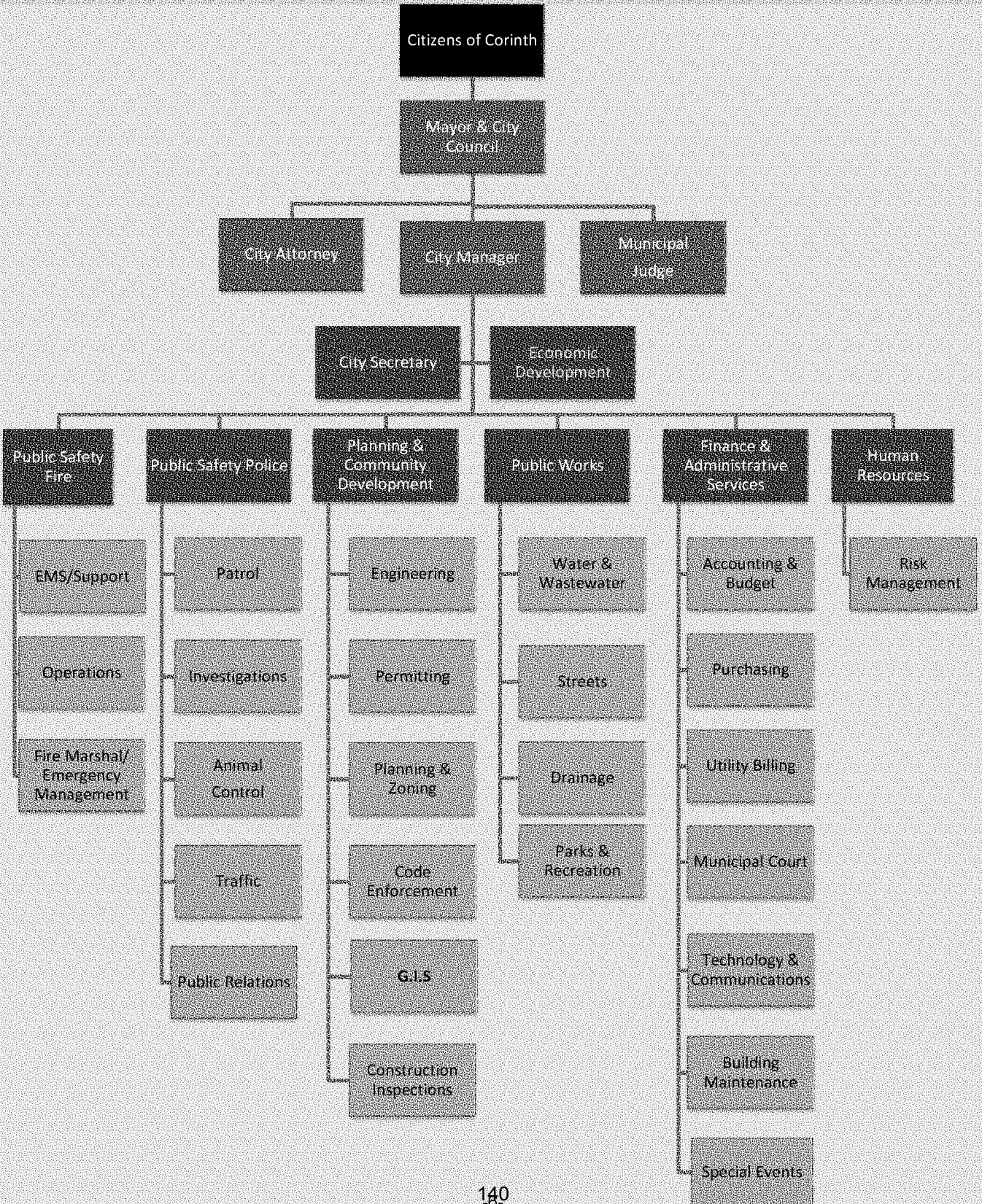
**City of Corinth
Texas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2015

Executive Director/CEO

ORGANIZATIONAL CHART



City of Corinth, Texas
Elected and Appointed Officials

Elected Officials:

Bill Heidemann
Mayor

Sam Burke
Council Place I

Scott Garber
Council Place II

Lowell Johnson
Council Place III

Joe Harrison
Mayor Pro Tem, Council Place IV

Don Glockel
Council Place V

Appointed Officials:

Bob Hart
City Manager

Jason Alexander
Director of Economic
Development

Curtis Birt
Fire Chief

Lee Ann Bunselmeyer
Director of Finance & Administrative
Services

Cody Collier
Director of Public Works
Operations

Fred Gibbs
Director of Planning and
Development Services

Guadalupe Ruiz
Director of Human Resources

Debra Walthall
Chief of Police



FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Members of the City Council
City of Corinth, 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 City of Corinth, Texas, (the City) as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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 and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Corinth, Texas, as of September 30, 2016, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance 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 required supplemental information on pages 11-19 and 61-65 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. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 as a whole. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the 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 combining and individual nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the financial statements as a whole.

The introductory and statistical sections have 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 them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 13, 2017, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Dennis Kinard & Co., PC
Certified Public Accountants

Abilene, Texas
February 13, 2017

CITY OF CORINTH, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2016

As management of the City of Corinth, (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, 2016. The Management's Discussion and Analysis is designed to assist the reader in focusing on significant financial issues, to provide an overview of the City's financial activity, to identify changes in the City's financial position and to identify any material deviations from the financial plan. We encourage readers to consider the information presented here in conjunction with the accompanying Letter of Transmittal and the basic financial statements.

FINANCIAL HIGHLIGHTS

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$66,014,385.
- Total net position decreased \$1,053,890 from the prior year.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$19,286,456, an increase of \$11,938,179 in comparison with the prior year. This net increase is due to a bond sale in May 2016. Of the combined ending balances, \$2,853,726 or 15% is available for spending within the City's guidelines (unassigned fund balance).
- The City's unassigned fund balance for the general fund was \$3,295,962 or 22% of total general fund expenditures.
- Long term liabilities increased to \$44,969,256 during fiscal year 2016. The net increase is due to a bond sale of \$13 mil in May 2016.

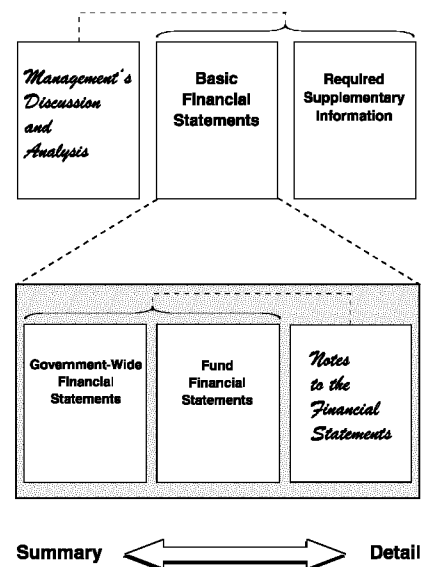
OVERVIEW OF THE FINANCIAL STATEMENTS

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

The basic financial statements include two types of statements that present different views of the City:

Required Components of the City's Annual Financial Report

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the City's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the City reporting operations in more detail than the government-wide statements.
- The governmental funds statements tell how general governmental services were financed in the short term, as well as, what remains for future spending.
- Proprietary fund statements offer short and long-term financial information about the activities the government operates like a business.
- Fiduciary fund statements provide information about the financial relationships in which the City acts solely as a trustee or agent for the benefit of others to whom the resources in question belong.



CITY OF CORINTH, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2016

Figure 1 summarizes the major features of the City's financial statements, including the portion of the City government they cover and the types of information they contain. The remainder of this overview section of Management's Discussion and Analysis explains the structure and contents of each of the statements.

Government-wide financial statements. The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies.

The statement of net position presents information on all of the City of Corinth's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the net difference 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 of Corinth is improving or deteriorating.

The statement of activities presents information showing how the government'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 in this statement 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 public safety, fire services, community services, planning and community development, public works, city administration, finance and administrative services and debt service. The business-type activities are the water and wastewater utility fund, which includes contracted garbage collection services, and the storm water utility fund.

The government-wide financial statements include not only the City itself (known as the primary government), but also a legally separate

Economic Development Corporation as a component unit 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 government-wide financial statements can be found starting on page 23 of this report.

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 of Corinth, 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 two categories: governmental funds and proprietary 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

Figure 1. Major Feature of the City's Government-wide and Fund Financial Statements

Type of Statements	Government-wide	Fund Statements		
		Governmental	Proprietary Funds	Fiduciary Funds
Scope	Entire City's government (except fiduciary funds) and the City's component units	The activities of the City that are not proprietary or fiduciary	Activities the City operates similar to private businesses or self insurance funds	Instances in which the City is the trustee or agent for someone else's resources
Required financial statements	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenues, expenditures & changes in fund balance 	<ul style="list-style-type: none"> • Statement of net position • Statement of revenues, expenditures & changes in fund net position • Statement of cash flows 	<ul style="list-style-type: none"> • Statement of fiduciary net position • Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, short-term and long-term	All assets and liabilities, both financial and capital, short-term and long-term; may contain capital assets
Type of inflow/outflow information	All revenue and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter.	All revenue and expenses during year, regardless of when cash is received or paid	All revenue and expenses during year, regardless of when cash is received or paid

CITY OF CORINTH, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2016

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 evaluating a government's near-term financing requirements.

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 of Corinth reports twenty-one 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 and Debt Service Fund, which are considered to be major funds. Data from the non-major governmental funds are combined into a single aggregated presentation. Fund data for the non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City of Corinth adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 26 – 32 of this report.

Proprietary funds. The City of Corinth maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Corinth uses two enterprise funds to account for its water and wastewater operations and for its storm water utility.

Proprietary funds 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 Wastewater Fund and the Storm Water Fund, both of which are considered to be major funds of the City.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found starting on page 38 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$66,014,385 at the close of the most recent fiscal year.

By far the largest portion of the City of Corinth's net position (\$57,505,386 or 87%) reflects its investment in capital assets (i.e., land, buildings, and infrastructure), less any related debt used to acquire those assets that is still outstanding. The City of Corinth uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Corinth's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A portion of the City's net position (\$2,406,861 or 4%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$6,102,138 or 9%) may be used to meet the City's ongoing obligations to citizens and creditors. The City currently has \$23,996,876 available in cash and investments that may be used to meet the City's ongoing obligations to citizens and creditors. At the end of the current fiscal year the City of Corinth is able to report positive balances in the government-wide as a whole and the business-type activities.

CITY OF CORINTH, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2016

TABLE I

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
ASSETS						
Current and Other Assets	\$ 23,594,016	\$ 11,602,074	\$ 6,521,230	\$ 8,179,129	\$ 30,115,246	\$ 19,781,203
Capital assets	51,304,769	49,521,596	31,248,756	31,779,350	82,553,525	81,300,946
Total assets	74,898,785	61,123,670	37,769,986	39,958,479	112,668,771	101,082,149
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflows - pension	2,201,353	1,109,256	289,923	142,590	2,491,276	1,251,846
Deferred loss from refunding	51,183	31,820	19,024	23,310	70,207	55,130
Total Deferred Outflows of Resources	2,252,536	1,141,076	308,947	165,900	2,561,483	1,306,976
LIABILITIES						
Long-term liabilities outstanding	34,305,414	19,333,256	10,663,842	11,351,347	44,969,256	30,684,603
Other liabilities	2,690,668	2,719,666	863,511	1,673,762	3,554,179	4,393,428
Total liabilities	36,996,082	22,052,922	11,527,353	13,025,109	48,523,435	35,078,031
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows - pension	611,306	215,138	81,128	27,681	692,434	242,819
Total Deferred Inflows of Resources	611,306	215,138	81,128	27,681	692,434	242,819
NET POSITION						
Net investment in capital assets	35,967,465	37,162,807	21,537,921	21,568,651	57,505,386	58,731,458
Restricted	1,759,359	1,066,371	647,502	645,963	2,406,861	1,712,334
Unrestricted	1,817,109	1,767,508	4,285,029	4,856,975	6,102,138	6,624,483
Total Net Position	\$ 39,543,933	\$ 39,996,686	\$ 26,470,452	\$ 27,071,589	\$ 66,014,385	\$ 67,068,275

Government-wide activities. As shown above, governmental activities decreased net position by \$452,753 and business-type activities decreased net position by \$601,137. A detailed examination of all the elements affecting net position can be found in Table II.

TABLE II

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Revenues:						
Program revenues						
Charges for services	\$ 4,872,566	\$ 4,696,469	\$ 11,751,505	\$ 11,684,011	\$ 16,624,071	\$ 16,380,480
Operating grants and contributions	189,114	299,613	-	-	189,114	299,613
Capital grants and contributions	332,872	380,748	1,448,393	607,013	1,781,265	987,761
General revenues						
Property taxes	9,663,535	9,291,409	-	-	9,663,535	9,291,409
Sales taxes	2,023,059	1,889,020	-	-	2,023,059	1,889,020
Franchise taxes	1,068,910	1,074,217	-	-	1,068,910	1,074,217
Hotel taxes	79,007	67,833	-	-	79,007	67,833
Miscellaneous	237,674	45,685	4,741	(391)	242,415	45,294
Investment interest	87,433	55,043	26,328	18,423	113,761	73,466
Gain (loss) on sale of capital assets	43,222	14,712	9,768	5,333	52,990	20,045
Total Revenues	18,597,392	17,814,749	13,240,735	12,314,389	31,838,127	30,129,138
Expenses:						
Public safety	9,331,392	8,937,222	-	-	9,331,392	8,937,222
Community services	1,734,299	1,855,018	-	-	1,734,299	1,855,018
Public works	4,471,115	4,661,909	-	-	4,471,115	4,661,909
Planning and community development	1,013,413	860,549	-	-	1,013,413	860,549
City administration	2,032,778	1,873,459	-	-	2,032,778	1,873,459
Finance and administrative services	878,384	746,482	-	-	878,384	746,482
Interest on long-term debt	747,838	613,346	-	-	747,838	613,346
Water and wastewater	-	-	12,157,058	11,107,570	12,157,058	11,107,570
Storm drainage	-	-	525,740	540,217	525,740	540,217
Total Expenses	20,209,219	19,547,985	12,682,798	11,647,787	32,892,017	31,195,772
Increase (decrease) in net position before transfers, contributions and special items	(1,611,827)	(1,733,236)	557,937	666,602	(1,053,890)	(1,066,634)
Net transfers	1,159,074	778,956	(1,159,074)	(778,956)	-	-
Increase (decrease) in net position	(452,753)	(954,280)	(601,137)	(112,354)	(1,053,890)	(1,066,634)
Net position - beginning	39,996,686	45,591,737	27,071,589	27,802,557	67,068,275	73,394,294
Prior Period Adjustment	-	(4,640,771)	-	(618,614)	-	(5,259,385)
Net position - ending	\$ 39,543,933	\$ 39,996,686	\$ 26,470,452	\$ 27,071,589	\$ 66,014,385	\$ 67,068,275

CITY OF CORINTH, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2016

City of Corinth's Changes in Fund Balance. The City's governmental funds increased fund balance by \$11,938,179. The increase can be attributed to the receipt of bond proceeds, as well as, the use of funds in the General Vehicle Replacement Fund, 2004 Tax Note Fund, 2007 CO Streets Fund, the 2007 CO Tech Fund and the 2010 CO Fire Fund for replacement vehicles and equipment and for Capital Improvement Projects. Net position, as part of the government-wide reports, is reported on a full-accrual basis. The reconciliation between the overall increase to governmental fund balances and the \$452,753 net decrease to governmental activities net position illustrates the differences in reporting between the modified accrual basis used in the funds and full-accrual used at the government-wide level.

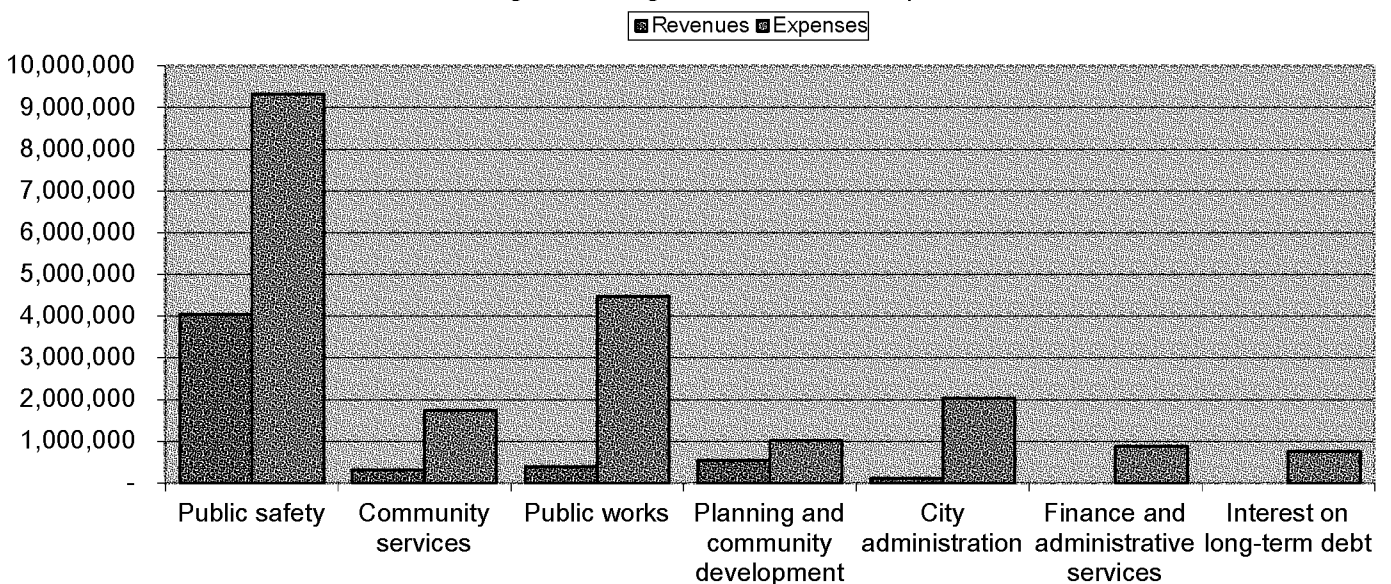
The following are the most significant factors in the reconciliation:

- Depreciation of capital assets is not reported in the funds.
- Donations/developer contributions do not constitute revenue in the funds, but are reported as an increase to net position.
- Repayment of bond principal is an expenditure in the funds but not an expense in the statement of activities.
- Bond proceeds are reported as current resources in the funds but are not reported as revenue in the statement of activities.

Exhibit A-6 on page 32 provides a detailed reconciliation between the statement of activities and the statement of revenues, expenditures and changes in fund balances of governmental funds.

Governmental Activities. Public safety, community services, public works, and planning and community development account for 82% of the expenses for the governmental activities. City administration, finance and administrative services and interest on long-term debt account for the remaining 18% of total expenses. These expenses were funded by revenues collected from a variety of sources. Property taxes produced \$9,663,535 or 49%, Charges for services accounted for \$4,872,566 or 25%, Sales tax received was \$2,023,059 or 10%, Franchise taxes provided \$1,068,910 or 5%, capital grants and contributions provided \$332,872 or 2% and operating grants and contributions provided \$189,114 or 1% for the governmental activities. The remaining 8% of revenue is made up of hotel occupancy tax, transfers, investment interest and other miscellaneous revenue. Figure 2 provides a graphic representation of the City's expenses and any directly related revenues by source.

Figure 2: Program Revenues v. Expenses

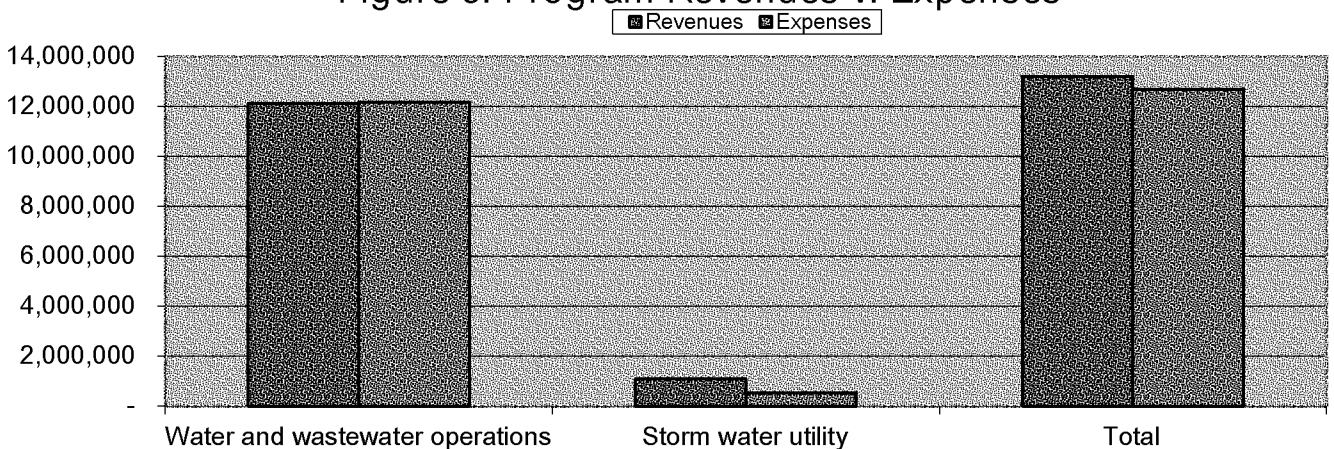


CITY OF CORINTH, TEXAS
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 SEPTEMBER 30, 2016

Business-type Activities. Business-type activities decreased the City's net position by \$601,137. Charges for Services is major revenue source in both the Water/Wastewater Fund and the Storm Drainage Fund, producing \$11,047,722 and \$703,783, respectively, in revenue. Charges for services account for 89% of the revenue. Contributions of assets arising from new property development within the City, totaled \$1,448,393 or 11% in revenue. Less than 1% of revenue is made up of investment interest and other miscellaneous revenue.

Total revenue from water and wastewater sales and services was \$11,047,722; associated costs of water, wastewater treatment, and operations and maintenance accounted for \$12,157,058 of the total business-type expenses of \$12,682,798. The remaining \$525,740 in expenses for business-type activities is associated with the storm water utility. Storm water utility fees brought in \$703,783 in revenue. The following chart (Figure 3) provides a graphic representation of the City's business-type expenses and any directly related revenues by source.

Figure 3: Program Revenues v. Expenses



FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City's governmental funds is to provide information on 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 a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$19,286,456, an increase of \$11,938,179 in comparison with the prior year. The net increase in combined ending fund balance is due to the following: a net increase in the General Fund balance of \$8,173, a net increase in the Debt Service Fund of \$122,834, a net increase of \$480,655 in other governmental funds and the addition of the 2016 CO Fund with a fund balance of \$11,326,517.

Of the combined total governmental fund balances of \$19,286,456, \$3,295,962 reflects the General Fund unassigned fund balance which is available for spending at the government's discretion. The fund balance that is designated as restricted is not available for new spending due to debt service amounts, specific programs, and construction projects amounts to \$347,254, \$1,696,426 and \$11,326,517, respectively. The fund balance that is designated as committed, \$2,623,387 represents those amounts committed to liquidate contracts or encumbrances. The fund balance amount designated as non-spendable is for prepaid items, \$194,898, and inventories, \$244,248.

CITY OF CORINTH, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2016

General Fund. The General Fund is the chief operating fund of the City of Corinth. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$3,295,962 while total fund balance reached \$3,735,108. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures for the fiscal year. Unassigned fund balance represents 22% of total General Fund expenditures, while total fund balance represents 25% of that same amount.

This year, in the General Fund, revenues were more than expected by a total of \$274,684. Traffic Fines, Parks & Recreation Fees, Miscellaneous Income, Donations, Franchise Fees, and Charges for Services were less than budget by \$70,348, \$27,189, \$27,098, \$13,300, \$7,925 and \$1,038, respectively. Sales Tax, Fire Services, Development Fees & Permits, Utility Fees, Interest Income, Property Taxes, and Police Fees & Permits were above budget by \$136,385, \$135,037, \$107,929, \$17,261, \$11,997, \$7,239, and \$5,734, respectively. The City budgeted for no growth in fiscal year 2016. While revenues were over budget by \$274,684, expenditures were under budget by \$399,725. The net effect at year end was an excess of \$8,173 of revenues over expenditures in the General Fund.

Debt Service Fund. As part of the budgetary process, the government enacts a dedicated property tax for debt service each fiscal year. The Debt Service Fund has a total fund balance of \$347,254, all of which is restricted for the payment of debt service.

2016 CO Fund. This fund is used to track revenues and expenditures related to the 2016 CO Debt Issuance for Streets, Facility Renovations and Purchase of new Public Safety Facility.

Other Governmental Funds. The non-major governmental funds are the Crime Control and Prevention Fund, Street Maintenance Fund, Hotel-Motel Tax Fund, Keep Corinth Beautiful Fund, County Child Safety Fund, Special Revenue Funds, Municipal Court Security Fund, Municipal Court Technology Fund, Police Confiscation Fund – State, Police Confiscation Fund – Federal, Parks Development Fund, Community Park Improvement Fund, Tree Mitigation Fund, Roadway Impact Fee Fund, Governmental Capital Projects Fund, Vehicle Replacement Fund, LCFD Vehicle & Equipment Replacement Fund, Technology Equipment Replacement Fund, Street Escrow Fund, 2004 Tax Note Fund, 2007 CO Streets Fund, 2007 CO Tech Fund, 2010 CO Fire Fund and the 2016 Public Property Finance Fund. Each of these funds is used to account for revenues and expenditures related to specific purposes.

- The Corinth Crime Control and Prevention District is a special sales tax of \$.0025 levied for crime control and prevention within the City. Sales tax collections were \$44,593 more than budgeted, interest earnings were more than budgeted by \$507 and expenditures were \$40,076 less than budgeted. Due to the positive variances in revenues and expenditures, actual fund balance increased \$34,098.
- The Street Maintenance Sales Tax fund accounts for the collection of a special sales tax of \$.0025. Sales tax collections were more than budgeted by \$34,149, interest earnings were more than budgeted by \$1,302 and expenditures were less than budget by \$26,303. These combined increased actual fund balance by \$218,330.

Proprietary funds. The City of Corinth's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The City maintains two enterprise funds, the Water and Wastewater fund and the Storm Water utility fund.

Water and Wastewater fund assets of \$33,025,576 and deferred outflows of resources of \$280,402 exceeded liabilities of \$9,710,004 and deferred inflows of resources of \$71,128, reporting net position of \$23,524,846. The net non-operating revenues and expenses were (\$355,982) which included investment interest and debt service interest, as well as, the sale of aging and obsolete capital assets at auction. The largest portion of the non-operating expenses was \$393,044 of interest expense. Unrestricted net position for the Water and Wastewater fund decreased from \$4,249,196 in fiscal year 2015 to \$3,520,593 for fiscal year 2016.

Storm Water utility fund assets of \$4,744,410 and deferred outflows of \$28,545 exceeded liabilities of \$1,817,349 and deferred inflows of resources of \$10,000, leaving total net position of \$2,945,606. Total net position increased \$19,155, unrestricted net position increased from \$607,779 to \$764,436. The storm water utility reported operating income of \$260,598 in fiscal year 2016. Net non-operating revenues and expenses were (\$78,780) which includes \$3,775 in interest income and \$82,555 in interest expense.

CITY OF CORINTH, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2016

GENERAL FUND BUDGETARY HIGHLIGHTS

For fiscal year 2015-16, General Fund actual expenditures (including transfers) were \$15,078,257 compared to the final budget of \$15,477,982. The \$399,725 expenditure variance was primarily due to reduced costs of \$230,095 for Community Services, \$67,137 in City Administration, \$53,318 in Public Works and \$37,816 in Public Safety. Actual revenue (including transfers) was \$15,086,430 compared to the final budget of \$14,830,982. Of the \$255,448 revenue variance, approximately \$136,385 was for increased Sales Tax collection, \$135,037 was due to an increase in Fire Service Charges and \$107,929 was due to increased Development Fees and Permits.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. The City of Corinth's investment in capital assets for its governmental and business type activities as of September 30, 2016, amounts to \$82,553,525 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system improvements, machinery and equipment, park facilities and infrastructure. The total change in the City's investment in capital assets for the current fiscal year represents purchases, retirements, construction in progress for infrastructure and transfers and adjustments as of September 30, 2016.

TABLE III
CAPITAL ASSETS AT YEAR-END

	Governmental Activities		Business-Type Activities		TOTAL	
	2016	2015	2016	2015	2016	2015
Land	\$ 2,595,762	\$ 2,466,298	\$ 497,399	\$ 497,399	\$ 3,093,161	\$ 2,963,697
CIP	4,462,332	1,359,999	388,642	349,267	4,850,974	1,709,266
Buildings	4,298,852	4,436,086	104,182	110,748	4,403,034	4,546,834
Machinery and equipment	5,566,641	4,798,402	398,116	467,770	5,964,757	5,266,172
Infrastructure	34,381,182	36,460,811	29,860,417	30,354,166	64,241,599	66,814,977
Total capital assets	\$ 51,304,769	\$ 49,521,596	\$ 31,248,756	\$ 31,779,350	\$ 82,553,525	\$ 81,300,946

Additional information on the City's capital assets can be found in the notes to the financial statements on page 48.

Long-term debt. At the end of the current fiscal year, the City had total bonded debt outstanding of \$33,130,000 consisting of General Obligation Bonds and Certificates of Obligation. Debt can be reallocated among the Governmental and Business-Type Activities to reflect the amount of outstanding debt related to capital projects. All debt payments were made when due. Total debt payments equaled \$2,570,000. Total outstanding debt increased by \$11,309,800 in fiscal year 2016 due to a bond sale and the addition of a new capital lease (see Note 6).

TABLE IV
OUTSTANDING DEBT AT YEAR-END

	Governmental Activities		Business-Type Activities		TOTAL	
	2016	2015	2016	2015	2016	2015
General Obligation Bonds	\$ 3,458,925	\$ 4,611,500	\$ 816,075	\$ 1,063,500	\$ 4,275,000	\$ 5,675,000
Certificates of Obligation and Tax Notes	20,102,388	7,388,904	8,752,612	9,341,096	28,855,000	16,730,000
Capital Lease Obligation	1,268,191	683,391	-	-	1,268,191	683,391
Total outstanding debt	\$ 24,829,504	\$ 12,683,795	\$ 9,568,687	\$ 10,404,596	\$ 34,398,191	\$ 23,088,391

Additional information on the City's long-term debt can be found in this report in the notes to the financial statements on page 51.

Moody's Investor's Service, Inc. has given the City's General Obligation Bond and the Certificates of Obligation a rating of "AA2". Standard and Poor's Corporation has given both the City's General Obligation and Certificates of Obligation an "AA" rating. The City is permitted by Article XI, Section 5 of the State of Texas Constitution to levy taxes up to \$2.50 per \$100 of assessed valuation for general governmental services including the payment of principal and interest on general obligation long-term debt. The current ratio of tax-supported debt to certified assessed value of all taxable property is 20.01 percent.

CITY OF CORINTH, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2016

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City continued to experience an increase in sales tax during FY 2015-16. Additionally, all other revenues held firm. Departments limited their requests for funds and absorbed increased demands for service with reduced staffing and support. The budget reflected the commitment to deliver quality service through carefully planned resource allocations.

The City Council approved a tax rate of \$.58193 for fiscal year 2017. General operations and maintenance will receive \$.442980 of the total and the remaining \$.138950 will fund long-term debt of the City.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance, City of Corinth, 3300 Corinth Parkway, Corinth, Texas, 76208.



BASIC FINANCIAL STATEMENTS



**CITY OF CORINTH, TEXAS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2016**

Exhibit A-1

	Primary Government			Component Unit
	Governmental Activities	Business- Type Activities	Total	Corinth Economic Development Corporation
ASSETS				
Cash and cash equivalents	\$ 3,016,117	\$ 946,253	\$ 3,962,370	\$ 174,656
Investments	16,232,449	3,802,057	20,034,506	2,883,682
Receivables (net of allowance)				
Accounts	3,906,304	1,585,701	5,492,005	140,375
Inventories	244,248	187,219	431,467	
Prepaid items	194,898	-	194,898	
Capital assets not being depreciated				
Land	2,595,762	497,399	3,093,161	
Construction in progress	4,462,332	388,642	4,850,974	
Capital assets (net of accumulated depreciation)				
Buildings	4,298,852	104,182	4,403,034	
Machinery and equipment	5,566,641	398,116	5,964,757	
Infrastructure	34,381,182	29,860,417	64,241,599	
Total assets	74,898,785	37,769,986	112,668,771	3,198,713
DEFERRED OUTFLOWS OF RESOURCES				
Deferred loss from refunding	51,183	19,024	70,207	
Deferred outflows - pension	2,201,353	289,923	2,491,276	
Total Deferred Outflows of Resources	2,252,536	308,947	2,561,483	-
LIABILITIES				
Accounts payable	177,215	162,966	340,181	782
Accrued liabilities	318,806	46,093	364,899	4,295
Accrued interest payable	183,915	57,197	241,112	
Municipal court bonds	11,535	-	11,535	
Customer meter deposits	-	583,590	583,590	
Other liabilities	1,999,197	13,665	2,012,862	
Noncurrent Liabilities				
Due within one year	2,041,984	900,195	2,942,179	11,557
Due in more than one year	32,263,430	9,763,647	42,027,077	
Total liabilities	36,996,082	11,527,353	48,523,435	16,634
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows - pension	611,306	81,128	692,434	
Total Deferred Inflows of Resources	611,306	81,128	692,434	-
NET POSITION				
Net investment in capital assets	35,967,465	21,537,921	57,505,386	
Restricted for capital projects	-	647,502	647,502	
Restricted for specific programs	1,565,688	-	1,565,688	
Restricted for debt service	193,671	-	193,671	
Restricted for economic development	-	-	-	3,182,079
Unrestricted	1,817,109	4,285,029	6,102,138	
Total net position	\$ 39,543,933	\$ 26,470,452	\$ 66,014,385	\$ 3,182,079

The accompanying notes are an integral part of these financial statements.

**CITY OF CORINTH, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

Functions/Programs	Expenses	Program Revenue		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government				
Governmental activities:				
Public safety	\$ 9,331,392	\$ 3,960,494	\$ 77,014	\$ -
Community services	1,734,299	206,560	105,600	-
Public works	4,471,115	59,205	-	332,872
Planning and community development	1,013,413	540,906	-	-
City administration	2,032,778	105,401	6,500	-
Finance and administrative services	878,384	-	-	-
Interest on long-term debt	747,838	-	-	-
Total governmental activities	<u>20,209,219</u>	<u>4,872,566</u>	<u>189,114</u>	<u>332,872</u>
Business-type activities:				
Water and sewer	12,157,058	11,047,722	-	1,057,143
Storm drainage	525,740	703,783	-	391,250
Total business-type activities	<u>12,682,798</u>	<u>11,751,505</u>	<u>-</u>	<u>1,448,393</u>
Total primary government	<u>\$ 32,892,017</u>	<u>\$ 16,624,071</u>	<u>\$ 189,114</u>	<u>\$ 1,781,265</u>
Component unit				
Corinth Economic Development Corporation	<u>\$ 604,412</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

General revenues:

Taxes:

Property taxes

Sales taxes

Franchise taxes

Hotel occupancy tax

Investment income

Other income (expense)

Gain (loss) on sale of capital assets

Transfers

Total general revenues and transfers

Change in net position

Net position - beginning

Net position - ending

The accompanying notes are an integral part of these financial statements.

Net (Expense) Revenue and Changes in Net Position

Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	Corinth Economic Development Corporation
\$ (5,293,884)	\$ -	\$ (5,293,884)	
(1,422,139)	-	(1,422,139)	
(4,079,038)	-	(4,079,038)	
(472,507)	-	(472,507)	
(1,920,877)	-	(1,920,877)	
(878,384)	-	(878,384)	
(747,838)	-	(747,838)	
<u>(14,814,667)</u>	<u>-</u>	<u>(14,814,667)</u>	
-	(52,193)	(52,193)	
-	569,293	569,293	
-	<u>517,100</u>	<u>517,100</u>	
(14,814,667)	517,100	(14,297,567)	
			\$ <u>(604,412)</u>
9,663,535	-	9,663,535	-
2,023,059	-	2,023,059	679,427
1,068,910	-	1,068,910	-
79,007	-	79,007	-
87,433	26,328	113,761	18,127
237,674	4,741	242,415	-
43,222	9,768	52,990	-
<u>1,159,074</u>	<u>(1,159,074)</u>	<u>-</u>	<u>-</u>
<u>14,361,914</u>	<u>(1,118,237)</u>	<u>13,243,677</u>	<u>697,554</u>
(452,753)	(601,137)	(1,053,890)	93,142
<u>39,996,686</u>	<u>27,071,589</u>	<u>67,068,275</u>	<u>3,088,937</u>
\$ <u>39,543,933</u>	\$ <u>26,470,452</u>	\$ <u>66,014,385</u>	\$ <u>3,182,079</u>

**CITY OF CORINTH, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
AS OF SEPTEMBER 30, 2016**

	<u>General</u>	<u>Debt Service</u>	<u>2016 CO Fund</u>
ASSETS			
Cash and cash equivalents	\$ 84,337	\$ 72,485	\$ 832,712
Investments	2,978,878	274,178	10,561,519
Receivables (net of allowance)			
Property taxes	66,815	21,836	-
Sales taxes	250,170	-	-
Accounts	67,491	9,120	-
Interest	4,134	-	8,879
Warrants	2,751,668	-	-
Ambulance	134,339	-	-
Miscellaneous	317,838	-	-
Due from other governments	123,073	-	-
Inventories	244,248	-	-
Prepaid items	194,898	-	-
Total Assets	<u>\$ 7,217,889</u>	<u>\$ 377,619</u>	<u>\$ 11,403,110</u>
LIABILITIES			
Accounts payable	\$ 83,925	\$ 33	\$ 76,593
Accrued liabilities	313,235	-	-
Municipal court bonds	11,535	-	-
Other liabilities	1,303,611	-	-
Total Liabilities	<u>1,712,306</u>	<u>33</u>	<u>76,593</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	<u>1,770,475</u>	<u>30,332</u>	<u>-</u>
Total Deferred Inflows of Resources	1,770,475	30,332	-
FUND BALANCES			
Nonspendable	439,146	-	-
Restricted	-	347,254	11,326,517
Committed	-	-	-
Unassigned	3,295,962	-	-
Total Fund Balances	<u>3,735,108</u>	<u>347,254</u>	<u>11,326,517</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 7,217,889</u>	<u>\$ 377,619</u>	<u>\$ 11,403,110</u>

The accompanying notes are an integral part of these financial statements.

<u>Other Governmental Funds</u>	<u>Total Governmental</u>
\$ 2,026,583	\$ 3,016,117
2,417,874	16,232,449
-	88,651
116,210	366,380
-	76,611
2,218	15,231
-	2,751,668
-	134,339
32,513	350,351
-	123,073
-	244,248
-	194,898
<u>\$ 4,595,398</u>	<u>\$ 23,594,016</u>
\$ 16,664	\$ 177,215
5,571	318,806
-	11,535
<u>695,586</u>	<u>1,999,197</u>
717,821	2,506,753
-	1,800,807
-	1,800,807
-	439,146
1,696,426	13,370,197
2,623,387	2,623,387
(442,236)	2,853,726
<u>3,877,577</u>	<u>19,286,456</u>
<u>\$ 4,595,398</u>	<u>\$ 23,594,016</u>

CITY OF CORINTH, TEXAS
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
AS OF SEPTEMBER 30, 2016

Exhibit A-4

Total Fund Balances - Governmental Funds	\$	19,286,456
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds balance sheet.		51,304,769
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds. As a result, these liabilities decrease net position:		
Capital leases payable		(1,268,191)
Bonds payable		(25,577,551)
Accrued compensated absences		(994,772)
Deferred loss on bond refunding is not included in the governmental funds but is deferred and amortized in the government wide statements.		51,183
Payables for bond interest which are not due in the current period are not reported in the fund financial statements but are included in the statement of net position. This results in a decrease in net position.		(183,915)
Included in liabilities is the recognition of the City's net pension liability in the amount of \$6,464,900, a deferred inflow of resources of \$611,306 and a deferred outflow of resources of \$2,201,353. This results in a decrease in net position.		(4,874,853)
Other adjustments are necessary to convert from the modified accrual basis of accounting to the accrual basis of accounting. Net property taxes receivable of \$86,088, net fines, fees and court costs receivable of \$1,513,400, net fees for ambulance receivables of \$134,339 and net receivables for other items of \$66,980 were unavailable to pay for the current period expenditures and are deferred inflows in the governmental funds but are recognized as revenue in the government wide statements. This results in an increase in net position.		<u>1,800,807</u>
Net position of governmental activities	\$	<u><u>39,543,933</u></u>

The accompanying notes are an integral part of these financial statements.



**CITY OF CORINTH, TEXAS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	General	Debt Service	2016 CO Fund
REVENUES			
Taxes:			
Property	\$ 7,274,662	\$ 2,361,370	\$ -
Sales	1,374,704	-	-
Hotel occupancy tax	-	-	-
Franchise	1,068,910	-	-
Escrow and impact fees	-	-	-
Utility fees	29,761	-	-
Traffic fines & forfeitures	682,806	-	-
Development fees & permits	488,866	-	-
Police fees & permits	29,834	-	-
Parks & recreation fees	147,343	-	-
Fire services	2,588,688	-	-
Donations	1,700	-	-
Interest income	40,127	2,482	23,820
Grants	-	-	-
Miscellaneous income	31,502	-	-
Charges for services	479,576	-	-
Total revenues	14,238,479	2,363,852	23,820
EXPENDITURES			
Current:			
Public safety	8,367,080	-	-
Community services	1,432,919	-	-
Public works	771,293	-	-
Planning and community development	965,581	-	-
City administration	2,106,266	-	-
Finance and administrative services	862,114	-	-
Debt service:			
Principal	-	1,729,692	-
Interest	-	547,913	216,030
Capital outlay:			
Public safety	-	-	3,727,303
Total expenditures	14,505,253	2,277,605	3,943,333
Excess (Deficiency) of Revenues over Expenditures	(266,774)	86,247	(3,919,513)
OTHER FINANCING SOURCES (USES)			
Proceeds from issuance of debt	-	1,208,988	15,246,030
Proceeds from sale of capital assets	-	-	-
Payments to bond refunding agent	-	(1,179,213)	-
Transfers out	(573,004)	-	-
Transfers in	847,951	6,812	-
Total Other Financing Sources (Uses)	274,947	36,587	15,246,030
Net Change in Fund Balance	8,173	122,834	11,326,517
Fund Balance - October 1 (Beginning)	3,726,935	224,420	-
Fund Balance - September 30 (Ending)	\$ 3,735,108	\$ 347,254	\$ 11,326,517

The accompanying notes are an integral part of these financial statements.

Other Governmental Funds	Total Governmental Funds
\$ -	\$ 9,636,032
648,355	2,023,059
79,007	79,007
-	1,068,910
59,205	59,205
-	29,761
30,046	712,852
-	488,866
31,958	61,792
10,365	157,708
91,699	2,680,387
184,520	186,220
21,004	87,433
3,144	3,144
258,303	289,805
-	479,576
<u>1,417,606</u>	<u>18,043,757</u>
1,335,903	9,702,983
74,607	1,507,526
950,688	1,721,981
15,570	981,151
67,543	2,173,809
-	862,114
76,895	1,806,587
20,642	784,585
-	3,727,303
<u>2,541,848</u>	<u>23,268,039</u>
(1,124,242)	(5,224,282)
661,695	17,116,713
65,887	65,887
-	(1,179,213)
(10,525)	(583,529)
<u>887,840</u>	<u>1,742,603</u>
<u>1,604,897</u>	<u>17,162,461</u>
480,655	11,938,179
3,396,922	7,348,277
<u>\$ 3,877,577</u>	<u>\$ 19,286,456</u>

CITY OF CORINTH, 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, 2016

Exhibit A-6

Net Change in Fund Balances - Total Governmental Funds \$ 11,938,179

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

Current year capital outlays are expenditures in the fund financial statements, but they are shown as increases in capital assets in the government-wide financial statements. 6,499,287

The net book value of capital assets disposed reduces net position. (22,666)

Depreciation is not recognized as an expenditure in governmental funds since it does not require the use of current financial resources. (4,693,448)

The issuance of long-term debt 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.

Issuance of bonds	\$ (14,452,800)	
Issuance of bond premium	(2,002,217)	
Issuance of capital lease	(661,695)	
Current year deferred loss on bond refunding	(48,881)	
Bond principal repayments	2,891,892	
Capital lease repayment	76,895	
Amortization of premium	129,177	
Amortization of deferred loss on bond refunding	68,244	(13,999,385)

Changes in long-term liabilities for compensated absences are not reported in the governmental funds but are included in the statement of activities. 8,488

Interest payable on long-term debt is accrued in the government-wide financial statements, whereas in the fund financial statements, interest expense is reported when due. The current year change in the interest accrual is an increase of \$94,780. The effect is to decrease net position. (94,780)

Certain pension expenditures that are recorded in the fund financial statements must be recorded as deferred outflows of revenues. Contributions made after the measurement date caused the change in net position to increase in the amount of \$990,935. The City's share of the unrecognized deferred inflows and outflows for TMRS as of the measurement date must be amortized and the City's pension expense must be recognized. These cause the change in net position to decrease in the amount of \$1,256,904. The net effect is a decrease in net position. (265,969)

Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing deferred inflows of resources as revenue, adjusting current year revenue to include the revenue earned from current year's tax levy, and eliminating interfund transactions. These adjustments result in an increase in net position. 177,541

Change in Net Position of Governmental Activities \$ (452,753)

The accompanying notes are an integral part of these financial statements.

**CITY OF CORINTH, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2016**

Exhibit A-7

	Enterprise Funds		
	Water and Sewer Fund	Storm Drainage Fund	Total Enterprise Funds
ASSETS			
Current assets:			
Cash	\$ 794,711	\$ 151,542	\$ 946,253
Investments	3,102,519	699,538	3,802,057
Receivables (net of allowances for uncollectibles):			
Accounts	1,496,209	82,783	1,578,992
Interest	2,385	719	3,104
Miscellaneous	3,605	-	3,605
Inventories	172,269	14,950	187,219
Total Current Assets	<u>5,571,698</u>	<u>949,532</u>	<u>6,521,230</u>
Non-current assets:			
Capital Assets			
Land	485,399	12,000	497,399
Construction in progress	388,642	-	388,642
Buildings	252,345	-	252,345
Machinery and equipment	1,348,925	275,009	1,623,934
Infrastructure	40,582,804	5,142,232	45,725,036
Less accumulated depreciation	<u>(15,604,237)</u>	<u>(1,634,363)</u>	<u>(17,238,600)</u>
Total Capital Assets (net of accumulated depreciation)	<u>27,453,878</u>	<u>3,794,878</u>	<u>31,248,756</u>
Total assets	<u>33,025,576</u>	<u>4,744,410</u>	<u>37,769,986</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	19,024	-	19,024
Deferred outflows - pension	261,378	28,545	289,923
Total deferred outflows of resources	<u>280,402</u>	<u>28,545</u>	<u>308,947</u>
LIABILITIES			
Current liabilities:			
Accounts payable	161,936	1,030	162,966
Accrued liabilities	41,763	4,330	46,093
Accrued interest payable	46,748	10,449	57,197
Customer deposits	583,590	-	583,590
Other liabilities	-	13,665	13,665
Compensated absences	94,705	2,282	96,987
Current portion of bonds	685,201	118,007	803,208
Total current liabilities	<u>1,613,943</u>	<u>149,763</u>	<u>1,763,706</u>
Non-current liabilities:			
Net pension liability	755,804	81,192	836,996
General obligation bonds	7,340,257	1,586,394	8,926,651
Total Noncurrent Liabilities	<u>8,096,061</u>	<u>1,667,586</u>	<u>9,763,647</u>
Total Liabilities	9,710,004	1,817,349	11,527,353
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows - pension	71,128	10,000	81,128
Total Deferred Inflows of Resources	<u>71,128</u>	<u>10,000</u>	<u>81,128</u>
NET POSITION			
Net investment in capital assets	19,447,444	2,090,477	21,537,921
Restricted for capital projects	556,809	90,693	647,502
Unrestricted	3,520,593	764,436	4,285,029
Total net position	<u>\$ 23,524,846</u>	<u>\$ 2,945,606</u>	<u>\$ 26,470,452</u>

The accompanying notes are an integral part of these financial statements.

CITY OF CORINTH, TEXAS
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2016

Exhibit A-8

	Enterprise Funds		
	Water and Sewer Fund	Storm Drainage Fund	Total Enterprise Funds
OPERATING REVENUES			
Charges for sales and services:			
Water sales	\$ 5,550,353	\$ -	\$ 5,550,353
Sewer disposal	4,308,134	-	4,308,134
Storm drainage fees	-	695,050	695,050
Garbage	795,023	-	795,023
Penalties and reconnect fees	179,242	-	179,242
Tap fees	111,651	-	111,651
Service fees	68,113	-	68,113
Inspections	35,206	8,733	43,939
Total Operating Revenues	11,047,722	703,783	11,751,505
OPERATING EXPENSES			
Wages & benefits	1,546,452	118,075	1,664,527
Professional services and contracts	2,265,685	52,519	2,318,204
Maintenance and operations	434,257	7,325	441,582
Supplies	74,691	5,600	80,291
Utilities and communication	5,372,011	6,003	5,378,014
Vehicles/equipment and fuel	104,960	9,377	114,337
Travel and training	10,418	-	10,418
Capital outlay	66,623	-	66,623
Depreciation	1,888,917	244,286	2,133,203
Total Operating Expenses	11,764,014	443,185	12,207,199
Operating Income (Loss)	(716,292)	260,598	(455,694)
NONOPERATING REVENUES (EXPENSES)			
Interest income	22,553	3,775	26,328
Miscellaneous income (expense)	4,741	-	4,741
Gain (loss) on sale of capital assets	9,768	-	9,768
Interest expense	(393,044)	(82,555)	(475,599)
Total Non-operating Revenues (Expenses)	(355,982)	(78,780)	(434,762)
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(1,072,274)	181,818	(890,456)
CONTRIBUTIONS AND TRANSFERS			
Special assessment - water and sewer impact fees	144,666	-	144,666
Capital contributions	912,477	391,250	1,303,727
Transfers in	228,530	-	228,530
Transfers out	(833,691)	(553,913)	(1,387,604)
Total Contributions and Transfers	451,982	(162,663)	289,319
Change in Net Position	(620,292)	19,155	(601,137)
Net Position, Beginning	24,145,138	2,926,451	27,071,589
Net Position, Ending	\$ 23,524,846	\$ 2,945,606	\$ 26,470,452

The accompanying notes are an integral part of these financial statements.



**CITY OF CORINTH, TEXAS
STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

Exhibit A-9

	Enterprise Funds		
	Water and Sewer Fund	Storm Drainage Fund	Total Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 11,288,017	\$ 703,028	\$ 11,991,045
Payments to or on behalf of employees	(1,470,588)	(119,396)	(1,589,984)
Payments to suppliers	(9,028,351)	(196,554)	(9,224,905)
Net cash provided by operating activities	<u>789,078</u>	<u>387,078</u>	<u>1,176,156</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers out	(833,691)	(553,913)	(1,387,604)
Transfers in	228,530	-	228,530
Net cash used by noncapital financing activities	<u>(605,161)</u>	<u>(553,913)</u>	<u>(1,159,074)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Capital contributions	-	140,000	140,000
Acquisition of capital assets	(379,179)	(59,703)	(438,882)
Proceeds from issuance of debt	332,200	-	332,200
Principal paid on bonds	(1,059,147)	(108,961)	(1,168,108)
Interest paid on bonds	(397,972)	(86,317)	(484,289)
Proceeds from sale of assets	9,768	-	9,768
Special assessments- impact fees	144,666	-	144,666
Net cash used by capital and related financing activities	<u>(1,349,664)</u>	<u>(114,981)</u>	<u>(1,464,645)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
(Increase) decrease in short-term investments	1,161,393	(100,143)	1,061,250
Interest received	26,304	3,345	29,649
Net cash provided (used) by investing activities	<u>1,187,697</u>	<u>(96,798)</u>	<u>1,090,899</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	21,950	(378,614)	(356,664)
CASH AND CASH EQUIVALENTS, BEGINNING	<u>772,761</u>	<u>530,156</u>	<u>1,302,917</u>
CASH AND CASH EQUIVALENTS, ENDING	<u>\$ 794,711</u>	<u>\$ 151,542</u>	<u>\$ 946,253</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF CORINTH, TEXAS
STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	Enterprise Funds		
	Water and Sewer Fund	Storm Drainage Fund	Total Enterprise Funds
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating (loss) income	\$ (716,292)	\$ 260,598	\$ (455,694)
Adjustments to reconcile operating (loss) income to net cash provided by operating activities:			
Depreciation and amortization	1,888,917	244,286	2,133,203
(Increase) decrease in accounts receivable	218,295	(755)	217,540
(Increase) decrease in inventories	23,722	143	23,865
Increase (decrease) in accounts payable	(723,428)	(129,538)	(852,966)
Increase (decrease) in customer deposits	22,000	-	22,000
Increase (decrease) in accrued liabilities	75,864	12,344	88,208
Net cash provided by operating activities	<u>\$ 789,078</u>	<u>\$ 387,078</u>	<u>\$ 1,176,156</u>
NONCASH INVESTING AND FINANCING ACTIVITIES			
Infrastructure contributed by developers	\$ 912,477	\$ 251,250	\$ 1,163,727

The accompanying notes are an integral part of these financial statements.

CITY OF CORINTH, TEXAS

NOTES TO FINANCIAL STATEMENTS

Note 1: REPORTING ENTITY

The City of Corinth, Texas (the City) is a municipal corporation governed by an elected mayor and five-member council. The accompanying financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

The financial statements of the City have been prepared in conformity with accounting principles applicable to governmental units which are generally accepted in the United States of America. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

The City's basic financial statements include the accounts of all its operations. The City evaluated whether any other entity should be included in these financial statements. The criteria for including organizations as component units within the City's reporting entity, as set forth in GASB Statement No. 14, "The Financial Reporting Entity," include whether:

- the organization is legally separate (can sue and be sued in their own name)
- the City holds the corporate powers of the organization
- the City appoints a voting majority of the organization's board
- the City is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the City
- there is fiscal dependency by the organization on the City

The City also evaluated each legally separate, tax-exempt organization whose resources are used principally to provide support to the City to determine if its omission from the reporting entity would result in the financial statements which are misleading or incomplete. GASB Statement No. 39 requires inclusion of such an organization as a component unit when: 1) the economic resources received or held by the organization are entirely or almost entirely for the direct benefit of the City, its component units or its constituents; and 2) the City or its component units is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the organization; and 3) such economic resources are significant to the City.

Based on the criteria above, the City has the following component units:

Blended component unit. The *Corinth Crime Control and Prevention District (CCD)* was organized under state law and serves all the citizens of the City and is financed by a one-quarter of one percent (.0025) sales and use tax for the support of crime reduction programs authorized by the City. The CCD is governed by a board of directors, the members of which are appointed and serve at the discretion of the City Council. Because the CCD board is made up of the City Council, the CCD meets the standard that the board is substantially the same as the City Council. The CCD provides services entirely to the City. Therefore the CCD is reported as a blended component unit. The CCD is reported as a special revenue fund and does not issue separate financial statements.

Discretely presented component unit. The *Corinth Economic Development Corporation (CEDC)* was organized under state law for the purpose of promoting economic development. State statutes define projects that the corporation may fund. The CEDC is governed by a board of directors that are appointed by and serve at the discretion of the City Council. The CEDC is reported as a governmental entity and its accounts are maintained on the modified accrual basis of accounting. CEDC does not issue separate financial statements.

CITY OF CORINTH, TEXAS

NOTES TO FINANCIAL STATEMENTS

Note 2: GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements, except for interfund services provided and used. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. *Governmental activities*, which normally are supported by taxes and intergovernmental revenue, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from the legally separate component unit for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenue. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenue* includes 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 that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenue are reported instead as *general revenue*.

Separate financial statements are provided for governmental and proprietary funds. Major individual governmental funds and major individual proprietary funds are reported in separate columns in the fund financial statements.

Note 3: MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue 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.

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 City considers revenue to be available if 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, claims, and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, sales taxes, certain charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

CITY OF CORINTH, TEXAS

NOTES TO FINANCIAL STATEMENTS

Note 3: MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION (continued)

The City reports the following major governmental funds:

The **General Fund** is the general operating fund of the City. It is used to account for all financial resources of the general government, except those required to be accounted for in another fund.

The **Debt Service Fund** is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

The **2016 CO Fund** is used to account for the resources accumulated for the issuance of the 2016 \$13,275,000 Combination Tax and Limited Surplus Revenue Certificates of Obligation.

The City reports the following major proprietary fund types:

Water and Sewer Fund — The Water and Sewer Fund provides water and wastewater services to the residents and businesses of Corinth. The activities supporting the delivery of services are accounted for in this fund, including operations and maintenance, administration, billing, financing and debt service. The Water and Sewer Fund is financed and operated in a manner similar to private business enterprises, where the determination of net income is necessary or useful to sound financial administration.

Storm Drainage Fund – The Storm Drainage Utility Fund is used to protect the public health and safety from damage caused by surface water overflows, and surface water stagnation and pollution within the city.

Additionally, the City reports the following fund types:

Fourteen nonmajor special revenue funds account for specific revenue sources that are legally restricted to expenditures for specialized purposes.

Ten nonmajor capital projects funds are used to account for acquisition and construction of major capital facilities (other than those accounted for within the City's proprietary funds) and vehicle replacement funds. Capital projects are funded primarily through certificates of obligation.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds 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 include cost of sales and services, administrative expenses and depreciation expense on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

CITY OF CORINTH, TEXAS

NOTES TO FINANCIAL STATEMENTS

Note 4: ASSETS, LIABILITIES, AND NET POSITION OR EQUITY

Cash and Cash Equivalents

For purposes of the statement of cash flows for the proprietary fund types, the City considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

Investments

Investments for the City and CEDC are reported at fair value (generally based on quoted market prices), except for the positions in TexPool and TexSTAR. In accordance with state law, TexPool and TexSTAR operate in conformity with the requirements of the Securities and Exchange Commission's (SEC) Rule 2a-7 as promulgated under the Investment Company Act of 1940, as amended. Accordingly, TexPool and TexSTAR qualify as 2a-7 like pools and are reported at the net asset value per share (which approximates fair value) even though they are calculated using the amortized cost method. The Pools are subject to regulatory oversight by the State Comptroller, although they are not registered with the SEC.

Fair Value Measurements

The City adopted GASB Statement No. 72, *Fair Value Measurement and Application*, which defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction. Fair value accounting requires characterization of the inputs used to measure fair value into three-level fair value hierarchy as follows:

Level 1 inputs are based on unadjusted quoted market prices for identical assets or liabilities in an active market the entity has the ability to access.

Level 2 inputs are observable inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent from the entity.

Level 3 inputs are observable inputs that reflect the entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available.

There are three general valuation techniques that may be used to measure fair value:

Market approach – uses prices generated by market transactions involving identical or comparable assets or liabilities.

Cost approach – uses the amount that currently would be required to replace the service capacity of an asset (replacement cost).

Income approach – uses valuation techniques to convert future amounts to present amounts based on current market expectations.

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances." All trade and property tax receivables are shown net of an allowance for uncollectibles.

CITY OF CORINTH, TEXAS

NOTES TO FINANCIAL STATEMENTS

Note 4: ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (continued)

Inventory

Inventory is valued at cost using the first-in, first-out (FIFO) method. Inventories consist of expendable supplies held for consumption or the construction of plant and equipment. Inventories are recorded as expenditures when consumed rather than when purchased.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of the Texas Municipal Retirement System (TMRS) and additions to/deductions from TMRS's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has two items that qualify for reporting in this category. The City has a deferred charge on bond refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The City also has deferred outflows of resources for its deferred outflow related to pensions as described in Note 7.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two items that qualify for reporting in this category. The first item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes, fines, ambulance services and other items. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The City also has deferred inflows of resources for its deferred inflow related to pensions as described in Note 7.

Capital Assets

Capital assets, which include property, plant and 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 as well as the proprietary fund financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist.

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities), the government chose to include all such items regardless of their acquisition date or amount. The City was able to estimate the historical cost for the initial reporting of these assets through back trending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). As the government constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at their estimated fair value at the date of donation.

CITY OF CORINTH, TEXAS

NOTES TO FINANCIAL STATEMENTS

Note 4: ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (continued)

The costs of normal maintenance and repairs that do not add to the value of the asset, or materially extend asset lives, are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Land and construction are not depreciated. Other property, plant, equipment, and infrastructure of the City, as well as the component unit, are depreciated using the straight-line method over the following useful lives:

Building and building improvements	20-50 years
Water and Wastewater system infrastructure	30 years
Storm drainage system infrastructure	30 years
Public domain infrastructure	50 years
Vehicles and equipment	5-10 years
Office equipment	5-10 years

Long-term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statements of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight line method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs are reported as debt service expenditures.

Compensated Absences

Accumulated earned but unused vacation is accrued when incurred in the government-wide and proprietary fund financial statements. It is the City's policy to permit employees to accumulate earned but unused vacation, compensatory time and sick pay benefits. Eligible employees are reimbursed upon separation from service for accumulated vacation, accumulated sick pay; non-exempt employees are reimbursed for compensatory time. The liabilities for these amounts are accrued as they are incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Use of Estimates

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

Property Taxes

Property is appraised and a lien on such property becomes enforceable as of January 1st of each year. Taxes are levied on and payable the following October 1. Taxes become delinquent February 1 of the following year and are subject to interest and penalty charges. The City is permitted by the State of Texas to levy taxes up to \$2.50 per \$100 of assessed valuation for general government services and for the payment of principal and interest on general long-term debt. The combined current tax rate to finance general government services, including debt service for the fiscal year ended September 30, 2016, was \$.58489 per \$100 of assessed valuation.

CITY OF CORINTH, TEXAS

NOTES TO FINANCIAL STATEMENTS

Note 4: ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (continued)

Fund Balance

The City classifies governmental fund balance in accordance with Government Accounting Standards Board (GASB) Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions:

Nonspendable fund balance includes fund balance that cannot be spent either because it is not in spendable form or because of legal or contractual constraints. The City had \$244,248 and \$194,898 in nonspendable fund balance for inventory and prepaid items, respectively, at September 30, 2016.

Restricted fund balance includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. Debt service fund balance restricted for the retirement of funded indebtedness totaled \$347,254 as of September 30, 2016. Fund balance restricted for future capital projects totaled \$11,326,517 and \$130,738. Special revenue fund balance restricted for specific programs included crime control and prevention, street maintenance, hotel motel tax, Keep Corinth Beautiful, County Child Safety, special revenue, municipal court security fund, municipal court technology fund, Parks Development, and Community Park Improvement Fund and totaled \$251,535, \$699,724, \$170,098, \$24,350, \$26,499, \$37,939, \$49,373, \$29,578, \$103,900 and \$12,050 respectively, as of September 30, 2016.

Committed fund balance is established and modified by a resolution from City Council, the City's highest level of decision-making authority, and can be used only for the specified purposes determined by the Council's resolution. Special revenue fund balance committed for specific programs consisted of fund balance committed to special revenue and parks development totaling \$227,142 and \$133,897, respectively, as of September 30, 2016. Capital project fund balances committed for future projects included the governmental capital projects, vehicle replacement, LCFD vehicle and equipment replacement, tech equipment replacement, and street escrow and totaled \$1,839,359, \$41,677, \$199,450, \$29,747, and \$152,115, respectively, as of September 30, 2016.

Assigned fund balance includes the portion of net resources for which an intended use has been established by the City Council or the City Official authorized to do so by the City Council. Assignments of fund balance are much less formal than commitments and do not require formal action for their imposition or removal. In governmental funds, other than the General Fund, assigned fund balance represents the amount that is not restricted or committed which indicates that resources are, at a minimum, intended to be used for the purpose of that fund is intended to be used by the City for specific purposes but does not meet the criteria to be classified as restricted or committed. The Council has authorized the City Manager to assign fund balance. The City had no assigned fund balance as of September 30, 2016.

Unassigned fund balance is the residual classification for the City's general fund and includes all spendable amounts not contained in the other classifications, as well as negative unassigned fund balance in other governmental funds.

Minimum fund balance policy

The City Council has adopted a financial policy to maintain an unassigned fund balance in the general fund equal to 20% of expenditures and in the water and sewer fund and storm drainage fund equal to 25% of expenditures. The City considers a balance of less than 15% to be cause for concern, barring unusual or deliberate circumstances. In the event that the unassigned fund balance is calculated to be less than the policy stipulates, the City shall plan to adjust budget resources in subsequent fiscal years to restore the balance.

CITY OF CORINTH, TEXAS

NOTES TO FINANCIAL STATEMENTS

Note 4: ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (continued)

Flow Assumptions

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed. It is the City'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, then unassigned fund balance.

Note 5: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for the General fund; the Crime Control and Prevention, Street Maintenance, Hotel/Motel Tax, Municipal Court Security, Municipal Court Technology, Parks Development, Keep Corinth Beautiful, County Child Safety, Police Confiscation, Community Parks Improvement, Tree Mitigation, and Roadway Impact Fee special revenue funds; and the Debt Service fund. The capital projects funds is appropriated on a project-length basis. Other special revenue funds do not have appropriated budgets since other means control the use of these resources (i.e. grant awards and city council resolutions) and sometimes span a period of more than one fiscal year.

The appropriated budget is prepared by fund, functional department and division. Transfers of appropriations between divisions within a department may be initiated by staff and approved by the director. Transfers between functional departments require the approval of the director, budget manager, and finance director. Transfers between funds may require council approval. All transfers of appropriations require the approval of the city manager. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level. The City Council is required to approve all budget amendments that alter department or operating appropriations.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget.

Deficit fund equity

At September 30, 2016, a fund deficit of \$442,236 was reported for the Roadway Impact Fee Fund. It represents deferred/unearned impact fee revenue, net of related assets, which will be recognized as development of land progresses through April 1, 2025.

Note 6: DETAILED NOTES ON ALL FUNDS

Cash and Investments

Custodial Credit Risk. Cash deposits of the City and CEDC at September 30, 2016, were entirely covered by FDIC insurance and pledged collateral held by the City's agent bank.

State statutes authorize the City to invest in (1) obligations of the United States or its agencies and instrumentalities; (2) direct obligations of the State of Texas or its agencies; (3) Texas local government investment pools; (4) obligations of states, agencies, counties, cities, and other political subdivisions of any state having been rated as investment quality by a nationally recognized investment rating firm and having received a rating of not less than A or its equivalent; (5) certificates of deposit by state and national banks domiciled in this state that are (a) guaranteed or insured by the Federal Deposit Insurance Corporation, or its successor; or (b) secured by obligations that are described by (1) – (4); (6) and reverse repurchase agreements not to exceed 90 days to stated maturity.

CITY OF CORINTH, TEXAS

NOTES TO FINANCIAL STATEMENTS

Note 6: DETAILED NOTES ON ALL FUNDS (continued)

Following are the City's investments at September 30, 2016, including classification by level, within the fair value hierarchy:

Primary Government

<u>Investment Pools</u>	<u>Fair Value</u>	<u>Level</u>	<u>S&P Rating</u>	<u>Weighted Average Maturity</u>			
TexSTAR	\$ 5,922,657	n/a	AAAm	< 60 days			
					<u>Investment Maturity in Years</u>		
					<u>Less than 1</u>	<u>1 - 5</u>	<u>More than</u>
					<u>Year</u>	<u>5</u>	<u>5</u>
<u>Other Investments</u>							
U.S. Government							
Backed Securities	11,309,786	Level 2	AA+	\$ 3,215,000	\$ 8,094,786	\$ -	
Money market	2,783,440	Level 1	n/a	2,783,440	-	-	
Total	14,093,226			\$ 5,998,440	\$ 8,094,786	\$ -	
Less: reconciling items	18,623						
Total Investments	\$ 20,034,506						

CEDC

<u>Investment Pools</u>	<u>Fair Value</u>	<u>Level</u>	<u>S&P Rating</u>	<u>Weighted Average Maturity</u>			
TexPool	\$ 953,468	n/a	AAAm	< 60 days			
					<u>Investment Maturity in Years</u>		
					<u>Less than 1</u>	<u>1 - 5</u>	<u>More than</u>
					<u>Year</u>	<u>5</u>	<u>5</u>
<u>Other Investments</u>							
U.S. Government							
Backed Securities	1,930,214	Level 2	AA+	\$ -	\$ 1,930,214	\$ -	
Total Investments	\$ 2,883,682			\$ -	\$ 1,930,214	\$ -	

Under the TexPool Participation Agreement, administrative and investment services to TexPool are provided by Federated Investors, Inc. through an agreement with the State of Texas Comptroller of Public Accounts. The State Comptroller is the sole officer, director, and shareholder of the Texas Treasury Safekeeping Trust Company authorized to operate TexPool. The reported value of the pool is the same as the fair value of the pool shares. TexPool is subject to annual review by an independent auditor consistent with the Public Funds Investment Act. Audited financial statements of the Pool are available at First Public, 12008 Research Blvd., Austin, Texas 78759. In addition, TexPool is subject to review by the State Auditor's Office and by the Internal Auditor of the Comptroller's Office.

The Texas Short Term Asset Reserve Program (TexSTAR) has been organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. These two acts provide for the creation of public funds investment pools (including TexSTAR) and authorize eligible governmental entities to invest their public funds through the investment pools. TexSTAR is administered by JP Morgan Investment Management, Inc. and First Southwest and is rated AAAm by Standard and Poor's.

Interest Rate Risk. In accordance with its investment policy, the City manages its exposure to decline in fair value of securities by limiting the City to securities with maturities not to exceed 36 months from date of purchase. The City also manages the weighted average days to maturity for the operating funds portfolio to less than 270 days, and the reserve, special project and capital project funds to less than 365 days. The CEDC limits weighted average days to maturity for the operating funds portfolio to less than 270 days.

CITY OF CORINTH, TEXAS

NOTES TO FINANCIAL STATEMENTS

Note 6: DETAILED NOTES ON ALL FUNDS (continued)

The City and its component unit invest in the public funds investment pools listed above, which have specified maximum weighted average maturities for their investment portfolios. The maximum weighted average maturity (WAM) of TexPool investment portfolios cannot exceed 60 days. TexSTAR also maintains a portfolio maximum WAM of 60 days calculated according to SEC rule 2a-7.

Credit Risk. State law and City policy limit investments in local government investment pools to those rated no lower than AAA or an equivalent rating by at least one nationally recognized rating service. As of September 30, 2016, the City's investments in TexPool and TexSTAR were both rated AAAm by Standard & Poor's.

The City's investment policy requires diversification of investments according to the following guidelines:

<u>Investment</u>	<u>Maximum of Portfolio %</u>
U.S. Treasury Obligations	100%
U.S. Government Agency Securities and Instrumentalities	100%
Authorized Local Government Investment Pool	100%
Local Government Obligations	10%
Fully Collateralized Certificates of Deposit	50%
Fully Collateralized Repurchase Agreements	25%
SEC-Regulated No-Load Money Market Mutual Fund	100%
U.S. Treasury and Agency Callables	30%

CITY OF CORINTH, TEXAS

NOTES TO FINANCIAL STATEMENTS

Note 6: DETAILED NOTES ON ALL FUNDS (continued)

Capital Assets

A summary of changes in capital assets follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 2,466,298	\$ 129,464	\$ -	\$ 2,595,762
Construction in progress	<u>1,359,999</u>	<u>4,638,220</u>	<u>1,535,887</u>	<u>4,462,332</u>
Total assets not being depreciated	3,826,297	4,767,684	1,535,887	7,058,094
Capital assets, being depreciated:				
Buildings	6,656,127	69,092	-	6,725,219
Machinery and equipment	9,802,766	1,676,056	334,660	11,144,162
Infrastructure	<u>93,861,885</u>	<u>1,522,342</u>	<u>-</u>	<u>95,384,227</u>
Total capital assets being depreciated	110,320,778	3,267,490	334,660	113,253,608
Less accumulated depreciation:				
Buildings	2,220,041	206,326	-	2,426,367
Machinery and equipment	5,004,364	885,151	311,994	5,577,521
Infrastructure	<u>57,401,074</u>	<u>3,601,971</u>	<u>-</u>	<u>61,003,045</u>
Total accumulated depreciation	64,625,479	4,693,448	311,994	69,006,933
Total capital assets being depreciated, net	<u>45,695,299</u>	<u>(1,425,958)</u>	<u>22,666</u>	<u>44,246,675</u>
Governmental activities capital assets, net	<u>\$ 49,521,596</u>	<u>\$ 3,341,726</u>	<u>\$ 1,558,553</u>	<u>\$ 51,304,769</u>

CITY OF CORINTH, TEXAS

NOTES TO FINANCIAL STATEMENTS

Note 6: DETAILED NOTES ON ALL FUNDS (continued)

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Business-type activities				
Capital assets, not being depreciated:				
Land	\$ 497,399	\$ -	\$ -	\$ 497,399
Construction in progress	349,267	378,842	339,467	388,642
Total assets not being depreciated	<u>846,666</u>	<u>378,842</u>	<u>339,467</u>	<u>886,041</u>
Capital assets, being depreciated:				
Buildings	252,345	-	-	252,345
Machinery and equipment	1,643,054	27,040	46,160	1,623,934
Infrastructure	44,188,842	1,536,194	-	45,725,036
Total capital assets being depreciated	<u>46,084,241</u>	<u>1,563,234</u>	<u>46,160</u>	<u>47,601,315</u>
Less accumulated depreciation:				
Buildings	141,597	6,566	-	148,163
Machinery and equipment	1,175,284	96,694	46,160	1,225,818
Infrastructure	13,834,676	2,029,943	-	15,864,619
Total accumulated depreciation	<u>15,151,557</u>	<u>2,133,203</u>	<u>46,160</u>	<u>17,238,600</u>
Total capital assets being depreciated, net	<u>30,932,684</u>	<u>(569,969)</u>	<u>-</u>	<u>30,362,715</u>
Business-type activities capital assets, net	<u>\$ 31,779,350</u>	<u>\$ (191,127)</u>	<u>\$ 339,467</u>	<u>\$ 31,248,756</u>

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

Governmental activities:	
Public safety	\$ 656,182
Community services	214,271
Public works	3,620,208
Planning and community development	9,943
City administration	192,294
Finance and administrative services	550
Total depreciation expense - governmental activities	<u>\$ 4,693,448</u>
Business-type activities	
Water and sewer	\$ 1,888,917
Storm drainage	244,286
Total depreciation expense - business-type activities	<u>\$ 2,133,203</u>

CITY OF CORINTH, TEXAS

NOTES TO FINANCIAL STATEMENTS

Note 6: DETAILED NOTES ON ALL FUNDS (continued)

Interfund Transfers

The composition of interfund transfers in/out as of September 30, 2016, is as follows:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>	<u>Purpose</u>
General	Water and Sewer	\$ 710,626	Administrative Allocation
General	Storm Drainage	57,330	Administrative Allocation
General	Nonmajor	1	Close Out Fund
General	Water and Sewer	79,994	Budgeted Transfer
Debt Service	Nonmajor	6,812	Debt repayments
Nonmajor	General	180,000	Budgeted Transfer
Nonmajor	General	50,000	Budgeted Transfer
Nonmajor	General	146,965	Budgeted Transfer
Nonmajor	General	22,150	Budgeted Transfer
Nonmajor	Water and Sewer	3,501	Budgeted Transfer
Nonmajor	Storm Drainage	250	Budgeted Transfer
Nonmajor	Nonmajor	3,712	CIP Reallocation
Nonmajor	Water and Sewer	39,570	CIP Reallocation
Nonmajor	Storm Drainage	424,184	CIP Reallocation
Nonmajor	General	17,508	Budgeted Transfer
Water and Sewer	General	156,381	Administrative Allocation
Water and Sewer	Storm Drainage	35,187	Administrative Allocation
Water and Sewer	Storm Drainage	25,000	Budgeted Transfer
Water and Sewer	Storm Drainage	11,962	CIP Reallocation
		<u>\$ 1,971,133</u>	

Long-term Obligations

Long-term obligations of the City's governmental activities consist of general obligation bonds and certificates of obligation. Sources of retirement of general obligation bond and certificates of obligation are provided from ad valorem tax. Governmental activities long-term obligations are paid by the debt service fund.

Long-term obligations of the City's business-type activities consist of general obligation bonds and certificates of obligation. Business-type activities long-term obligations are serviced by revenue from the Water and Sewer and Storm Drainage systems.

Compensated absences and net pension liability are paid from the fund out of which an employee is regularly paid – primarily the General Fund, Water and Sewer Fund, and Storm Drainage Fund.

Governmental activity capital lease payments are currently being made from the LCFD Vehicle and Equipment Replacement Fund.

CITY OF CORINTH, TEXAS

NOTES TO FINANCIAL STATEMENTS

Note 6: DETAILED NOTES ON ALL FUNDS (continued)

On April 15, 2016, the City issued \$1,510,000 in General Obligation Refunding Bonds, Series 2016. Proceeds from the sale of the bonds were used to partially refund the General Obligation Refunding Bonds, Series 2005, and to pay costs associated with the issuance of the bonds. The bonds were issued at a premium of \$39,984. The bonds issued consisted of current interest bonds of \$1,510,000 with interest at 2.0% paid through 2020. The City advance refunded the General Obligation Refunding Bonds, Series 2005 to increase its total debt service payments over 5 years by \$4,563 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$46,990. The City intends to retire all of its general obligation bonds, plus interest, from future ad valorem tax levies. The City designates a portion of its tax rate for debt service in order to comply with the ordinance to create from such tax revenues, a sinking fund sufficient to pay the current interest due thereon and each installment of principal as it becomes due.

The following is a summary of changes in long-term obligations for the year ended September 30, 2016:

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
Governmental activities					
Certificates of obligation	\$ 7,388,906	\$ 13,275,000	\$ (561,517)	\$ 20,102,389	\$ 587,810
General obligation bonds	4,611,500	1,177,800	(2,330,375)	3,458,925	777,150
Bond premiums/discounts (net)	143,197	2,002,217	(129,177)	2,016,237	118,813
Compensated absences	1,003,260	466,014	(474,502)	994,772	419,772
Capital lease obligation	683,391	661,695	(76,895)	1,268,191	138,439
Net pension liability	5,503,002	961,898	-	6,464,900	-
Total Governmental Activities	\$ 19,333,256	\$ 18,544,624	\$ (3,572,466)	\$ 34,305,414	\$ 2,041,984
Business-type activities					
General obligation bonds	\$ 1,063,500	\$ 332,200	\$ (579,625)	\$ 816,075	\$ 167,850
Certificates of obligation	9,341,092	-	(588,483)	8,752,609	617,190
Bond premiums/discounts (net)	173,470	8,797	(21,092)	161,175	18,168
Compensated absences	66,055	96,987	(66,055)	96,987	96,987
Net pension liability	707,230	129,766	-	836,996	-
Total Business Type Activities	\$ 11,351,347	\$ 567,750	\$ (1,255,255)	\$ 10,663,842	\$ 900,195
Total long-term obligations	\$ 30,684,603	\$ 19,112,374	\$ (4,827,721)	\$ 44,969,256	\$ 2,942,179

CITY OF CORINTH, TEXAS

NOTES TO FINANCIAL STATEMENTS

Note 6: DETAILED NOTES ON ALL FUNDS (continued)

The following is a schedule of the General Obligation and Certificates of Obligation bonds:

	Date of Issue	Amount of Original Issue	Interest Rate	Maturity Date	Governmental Amount Outstanding 9/30/2016	Business Type Amount Outstanding 9/30/2016
General Obligation	2/1/2007	5,250,000	3.78%-4.49%	2/15/2021	\$ 2,281,125	\$ 483,875
Certificates of Obligation	8/16/2007	23,630,000	4.50%-5.25%	2/15/2027	6,492,389	8,752,609
Certificates of Obligation	4/15/2010	1,500,000	1.95%-3.35%	2/15/2020	335,000	-
Certificates of Obligation	4/21/2016	13,275,000	2.00%-5.00%	2/15/2036	13,275,000	-
General Obligation	4/21/2016	1,510,000	2.00%	2/15/2020	1,177,800	332,200
					<u>\$ 23,561,314</u>	<u>\$ 9,568,684</u>

The annual requirements to retire general long-term debt, including interest, as of September 30, 2016 are as follows:

Fiscal Year	Principal	Interest	Total Requirements
2017	\$ 1,364,960	\$ 1,124,116	\$ 2,489,076
2018	1,569,112	930,028	2,499,140
2019	1,542,577	870,876	2,413,453
2020	1,576,424	817,770	2,394,194
2021	1,232,002	772,386	2,004,388
2022-2026	6,429,577	2,990,870	9,420,447
2027-2031	4,811,661	1,513,931	6,325,592
2032-2036	5,035,001	519,500	5,554,501
Total	<u>\$ 23,561,314</u>	<u>\$ 9,539,477</u>	<u>\$ 33,100,791</u>

The annual requirements to retire enterprise activity debt, including interest, as of September 30, 2016 are as follows:

Fiscal Year	Principal	Interest	Total Requirements
2017	\$ 785,040	\$ 445,486	\$ 1,230,526
2018	885,888	408,371	1,294,259
2019	912,423	371,057	1,283,480
2020	863,576	334,341	1,197,917
2021	767,998	298,816	1,066,814
2022-2026	4,340,423	859,193	5,199,616
2027	1,013,336	26,600	1,039,936
Total	<u>\$ 9,568,684</u>	<u>\$ 2,743,864</u>	<u>\$ 11,272,612</u>

CITY OF CORINTH, TEXAS

NOTES TO FINANCIAL STATEMENTS

Note 6: DETAILED NOTES ON ALL FUNDS (continued)

Capital Leases Payable

A summary of changes in capital leases payable for the year ended September 30, 2016 is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Capital lease obligation	\$ <u>683,391</u>	\$ <u>661,695</u>	\$ <u>(76,895)</u>	\$ <u>1,268,191</u>	\$ <u>138,439</u>

The City leases various equipment under capital lease. The following is an analysis of the leased assets included in capital assets at September 30, 2016:

Equipment	\$ 1,501,585
Less: accumulated depreciation	<u>(193,000)</u>
Net value	<u>\$ 1,308,585</u>

The following is a schedule of future minimum payments required under the leases with its present value as of September 30, 2016:

2017	\$ 162,362
2018	162,362
2019	162,362
2020	162,362
2021	162,362
2022-2026	519,948
2027-2028	<u>130,149</u>
Total minimum lease payments	1,461,907
Less amount representing interest	<u>(193,716)</u>
Present value of minimum lease payments	<u>\$ 1,268,191</u>

Note 7: DEFINED BENEFIT PENSION PLAN

Plan Description

The City participates as one of 866 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401(a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.tmrs.com.

All eligible employees of the City are required to participate in TMRS.

CITY OF CORINTH, TEXAS

NOTES TO FINANCIAL STATEMENTS

Note 7: DEFINED BENEFIT PENSION PLAN (continued)

Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS.

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the city-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payments options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

The plan provisions are adopted by the governing body of each city, within the options available in the state statutes governing TMRS. The City has elected that members can retire at age 60 and above with 5 or more years of service or with 20 years of service regardless of age. Members may work for more than one TMRS city during their career. If a member is vested in one TMRS city, he or she is immediately vested upon employment with another TMRS city. Similarly, once a member has met the eligibility requirements for retirement in a TMRS city, he or she is eligible in other TMRS cities as well.

Employees covered by benefit terms: At the December 31, 2015 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	61
Inactive employees entitled to but not yet receiving benefits	89
Active employees	146
	<hr/>
	296

Contributions

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the city matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the city. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the City were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City were 14% and 14% in calendar years 2015 and 2016, respectively. The City's contributions to TMRS for the year ended September 30, 2016, were \$1,380,260, and were equal to the required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2015, and the Total Pension Liability (TPL) used to calculate the NPL was determined by an actuarial valuation as of that date.

Actuarial assumptions: The Total Pension Liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Overall payroll growth	3.00% per year
Investment Rate of Return	6.75% net of pension plan investment expense, including inflation

CITY OF CORINTH, TEXAS

NOTES TO FINANCIAL STATEMENTS

Note 7: DEFINED BENEFIT PENSION PLAN (continued)

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Table, with male rates multiplied by 109% and female rates multiplied by 103%. Based on the size of the city, rates are multiplied by a factor of 100.0%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with male rates multiplied by 109% and female rates multiplied by 103% with a 3-year set-forward for both males and females. In addition, a 3% minimum mortality rate is applied to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements subject to the 3% floor.

Actuarial assumptions used in the December 31, 2015, valuation were based on the results of actuarial experience studies. The experience study in TMRS was for the period December 31, 2010 through December 31, 2014. Healthy post-retirement mortality rates and annuity purchase rates were updated based on a Mortality Experience Investigation Study covering 2009 through 2011, and dated December 31, 2013. These assumptions were first used in the December 31, 2013 valuation, along with a change to the Entry Age Normal (EAN) actuarial cost method. Assumptions are reviewed annually. No additional changes were made for the 2014 valuation. After the Asset Allocation Study analysis and experience investigation study, the Board amended the long-term expected rate of return on pension plan investments from 7% to 6.75%. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without and adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). At its meeting on July 30, 2015, the TRMS Board approved a new portfolio target allocation. The target allocation and best estimates of real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return (Arithmetic)</u>
Domestic Equity	17.50%	4.55%
International Equity	17.50%	6.10%
Core Fixed Income	10.00%	1.00%
Non-Core Fixed Income	20.00%	3.65%
Real Return	10.00%	4.03%
Real Estate	10.00%	5.00%
Absolute Return	10.00%	4.00%
Private Equity	5.00%	8.00%
Total	<u>100.00%</u>	

Discount Rate: The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

CITY OF CORINTH, TEXAS

NOTES TO FINANCIAL STATEMENTS

Note 7: DEFINED BENEFIT PENSION PLAN (continued)

Changes in the Net Pension Liability:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a) - (b)
Balance at 12/31/2014	\$ 30,491,719	\$ 24,281,487	\$ 6,210,232
Changes for the year:			
Service Cost	1,614,486		1,614,486
Interest	2,163,512		2,163,512
Changes of benefit terms	-		-
Difference between expected and actual experience	(356,486)		(356,486)
Changes of assumptions	(252,429)		(252,429)
Contributions - employer		1,415,503	(1,415,503)
Contributions - employee		648,976	(648,976)
Net investment income		35,841	(35,841)
Benefit payments, including refunds of employee contributions	(783,303)	(783,303)	-
Administrative expense		(21,823)	21,823
Other changes		(1,078)	1,078
Net changes	2,385,780	1,294,116	1,091,664
Balance at 12/31/2015	<u>\$ 32,877,499</u>	<u>\$ 25,575,603</u>	<u>\$ 7,301,896</u>

Sensitivity of the net pension liability to changes in the discount rate : The following presents the net pension liability of the City, calculated using the discount rate of 6.75% as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's net pension liability	\$ 13,330,102	\$ 7,301,896	\$ 2,487,401

Pension Plan Fiduciary Net Position: Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained on the Internet at www.tmr.com.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2016, the City recognized pension expense of \$1,682,109.

CITY OF CORINTH, TEXAS

NOTES TO FINANCIAL STATEMENTS

Note 7: DEFINED BENEFIT PENSION PLAN (continued)

At September 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ -	\$ (485,082)
Changes in actual assumptions	-	(207,352)
Difference between projected and actual investment earnings	1,500,341	-
Contributions subsequent to the measurement date	990,935	-
Total	\$ 2,491,276	\$ (692,434)

\$990,935 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2016. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended September 30:

2017	\$ 229,890
2018	229,890
2019	229,890
2020	183,477
2021	(65,240)
Thereafter	-
	\$ 807,907

Supplemental Death Benefits Plan

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 Benefit 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. Audited financial statements of the SDBF may be obtained from TMRS' website at www.TMRS.com.

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 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 September 30, 2016, 2015 and 2014 were \$9,252, \$8,807, and \$8,028, respectively, which equaled the required contributions each year.

CITY OF CORINTH, TEXAS

NOTES TO FINANCIAL STATEMENTS

Note 8: 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; injuries to employees; and natural disasters. The City's risk management program encompasses obtaining workers compensation and property and liability insurance through Texas Municipal League (TML) Intergovernmental Risk Pool, a public entity risk pool for the benefit of governmental units located within the state. TML Intergovernmental Risk Pool ("Pool") is considered a self-sustaining risk pool that provides coverage for its members. The City's contributions to the Pool are limited to the amount of premiums as calculated at the beginning of each fund year. Premiums reflect the claims experience to date of the City. The Pool's liability is limited to the coverage that the City elects as stated in the Pool's Declarations of Coverage for that fund year. The City has not had any significant reduction in insurance coverage and the amounts of insurance settlements have not exceeded insurance coverage for any of the last three years.

Note 9: COMMITMENTS AND CONTINGENCIES

The City participates in grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the City has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable may be impaired. In the opinion of the City, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying basic financial statements for such contingencies.

Estimated costs to complete significant construction projects in progress at year-end totaled approximately \$13,573,450.

Upper Trinity Regional Water District (UTRWD)

On November 13, 1990, the City entered into a 30-year contract with Upper Trinity Regional Water District (UTRWD) and other participating political members to develop a regional water system for providing retail utility service to the Denton County area.

The contract included, among other things, a commitment by the City to 2.0 million gallons of water per day demand. On February 4, 1999 the City amended the contract with Upper Trinity to increase the demand from 2.0 million gallons per day to 5.5 million gallons per day. On September 2, 1999, due to continued growth, the City entered into the third contract amendment with Upper Trinity increasing the demand to 7.5 million gallons per day. The City also currently maintains a contract with the Upper Trinity Regional Water District for treatment of wastewater flows up to 1.608 million gallons per day.

The current demand capacity of 7.5 million gallons per day provides the City with three (3) weighted votes as a member of the Upper Trinity Board. The City has one appointed member to the Upper Trinity Board of Directors and one appointed member to the Upper Trinity Customer Advisory Committee. Under agreements with the UTRWD, all participating and contract entities share in the cost of administering the District and in the cost of planning for future programs and services of the District.

REQUIRED SUPPLEMENTARY INFORMATION



**CITY OF CORINTH, TEXAS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

Exhibit B-1

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes:				
Property	\$ 7,267,423	\$ 7,267,423	\$ 7,274,662	\$ 7,239
Sales	1,238,319	1,238,319	1,374,704	136,385
Franchise	1,076,835	1,076,835	1,068,910	(7,925)
Utility fees	12,500	12,500	29,761	17,261
Traffic fines and forfeitures	753,154	753,154	682,806	(70,348)
Development fees & permits	380,937	380,937	488,866	107,929
Police fees & permits	24,100	24,100	29,834	5,734
Parks & recreation fees	174,532	174,532	147,343	(27,189)
Fire services	2,453,651	2,453,651	2,588,688	135,037
Donations	15,000	15,000	1,700	(13,300)
Interest income	28,130	28,130	40,127	11,997
Miscellaneous income	58,600	58,600	31,502	(27,098)
Charges for services	480,614	480,614	479,576	(1,038)
Total Revenues	<u>13,963,795</u>	<u>13,963,795</u>	<u>14,238,479</u>	<u>274,684</u>
EXPENDITURES				
Current:				
Public safety	8,449,896	8,404,896	8,367,080	37,816
Community services	1,879,112	1,663,014	1,432,919	230,095
Public works	773,408	824,611	771,293	53,318
Planning and community development	981,741	973,402	965,581	7,821
City administration	1,803,966	2,173,403	2,106,266	67,137
Finance and administrative services	856,855	865,652	862,114	3,538
Total Expenditures	<u>14,744,978</u>	<u>14,904,978</u>	<u>14,505,253</u>	<u>399,725</u>
Excess of Revenues over Expenditures	(781,183)	(941,183)	(266,774)	674,409
OTHER FINANCING SOURCES (USES)				
Transfers out	(493,004)	(573,004)	(573,004)	-
Transfers in	867,187	867,187	847,951	(19,236)
Total Financing Sources (Uses)	<u>374,183</u>	<u>294,183</u>	<u>274,947</u>	<u>(19,236)</u>
Net Change in Fund Balance	(407,000)	(647,000)	8,173	655,173
Fund Balance - October 1 (Beginning)	3,726,935	3,726,935	3,726,935	-
Fund Balance - September 30 (Ending)	<u>\$ 3,319,935</u>	<u>\$ 3,079,935</u>	<u>\$ 3,735,108</u>	<u>\$ 655,173</u>

CITY OF CORINTH, TEXAS
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
TEXAS MUNICIPAL RETIREMENT SYSTEM
FOR THE YEAR ENDED SEPTEMBER 30, 2016 *

Exhibit B-2

	<u>Year Ended December 31, 2014</u>	<u>Year Ended December 31, 2015</u>
Total Pension Liability		
Service cost	\$ 1,444,400	\$ 1,614,486
Interest on total pension liability	1,994,674	2,163,512
Changes of benefit terms	-	-
Differences between expected and actual experience	(293,384)	(356,486)
Change of assumptions	-	(252,429)
Benefit payments/refunds of contributions	<u>(854,227)</u>	<u>(783,303)</u>
Net change in total pension liability	2,291,463	2,385,780
Total pension liability, beginning	<u>28,200,256</u>	<u>30,491,719</u>
Total pension liability, ending (a)	<u>\$ 30,491,719</u>	<u>\$ 32,877,499</u>
Fiduciary Net Position		
Contributions - Employer	\$ 1,209,444	\$ 1,415,503
Contributions - Employee	604,376	648,976
Net investment income	1,263,034	35,841
Benefit payments/refunds of contributions	(854,227)	(783,303)
Administrative expenses	(13,183)	(21,823)
Other	<u>(1,084)</u>	<u>(1,078)</u>
Net change in fiduciary net position	2,208,360	1,294,116
Fiduciary net position, beginning	<u>22,073,127</u>	<u>24,281,487</u>
Fiduciary net position, ending (b)	<u>\$ 24,281,487</u>	<u>\$ 25,575,603</u>
Net pension liability / (asset), ending = (a) - (b)	<u>6,210,232</u>	<u>7,301,896</u>
Fiduciary net position as a percentage of total pension liability	79.63%	77.79%
Pensionable covered payroll	\$ 8,633,945	\$ 9,252,068
Net pension liability as a percentage of covered payroll	71.93%	78.92%

* A full 10-year schedule will be displayed as it becomes available.

**CITY OF CORINTH, TEXAS
SCHEDULE OF EMPLOYER CONTRIBUTIONS
TEXAS MUNICIPAL RETIREMENT SYSTEM
FOR FISCAL YEAR 2016**

Exhibit B-3

<u>Year Ending September 30,</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Employer Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Pensionable Covered Payroll</u>	<u>Actual Contribution as a Percentage of Covered Payroll</u>
2015	\$ 1,326,450	\$ 1,326,450	\$ -	\$ 8,806,738	15.06%
2016	1,380,260	1,380,260	-	9,118,563	15.14%

**CITY OF CORINTH, TEXAS
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
 FOR THE YEAR ENDED SEPTEMBER 30, 2016**

Note A: Net Pension Liability – Texas Municipal Retirement System

Assumptions

The following methods and assumptions were used to determine contribution rates:

Valuation date	Actuarially determined contribution rates are calculated as of December 31 and become effective in January 13 months later.
Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	28 years
Asset valuation method	10-year smoothed market; 15% soft corridor
Inflation	2.5%
Salary increases	3.50% to 10.5%, including inflation
Investment rate of return	6.75%
Retirement age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2015 valuation pursuant to an experience study of the 2010 – 2014.
Mortality	RP-2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB.

Changes of Benefit Terms

There were no changes of benefit terms that affected measurement of the total pension liability during the measurement period.

Changes in the Size or Composition of the Population Covered by the Benefit Terms

There were no changes in the size or composition of the population covered by the benefit terms during the measurement period.

Changes of Assumptions

There were no changes of assumptions or other inputs that affected measurement of the total pension liability during the measurement period.

Stewardship, Compliance, and Accountability

I. Budgetary Information

The City follows the following procedures in establishing the budgetary data reflected in the financial statements:

- A. Public hearings are conducted to obtain taxpayer comments.
- B. Prior to October 1, the budget is legally enacted through passage of an ordinance.
- C. The City Manager is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council. Therefore the legal level of control is at the fund level.
- D. Budgeted amounts are as originally adopted or as amended by the City Council or management. During the year the additional appropriations were submitted as budget amendments and approved by the City Council.
- E. Capital Project funds were not budgeted. Since project length financial plans usually extend into two or more fiscal years, this makes comparisons confusing and misleading.
- F. Formal budgetary integration is employed as a management control device during the year. The legally adopted budgets for the General Fund, certain Special Revenue Funds, and the Debt Service Fund are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the following funds:

General Fund

Special Revenue Funds:

- Crime Control & Prevention Fund
- Street Maintenance Fund
- Hotel-Motel Tax Fund
- Keep Corinth Beautiful Fund
- County Child Safety Fund
- Municipal Court Security Fund
- Municipal Court Technology Fund
- Police Confiscation – State Fund
- Police Confiscation – Federal Fund
- Parks Development Fund
- Community Park Improvement Fund
- Tree Mitigation Fund
- Roadway Impact Fee Fund

Debt Service Fund

II. Employee Retirement Plan - four year schedule of funding progress

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Funded Ratio	Unfunded AAL (UAAL)	Covered Payroll	UAAL as a Percentage of Covered Payroll
12/31/2015	\$ 26,153,202	\$ 32,877,499	79.5%	\$ 6,724,297	\$ 9,252,068	72.7%
12/31/2014	\$ 23,407,353	\$ 30,491,719	76.8%	\$ 7,084,366	\$ 8,633,945	82.1%
12/31/2013	\$ 20,892,219	\$ 28,200,256	74.1%	\$ 7,308,037	\$ 8,028,481	91.0%
12/31/2012	\$ 18,483,323	\$ 23,648,932	78.2%	\$ 5,165,609	\$ 7,989,936	64.7%

COMBINING AND INDIVIDUAL FINANCIAL STATEMENTS

Nonmajor Governmental Funds

Special revenue funds are used to account for specific revenue sources that are restricted, committed, or assigned to expenditures for particular purposes.

- The Crime Control and Prevention District Fund is the blended component unit described previously. All revenues and expenditures related to the \$.0025 sales tax are recorded in this fund.
- The Street Maintenance Fund accounts for the receipt of a \$.0025 special purpose sales tax and related expenditures.
- Hotel-Motel Tax Fund accounts for hotel-motel tax collected and used to enhance and promote tourism.
- The Keep Corinth Beautiful Fund was created to account for the donations, contributions and payments associated with beautification programs within the city.
- County Child Safety Fund was created by State Statute to account for the funds used for school crossing guard services and programs designed to enhance child safety, health or nutrition.
- The Special Revenue Fund accounts for
- Municipal Court Security Fund is used to account for funds restricted to provide security enhancements for the Municipal Court.
- Municipal Court Technology Fund is used to accounts for funds restricted to provide technological enhancements for the Municipal Court.
- Police Confiscation (State) Fund was created by State Statute and funds are restricted for law enforcement programs.
- Police Confiscation (Federal) Fund was created by Federal Equitable Sharing Agreement and funds are restricted for law enforcement programs.
- The Parks Development Fund was established to account for donations, contributions and payments associated with various park programs.
- The Community Park Improvement Fund accounts for funds collected from the City's Co-Sponsorship Athletic Leagues and funds are restricted for improvements to the Community Park.
- Tree Mitigation Fund was created by City Ordinance to account for payment by City Developers in lieu of adhering to the City's tree mitigation program.
- The Roadway Impact Fee Fund is used to account for the receipt and expenditure of roadway impact fees as required by the State of Texas Local Government Code Section 395.

Capital projects funds account for the acquisition and construction of the City's major capital facilities, (other than those financed by proprietary funds) and vehicle replacement funds.

- The Government Capital Projects Fund is used to account for funds and expenditures related to capital projects.
- The Vehicle Replacement Fund is used to account for funds and expenditures related to future vehicle replacements.
- The LCFD Vehicle and Equipment Replacement Fund is used to account for funds and expenditures for replacement of vehicles and equipment for the Lake Cities Fire Department.
- Technology Equipment Replacement Fund is used to account for funds and expenditures for replacement of information technology equipment.
- The Street Escrow Fund is used to account for funds and expenditures for all capital projects not specifically identified and not in the proprietary or trust funds.
- The 2004 Tax Note Fund was established to account for remaining bond funds from the 2004 issuance.
- 2007 CO Streets Fund is used to account for the projects and funding associated with the Series 2007 Certificates of Obligation debt issue, a portion of which is dedicated to streets, infrastructure construction and improvements.
- 2007 CO Tech Fund is used to account for the projects and funding associated with the Series 2007 Certificates of Obligation debt issue, a portion of which is dedicated to computer technology equipment and upgrades.
- 2010 CO Fire Fund is used to account for the projects and funding associated with the Series 2010 Tax and Revenue Certificates of Obligation debt issue which is dedicated to fire equipment and infrastructure.
- 2016 Public Property Finance Fund is used to account for Lease Proceeds per Lease agreement.

**CITY OF CORINTH, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AS OF SEPTEMBER 30, 2016**

Exhibit C-1

	<u>Special Revenue Funds</u>	<u>Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
ASSETS			
Cash and cash equivalents	\$ 1,622,256	\$ 404,327	\$ 2,026,583
Investments	425,670	1,992,204	2,417,874
Receivables (net of allowance)			
Sales taxes	116,210	-	116,210
Interest	300	1,918	2,218
Miscellaneous	32,513	-	32,513
Total Assets	<u>\$ 2,196,949</u>	<u>\$ 2,398,449</u>	<u>\$ 4,595,398</u>
LIABILITIES			
Accounts payable	\$ 11,301	\$ 5,363	\$ 16,664
Accrued liabilities	5,571	-	5,571
Other liabilities	695,586	-	695,586
Total Liabilities	<u>712,458</u>	<u>5,363</u>	<u>717,821</u>
FUND BALANCES			
Restricted	1,565,688	130,738	1,696,426
Committed	361,039	2,262,348	2,623,387
Unassigned	(442,236)	-	(442,236)
Total Fund Balances	<u>1,484,491</u>	<u>2,393,086</u>	<u>3,877,577</u>
Total Liabilities and Fund Balances	<u>\$ 2,196,949</u>	<u>\$ 2,398,449</u>	<u>\$ 4,595,398</u>

CITY OF CORINTH, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2016

Exhibit C-2

	<u>Special Revenue Funds</u>	<u>Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
REVENUES			
Taxes:			
Sales	\$ 648,355	\$ -	\$ 648,355
Hotel occupancy tax	79,007	-	79,007
Escrow and impact fees	59,205	-	59,205
Traffic fines & forfeitures	30,046	-	30,046
Police fees & permits	31,958	-	31,958
Parks & recreation fees	10,365	-	10,365
Fire services	-	91,699	91,699
Donations	134,270	50,250	184,520
Interest income	7,420	13,584	21,004
Grants	3,144	-	3,144
Miscellaneous income	227,244	31,059	258,303
Total Revenues	<u>1,231,014</u>	<u>186,592</u>	<u>1,417,606</u>
EXPENDITURES			
Current:			
Public safety	375,078	960,825	1,335,903
Community services	74,607	-	74,607
Public works	167,597	783,091	950,688
Planning and community development	-	15,570	15,570
City administration	53,764	13,779	67,543
Debt service:			
Principal	-	76,895	76,895
Interest	-	20,642	20,642
Total Expenditures	<u>671,046</u>	<u>1,870,802</u>	<u>2,541,848</u>
Excess (Deficiency) of Revenues over Expenditures	559,968	(1,684,210)	(1,124,242)
OTHER FINANCING SOURCES (USES)			
Proceeds from issuance of capital leases	-	661,695	661,695
Proceeds from sale of capital assets	-	65,887	65,887
Transfers out	-	(10,525)	(10,525)
Transfers in	17,508	870,332	887,840
Total Other Financing Sources (Uses)	<u>17,508</u>	<u>1,587,389</u>	<u>1,604,897</u>
Net Change in Fund Balance	577,476	(96,821)	480,655
Fund Balance - October 1 (Beginning)	907,015	2,489,907	3,396,922
Fund Balance - September 30 (Ending)	<u>\$ 1,484,491</u>	<u>\$ 2,393,086</u>	<u>\$ 3,877,577</u>



**CITY OF CORINTH, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
AS OF SEPTEMBER 30, 2016**

	<u>Crime Control & Prevention</u>	<u>Street Maintenance</u>	<u>Hotel Motel Tax</u>	<u>Keep Corinth Beautiful</u>
ASSETS				
Cash and cash equivalents	\$ 202,849	\$ 213,189	\$ 163,528	\$ 22,850
Investments	-	425,670	-	-
Receivables (net of allowance)				
Sales taxes	53,666	62,544	-	-
Interest	-	300	-	-
Miscellaneous	-	-	6,631	1,500
Total Assets	\$ <u>256,515</u>	\$ <u>701,703</u>	\$ <u>170,159</u>	\$ <u>24,350</u>
LIABILITIES				
Accounts payable	\$ 342	\$ 1,979	\$ 61	\$ -
Accrued liabilities	4,638	-	-	-
Other liabilities	-	-	-	-
Total Liabilities	<u>4,980</u>	<u>1,979</u>	<u>61</u>	<u>-</u>
FUND BALANCES				
Restricted	251,535	699,724	170,098	24,350
Committed	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	<u>251,535</u>	<u>699,724</u>	<u>170,098</u>	<u>24,350</u>
Total Liabilities and Fund Balances	\$ <u>256,515</u>	\$ <u>701,703</u>	\$ <u>170,159</u>	\$ <u>24,350</u>

County Child Safety Fund	Special Revenue	Municipal Court Security Fund	Municipal Court Technology Fund	Police Confiscation Fund - State	Police Confiscation Fund - Federal
\$ 2,961	\$ 264,981	\$ 49,587	\$ 29,578	\$ 4,427	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
24,282	100	-	-	-	-
<u>\$ 27,243</u>	<u>\$ 265,081</u>	<u>\$ 49,587</u>	<u>\$ 29,578</u>	<u>\$ 4,427</u>	<u>\$ -</u>
\$ 25	\$ -	\$ -	\$ -	\$ -	\$ -
719	-	214	-	-	-
-	-	-	-	4,427	-
<u>744</u>	<u>-</u>	<u>214</u>	<u>-</u>	<u>4,427</u>	<u>-</u>
26,499	37,939	49,373	29,578	-	-
-	227,142	-	-	-	-
-	-	-	-	-	-
<u>26,499</u>	<u>265,081</u>	<u>49,373</u>	<u>29,578</u>	<u>-</u>	<u>-</u>
<u>\$ 27,243</u>	<u>\$ 265,081</u>	<u>\$ 49,587</u>	<u>\$ 29,578</u>	<u>\$ 4,427</u>	<u>\$ -</u>

**CITY OF CORINTH, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
AS OF SEPTEMBER 30, 2016**

	Parks Development	Community Park Improvement Fund	Tree Mitigation Fund	Roadway Impact Fee Fund
ASSETS				
Cash and cash equivalents	\$ 237,797	\$ 12,050	\$ 160,642	\$ 257,817
Investments	-	-	-	-
Receivables (net of allowance)				
Sales taxes	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
Total Assets	<u>\$ 237,797</u>	<u>\$ 12,050</u>	<u>\$ 160,642</u>	<u>\$ 257,817</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ 8,894
Accrued liabilities	-	-	-	-
Other liabilities	-	-	-	691,159
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>700,053</u>
FUND BALANCES				
Restricted	103,900	12,050	160,642	-
Committed	133,897	-	-	-
Unassigned	-	-	-	(442,236)
Total Fund Balances	<u>237,797</u>	<u>12,050</u>	<u>160,642</u>	<u>(442,236)</u>
Total Liabilities and Fund Balances	<u>\$ 237,797</u>	<u>\$ 12,050</u>	<u>\$ 160,642</u>	<u>\$ 257,817</u>

Total
Nonmajor
Special
Revenue
Funds

\$ 1,622,256
425,670

116,210
300
32,513

\$ 2,196,949

\$ 11,301
5,571
695,586
712,458

1,565,688
361,039
(442,236)

1,484,491
\$ 2,196,949

**CITY OF CORINTH, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	<u>Crime Control & Prevention</u>	<u>Street Maintenance</u>	<u>Hotel Motel Tax</u>	<u>Keep Corinth Beautiful</u>
REVENUES				
Taxes:				
Sales	\$ 308,630	\$ 339,725	\$ -	\$ -
Hotel occupancy tax	-	-	79,007	-
Escrow and impact fees	-	-	-	-
Traffic fines & forfeitures	-	-	-	-
Police fees & permits	-	-	-	-
Parks & recreation fees	-	-	-	-
Donations	-	-	-	6,500
Interest income	687	2,302	613	109
Grants	-	-	-	-
Miscellaneous income	-	-	-	-
Total Revenues	<u>309,317</u>	<u>342,027</u>	<u>79,620</u>	<u>6,609</u>
EXPENDITURES				
Current:				
Public safety	275,219	-	-	-
Community services	-	-	-	-
Public works	-	123,697	-	-
City administration	-	-	41,551	10,738
Total Expenditures	<u>275,219</u>	<u>123,697</u>	<u>41,551</u>	<u>10,738</u>
Excess (Deficiency) of Revenues over Expenditures	34,098	218,330	38,069	(4,129)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	34,098	218,330	38,069	(4,129)
Fund Balance - October 1 (Beginning)	217,437	481,394	132,029	28,479
Fund Balance - September 30 (Ending)	<u>\$ 251,535</u>	<u>\$ 699,724</u>	<u>\$ 170,098</u>	<u>\$ 24,350</u>

County Child Safety Fund	Special Revenue	Municipal Court Security Fund	Municipal Court Technology Fund	Police Confiscation Fund - State	Police Confiscation Fund - Federal
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	12,884	17,162	-	-
29,332	2,626	-	-	-	-
-	-	-	-	-	-
-	23,870	-	-	-	-
36	1,074	182	133	1	-
-	3,144	-	-	-	-
-	43,142	-	-	-	-
<u>29,368</u>	<u>73,856</u>	<u>13,066</u>	<u>17,295</u>	<u>1</u>	<u>-</u>
24,165	71,500	-	-	3,906	288
-	-	8,160	21,725	-	-
-	21,968	-	-	-	-
-	1,475	-	-	-	-
<u>24,165</u>	<u>94,943</u>	<u>8,160</u>	<u>21,725</u>	<u>3,906</u>	<u>288</u>
5,203	(21,087)	4,906	(4,430)	(3,905)	(288)
-	-	17,508	-	-	-
-	-	17,508	-	-	-
5,203	(21,087)	22,414	(4,430)	(3,905)	(288)
21,296	286,168	26,959	34,008	3,905	288
<u>\$ 26,499</u>	<u>\$ 265,081</u>	<u>\$ 49,373</u>	<u>\$ 29,578</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF CORINTH, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	<u>Parks Development</u>	<u>Community Park Improvement Fund</u>	<u>Tree Mitigation Fund</u>	<u>Roadway Impact Fee Fund</u>
REVENUES				
Taxes:				
Sales	\$ -	\$ -	\$ -	\$ -
Hotel occupancy tax	-	-	-	-
Escrow and impact fees	-	-	-	59,205
Traffic fines & forfeitures	-	-	-	-
Police fees & permits	-	-	-	-
Parks & recreation fees	-	10,365	-	-
Donations	103,900	-	-	-
Interest income	724	44	580	935
Grants	-	-	-	-
Miscellaneous income	-	-	184,102	-
Total Revenues	<u>104,624</u>	<u>10,409</u>	<u>184,682</u>	<u>60,140</u>
EXPENDITURES				
Current:				
Public safety	-	-	-	-
Community services	-	20,682	24,040	-
Public works	-	-	-	21,932
City administration	-	-	-	-
Total Expenditures	<u>-</u>	<u>20,682</u>	<u>24,040</u>	<u>21,932</u>
Excess (Deficiency) of Revenues over Expenditures	104,624	(10,273)	160,642	38,208
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	104,624	(10,273)	160,642	38,208
Fund Balance - October 1 (Beginning)	133,173	22,323	-	(480,444)
Fund Balance - September 30 (Ending)	<u>\$ 237,797</u>	<u>\$ 12,050</u>	<u>\$ 160,642</u>	<u>\$ (442,236)</u>

Total
Nonmajor
Special
Revenue
Funds

\$ 648,355
79,007
59,205
30,046
31,958
10,365
134,270
7,420
3,144
227,244
1,231,014

375,078
74,607
167,597
53,764
671,046

559,968

17,508
17,508

577,476
907,015
\$ 1,484,491

**CITY OF CORINTH, TEXAS
 CRIME CONTROL & PREVENTION FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED SEPTEMBER 30, 2016**

Exhibit C-5

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
REVENUES				
Taxes:				
Sales	\$ 264,037	\$ 264,037	\$ 308,630	\$ 44,593
Interest income	180	180	687	507
Total Revenues	264,217	264,217	309,317	45,100
EXPENDITURES				
Current:				
Public safety	315,295	315,295	275,219	40,076
Total Expenditures	315,295	315,295	275,219	40,076
Net Change in Fund Balance	(51,078)	(51,078)	34,098	85,176
Fund Balance - October 1 (Beginning)	217,437	217,437	217,437	-
Fund Balance - September 30 (Ending)	\$ 166,359	\$ 166,359	\$ 251,535	\$ 85,176

**CITY OF CORINTH, TEXAS
STREET MAINTENANCE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

Exhibit C-6

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes:				
Sales	\$ 305,576	\$ 305,576	\$ 339,725	\$ 34,149
Interest income	1,000	1,000	2,302	1,302
Total Revenues	<u>306,576</u>	<u>306,576</u>	<u>342,027</u>	<u>35,451</u>
EXPENDITURES				
Current:				
Public works	150,000	150,000	123,697	26,303
Total Expenditures	<u>150,000</u>	<u>150,000</u>	<u>123,697</u>	<u>26,303</u>
Net Change in Fund Balance	156,576	156,576	218,330	61,754
Fund Balance - October 1 (Beginning)	481,394	481,394	481,394	-
Fund Balance - September 30 (Ending)	<u>\$ 637,970</u>	<u>\$ 637,970</u>	<u>\$ 699,724</u>	<u>\$ 61,754</u>

**CITY OF CORINTH, TEXAS
HOTEL MOTEL TAX FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

Exhibit C-7

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes:				
Hotel occupancy tax	\$ 50,000	\$ 50,000	\$ 79,007	\$ 29,007
Interest income	-	-	613	613
Total Revenues	<u>50,000</u>	<u>50,000</u>	<u>79,620</u>	<u>29,620</u>
EXPENDITURES				
Current:				
City Administration	47,000	47,000	41,551	5,449
Total Expenditures	<u>47,000</u>	<u>47,000</u>	<u>41,551</u>	<u>5,449</u>
Net Change in Fund Balance	3,000	3,000	38,069	35,069
Fund Balance - October 1 (Beginning)	132,029	132,029	132,029	-
Fund Balance - September 30 (Ending)	<u><u>\$ 135,029</u></u>	<u><u>\$ 135,029</u></u>	<u><u>\$ 170,098</u></u>	<u><u>\$ 35,069</u></u>

**CITY OF CORINTH, TEXAS
KEEP CORINTH BEAUTIFUL
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

Exhibit C-8

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Donations	\$ 6,500	\$ 6,500	\$ 6,500	\$ -
Interest income	-	-	109	109
Total Revenues	<u>6,500</u>	<u>6,500</u>	<u>6,609</u>	<u>109</u>
EXPENDITURES				
Current:				
City Administration	20,000	20,000	10,738	9,262
Total Expenditures	<u>20,000</u>	<u>20,000</u>	<u>10,738</u>	<u>9,262</u>
Net Change in Fund Balance	(13,500)	(13,500)	(4,129)	9,371
Fund Balance - October 1 (Beginning)	28,479	28,479	28,479	-
Fund Balance - September 30 (Ending)	<u>\$ 14,979</u>	<u>\$ 14,979</u>	<u>\$ 24,350</u>	<u>\$ 9,371</u>

**CITY OF CORINTH, TEXAS
COUNTY CHILD SAFETY FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

Exhibit C-9

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Police fees & permits	\$ 27,000	\$ 27,000	\$ 29,332	\$ 2,332
Interest income	-	-	36	36
Total Revenues	<u>27,000</u>	<u>27,000</u>	<u>29,368</u>	<u>2,368</u>
EXPENDITURES				
Current:				
Public safety	<u>24,165</u>	<u>24,165</u>	<u>24,165</u>	-
Total Expenditures	<u>24,165</u>	<u>24,165</u>	<u>24,165</u>	-
Net Change in Fund Balance	2,835	2,835	5,203	2,368
Fund Balance - October 1 (Beginning)	<u>21,296</u>	<u>21,296</u>	<u>21,296</u>	-
Fund Balance - September 30 (Ending)	<u><u>\$ 24,131</u></u>	<u><u>\$ 24,131</u></u>	<u><u>\$ 26,499</u></u>	<u><u>\$ 2,368</u></u>

**CITY OF CORINTH, TEXAS
MUNICIPAL COURT SECURITY FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

Exhibit C-10

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Traffic fines and forfeitures	\$ 13,000	\$ 13,000	\$ 12,884	\$ (116)
Interest income	-	-	182	182
Total Revenues	<u>13,000</u>	<u>13,000</u>	<u>13,066</u>	<u>66</u>
EXPENDITURES				
Current:				
Community services	30,508	30,508	8,160	22,348
Total Expenditures	<u>30,508</u>	<u>30,508</u>	<u>8,160</u>	<u>22,348</u>
Excess (Deficiency) of Revenues over Expenditures	(17,508)	(17,508)	4,906	22,414
OTHER FINANCING SOURCES (USES)				
Transfers in	17,508	17,508	17,508	-
Total Other Financing Sources (Uses)	<u>17,508</u>	<u>17,508</u>	<u>17,508</u>	<u>-</u>
Net Change in Fund Balance	-	-	22,414	22,414
Fund Balance - October 1 (Beginning)	<u>26,959</u>	<u>26,959</u>	<u>26,959</u>	<u>-</u>
Fund Balance - September 30 (Ending)	<u>\$ 26,959</u>	<u>\$ 26,959</u>	<u>\$ 49,373</u>	<u>\$ 22,414</u>

**CITY OF CORINTH, TEXAS
MUNICIPAL COURT TECHNOLOGY FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

Exhibit C-11

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Traffic fines and forfeitures	\$ 17,000	\$ 17,000	\$ 17,162	\$ 162
Interest income	-	-	133	133
Total Revenues	<u>17,000</u>	<u>17,000</u>	<u>17,295</u>	<u>295</u>
EXPENDITURES				
Current:				
Community services	17,000	30,000	21,725	8,275
Total Expenditures	<u>17,000</u>	<u>30,000</u>	<u>21,725</u>	<u>8,275</u>
Net Change in Fund Balance	-	(13,000)	(4,430)	8,570
Fund Balance - October 1 (Beginning)	34,008	34,008	34,008	-
Fund Balance - September 30 (Ending)	<u>\$ 34,008</u>	<u>\$ 21,008</u>	<u>\$ 29,578</u>	<u>\$ 8,570</u>

**CITY OF CORINTH, TEXAS
POLICE CONFISCATION FUND - STATE
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

Exhibit C-12

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Interest income	\$ 1	\$ 1	\$ 1	\$ -
Total Revenues	<u>1</u>	<u>1</u>	<u>1</u>	<u>-</u>
EXPENDITURES				
Current:				
Public safety	3,906	3,906	3,906	-
Total Expenditures	<u>3,906</u>	<u>3,906</u>	<u>3,906</u>	<u>-</u>
Net Change in Fund Balance	(3,905)	(3,905)	(3,905)	-
Fund Balance - October 1 (Beginning)	3,905	3,905	3,905	-
Fund Balance - September 30 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF CORINTH, TEXAS
POLICE CONFISCATION FUND - FEDERAL
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

Exhibit C-13

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Interest income	\$ -	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Current:				
Public Safety	288	288	288	-
Total Expenditures	<u>288</u>	<u>288</u>	<u>288</u>	<u>-</u>
Net Change in Fund Balance	(288)	(288)	(288)	-
Fund Balance - October 1 (Beginning)	288	288	288	-
Fund Balance - September 30 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF CORINTH, TEXAS
PARKS DEVELOPMENT FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

Exhibit C-14

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Donations	\$ 50,000	\$ 50,000	\$ 103,900	\$ 53,900
Interest income	-	-	724	724
Total Revenues	<u>50,000</u>	<u>50,000</u>	<u>104,624</u>	<u>54,624</u>
EXPENDITURES				
Current:				
Community services	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	50,000	50,000	104,624	54,624
Fund Balance - October 1 (Beginning)	133,173	133,173	133,173	-
Fund Balance - September 30 (Ending)	<u>\$ 183,173</u>	<u>\$ 183,173</u>	<u>\$ 237,797</u>	<u>\$ 54,624</u>

**CITY OF CORINTH, TEXAS
COMMUNITY PARK IMPROVEMENT FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

Exhibit C-15

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Parks & recreation fees	\$ 16,000	\$ 16,000	\$ 10,365	\$ (5,635)
Interest income	-	-	44	44
Total Revenues	<u>16,000</u>	<u>16,000</u>	<u>10,409</u>	<u>(5,591)</u>
EXPENDITURES				
Current:				
Community services	40,000	40,000	20,682	19,318
Total Expenditures	<u>40,000</u>	<u>40,000</u>	<u>20,682</u>	<u>19,318</u>
Net Change in Fund Balance	(24,000)	(24,000)	(10,273)	13,727
Fund Balance - October 1 (Beginning)	22,323	22,323	22,323	-
Fund Balance - September 30 (Ending)	<u>\$ (1,677)</u>	<u>\$ (1,677)</u>	<u>\$ 12,050</u>	<u>\$ 13,727</u>

**CITY OF CORINTH, TEXAS
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

Exhibit C-16

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes:				
Property	\$ 2,350,622	\$ 2,350,622	\$ 2,361,370	\$ 10,748
Interest income	-	-	2,482	2,482
Total Revenues	<u>2,350,622</u>	<u>2,350,622</u>	<u>2,363,852</u>	<u>13,230</u>
EXPENDITURES				
Debt Service:				
Principal	1,889,692	1,889,692	1,729,692	160,000
Interest	633,327	689,449	547,913	141,536
Total Expenditures	<u>2,523,019</u>	<u>2,579,141</u>	<u>2,277,605</u>	<u>301,536</u>
Excess (Deficiency) of Revenues over Expenditures	(172,397)	(228,519)	86,247	314,766
OTHER FINANCING SOURCES (USES)				
Proceeds from issuance of debt	-	1,208,988	1,208,988	-
Payments to bond refunding agent	-	(1,179,213)	(1,179,213)	-
Transfers in	-	-	6,812	6,812
Total Other Financing Sources (Uses)	<u>-</u>	<u>29,775</u>	<u>36,587</u>	<u>6,812</u>
Net Change in Fund Balance	(172,397)	(198,744)	122,834	321,578
Fund Balance - October 1 (Beginning)	224,420	224,420	224,420	-
Fund Balance - September 30 (Ending)	<u>\$ 52,023</u>	<u>\$ 25,676</u>	<u>\$ 347,254</u>	<u>\$ 321,578</u>

**CITY OF CORINTH, TEXAS
 TREE MITIGATION FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED SEPTEMBER 30, 2016**

Exhibit C-17

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Interest income	\$ -	\$ -	\$ 580	\$ 580
Miscellaneous income	-	-	184,102	184,102
Total Revenues	<u>-</u>	<u>-</u>	<u>184,682</u>	<u>184,682</u>
EXPENDITURES				
Current:				
Community services	-	26,020	24,040	1,980
Total Expenditures	<u>-</u>	<u>26,020</u>	<u>24,040</u>	<u>1,980</u>
Net Change in Fund Balance	-	(26,020)	160,642	186,662
Fund Balance - October 1 (Beginning)	-	-	-	-
Fund Balance - September 30 (Ending)	<u>\$ -</u>	<u>\$ (26,020)</u>	<u>\$ 160,642</u>	<u>\$ 186,662</u>

**CITY OF CORINTH, TEXAS
ROADWAY IMPACT FEE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

Exhibit C-18

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Escrow and impact fees	\$ -	\$ -	\$ 59,205	\$ 59,205
Interest income	-	-	935	935
Total Revenues	<u>-</u>	<u>-</u>	<u>60,140</u>	<u>60,140</u>
EXPENDITURES				
Current:				
Public works	35,641	46,833	21,932	24,901
Total Expenditures	<u>35,641</u>	<u>46,833</u>	<u>21,932</u>	<u>24,901</u>
Net Change in Fund Balance	(35,641)	(46,833)	38,208	85,041
Fund Balance - October 1 (Beginning)	(480,444)	(480,444)	(480,444)	-
Fund Balance - September 30 (Ending)	<u>\$ (516,085)</u>	<u>\$ (527,277)</u>	<u>\$ (442,236)</u>	<u>\$ 85,041</u>

**CITY OF CORINTH, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR CAPITAL PROJECTS FUNDS
 AS OF SEPTEMBER 30, 2016**

	<u>Governmental Capital Projects</u>	<u>Vehicle Replacement Fund</u>	<u>LCFD Vehicle & Equipment Replacement</u>	<u>Tech Equipment Replacement</u>
ASSETS				
Cash and cash equivalents	\$ 64,694	\$ 41,677	\$ 123,798	\$ 29,747
Investments	1,778,110	-	75,652	-
Receivables (net of allowance)				
Interest	1,918	-	-	-
Total Assets	<u>\$ 1,844,722</u>	<u>\$ 41,677</u>	<u>\$ 199,450</u>	<u>\$ 29,747</u>
LIABILITIES				
Accounts payable	\$ 5,363	\$ -	\$ -	\$ -
Total Liabilities	<u>5,363</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Restricted	-	-	-	-
Committed	<u>1,839,359</u>	<u>41,677</u>	<u>199,450</u>	<u>29,747</u>
Total Fund Balances	<u>1,839,359</u>	<u>41,677</u>	<u>199,450</u>	<u>29,747</u>
Total Liabilities and Fund Balances	<u>\$ 1,844,722</u>	<u>\$ 41,677</u>	<u>\$ 199,450</u>	<u>\$ 29,747</u>

Street Escrow Fund	2004 Tax Notes Fund	2007 CO Streets Fund	2007 CO Tech Fund	2010 CO Fire Fund	2016 Public Property Finance Fund	Total Nonmajor Capital Projects Funds
\$ 13,673	\$ -	\$ 130,738	\$ -	\$ -	\$ -	\$ 404,327
138,442	-	-	-	-	-	1,992,204
-	-	-	-	-	-	1,918
<u>\$ 152,115</u>	<u>\$ -</u>	<u>\$ 130,738</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,398,449</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,363
-	-	-	-	-	-	5,363
-	-	130,738	-	-	-	130,738
152,115	-	-	-	-	-	2,262,348
<u>152,115</u>	<u>-</u>	<u>130,738</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,393,086</u>
<u>\$ 152,115</u>	<u>\$ -</u>	<u>\$ 130,738</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,398,449</u>

**CITY OF CORINTH, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	Governmental Capital Projects	Vehicle Replacement Fund	LCFD Vehicle & Equipment Replacement	Tech Equipment Replacement
REVENUES				
Fire services	\$ -	\$ -	\$ 91,699	\$ -
Donations	50,000	-	-	250
Interest income	11,773	190	558	113
Miscellaneous income	31,059	-	-	-
Charges for services	-	-	-	-
Total Revenues	<u>92,832</u>	<u>190</u>	<u>92,257</u>	<u>363</u>
EXPENDITURES				
Current:				
Public safety	120,894	90,105	70,070	-
Public works	53,884	-	-	-
Planning and community development	-	-	-	-
City administration	-	-	-	13,779
Debt Service:				
Principal	-	-	76,895	-
Interest	-	-	20,392	-
Total Expenditures	<u>174,778</u>	<u>90,105</u>	<u>167,357</u>	<u>13,779</u>
Excess (Deficiency) of Revenues over Expenditures	(81,946)	(89,915)	(75,100)	(13,416)
OTHER FINANCING SOURCES (USES)				
Proceeds from issuance of capital lease	-	-	-	-
Proceeds from sale of capital assets	-	26,505	37,916	1,466
Transfers out	-	-	-	-
Transfers in	180,000	50,000	146,965	25,900
Total Other Financing Sources (Uses)	<u>180,000</u>	<u>76,505</u>	<u>184,881</u>	<u>27,366</u>
Net Change in Fund Balance	98,054	(13,410)	109,781	13,950
Fund Balance - October 1 (Beginning)	1,741,305	55,087	89,669	15,797
Fund Balance - September 30 (Ending)	<u>\$ 1,839,359</u>	<u>\$ 41,677</u>	<u>\$ 199,450</u>	<u>\$ 29,747</u>

Street Escrow Fund	2004 Tax Notes Fund	2007 CO Streets Fund	2007 CO Tech Fund	2010 CO Fire Fund	2016 Public Property Finance Fund	Total Nonmajor Capital Projects Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 91,699
-	-	-	-	-	-	50,250
452	51	349	13	85	-	13,584
-	-	-	-	-	-	31,059
-	-	-	-	-	-	-
<u>452</u>	<u>51</u>	<u>349</u>	<u>13</u>	<u>85</u>	<u>-</u>	<u>186,592</u>
-	-	-	-	18,061	661,695	960,825
-	-	729,207	-	-	-	783,091
-	15,570	-	-	-	-	15,570
-	-	-	-	-	-	13,779
-	-	-	-	-	-	76,895
-	-	-	-	250	-	20,642
<u>-</u>	<u>15,570</u>	<u>729,207</u>	<u>-</u>	<u>18,311</u>	<u>661,695</u>	<u>1,870,802</u>
452	(15,519)	(728,858)	13	(18,226)	(661,695)	(1,684,210)
-	-	-	-	-	661,695	661,695
-	-	-	-	-	-	65,887
-	-	-	(3,713)	(6,812)	-	(10,525)
-	-	467,467	-	-	-	870,332
<u>-</u>	<u>-</u>	<u>467,467</u>	<u>(3,713)</u>	<u>(6,812)</u>	<u>661,695</u>	<u>1,587,389</u>
452	(15,519)	(261,391)	(3,700)	(25,038)	-	(96,821)
151,663	15,519	392,129	3,700	25,038	-	2,489,907
<u>\$ 152,115</u>	<u>\$ -</u>	<u>\$ 130,738</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,393,086</u>

CITY OF CORINTH, TEXAS
DISCRETELY PRESENTED COMPONENT UNIT
CORINTH ECONOMIC DEVELOPMENT CORPORATION
BALANCE SHEET - GOVERNMENTAL FUNDS
AS OF SEPTEMBER 30, 2016

Exhibit C-21

	<u>Corinth Economic Development Corporation</u>
ASSETS	
Cash	\$ 174,656
Investments	2,883,682
Receivables (net of allowance)	
Sales Tax	125,083
Interest	15,292
Total Assets	\$ <u><u>3,198,713</u></u>
 LIABILITIES	
Accounts payable	\$ 782
Accrued Liabilities	15,852
Total Liabilities	<u>16,634</u>
 FUND BALANCES	
Restricted	<u>3,182,079</u>
Total Fund Balances	<u>3,182,079</u>
Total Liabilities and Fund Balances	\$ <u><u>3,198,713</u></u>

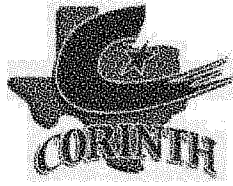
**CITY OF CORINTH, TEXAS
DISCRETELY PRESENTED COMPONENT UNIT
CORINTH ECONOMIC DEVELOPMENT CORPORATION
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

Exhibit C-22

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes:				
Sales	\$ 611,131	\$ 611,131	\$ 679,427	\$ 68,296
Interest income	7,250	7,250	18,127	10,877
Total Revenues	<u>618,381</u>	<u>618,381</u>	<u>697,554</u>	<u>79,173</u>
EXPENDITURES				
Current:				
Planning and Community development	618,381	768,381	604,412	163,969
Total Expenditures	<u>618,381</u>	<u>768,381</u>	<u>604,412</u>	<u>163,969</u>
Net Change in Fund Balance	-	(150,000)	93,142	243,142
Fund Balance - October 1 (Beginning)	3,088,937	3,088,937	3,088,937	-
Fund Balance - September 30 (Ending)	<u>\$ 3,088,937</u>	<u>\$ 2,938,937</u>	<u>\$ 3,182,079</u>	<u>\$ 243,142</u>



STATISTICAL SECTION



STATISTICAL SECTION

This part of the City of Corinth, Texas'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
Financial Trends	101
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	106
These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes.	
Debt Capacity	113
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	117
These schedules offer demographic and economic indicators to help the reader understand how the City's financial activities take place and to help make comparisons over time and with other governments.	
Operating Information	120
These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.



CITY OF CORINTH, TEXAS

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS (1), (2), (3), (4), (5), and (6)

(ACCRUAL BASIS OF ACCOUNTING)

(Unaudited)

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental Activities										
Net Investment in Capital Assets	\$ 42,456,235	\$ 40,684,154	\$ 41,050,434	\$ 39,858,647	\$ 41,537,428	\$ 38,965,723	\$ 37,401,599	\$ 36,991,003	\$ 37,162,807	\$ 35,967,465
Restricted	3,109,568	3,020,980	795,115	6,713,859	2,400,976	2,614,336	3,776,495	4,078,719	1,066,371	1,759,359
Unrestricted	5,762,421	6,112,583	8,395,075	2,683,382	6,854,904	6,708,569	5,660,613	4,522,015	1,767,508	1,817,109
Total Governmental Activities Net Position	\$ 51,328,224	\$ 49,817,717	\$ 50,240,624	\$ 49,255,888	\$ 50,793,308	\$ 48,288,628	\$ 46,838,707	\$ 45,591,737	\$ 39,996,686	\$ 39,543,933
Business-type Activities										
Net Investment in Capital Assets	\$ 16,086,492	\$ 15,604,347	\$ 15,881,901	\$ 17,746,701	\$ 19,490,897	\$ 21,783,319	\$ 21,661,416	\$ 21,552,151	\$ 21,568,651	\$ 21,537,921
Restricted	-	-	-	-	-	-	-	-	645,963	647,502
Unrestricted	3,295,736	5,229,817	5,638,822	5,883,737	5,858,618	6,216,578	6,897,008	6,250,406	4,856,975	4,285,029
Total Business-Type Activities Net Position	\$ 19,382,228	\$ 20,834,164	\$ 21,520,723	\$ 23,630,438	\$ 25,349,515	\$ 27,999,897	\$ 28,558,424	\$ 27,802,557	\$ 27,071,589	\$ 26,470,452
Primary Government										
Net Investment in Capital Assets	\$ 58,542,727	\$ 56,288,501	\$ 56,932,335	\$ 57,605,348	\$ 61,028,325	\$ 60,749,042	\$ 59,063,015	\$ 58,543,154	\$ 58,731,458	\$ 57,505,386
Restricted	3,109,568	3,020,980	795,115	6,713,859	2,400,976	2,614,336	3,776,495	4,078,719	1,712,334	2,406,861
Unrestricted	9,058,157	11,342,400	14,033,897	8,567,119	12,713,522	12,925,147	12,557,621	10,772,421	6,624,483	6,102,138
Total Primary Government Net Position	\$ 70,710,452	\$ 70,651,881	\$ 71,761,347	\$ 72,886,326	\$ 76,142,823	\$ 76,288,525	\$ 75,397,131	\$ 73,394,294	\$ 67,068,275	\$ 66,014,385

Governmental Activities:

- (1) 2007 restated for debt reallocation.
- (2) 2007 through 2009 restated for correction of basis in streets
- (3) 2009 restated for reclassification of fund.
- (5) 2012 restated for implementation of GASB 63 and GASB 65.
- (6) 2015 restated for implementation of GASB 68.

Business-type Activities:

- (4) 2009 restated for miscellaneous revenue and debt expenses.
- (5) 2012 restated for implementation of GASB 63 and GASB 65.
- (6) 2015 restated for implementation of GASB 68.

Source: Exhibit A-1

CITY OF CORINTH, TEXAS
EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(Unaudited)

Expenses	2007 (1)	2008 (2)	2009	2010	2011	2012 (3)	2013	2014	2015 (4)	2016
Governmental Activities:										
Public Safety	\$ 2,745,345	\$ 6,891,365	\$ 7,956,599	\$ 7,716,433	\$ 7,454,086	\$ 7,769,391	\$ 8,188,441	\$ 8,558,062	\$ 8,937,222	\$ 9,331,392
Fire	1,995,931	-	-	-	-	-	-	-	-	-
Community Services	1,805,271	1,950,842	2,452,756	1,979,094	1,713,873	1,729,610	1,740,402	1,735,618	1,855,018	1,734,299
Public Works	4,065,127	4,571,006	1,784,753	4,152,860	4,268,961	4,829,902	4,726,964	4,655,417	4,661,909	4,471,115
Planning & Development	744,218	810,774	877,117	875,457	709,683	730,829	731,234	715,554	860,549	1,013,413
City Administration	713,750	1,425,905	1,340,171	1,876,455	1,663,492	1,607,926	1,631,852	1,854,669	1,873,459	2,032,778
Financial Services	949,085	702,155	686,977	688,069	634,749	655,335	662,238	665,351	746,482	878,384
Interest on Long-Term Debt	530,981	894,159	969,752	920,663	809,445	821,597	743,848	702,883	613,346	747,838
Total Governmental Activities Expenses	13,549,708	17,246,206	16,068,125	18,209,031	17,254,289	18,144,590	18,424,979	18,887,554	19,547,985	20,209,219
Business-Type Activities:										
Water & Wastewater	8,353,563	9,959,789	10,356,404	10,261,683	9,981,826	10,198,636	10,429,711	10,645,670	11,107,570	12,157,058
Storm Water Utility	347,612	464,127	510,190	527,768	449,894	520,098	515,487	571,624	540,217	525,740
Total Business-Type Activities Expenses	8,701,175	10,423,916	10,866,594	10,789,451	10,431,720	10,718,734	10,945,198	11,217,294	11,647,787	12,682,798
Total Primary Government Expenses	\$ 22,250,883	\$ 27,670,122	\$ 26,934,719	\$ 28,998,482	\$ 27,686,009	\$ 28,863,324	\$ 29,370,177	\$ 30,104,848	\$ 31,195,772	\$ 32,892,017
Program Revenues										
Governmental Activities:										
Charges for Services:										
Public Safety	\$ 171,534	\$ 2,442,177	\$ 3,028,462	\$ 2,858,365	\$ 3,218,248	\$ 3,036,630	\$ 3,316,940	\$ 3,595,280	\$ 3,516,328	\$ 3,960,494
Community Services	750,410	208,352	178,695	197,322	305,958	318,297	312,490	377,982	230,940	206,560
Public Works	-	-	-	-	340,413	72,087	25,895	111,242	209,723	59,205
Planning & Development	493,749	416,347	297,861	298,676	564,447	364,980	342,817	488,706	647,336	540,906
City Administration	13,972	-	-	-	-	-	-	94,979	92,142	105,401
Finance Services	559,992	881,951	1,024,019	1,180,425	177,273	88,599	-	-	-	-
Operating Grants & Contributions	202,291	271,544	107,572	166,836	152,477	101,458	144,879	284,954	299,613	189,114
Capital Grants & Contributions	1,055,742	725,200	171,306	1,243,666	858,404	944,835	551,016	-	380,748	332,872
Total Governmental Activities Program Revenues	3,247,690	4,945,571	4,807,915	5,945,290	5,617,220	4,926,886	4,694,037	4,953,143	5,376,830	5,394,552
Business-Type Activities:										
Charges for Services:										
Water & Wastewater	8,706,440	10,169,565	10,306,400	11,094,103	12,221,335	11,715,891	11,582,827	10,648,512	10,991,068	11,047,722
Storm Water Utility	432,848	495,193	552,871	587,074	552,916	655,400	667,215	680,128	692,943	703,783
Operating Grants & Contributions	-	-	-	-	-	-	-	-	-	-
Capital Grants & Contributions	2,127,103	2,071,941	649,055	1,255,490	1,303,744	581,490	192,927	176,068	607,013	1,448,393
Total Business-Type Activities Program Revenues	11,266,391	12,736,699	11,508,326	12,936,667	14,077,995	12,952,781	12,442,969	11,504,708	12,291,024	13,199,898
Total Primary Government Program Revenues	\$ 14,514,081	\$ 17,682,270	\$ 16,316,241	\$ 18,881,957	\$ 19,695,215	\$ 17,879,667	\$ 17,137,006	\$ 16,457,851	\$ 17,667,854	\$ 18,594,450
Net (Expense)/Revenue										
Governmental Activities	\$ (10,302,018)	\$ (12,300,635)	\$ (11,260,210)	\$ (12,263,741)	\$ (11,637,069)	\$ (13,217,704)	\$ (13,730,942)	\$ (13,934,411)	\$ (14,171,155)	\$ (14,814,667)
Business-Type Activities	2,565,216	2,312,783	641,732	2,147,216	3,646,275	2,234,047	1,497,771	287,414	643,237	517,100
Total Primary Government Net Expense	\$ (7,736,802)	\$ (9,987,852)	\$ (10,618,478)	\$ (10,116,525)	\$ (7,990,794)	\$ (10,983,657)	\$ (12,233,171)	\$ (13,646,997)	\$ (13,527,918)	\$ (14,297,567)

(1) 2007 restated for debt reallocation

(2) During 2008, the City acquired the Lake Cities Fire Department from other participating cities. Expenses incurred before and after acquisition are reported in public safety.

(3) 2012 restated for implementation of GASB 63 and GASB 65.

(4) 2015 restated for implementation of GASB 68.

Source: Exhibit A-2

CITY OF CORINTH, TEXAS

GENERAL REVENUES AND TOTAL CHANGE IN NET POSITION

LAST TEN FISCAL YEARS

(ACCRUAL BASIS OF ACCOUNTING)

(Unaudited)

Net (Expense)/Revenue	2007 (1)	2008 (2)	2009	2010	2011	2012 (3)	2013	2014	2015	2016
Governmental Activities	\$ (10,302,018)	\$ (12,300,636)	\$ (11,260,210)	\$ (12,263,741)	\$ (11,637,069)	\$ (13,217,704)	\$ (13,730,942)	\$ (13,934,411)	\$ (14,171,155)	\$ (14,814,667)
Business-Type Activities	2,565,216	2,312,783	641,732	2,147,216	3,646,275	2,234,047	1,497,771	287,414	643,237	517,100
Total Primary Government Net Expense	(7,736,802)	(9,987,853)	(10,618,478)	(10,116,525)	(7,990,794)	(10,983,657)	(12,233,171)	(13,646,997)	(13,527,918)	(14,297,567)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes										
Property Taxes	7,362,347	7,784,085	8,288,285	8,117,648	8,236,635	8,292,788	8,501,824	8,674,195	9,291,409	9,663,535
Sales Taxes	1,539,307	1,523,963	1,017,734	1,463,459	1,591,901	1,689,889	1,728,567	1,822,924	1,889,020	2,023,059
Franchise Taxes	667,199	894,191	1,456,065	919,700	1,083,786	1,065,097	967,846	1,039,646	1,074,217	1,068,910
Hotel Occupancy Taxes (4)	-	-	-	-	-	-	-	-	67,833	79,007
Miscellaneous	46,395	73,884	95,154	20,050	34,555	143,809	38,121	13,925	45,685	237,674
Investment Earnings	562,353	740,740	318,460	207,718	98,471	63,010	49,427	53,968	55,043	87,433
Gain (Loss) on sale of Capital Assets	-	-	-	-	-	-	-	-	14,712	43,222
Special Item Outflow	-	(1,742,435)	-	-	(700,000)	(134,385)	8,556	-	-	-
Transfers	(138,510)	1,515,701	360,418	550,426	2,734,363	(269,093)	986,679	1,082,783	778,956	1,159,074
Total Governmental Activities	10,039,091	10,790,129	11,536,116	11,279,001	13,079,711	10,851,115	12,281,020	12,687,441	13,216,875	14,361,914
Business-Type Activities:										
Miscellaneous	103,243	11,212	53,980	355,428	31,858	11,738	5,145	10,216	(391)	4,741
Investment Earnings	164,855	643,642	295,606	157,497	75,308	59,488	42,290	29,280	18,423	26,328
Gain (Loss) on sale of Capital Assets	-	-	-	-	-	-	-	-	5,333	9,768
Special Item Outflow	-	-	-	-	700,000	134,385	-	-	-	-
Transfers	138,510	(1,515,701)	(360,418)	(550,426)	(2,734,363)	269,093	(986,679)	(1,082,783)	(778,956)	(1,159,074)
Total Business-Type Activities	406,608	(860,847)	(10,832)	(37,501)	(1,927,197)	474,704	(939,244)	(1,043,287)	(755,591)	(1,118,237)
Total Primary Government	\$ 10,445,699	\$ 9,929,282	\$ 11,525,284	\$ 11,241,500	\$ 11,152,514	\$ 11,325,819	\$ 11,341,776	\$ 11,644,154	\$ 12,461,284	\$ 13,243,677
Change in Net Position										
Governmental Activities	(262,927)	(1,510,507)	275,906	(984,740)	1,442,642	(2,366,589)	(1,449,922)	(1,246,970)	(954,280)	(452,753)
Business-Type Activities	2,971,824	1,451,936	630,900	2,109,715	1,719,078	2,708,751	558,527	(755,873)	(112,354)	(601,137)
Total Primary Government	\$ 2,708,897	\$ (58,571)	\$ 906,806	\$ 1,124,975	\$ 3,161,720	\$ 342,162	\$ (891,395)	\$ (2,002,843)	\$ (1,066,634)	\$ (1,053,890)

(1) 2007 restated for debt reallocation.

(2) During 2008, the City acquired the Lake Cities Fire Department from other participating cities. Expenses incurred before and after acquisition are reported in public safety.

(3) 2012 is restated for implementation of GASB 63 and GASB 65.

(4) Hotel Occupancy Tax was previously reported in the Sales Tax category.

Note: This information is presented using the accrual basis of accounting.

Source: Exhibit A-2

TABLE D-4

CITY OF CORINTH, TEXAS

FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

(Unaudited)

General Fund	2007	2008	2009	2010	2011 (1)	2012	2013	2014	2015	2016
Reserved	\$ 152,119	\$ 185,245	\$ 103,982	\$ 143,025	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Non-Spendable	-	-	-	-	216,714	207,875	211,465	222,652	244,486	439,146
Unreserved	6,038,090	4,559,689	4,337,600	3,730,485	-	-	-	-	-	-
Unassigned	-	-	-	-	4,552,509	5,246,829	3,950,657	3,587,445	3,482,449	3,295,962
Total General Fund	\$ 6,190,209	\$ 4,744,934	\$ 4,441,582	\$ 3,873,510	\$ 4,769,223	\$ 5,454,704	\$ 4,162,122	\$ 3,810,097	\$ 3,726,935	\$ 3,735,108
All Other Governmental Funds										
Reserved	\$ 1,517,764	\$ 1,130,120	\$ 2,660,627	\$ 4,666,027	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	4,427,759	2,304,546	2,199,692	1,143,608	1,155,506	13,370,197
Committed	-	-	-	-	1,170,771	1,885,185	3,286,748	4,067,270	2,946,280	2,623,387
Unreserved, Reported In:										
Special Revenue Funds	1,190,922	1,472,819	1,862,162	1,879,248	-	-	-	-	-	-
Capital Projects Funds	9,324,007	10,639,614	7,670,458	2,054,708	-	-	-	-	-	-
Unassigned					(268,858)	(351,404)	(441,149)	(579,436)	(480,444)	(442,236)
Total all other Governmental Funds	\$ 12,032,693	\$ 13,242,553	\$ 12,193,247	\$ 8,599,983	\$ 5,329,672	\$ 3,838,327	\$ 5,045,291	\$ 4,631,442	\$ 3,621,342	\$ 15,551,348

(1) GASB 54 was implemented in 2011.

Source: Exhibit A-3

CITY OF CORINTH, TEXAS

TABLE D-5

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(Unaudited)

Revenues	2007 ⁽¹⁾	2008	2009	2010	2011	2012	2013	2014	2015	2016
Taxes	\$ 9,498,132	\$ 10,247,707	\$ 10,771,375	\$ 10,530,117	\$ 10,911,621	\$ 11,048,433	\$ 11,210,497	\$ 11,538,485	\$ 12,329,258	\$ 12,807,008
Licenses, Fees and Permits	468,395	400,375	283,232	304,009	1,091,761	661,689	285,165	903,407	1,050,172	797,332
Fines & Penalties	627,526	670,529	700,857	652,755	634,141	577,101	974,231	723,174	682,284	712,852
Charges for Services	782,146	2,639,945	3,256,122	3,529,997	2,547,590	2,531,739	2,534,668	2,826,329	3,132,880	3,159,963
Investment Earnings	562,354	740,741	318,461	207,717	98,470	63,010	49,427	53,967	55,043	87,433
Donations	-	-	-	713,564	1,012,607	947,567	571,827	89,514	96,633	186,220
Special Assessments	134,798	251,200	114,719	110,972	-	-	-	-	-	-
Intergovernmental	182,512	256,369	97,101	269,142	-	-	-	-	-	-
Other Revenues	48,776	613,801	99,494	63,697	160,522	205,271	190,849	82,083	123,070	292,949
Total Revenues	12,304,639	15,820,667	15,641,361	16,381,970	16,456,712	16,034,810	15,816,664	16,216,959	17,469,340	18,043,757
Expenditures										
Public Safety	2,682,837	8,120,829	7,740,539	8,241,429	8,073,621	7,520,802	8,393,476	9,422,471	9,167,774	9,702,983
Fire	1,995,931	-	-	-	-	-	-	-	-	-
Community Services	1,662,575	1,888,806	2,309,808	1,825,414	1,752,265	1,794,276	2,113,911	2,405,814	1,765,661	1,507,526
Public Works	1,471,635	1,464,051	929,424	876,510	1,640,574	1,222,644	878,847	1,483,829	2,600,403	1,721,981
Planning & Development	731,568	822,157	855,155	872,953	699,586	751,109	727,249	718,253	871,281	981,151
City Administration	573,526	1,237,314	1,498,948	1,659,476	1,454,431	1,444,883	1,591,760	1,636,334	1,766,937	2,173,809
Finance Services	895,690	705,898	685,409	672,763	614,157	641,484	655,646	652,321	732,037	862,114
General Government	-	1,185,301	973,949	-	-	-	-	-	-	-
Capital Outlay	-	-	-	6,098,235	5,122,041	890,602	27,648	-	-	3,727,303
Debt Service										
Principal	781,750	1,257,650	1,494,683	1,480,700	1,456,375	1,534,125	1,743,686	1,892,482	1,836,489	1,806,587
Interest	501,107	883,984	910,577	870,581	847,405	813,965	756,738	694,004	627,358	784,585
Paying Agent Fees	15,379	5,064	9,366	-	-	-	-	-	-	-
Bond Issuance Costs	149,074	728	1,107	27,827	-	-	-	-	-	-
Total Expenditures	11,461,072	17,571,782	17,408,965	22,625,888	21,660,455	16,613,890	16,888,961	18,905,508	19,367,940	23,268,039
Excess of Revenues Over (Under) Expenditures	843,563	(1,751,115)	(1,767,604)	(6,243,918)	(5,203,743)	(579,080)	(1,072,297)	(2,688,549)	(1,898,600)	(5,224,282)
Other Financing Sources (Uses)										
Bonds Issued	12,139,950	-	-	1,500,000	-	-	-	-	-	17,116,713
Payments to Escrow Agent	(4,288,930)	-	-	-	-	-	-	-	-	(1,179,213)
Bond Premium/Discount	187,925	-	-	-	-	-	-	-	-	-
Capital Lease	-	-	5,434	-	-	-	-	-	-	-
Sale of Capital Assets	91,460	-	-	-	-	42,309	-	839,890	26,382	65,887
Transfers In/Out	(138,510)	1,515,701	360,418	550,426	2,734,363	(269,093)	986,679	1,082,783	778,956	1,159,074
Total Other Financing Sources (Uses)	7,991,895	1,515,701	365,852	2,050,426	2,734,363	(226,784)	986,679	1,922,673	805,338	17,162,461
Net Change in Fund Balances	\$ 8,835,458	\$ (235,414)	\$ (1,401,752)	\$ (4,193,492)	\$ (2,469,380)	\$ (805,864)	\$ (85,618)	\$ (765,876)	\$ (1,093,262)	\$ 11,938,179
Debt Service As A Percentage Of Noncapital Expenditures	14.5%	13.9%	16.1%	16.8%	16.2%	17.6%	17.4%	15.8%	14.6%	15.3%

(1) 2007 restated for debt reallocation.

Source: Exhibit A-5

CITY OF CORINTH, TEXAS
TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

Fiscal Year	Property Tax	Sales & Hotel Tax	Franchise Tax	Total
2007 (1)	\$ 7,291,626	\$ 1,539,307	\$ 667,199	\$ 9,498,132
2008	7,829,553	1,523,963	894,191	10,247,707
2009	8,297,576	1,456,065	1,017,734	10,771,375
2010	8,142,985	1,463,459	923,673	10,530,117
2011	8,235,934	1,591,901	1,083,786	10,911,621
2012	8,293,447	1,689,889	1,065,097	11,048,433
2013	8,514,084	1,728,567	967,846	11,210,497
2014	8,675,915	1,822,924	1,039,646	11,538,485
2015	9,298,188	1,956,853	1,074,217	12,329,258
2016	9,636,032	2,102,066	1,068,910	12,807,008
Percent Change 2007-2016	32.15%	36.56%	60.21%	34.84%

(1) 2007 restated.

Source: A-5

CITY OF CORINTH, TEXAS

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS

Fiscal Year	Residential Property	Commercial Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Value	Taxable Assessed Value as a Percent of Actual Taxable Value
2007	\$1,196,414,635	\$176,068,505	\$25,555,712	1,346,927,428	\$0.55698	\$1,372,483,140	98.138%
2008	1,211,631,679	195,599,938	10,384,265	1,396,847,352	0.55698	1,417,615,882	98.535%
2009	1,187,265,640	190,126,178	16,522,699	1,360,869,119	0.57698	1,393,914,517	97.629%
2010	1,153,359,201	325,754,337	92,100,190	1,387,013,348	0.57698	1,387,013,348	100.000%
2011	1,252,309,929	234,688,468	96,489,458	1,390,508,939	0.59292	1,390,508,939	100.000%
2012	1,211,861,253	268,045,937	88,120,582	1,391,786,608	0.59135	1,391,786,608	100.000%
2013	1,201,904,159	283,761,674	88,447,340	1,397,218,493	0.60489	1,397,218,493	100.000%
2014	1,221,191,136	295,352,467	85,760,821	1,430,782,782	0.60489	1,430,782,782	100.000%
2015	1,267,097,852	326,129,542	59,168,386	1,652,395,780	0.59489	1,652,395,780	100.000%
2016	1,348,410,542	385,457,523	95,347,173	1,638,520,892	0.58489	1,770,835,524	92.528%

Source: Denton Central Appraisal District.

CITY OF CORINTH, TEXAS

DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS

Fiscal Year	City Property Tax Rate			Overlapping Rates			
	O & M Tax Rate	General Obligation Debt Service	Total Tax Rate	Denton ISD	Lake Dallas ISD	Corinth Municipal Utility District	Denton County
2007	\$ 0.44739	\$ 0.10959	\$ 0.55698	\$ 1.76400	\$ 1.86000	\$ 0.31000	\$ 0.23190
2008 (1)	0.42739	0.12959	0.55698	1.49000	1.79000	0.31000	0.23577
2009	0.43852	0.13846	0.57698	1.49000	1.65000	0.31000	0.24980
2010 (2)	0.43852	0.13846	0.57698	1.49000	1.65000	0.21000	0.27390
2011 (2)	0.44946	0.14346	0.59292	1.53000	1.67000	0.15000	0.27740
2012	0.44789	0.14346	0.59135	1.53000	1.67000	-	0.27740
2013	0.46143	0.14346	0.60489	1.53000	1.67000	-	0.28290
2014	0.46143	0.14346	0.60489	1.53000	1.67000	-	0.28490
2015	0.45143	0.14346	0.59489	1.54000	1.67000	-	0.27220
2016	0.44143	0.14346	0.58489	1.54000	1.67000	-	0.26200

(1) Corrected the City's tax rate to equal the rate in effect for fiscal year 2008.

(2) Corrected the Corinth Municipal Utility District's tax rate to equal the rate in effect for fiscal year 2008.

Source: Denton County Appraisal District

CITY OF CORINTH, TEXAS
 PRINCIPAL PROPERTY TAX PAYERS
 CURRENT YEAR AND NINE YEARS AGO

<u>Taxpayer</u>	2016			2007		
	Taxable Assessed Value	Rank	Percent of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percent of Total City Taxable Assessed Value
Denton County Elec Coop	21,030,718	1	1.28%	11,094,119	2	0.91%
S. Corinth Apartments LLC DBA The Boulevard	15,178,509	2	0.93%			
ONCOR/TXU Electric Delivery Co	12,883,342	3	0.79%	13,954,760	1	1.15%
MPT of Corinth LP	12,815,000	4	0.78%			
HD Supply Power Solutions, LTD	12,613,427	5	0.77%			
Utter Properties, LLC	8,712,098	6	0.53%	5,693,439	7	0.47%
Texas NHI Investors LLC	8,390,000	7	0.51%			
Tower Ridge Corinth I, LTD	8,076,706	8	0.49%			
Utter, Bill	6,946,009	9	0.42%	4,909,784	8	0.40%
2-10 Properties LLC	6,477,481	10	0.40%			
Upsilon Corp				8,118,741	3	0.67%
Boeing - Corinth Inc.				7,685,799	4	0.63%
Kensington Square LP PS				6,365,745	5	0.52%
Albertson's				5,842,867	6	0.48%
Hughes Supply Inc				4,860,649	9	0.40%
CMC Land Inc				4,661,519	10	0.38%
Total	<u>113,123,290</u>		<u>6.90%</u>	<u>73,187,422</u>		<u>6.02%</u>

Source: Denton Central Appraisal District

CITY OF CORINTH, TEXAS
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

TABLE D-10

Fiscal Year Ended September 30	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
2007	\$ 7,234,271	\$ 7,166,741	99.07%	\$ 66,275	\$ 7,233,016	99.98%
2008	7,497,484	7,428,184	99.08%	67,482	7,495,666	99.98%
2009	8,213,110	8,155,554	99.30%	56,445	8,211,999	99.99%
2010	8,124,258	8,023,338	98.76%	99,314	8,122,652	99.98%
2011	8,222,763	8,121,978	98.77%	96,566	8,218,544	99.95%
2012	8,300,538	8,207,634	98.88%	84,166	8,291,800	99.89%
2013	8,453,267	8,425,528	99.67%	17,515	8,443,043	99.88%
2014	8,663,332	8,630,897	99.63%	21,485	8,652,382	99.87%
2015	9,187,621	9,160,871	99.71%	10,896	9,171,767	99.83%
2016	9,594,646	9,568,054	99.72%	-	9,568,054	99.72%

Source: Denton County Tax Office

CITY OF CORINTH, TEXAS
TAXABLE SALES BY CATEGORY
LAST TEN CALENDAR YEARS

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016 (1)
Agriculture, Forestry, Fishing	-	-	-	-	-	-	-	-	-	-
Construction	6,311,434	3,302,190	1,292,850	311,261	942,329	2,146,600	2,781,669	2,318,987	4,309,632	1,959,021
Manufacturing	2,636,616	3,006,576	2,753,171	923,369	738,294	484,720	442,231	626,667	481,999	398,793
Utilities	91,172,054	101,525,049	84,365,709	90,520,993	90,939,863	82,316,673	92,911,304	109,928,880	110,581,672	46,189,928
Wholesale Trade	2,753,461	2,539,705	2,603,344	3,213,997	4,319,250	2,532,277	3,100,915	3,088,654	7,617,017	3,542,829
Retail Trade	24,101,476	22,599,645	19,620,574	20,762,549	22,852,835	26,103,441	26,504,414	27,888,328	29,287,734	14,438,198
Services	4,328,687	4,814,146	4,527,386	4,879,098	5,710,772	6,865,632	6,730,599	7,243,623	7,228,816	4,026,228
Other	20,875,584	20,980,030	18,906,284	19,772,152	21,602,742	23,290,303	24,190,424	24,648,881	25,034,737	12,546,306
Total	152,179,312	158,767,341	134,069,318	140,383,419	147,106,085	143,739,646	156,661,556	175,744,020	184,541,607	83,101,303
Direct Sales Tax Rate	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

(1) Due to a reporting lag from the State Comptroller's Office, sales tax for 2016 reports only the first two quarters.

Source: Texas State Comptroller

CITY OF CORINTH, TEXAS
 DIRECT AND OVERLAPPING SALES TAX RATES
 LAST TEN FISCAL YEARS

Fiscal Year	Corinth Direct Sales Tax Rate	Corinth Street Maintenance Sales Tax	Economic Development Sec. 4(B) Sales Tax	Corinth Crime Control & Prevention Sales Tax
2007	1.00%	0.25%	0.50%	0.25%
2008	1.00%	0.25%	0.50%	0.25%
2009	1.00%	0.25%	0.50%	0.25%
2010	1.00%	0.25%	0.50%	0.25%
2011	1.00%	0.25%	0.50%	0.25%
2012	1.00%	0.25%	0.50%	0.25%
2013	1.00%	0.25%	0.50%	0.25%
2014	1.00%	0.25%	0.50%	0.25%
2015	1.00%	0.25%	0.50%	0.25%
2016	1.00%	0.25%	0.50%	0.25%

Source: City of Corinth Finance department

CITY OF CORINTH, TEXAS

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year	General Bonded Debt			Percent of Actual Taxable Value of Property	Per Capita	Other Governmental Activities Debt	
	General Obligation Bonds	Certificates of Obligation/Tax Notes	Total Tax Supported Debt			Capital Leases	
2007	\$12,599,150	\$7,780,000	\$20,379,150	1.51%	\$1,048	\$67,098	
2008	11,791,500	9,154,333	20,945,833	1.50%	1,066	45,667	
2009	10,978,150	8,473,000	19,451,150	1.43%	983	23,314	
2010	10,106,450	9,364,000	19,470,450	1.40%	977	-	
2011	9,082,075	10,860,931	19,943,006	1.43%	1,000	-	
2012	8,004,950	10,403,931	18,408,881	1.32%	922	-	
2013	6,887,875	8,682,775	15,570,650	1.11%	774	-	
2014	5,738,000	8,021,998	13,759,998	0.96%	669	758,058	
2015	4,611,500	7,388,904	12,000,404	0.73%	582	683,391	
2016	3,458,925	20,102,388	23,561,313	1.44%	1,136	1,298,191	

Fiscal Year	Business-Type Activities				Capital Leases	Total Primary Government	Per Capita	Percent of Personal Income
	General Obligation Bonds	Certificates of Obligation	Total					
2007	\$2,615,850	\$15,930,000	\$18,545,850		\$67,098	\$39,059,196	\$2,008	5.50%
2008	2,413,500	13,620,667	16,034,167		45,667	37,071,334	1,887	5.26%
2009	2,176,850	13,327,000	15,503,850		23,314	35,001,628	1,769	4.78%
2010	1,923,550	12,956,000	14,879,550		-	34,350,000	1,724	4.65%
2011	1,777,925	10,509,069	12,286,994		-	32,230,000	1,617	4.35%
2012	1,625,050	11,060,615	12,685,665		-	31,094,546	1,558	4.40%
2013	1,467,125	10,492,224	11,959,349		-	27,529,999	1,368	3.75%
2014	1,307,000	9,898,002	11,205,002		-	25,723,058	1,250	3.34%
2015	1,063,500	9,341,096	10,404,596		-	23,088,391	1,120	2.92%
2016	816,075	8,752,609	9,568,684		-	34,428,188	1,660	4.22%

Source: City of Corinth Finance department

CITY OF CORINTH, TEXAS
 RATIOS OF GENERAL BONDED DEBT OUTSTANDING
 LAST TEN FISCAL YEARS

TABLE D-14

Fiscal Year	General Obligation Bonds	Percent of Actual Taxable Value of Property	Per Capita
2007	\$12,599,150	0.92%	\$648
2008	11,791,500	0.83%	600
2009	10,978,150	0.79%	555
2010	10,106,450	0.73%	507
2011	9,082,075	0.65%	456
2012	8,004,950	0.58%	401
2013	6,887,875	0.49%	342
2014	5,738,000	0.40%	279
2015	4,611,500	0.28%	224
2016	3,458,925	0.20%	167

Source: City of Corinth Finance department

CITY OF CORINTH, TEXAS

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

Governmental Unit	Debt Outstanding	Estimated Percent Applicable	Estimated Share of Direct & Overlapping Debt
Debt Repaid With Property Taxes			
Denton Co.	\$ 608,895,000	2.19%	\$ 13,334,801
Denton ISD	839,287,749	6.57%	55,141,205
Lake Dallas ISD	82,931,615	44.46%	<u>36,871,396</u>
Subtotal, Overlapping Debt			105,347,402
City Direct Debt (1)			<u>23,561,313</u>
Total Direct and Overlapping Debt			<u>\$ 128,908,715</u>

(1) Does not include self-supporting debt.

Source: First Southwest Financial Services (Municipal Advisory Council of Texas)

HELP: Enter the data in this schedule manually.

TABLE D-16

CITY OF CORINTH, TEXAS
 LEGAL DEBT MARGIN INFORMATION
 LAST TEN FISCAL YEARS

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Debt Limit	\$ 121,504,628	\$ 134,609,581	\$ 142,209,231	\$ 138,701,335	\$ 139,050,693	\$ 139,178,661	\$ 139,721,850	\$ 143,078,278	\$ 165,239,578	\$ 163,852,089
Total Net Debt Applicable to Limit	38,925,000	36,980,000	34,200,916	30,682,714	28,552,904	28,999,184	26,529,182	24,636,963	22,180,581	32,782,746
Legal Debt Margin	\$ 82,579,628	\$ 97,629,581	\$ 108,008,315	\$ 108,018,621	\$ 110,497,789	\$ 110,179,477	\$ 113,192,668	\$ 118,441,315	\$ 143,058,997	\$ 131,069,343
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	32.04%	27.47%	24.05%	22.12%	20.53%	20.84%	18.99%	17.22%	13.42%	20.01%

Assessed Value	\$ 1,638,520,892
Debt Limit (10% of Assessed Value)	163,852,089
Debt Applicable to Limit:	
Total Debt Outstanding	33,130,000
Less: Amount Set Aside for Repayment of Debt	<u>347,254</u>
Total Net Debt applicable to Limit	<u>32,782,746</u>
Legal Debt Margin	<u><u>\$ 131,069,343</u></u>

Source: City of Corinth Finance department

CITY OF CORINTH, TEXAS

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN CALENDAR YEARS

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Population	19,450	19,650	19,788	19,926	19,935	19,961	20,126	20,578	20,620	20,740
Median Household Income [1]	93,776	92,179	95,696	96,653	99,127	101,176	104,211	106,877	109,543	112,169
Per Capita Personal Income	36,498	35,876	36,987	37,097	37,135	35,388	36,450	37,411	38,372	39,357
Median Age	31	32	32	32	33	36	36	36	36	36
Education Level [2]										
School Enrollment	N/A	N/A	N/A	3,465	3,338	3,533	3,398	3,490	3,582	3,408
High school graduate or higher	96%	96%	96%	96%	96%	96%	97%	97%	97%	97%
Bachelor's degree or higher	39%	39%	40%	42%	42%	43%	40%	42%	42%	40%
Unemployment [3]	4.00%	4.80%	7.10%	7.10%	6.60%	5.70%	5.30%	4.40%	4.40%	3.80%

[1] These figures are based on Catalyst Commercial and current trends.

[2] The school enrollment (Denton / Lake Dallas ISD) figures are based on numbers provided by the Texas Education Agency (TEA).

[3] The unemployment figures shown above are for Denton County, as calculated by the Labor Market and Career Information (LMCI) Department of the Texas Workforce Commission.

Source: City of Corinth Economic Development

CITY OF CORINTH, TEXAS
 PRINCIPAL EMPLOYERS
 CURRENT YEAR AND NINE YEARS AGO

	2016			2007 [1]		
	Employees	Rank	Percent of Total City Employment	Employees	Rank	Percent of Total City Employment
Labinal				600	1	0.00%
CoServ	440	1	9.32%	300	2	0.00%
North Central Texas College	340	2	7.20%	200	3	0.00%
Lake Dallas ISD	197	3	4.17%			
Denton ISD	166	4	3.52%			
City of Corinth	160	5	3.39%	165	4	0.00%
Bill Utter Ford	150	6	3.19%	110	6	0.00%
Oakmont Country Club	101	7	2.14%			
Denton Area Teachers Credit Union	100	8	2.12%			
Albertsons	90	9	1.91%	115	5	0.00%
Mac Haik Nissan	65	10	1.38%			
Grande Communications				100	7	0.00%
Harley Davidson				50	8	0.00%
Total	<u>1,809</u>		<u>38.34%</u>	<u>1,640</u>		<u>0.00%</u>

[1] 2007 percentage of total city employment is unavailable and only reported the top 8 principal employers.

Source: City of Corinth Economic Development

CITY OF CORINTH, TEXAS

FULL-TIME-EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

<u>Function/Program</u>	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Government										
City Administration	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Legal	1.00	1.00	1.00	1.00	1.00	1.00	-	-	-	-
Police	31.00	31.00	31.00	28.00	28.00	28.00	31.00	32.00	33.00	34.00
Animal Control	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Lake Cities Fire Department [1]	40.00	41.00	41.00	41.00	41.00	40.00	40.00	41.00	41.00	41.00
Streets	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	6.00	7.00
Fleet Maintenance	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Community Development [2]	5.00	5.00	5.00	5.00	5.00	5.00	4.00	4.00	4.00	4.00
Planning	4.00	5.00	5.00	4.00	4.00	3.00	4.00	5.00	5.00	5.00
Code Enforcement [2]	1.00	1.00	-	-	-	-	-	-	-	-
Municipal Court	4.00	4.00	4.00	4.00	4.00	4.00	5.00	5.00	5.00	4.00
Parks & Recreation	18.30	18.30	18.30	17.80	17.80	17.50	17.50	16.00	16.00	14.00
Finance	6.00	7.00	7.00	6.50	6.50	6.50	6.50	7.50	7.50	7.50
Human Resources	2.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Information Services	2.00	2.00	2.00	2.50	2.50	3.00	3.00	4.00	4.00	5.00
Water/Wastewater Fund										
Water/Wastewater	23.00	23.00	23.00	21.00	21.00	21.00	21.00	21.00	22.00	22.00
Utility Billing	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Storm Drainage Fund	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Corinth Economic Development Cor	1.00	2.00	2.00	2.00	2.00	2.00	1.00	1.00	1.00	1.00
Crime Control District Fund	-	3.00	3.00	3.00	3.00	3.00	3.00	3.00	2.00	2.00
Child Safety Program Fund	-	-	-	0.34	0.34	0.34	0.50	0.50	0.50	0.50
Court Security Fund	-	-	-	-	-	-	-	-	0.50	0.50
Total	157.80	165.80	164.80	158.64	158.64	156.84	159.00	162.50	163.00	163.00

[1] The Lake Cities Fire Department became a wholly integrated department of the City of Corinth on January 18, 2008.

[2] Code Enforcement was combined with Community Development starting in 2009.

Source: City of Corinth Adopted Budget.

CITY OF CORINTH, TEXAS

OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Government										
New Single Family Home Building Permits	50	18	20	25	32	18	18	23	47	53
New Commercial Building Permits	3	7	2	2	2	2	-	4	5	7
Police										
Physical Arrests	572	565	531	516	410	349	316	304	329	426
Parking Violations [8]	51	22	41	20	38	14	3	7	22	-
Traffic Violations	7,102	6,756	5,978	6,046	5,544	5,787	7,021	7,436	7,196	6,013
Fire										
Emergency Responses [1]	1,089	2,235	2,198	2,422	2,600	2,655	2,889	3,164	3,372	3,475
Structure Fires Extinguished	42	33	55	56	66	49	36	21	18	37
Inspections	349	330	313	376	395	180	621	434	204	403
Other Public Works										
Street Resurfacing (miles)	1	<1	<1	2.5	2.7	1.5	<1	<1	<1	<1
Potholes Repaired	6,080	1,275	1,110	637	1,160	2,948	120	77	244	126
Parks and Recreation										
Classes offered (hours) [2]	526	1,935	1,424	894	454	273	286	437	310	72
Participants	3,758	7,501	7,162	4,420	4,105	1,936	2,225	3,822	6,609	320
Special events (hours) [2]	117	698	963	1,351	4,484	1,054	2,381	3,432	2,699	3,530
Class Participants [3]	22,000	18,187	22,065	31,409	39,567	8,312	4,714	5,185	2,394	3,375
Association Participants [4]	24,880	82,890	83,010	115,910	126,940	25,236	20,327	18,806	29,792	26,766
Athletic League Participants [4]	-	-	-	-	-	67,056	32,022	22,944	7,936	-
Recreation center Participants [5]	15,768	10,072	7,095	5,327	4,243	7,610	8,088	4,862	2,510	-
Water										
New Connections	98	12	15	35	50	18	19	26	56	44
Water Main Breaks	5	11	26	9	8	3	13	9	8	6
Average Daily Consumption (millions of gallons billed)	2.45	2.66	2.60	2.24	3.77	4.24	3.66	3.16	3.54	2.56
Peak Demand (millions of gallons pumped)	5.59	7.00	6.24	6.36	7.99	7.32	6.08	6.01	6.71	6.84
Wastewater										
New Connections	151	14	16	35	43	18	19	23	51	35
Average Daily Sewage Treatment (MGD)										
Upper Trinity Regional Water District [6]	1.05	1.01	1.05	1.20	1.02	1.10	1.08	1.06	1.19	1.40
City of Denton (estimate) [6] [7]	0.70	0.92	0.84	0.92	0.30	1.78	0.25	0.29	0.20	0.25

[1] In fiscal year 2008 the Lake Cities Fire department was incorporated into the City of Corinth. Emergency responses include all four cities that the Lake Cities Fire department serves.

[2] The information provided for fiscal year 2007 reflects the number of classes/special events and does not reflect the total hours.

[3] In prior years class participants included volunteers and hours, in FY2012 the methodology was revised to only count the actual participants.

[4] In FY2012 the City started managing the baseball programs so athletic participation was added to be able to track City program participation. In 2014-15 the City turned over the baseball program to the Softball Association.

[5] In FY 2007 the City Lost the use of Crownover Middle School recreation facilities and reduced hours at the Woods Building recreation center for construction.

[6] The City transferred some flows from the Denton sewer basin to the Upper Trinity sewer basin beginning in February, 2007.

[7] The City of Denton bills the City of Corinth based on one sewage flow meter and two areas based on connection count; flows are based on estimates.

Source: Various City of Corinth departments.

CITY OF CORINTH, TEXAS

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	18	18	18	18	18	18	18	18	18	18
Fire Stations										
Fire Stations	2	2	2	2	2	2	2	2	2	2
Other Public Works										
Streets (miles) [1]	107.89	110.00	110.00	110.50	110.50	88.99	88.99	88.99	88.99	88.99
Highways (miles) [2]	3.10	3.10	3.10	3.10	3.10	6.29	6.29	6.29	6.29	6.29
Traffic Signals	2	2	2	2	6	7	8	8	8	8
Parks and Recreation										
Acreage	184	184	184	184	184	184	184	184	184	184
Playgrounds	11	11	11	11	11	11	11	11	11	13
Baseball/Softball Fields	7	8	8	8	8	8	8	9	9	9
Soccer/Football Fields	6	6	6	6	6	6	8	8	8	8
Recreation Centers [4]	2	2	2	2	2	2	2	2	2	1
Trails (miles)	12.74	12.74	12.74	12.74	12.74	12.74	12.74	12.74	12.74	12.74
Water										
Connections	6,672	6,671	6,719	6,766	6,780	6,809	6,810	6,831	6,977	7,016
Water Mains (miles)	103.29	103.29	105.47	106.14	108.06	110.40	110.63	111.77	112.70	113.48
Fire Hydrants	732	732	774	785	787	810	822	826	836	855
Storage Capacity (millions of gallons)	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	7.50	7.50
Subscribed Capacity, UTRWD (MGD)	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50
Wastewater										
Connections	6,418	6,413	6,452	6,433	6,512	6,537	6,536	6,573	6,705	6,736
Sanitary Sewers (miles)	93.68	93.68	96.21	96.38	97.64	97.88	98.33	98.09	98.30	98.99
Storm Sewers (miles)	31.00	31.00	33.46	35.30	36.85	38.37	38.73	38.71	39.80	40.59
Treatment Capacity, UTRWD (MGD) [3]	4.82	4.82	4.82	4.82	4.82	4.82	4.82	4.82	4.82	4.82

[1] The reduction in streets is due to the elimination of unpaved streets from the database.

[2] The increase in highways is due to the addition of the northbound and southbound roadways.

[3] The City of Denton bills the City of Corinth based on one sewage flow meter and two areas based on connection count; UTRWD uses a take-or-pay system of billing in which the member city (Corinth) purchases peak capacity. UTRWD data is corrected per original contracts.

[4] The decrease is due to no longer using the Crownover Middle School Building for recreation activities.

Source: Various City of Corinth departments.

City Council Regular and Workshop Session

Meeting Date: 03/16/2017
Title: Swisher / 35 Retail Site Plan
Submitted For: Fred Gibbs, Director
Submitted By: Barbara Cabbage, Planning & Development Manager
City Manager Review: Approval: Bob Hart, City Manager

AGENDA ITEM

Consider and act on the site plan for Swisher/35 Retail on property legally described as Swisher 35-E Addition, Lot 4, Block A zoned C-2, Commercial in the City of Corinth, Denton County, Texas. This property is located north of Swisher and south of Burl.

AGENDA ITEM SUMMARY/BACKGROUND

APPROVAL PROCESS

A recommendation from the Planning and Zoning Commission regarding the site plan will be presented to City Council for final approval.

NOTIFICATION TO PUBLIC

Notification by sign placement, newspaper or written notice is not required for the site plan process related to building permits or on-site construction / development. However consideration of the site plan is held in open meetings for both the Planning and Zoning Commission and City Council.

AGENDA ITEM DESCRIPTION

Originally this site was the home of Executive Mobile Home Park. Development of the Swisher-35 E Addition began with a conveyance plat approved in October 2005 to allow for the sale of a portion of the property. The final plat with construction plans was approved by City Council in June 2007 allowing for the development of the Comfort Inn located on Lot 3. A final replat and civil construction plans as well as an amended plat were approved in 2016.

An approved site plan is required prior to construction for all commercial projects. Swisher @ I-35 Corinth LP is the property owner of Lot 4 proposed for Swisher / 35 Retail. The 6,369 square-foot shell is considered a mini retail center. The tenants for this center have not been disclosed yet but the owner is ready to begin construction as soon as the approvals have been obtained for the site plan and the architectural plans.

The site meets all the requirements for the C-2, Commercial Zoning District.

ZONING

The proposed development is within the C-2, Commercial Zoning District.

COMPREHENSIVE PLAN FUTURE LAND USE DESIGNATION

The Comprehensive Plan Future Land Use Map shows this areas designation to be Commercial and perhaps a bit of Retail. The “retail center” use is compatible with the existing land use.

FINANCIAL SUMMARY

Source of Funding: No funding is required.

RECOMMENDATION

PLANNING AND ZONING COMMISSION RECOMMENDATION

The Planning and Zoning Commission met on February 27, 2017. The Commission recommended unanimously (5-0) to approve the site plan as presented.

STAFF RECOMMENDATION

Staff recommends approval of the site plan as presented.

Attachments

Swisher 35 Retail Zoning Location

Swisher 35 Sites

Site Plan

Site Plan - Landscape

Site Plan - Elevations - b_w

Site Plan - Elevations - Tri

Site Plan - Elevations Color

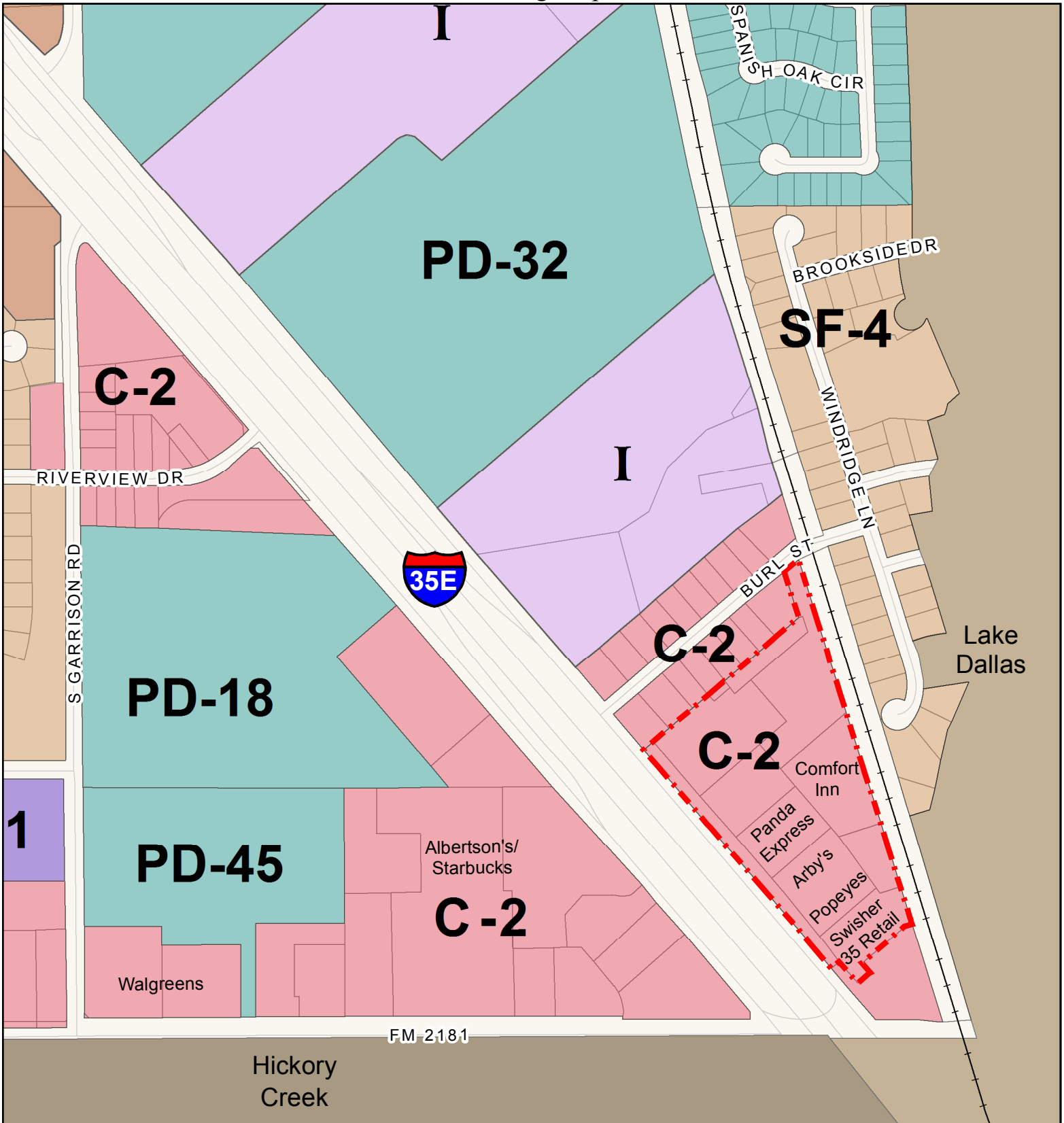
Site Plan - Photometrics



CITY OF CORINTH

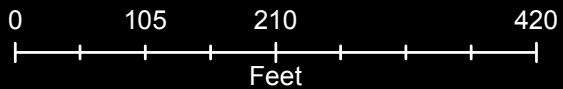
SWISHER 35 RETAIL

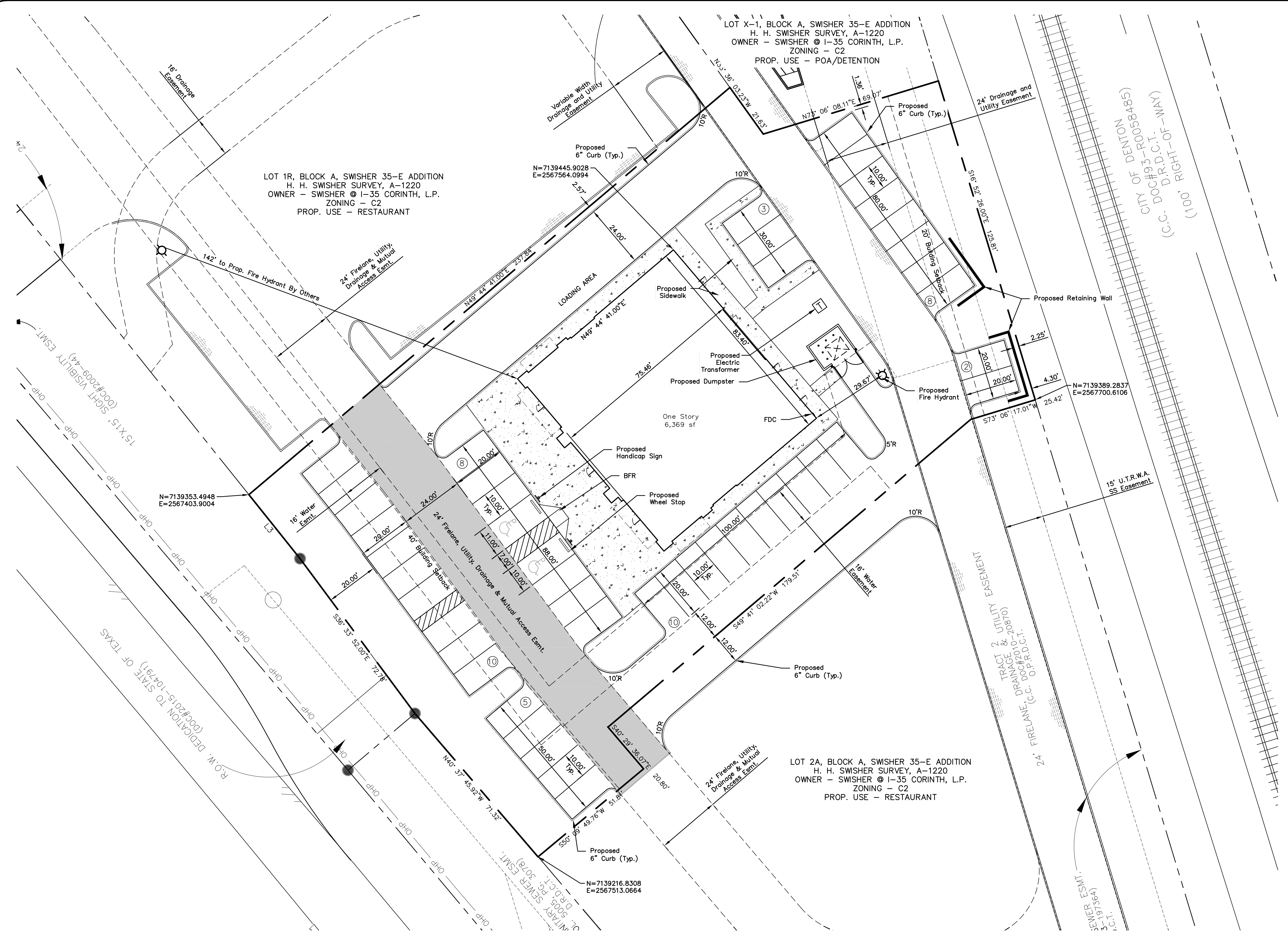
Zoning Map





Swisher 35E Retail LOCATION MAP

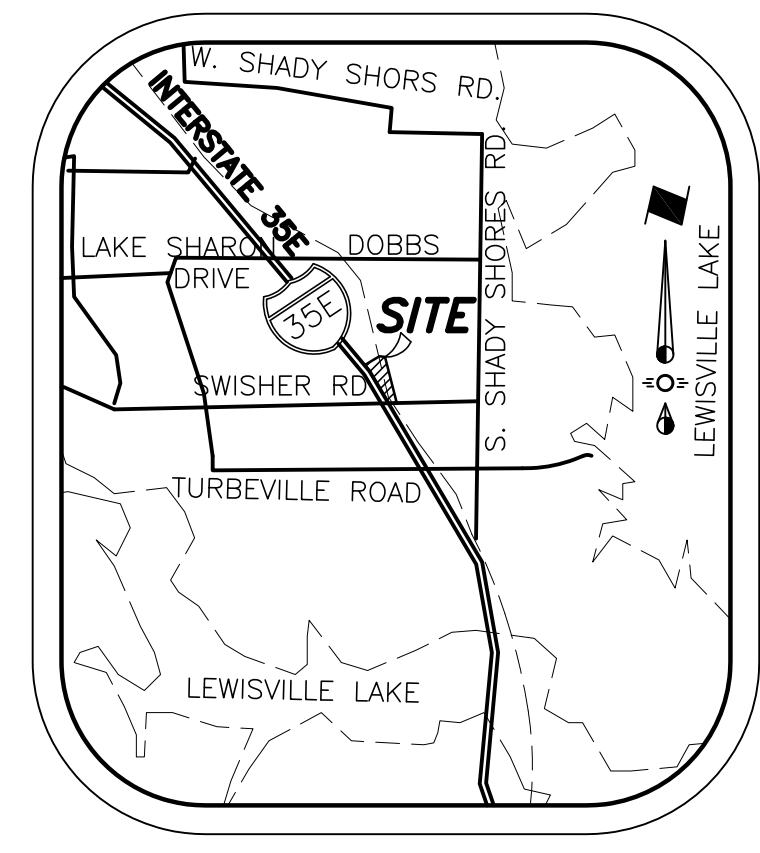




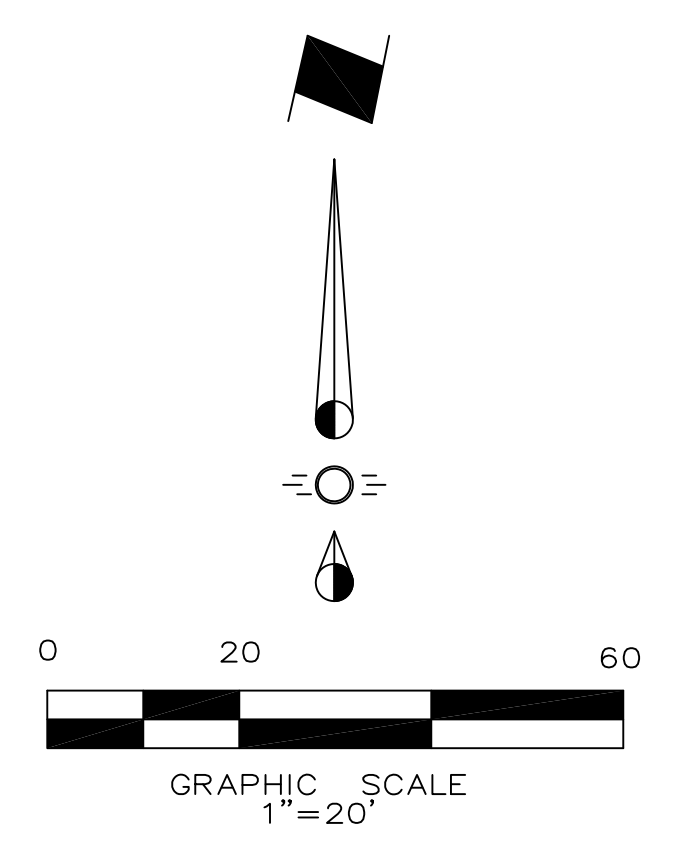
LOT 1R, BLOCK A, SWISHER 35-E ADDITION
 H. H. SWISHER SURVEY, A-1220
 OWNER - SWISHER @ I-35 CORINTH, L.P.
 ZONING - C2
 PROP. USE - RESTAURANT

LOT X-1, BLOCK A, SWISHER 35-E ADDITION
 H. H. SWISHER SURVEY, A-1220
 OWNER - SWISHER @ I-35 CORINTH, L.P.
 ZONING - C2
 PROP. USE - POA/DETENTION

LOT 2A, BLOCK A, SWISHER 35-E ADDITION
 H. H. SWISHER SURVEY, A-1220
 OWNER - SWISHER @ I-35 CORINTH, L.P.
 ZONING - C2
 PROP. USE - RESTAURANT



VICINITY MAP
 NTS



LEGEND

- Firelane
- Proposed Sidewalk
- Ex. Concrete Pavement
- Ex. Asphalt Pavement
- Proposed Wheel Stop Typical
- Existing Fire Hydrant
- Proposed Fire Hydrant
- Barrier Free Ramp
- Handicap Parking Sign
- Proposed Retaining Wall

SITE DATA SUMMARY	PROPOSED
Existing Zoning	C-2
Land Use Designation	Retail - Restaurant
Gross Acreage	1.018 Acres
Net Acreage	1.018 Acres
Proposed Lots	1
Percent of Site Coverage	13.98%
Area of Open Space	5,074 sf
Percentage of Open Space	11.43%
Percentage of Landscape	8.89%
Area of Impervious Coverage	9,021 sf
Percentage of Impervious Coverage	20.33%
Proposed Building Area (Foot Print in Sq. Ft.)	6,369 sf
Number of Single Story Buildings	1
Number of Two Story Buildings	0
Maximum Building Height	28'
Proposed Floor Area	6,369 sf
Proposed Floor Area by Use	6,369 sf
Required Parking	32
Provided Parking	46
Standard	44
Handicap	2
Total	46
Required Loading Spaces	N/A
Provided Loading Spaces	N/A
Area of Outside Storage	N/A
Percentage of Outside Storage	N/A
Start of Construction Month/Year	April 2017
End of Construction Month/Year	October 2017

CITY BENCHMARKS:

City of Corinth Reference Bench Marks
 GIS Monument No. CM03
 Located at the Southeast corner of Meadowview Rd. and Forest Wood Drive.
 Published Elev. = 636.611'
 Measured Elev. per site datum = 636.86'

GIS Monument No. CM08
 Located at the Northeast corner of Corinth Parkway and Creek Bend Rd.
 Published Elev. = 549.553'
 Measured Elev. per site datum = 549.84'

SITE BENCHMARKS:

- (1) TxDOT Right of Monument found along the Northeast line of IH35-E at 100 feet Southeastly from the Northwest corner of subject property.
Elev. = 577.12'
- (2) TxDOT Right of Monument found along the Northeast line of IH35-E at 644 feet Southeastly from the Northwest corner of subject property.
Elev. = 576.37'
- (3) TxDOT Right of Monument found along the Northeast line of IH35-E at 849 feet Southeastly from the Northwest corner of subject property.
Elev. = 578.03'

NOTE: THIS IS NOT A CONSTRUCTION DOCUMENT.
 THIS DOCUMENT IS FOR CONCEPTUAL PLANNING PURPOSES ONLY.

Issue Dates:	Revisions:	Date:
1	1	
2	2	
3	3	
4	4	
5	5	
6	6	

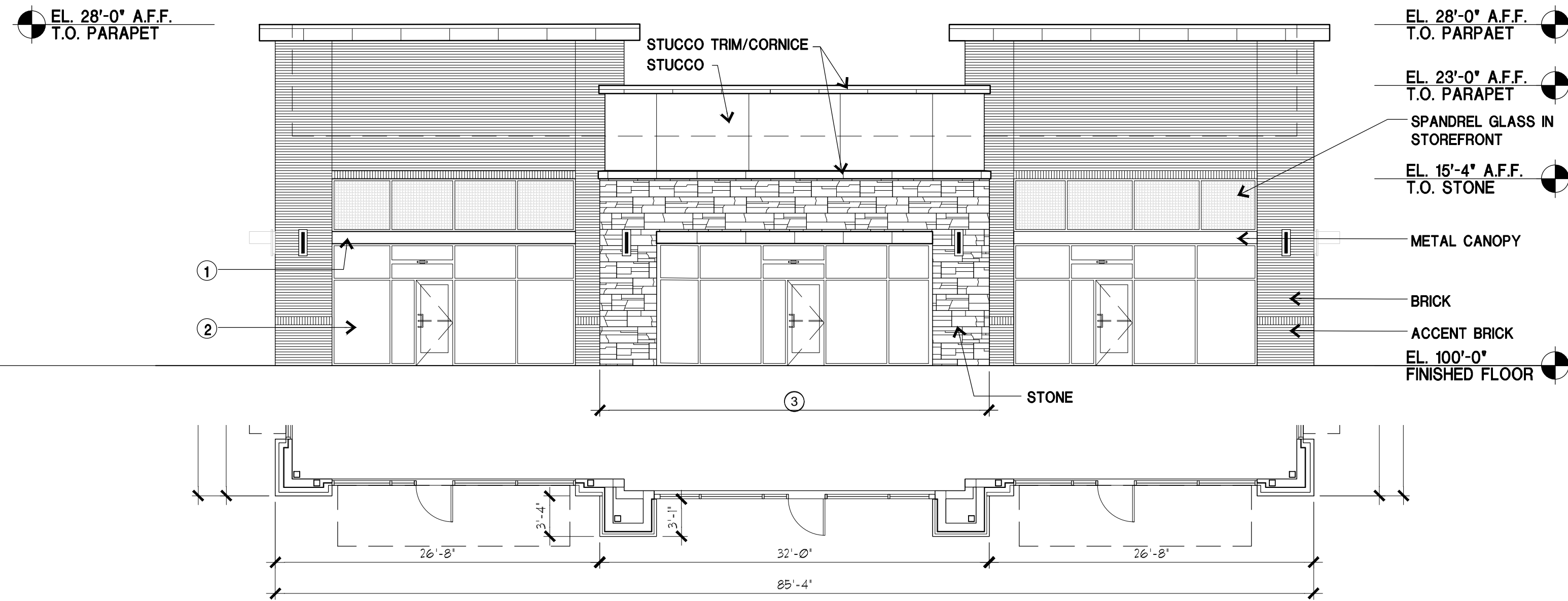
CROSS ENGINEERING CONSULTANTS
 131 S. Tennessee St. McKinney, Texas 75069
 972.562.4409 Texas P.E. Firm No. F-5935

Drawn By:	Checked By:	Scale:
C.E.C.I.	C.E.C.I.	1" = 20'

SITE PLAN WITH DIMENSIONAL CONTROL
 SWISHER/35 RETAIL
 PROVIDENT REALTY ADVISORS, INC.
 City of Corinth, Texas

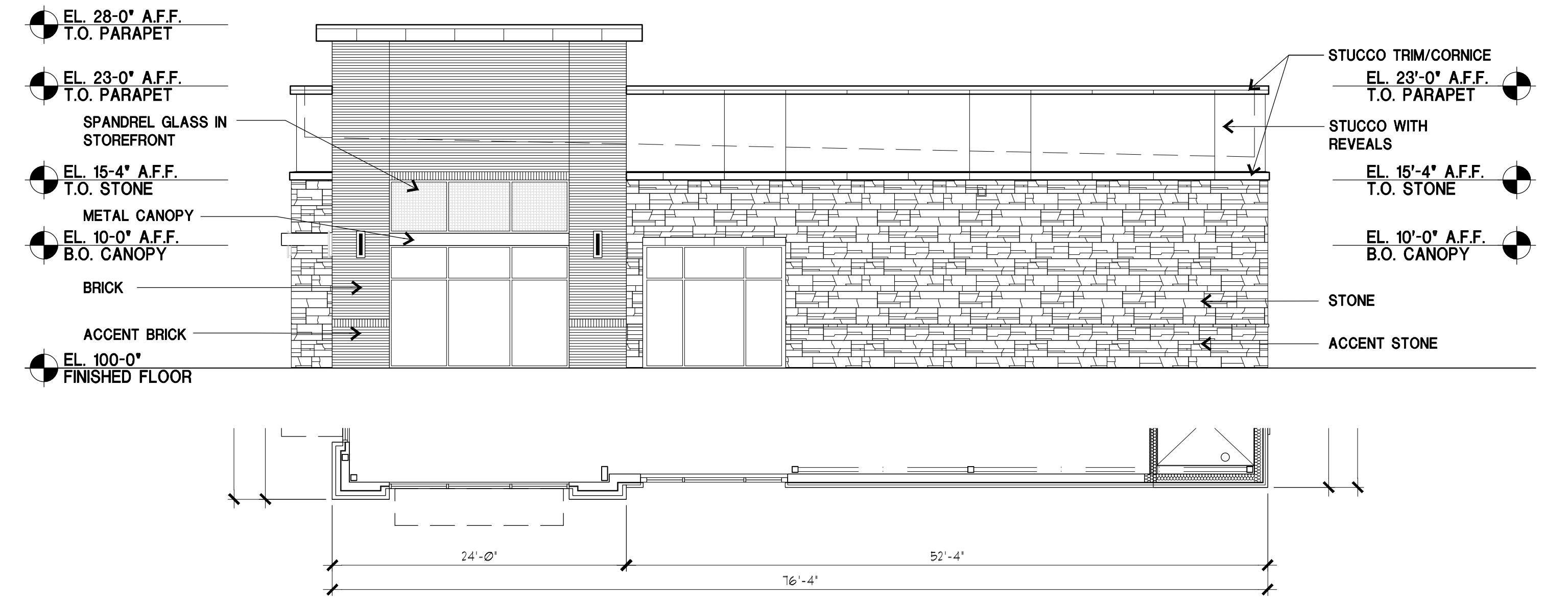
Sheet No.
SP
 Project No.
 16113

SWISHER 35-E REST./RETAIL



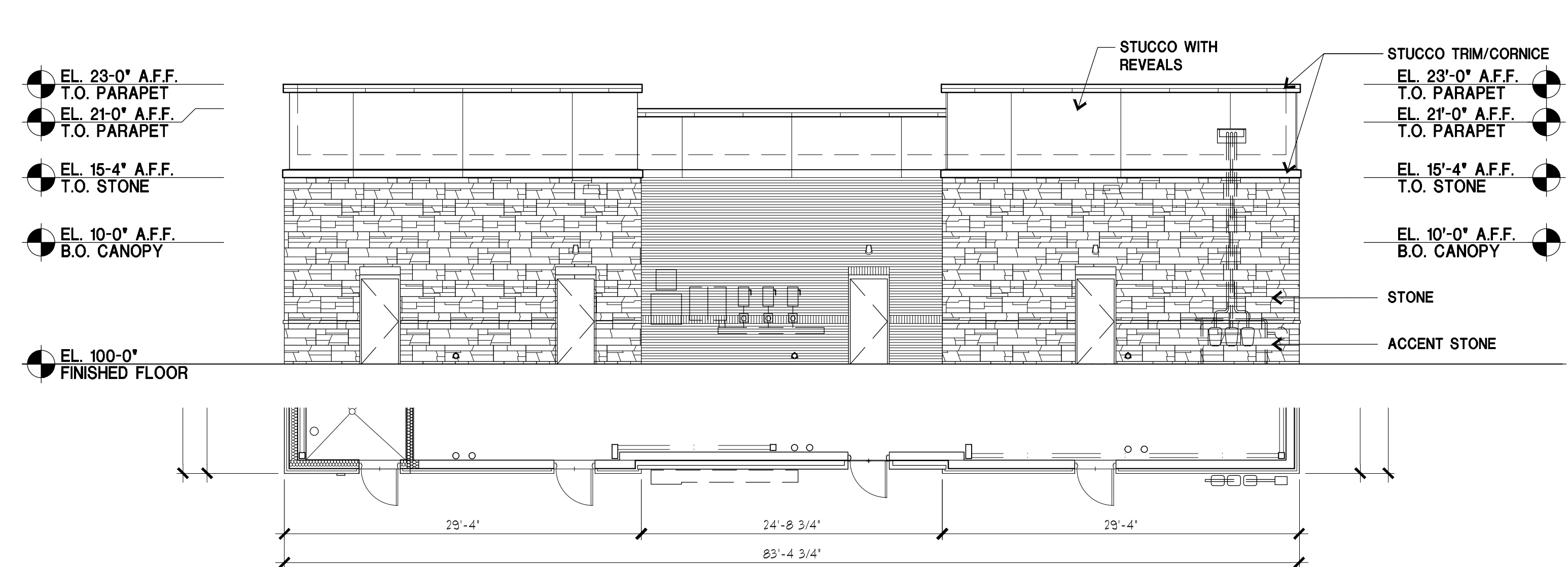
01 WEST ELEVATION
FRONT
1/8"=1'-0"

WEST	SF	TOTAL %
BRICK	829	62.28%
STONE	249	18.71%
STUCCO	253	19.01%
TOTAL	1331	100.00%



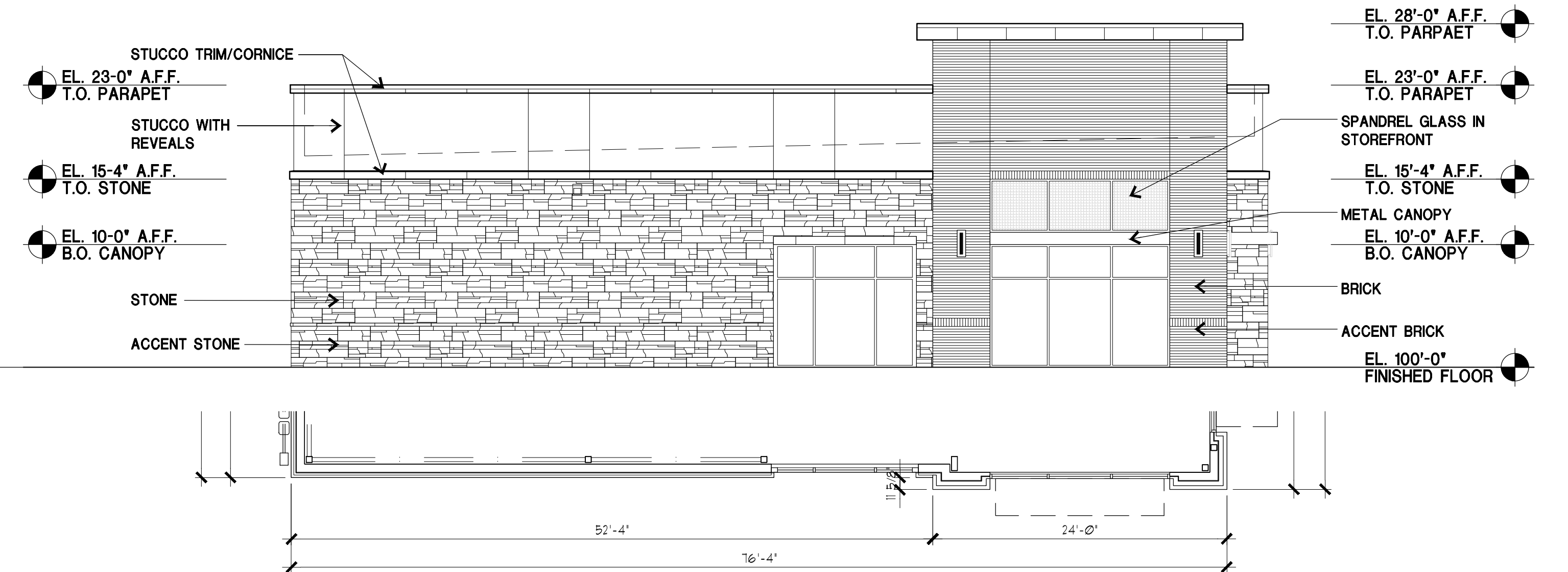
02 SOUTH ELEVATION
SIDE
1/8"=1'-0"

SOUTH	SF	TOTAL %
BRICK	415	27.72%
STONE	678	45.29%
STUCCO	404	26.99%
TOTAL	1497	100.00%



03 EAST ELEVATION
REAR
1/8"=1'-0"

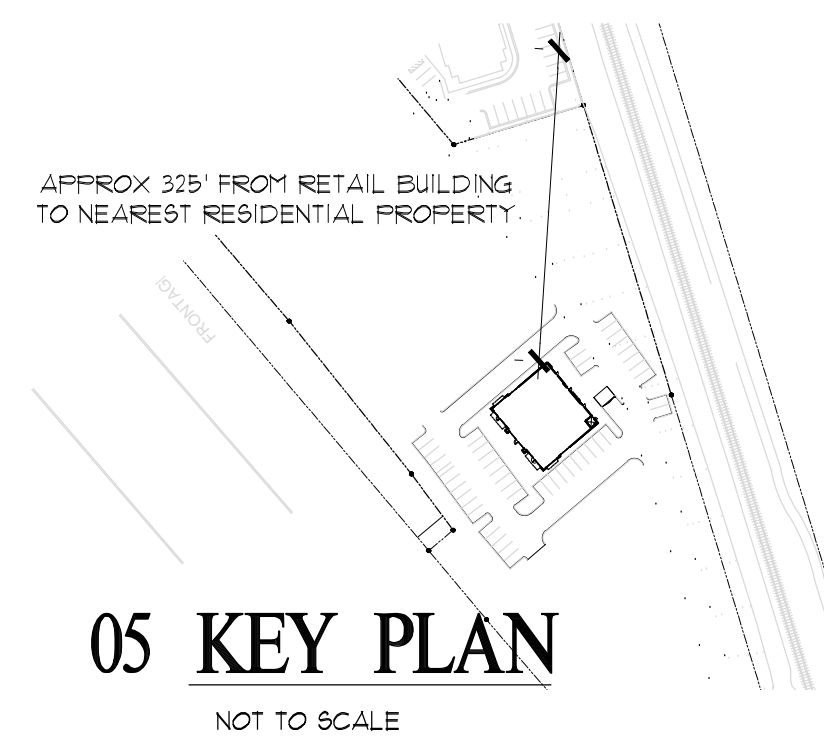
EAST	SF	TOTAL %
BRICK	355	20.06%
STONE	826	46.67%
STUCCO	589	33.28%
TOTAL	1770	100.00%



04 NORTH ELEVATION
SIDE
1/8"=1'-0"

NORTH	SF	TOTAL %
BRICK	415	27.70%
STONE	678	45.26%
STUCCO	405	27.04%
TOTAL	1498	100.00%

- ARCHITECTURAL ELEMENTS:
 ① CANOPIES
 ② DISPLAY WINDOWS
 ③ RECESSES AND PROJECTIONS



05 KEY PLAN
NOT TO SCALE

PRELIMINARY PLAN
NOT FOR CONSTRUCTION



5310 Harvest Hill Rd. Suite 226
 Dallas, Texas 75230
 972-385-9651
 www.GSOarchitects.com

SWISHER / 35 RETAIL
CORINTH, TEXAS

ELEV04

JOB#: 16-123
 ISSUE DATE: 02/09/17
 SCALE: AS NOTED
 APPROVED BY:

DATE:
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01 WEST ELEVATION
FRONT
1/16"=1'-0"



02 SOUTH ELEVATION
SIDE
1/16"=1'-0"



03 EAST ELEVATION
REAR
1/16"=1'-0"



04 NORTH ELEVATION
SIDE
1/16"=1'-0"

- ARCHITECTURAL ELEMENTS:
 ① CANOPIES
 ② DISPLAY WINDOWS
 ③ RECESSES AND PROJECTIONS



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SWISHER / 35 RETAIL
CORINTH, TEXAS

PRELIMINARY PLAN
NOT FOR CONSTRUCTION

**TRIPARTITE
EXHIBIT**

ELEV04

JOB#: 16-123
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 APPROVED BY:

DATE: _____

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01 WEST ELEVATION
FRONT
1/16"=1'-0"



02 SOUTH ELEVATION
SIDE
1/16"=1'-0"



03 EAST ELEVATION
REAR
1/16"=1'-0"



04 NORTH ELEVATION
SIDE
1/16"=1'-0"

- ARCHITECTURAL ELEMENTS:
 ① CANOPIES
 ② DISPLAY WINDOWS
 ③ RECESSES AND PROJECTIONS



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SWISHER / 35 RETAIL
CORINTH, TEXAS

PRELIMINARY PLAN
NOT FOR CONSTRUCTION

ELEV04

JOB#: 16-123
 ISSUE DATE: 02/09/17
 SCALE: AS NOTED
 APPROVED BY:

DATE: _____

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SUITE 226, LB 156
DALLAS, TEXAS 75230
(972) 385-9651
FAX: (972) 385-3462
www.GSOarchitects.com

**SWISHER / 35
RETAIL**

SWISHER ROAD & I.H. 35E INTERSECTION
CORINTH, TEXAS 76210
PROVIDENT REALTY

ISSUE LOG

NO.	DESCRIPTION	DATE
1	ISSUED FOR BID AND PERMIT	01/18/17

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DATE: 01/18/2017 SIGNED

JOB NO. : 16-123
DATE: 01/18/2017
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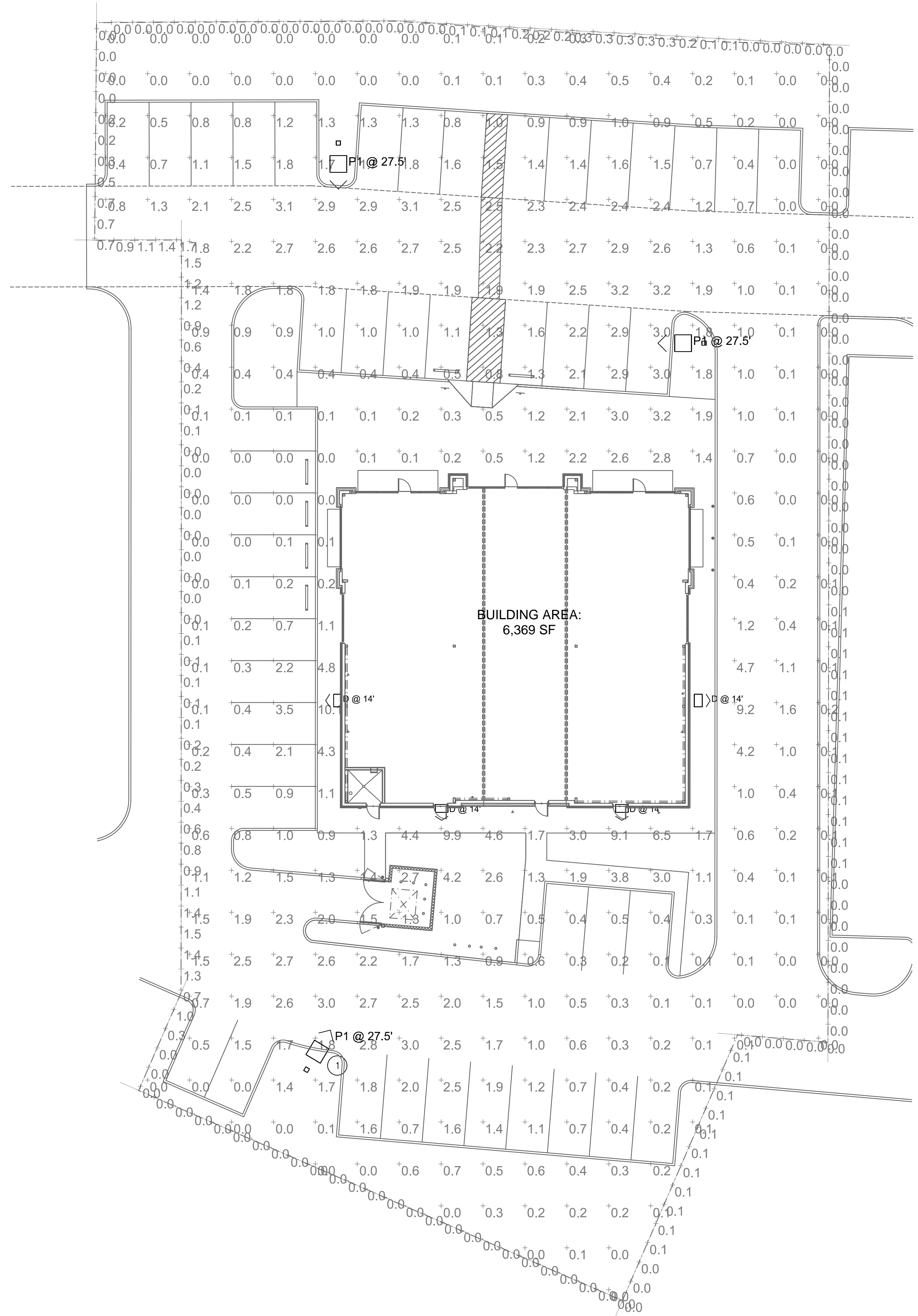
SHEET NO.
E0.2
SITE LIGHTING
PHOTOMETRICS

GENERAL NOTES:

- A. ALL EXTERIOR FIXTURES ARE FULL CUTOFF AND DO NOT EMIT LIGHT IN THE UPWARD DIRECTION.
- B. ALL EXTERIOR FIXTURES SHALL BE CONTROLLED IN ACCORDANCE WITH THE IECC AND SHALL BE EXTINGUISHED WITHIN ONE HOUR OF BUSINESS CLOSING AND REMAIN EXTINGUISHED UNTIL WITHIN ONE HOUR OF BUSINESS OPENING, EXCEPT FOR SECURITY FIXTURES INDICATED.

NOTES BY SYMBOL ☒ :

- 1. FIXTURE IS DESIGNATED AS SECURITY FIXTURE AND SHALL REMAIN ON DURING THE NIGHT.

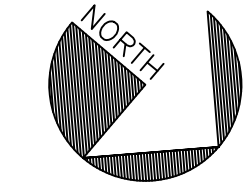


Symbol	Label	Quantity	Manufacturer	Catalog Number	Description	Lamp	Number Lamps	Lumens Per Lamp	Wattage
☒	P1	3	Lithonia Lighting	DSX0 LED 40C-1000 40K BLC MVOLT	DSX0 LED WITH 40 LEDs @1000 mA, 4000K, BACKLIGHT CONTROL OPTIC	LED	1	11086	138
☒	D	4	Lithonia Lighting	WST LED P2 40K VW MVOLT	WST LED Performance package 2, 4000 K, visual comfort wide MVOLT	LED	1	3511	25

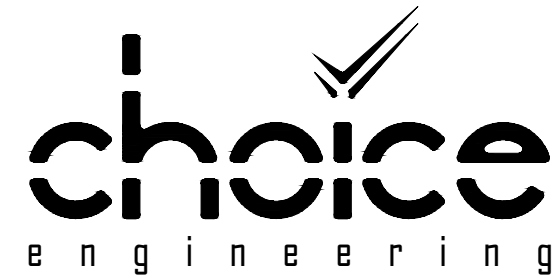
POLE LIGHT HAS BACKLIGHT CONTROL OPTICS SO THAT SUBSTANTIALLY ALL THE LUMINOUS FLUX FALLS WITHIN THE PROPERTY LINE.

Description	Avg	Max	Min
Prop Line Vert 1	0.5 fc	1.4 fc	0.0 fc
Prop Line Vert 2	1.0 fc	1.6 fc	0.5 fc
Prop Line Vert 3	0.6 fc	2.8 fc	0.0 fc
Prop Line Vert 4	0.5 fc	1.5 fc	0.0 fc
Prop Line Vert 5	0.0 fc	0.0 fc	0.0 fc
Prop Line Vert 6	0.2 fc	0.2 fc	0.0 fc
Prop Line Vert 7	0.0 fc	0.0 fc	0.0 fc
Prop Line Vert 8	0.1 fc	0.1 fc	0.0 fc
Prop Line Vert 9	0.2 fc	0.8 fc	0.0 fc
Prop Line Vert 10	0.0 fc	0.1 fc	0.0 fc
Property Line Horizontal	0.2 fc	1.7 fc	0.0 fc
Site	1.1 fc	9.3 fc	0.0 fc

(TYP) PROPERTY LINE MAXIMUM DOES NOT EXCEED 3FC IN BOTH HORIZONTAL AND VERTICAL ORIENTATION.
SITE MAXIMUM DOES NOT EXCEED 20FC



1 SITE LIGHTING PHOTOMETRICS
SCALE: 1/16" = 1' - 0"



CHOICE ENGINEERING, LLC | DALLAS, TEXAS | PHONE: (469) 698-1288
TEXAS REG. NO. 119101 | WWW.CHOICEENGINEERING.COM
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City Council Regular and Workshop Session

Meeting Date: 03/16/2017
Title: Lake Dallas High School Sign Variance
Submitted For: Fred Gibbs, Director
Submitted By: Barbara Cabbage, Planning & Development Manager
City Manager Review: Approval: Bob Hart, City Manager

AGENDA ITEM

Consider and act on a sign variance for Lake Dallas ISD School Addition Lot 1R, Block 1 in the City of Corinth, Denton County, Texas, having a physical address of 3016 Parkridge Drive.

AGENDA ITEM SUMMARY/BACKGROUND

APPROVAL PROCESS

An applicant may apply for a sign variance if the sign application has been denied by the building official. Requests for sign variances are considered by City Council.

NOTIFICATION TO PUBLIC

Notification by sign placement, newspaper or written notice to property owners within 200’ is not required for consideration of sign variances. However consideration of these requests are held in an open meeting before City Council.

AGENDA ITEM SUMMARY/BACKGROUND

Lake Dallas ISD has made application for a monument sign with a "Changeable Electronic Variable Message Center Signs" (EMCs) component for the Lake Dallas High School campus located at 3016 Parkridge Drive. Specifics to this request are as follows:

Unified Development Code: Section 4.01.15 (C) Monument Sign, 10. Changeable Electronic Variable Message Center Signs (EMCs), c. EMCs are only allowed on freeways and arterials.

- LDISD is requesting a variance to allow an EMC on Parkridge Drive. Parkridge Drive is designated a “collector street”.

Unified Development Code: *Section 4.01.15 (C) Monument Sign, 10. Changeable Electronic Variable Message Center Signs (EMCs), h. A lighted sign shall not be erected or displayed within one hundred fifty (150) feet of a single-family residentially zoned property unless the lighting is shielded from view of the residentially zoned property and indirect light does not exceed ½ lumen measured from any property line of the residentially zoned property.*

- LDISD is requesting a variance to allow an EMC on Parkridge Drive. The EMC will be used to provide information to the community, parents, and staff.

ZONING

The Corinth Elementary Campus is zoned SF-4, Single Family Residential.

COMPREHENSIVE FUTURE LAND USE DESIGNATION

The Comprehensive Plan Future Land Use Map shows the Lake Dallas High School campus is designated Public/Semi-Public.

FINANCIAL SUMMARY

No funding is required.

RECOMMENDATION

STAFF RECOMMENDATION

Staff supports the need for a monument sign, however we would recommend the EMC be static (no flashing) and meet our residential foot-candle and luminance lighting standards set forth in the lighting and glare regulations in the UDC.

Attachments

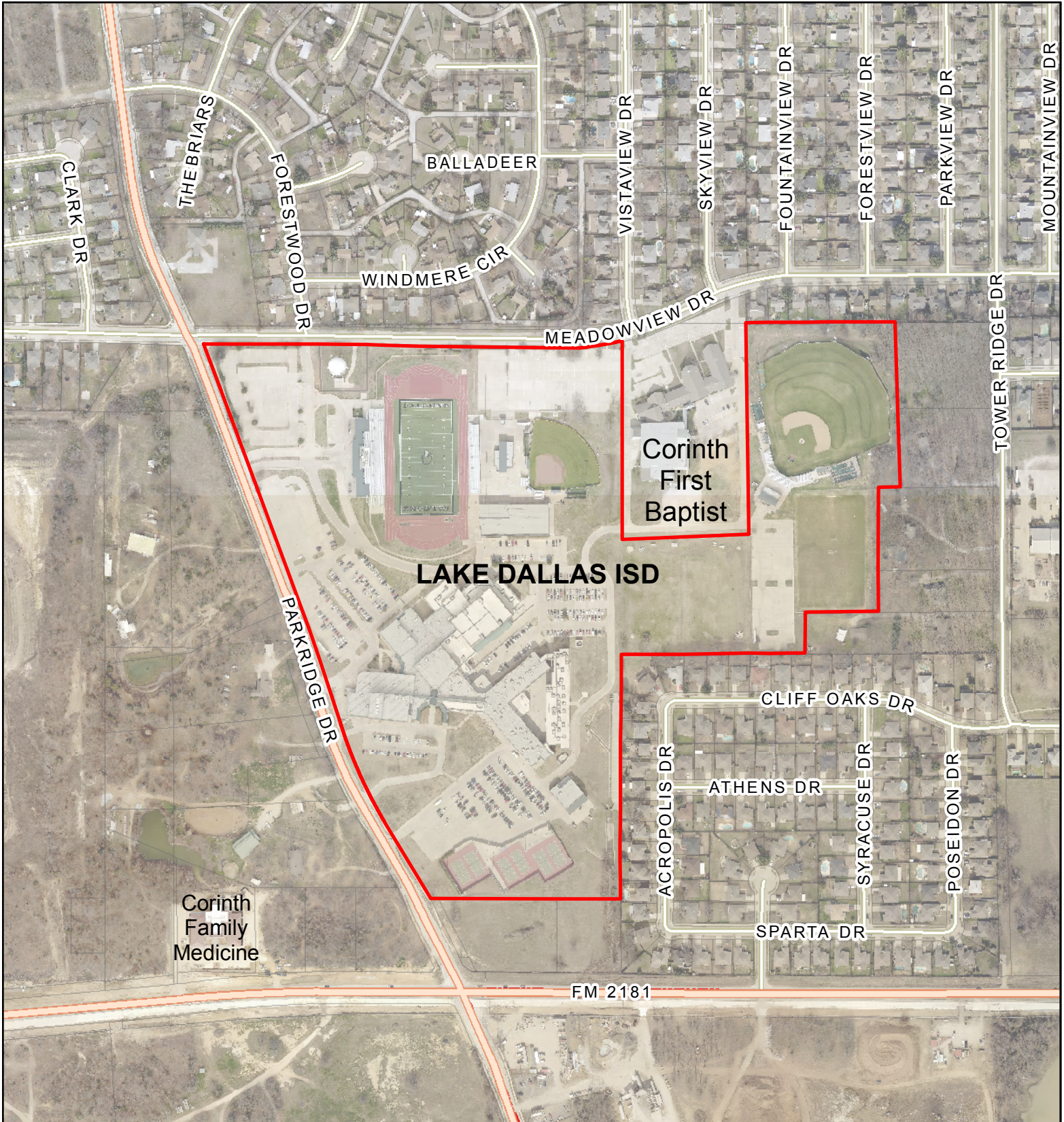
Location Map

LDHS Sign Variance Documents



LAKE DALLAS ISD

Location Map





City of Corinth
Application for Sign Variance

CITY OF CORINTH, TEXAS

FILING DATE: 2/16/17

PROPERTY INFORMATION: Lake Dallas High School

STREET ADDRESS: 3016 Parkridge Drive

LOT NO. _____ BLOCK NO. _____ ADDITION: _____

TO THE CITY COUNCIL:

Lake Dallas ISD 940-497-4039
(Applicant) (Applicant's Phone Number)

106 Swisher Road, Lake Dallas, TX 75065
(Applicant's Address – Street, City & Zip Code)

David Talbert- Director of Facilities 940-497-4645
(Applicant) (Applicant's Phone Number)

424 East Hundley Drive, Lake Dallas, TX 75065
(Applicant's Address – Street, City & Zip Code)

PLEASE COMPLETE THE FOLLOWING INFORMATION IF OTHER THAN APPLICANT:

Lake Dallas ISD 940-497-4039
(Property Owner) (Owner's Telephone Number)

106 Swisher Road, Lake Dallas, TX 75065
(Owner's Address – Street, City & Zip Code)

N/A
(Tenant Name) (Tenant's Telephone Number)

(Tenant's Address – Street, City & Zip)

In accordance with the provisions of the Sign Ordinance, appeal is now made to the City Council to grant the following variance request:

- (1) EMC on a non-arterial road
- (2) sign within 150 feet of residentially zoned property_____

In order to grant a variance, the City Council must determine that ALL of the following conditions exist. **Financial hardship to the applicant alone is not sufficient reason to approve a variance.* State how your request meets these conditions.

- a) That literal enforcement of the sign regulations will create an unnecessary hardship or a practical difficulty on the applicant.

The current ordinance would be a hardship on community, parents, and staff to be able to read the community information on the sign with a visible line of sight from the road. This could possibly cause a dangerous sightline while driving and having to look further off the road to view the sign information.

- b) That the situation causing the unnecessary hardship or practical difficulty is unique to the affected property and is not self-imposed.

The affected property has a two residential structures across the street that would be further than the 150 feet from the sign and the sign will be perpendicular to the road thus the sign face will not be directed toward any residential structure. These residentially zoned property have large acreage tracts.

- c) That granting the variance will not injure and will be wholly compatible with the use and permitted development of adjacent properties.

Sign will not be inside any easement at the road, will not injure and will be compatible with the surrounding development and adjacent housing

- d) That the variance when granted is in harmony with the general purpose and intent of the ordinance or its amendments.

The requested variance would be in harmony and meet the intent of the sign ordinance while conveying important community information in a safe manner

I do hereby certify that the above statements are true and correct to the best of my knowledge.

David Talbert
(Applicant's Signature)

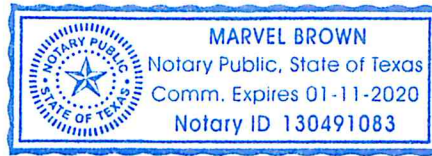
STATE OF TEXAS
COUNTY OF Denton

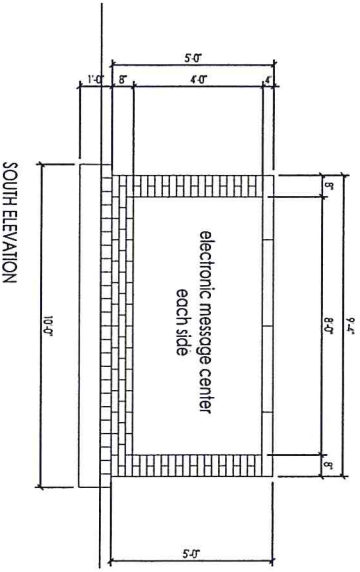
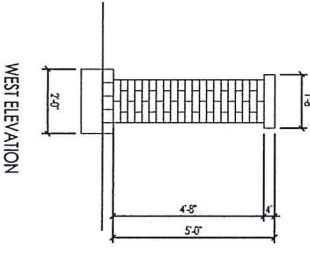
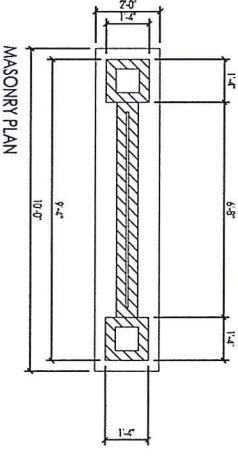
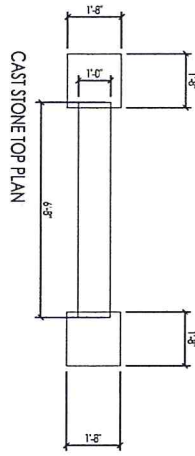
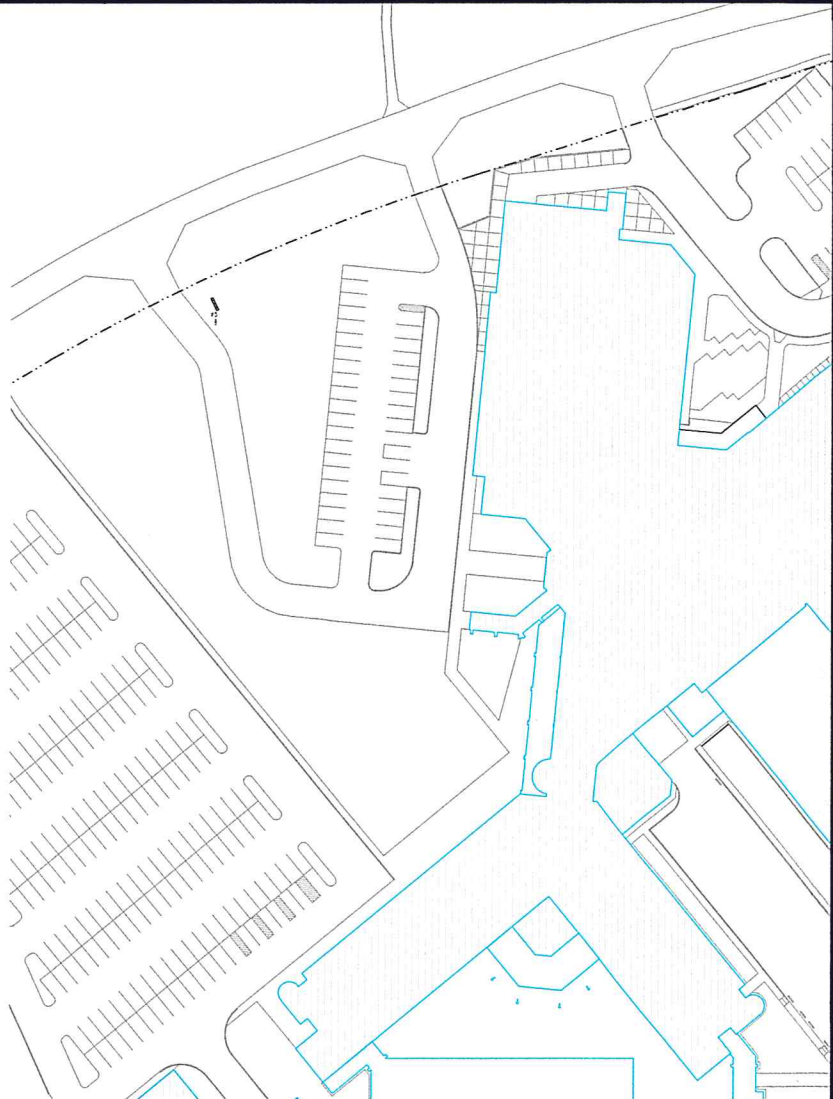
Subscribed and sworn to before me this 15th day of February, 2003, by

David Talbert, who on his/her oath certifies that the above statements are true and correct to the best of his/her knowledge.

Marvel Brown
(Notary Public)

01-11-2020
Commission expires on above date.



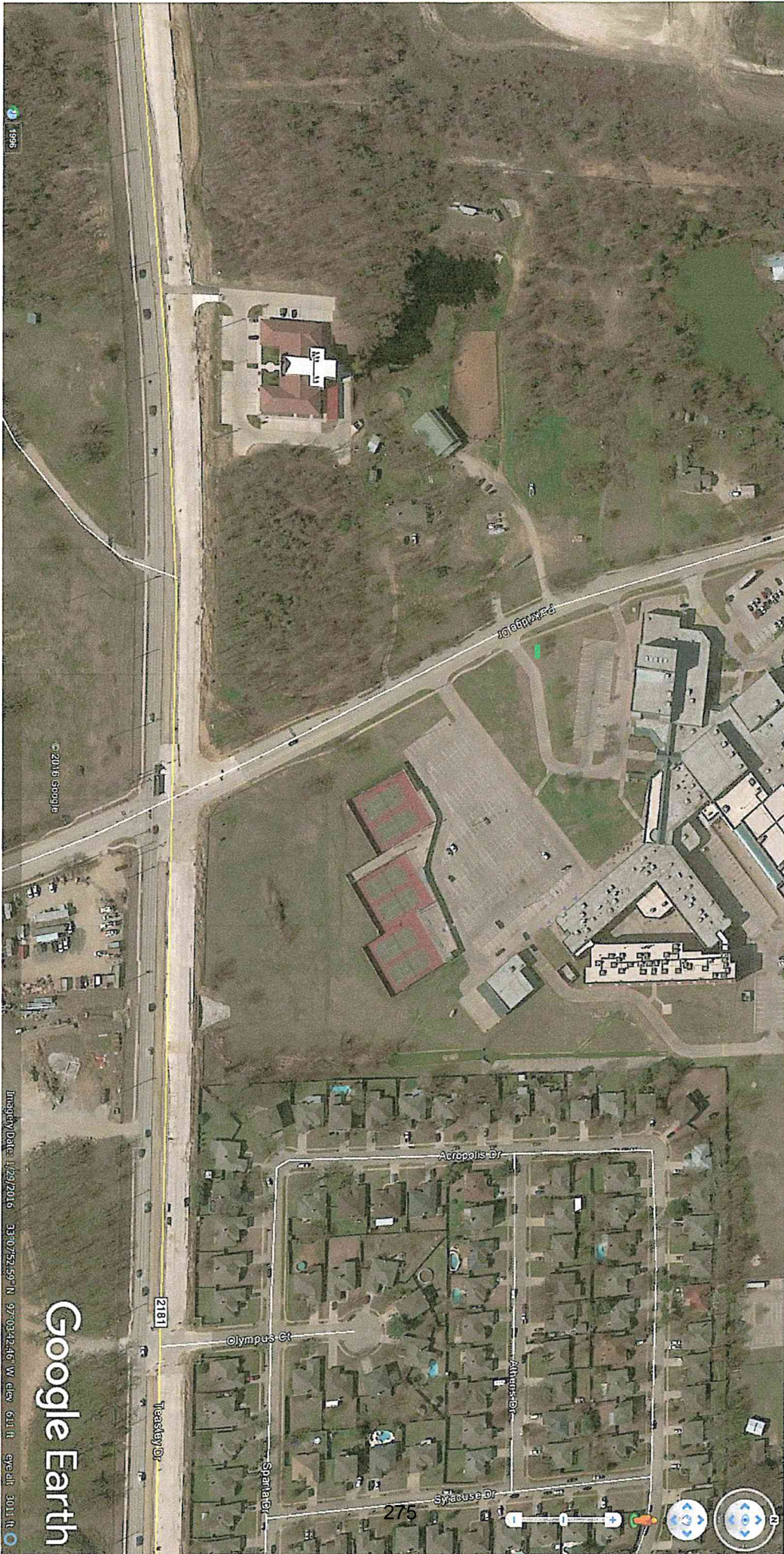


MARQUEE SIGN
LAKE DALLAS HIGH SCHOOL

DMS Architects, Inc.
 300 College Avenue
 Fort Worth, Texas 76104
 817-570-2000 Main
 817-570-2010 Fax



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1986

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Imagery Date: 1/29/2016 33° 07' 52.159" N 97° 03' 42.46" W elev 611 ft eye alt 3011 ft

Google Earth

2181

Olympus Ct

Sparta Ct

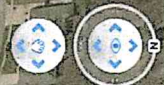
Aeropolis Dr

2660 W 26

Albany Ct

Syracuse Dr

275



City Council Regular and Workshop Session

Meeting Date: 03/16/2017
Title: LDISD Corinth Elementary Sign Variance
Submitted For: Fred Gibbs, Director
Submitted By: Barbara Cabbage, Planning & Development Manager
City Manager Review: Approval: Bob Hart, City Manager

AGENDA ITEM

Consider and act on a sign variance for Corinth Elementary Addition Lot 1, Block 1 in the City of Corinth, Denton County, Texas, having a physical address of 3501 Cliff Oaks Drive.

AGENDA ITEM SUMMARY/BACKGROUND

APPROVAL PROCESS

An applicant may apply for a sign variance if a sign application has been denied by the building official. Consideration of sign variance are presented to City Council.

NOTIFICATION TO PUBLIC

Notification by sign placement, newspaper or written notice to property owners within 200' is not required for consideration of sign variances. However consideration of these requests are held in an open meeting before City Council.

AGENDA ITEM SUMMARY/BACKGROUND

Lake Dallas ISD has made application for a monument sign for the Corinth Elementary campus located at 3501 Cliff Oaks Drive. Specifics to the request are as follows:

Unified Development Code: Section 4.01.15 (C) Monument Sign, 3. Maximum height shall not exceed (5) five feet.

- LDISD is requesting a variance to allow a monument sign total height of 10'. The request is based on the elevation change between the roadway and the sign placement location.

Unified Development Code: Section 4.01.15 (C) Monument Sign, 10. Changeable Electronic Variable Message Center Signs (EMCs), c. EMCs are only allowed on freeways and arterials.

- LDISD is requesting a variance to allow an EMC on Cliff Oaks Drive. Cliff Oaks Drive is designated a "collector street". The EMC will be used to provide information to the community, parents, and staff.

ZONING

The Corinth Elementary Campus is zoned SF-4, Single Family Residential.

COMPREHENSIVE FUTURE LAND USE DESIGNATION

The Comprehensive Plan Future Land Use Map shows the Corinth Elementary Campus designated Public/Semi-Public.

FINANCIAL SUMMARY

No funding is required.

RECOMMENDATION

STAFF RECOMMENDATION

Staff supports the need for a monument sign, however we would recommend the EMC be static (no flashing) and meet our residential foot-candle and luminance lighting standards set forth in the lighting and glare regulations in the UDC. We would also recommend additional landscaping around the base of the sign to help soften the additional height.

Attachments

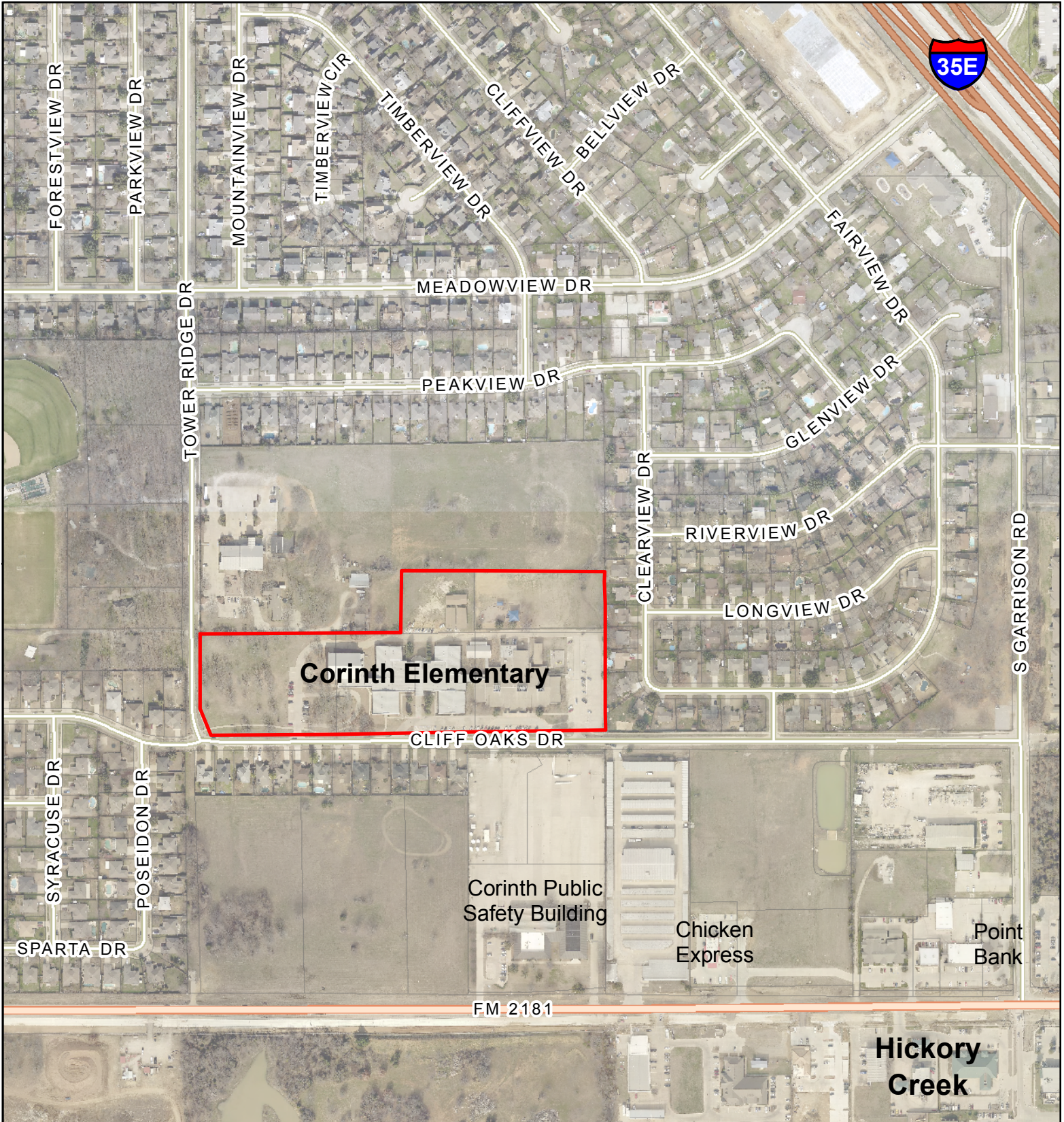
Corinth Elementary Location Map

Corinth Elementary Sign Variance Documents



CORINTH ELEMENTARY

Location Map



In accordance with the provisions of the Sign Ordinance, appeal is now made to the City Council to grant the following variance request:

(1) Variance requested to allow sign height above the 5' ordinance. We request a sign base of 10' above grade in grassy area as indicated on attached site plan. This would put top of sign at ten feet above grade and approximately five feet above road surface. (2) Request a variance for a non-arterial road designation for EMC.

In order to grant a variance, the City Council must determine that ALL of the following conditions exist. **Financial hardship to the applicant alone is not sufficient reason to approve a variance.* State how your request meets these conditions.

a) That literal enforcement of the sign regulations will create an unnecessary hardship or a practical difficulty on the applicant.

The current ordinance would be a hardship on community, parents, and staff to be able to read the sign with a visible line of sight from the road. This could possibly cause a dangerous sightline while driving and having to look down to view the sign information.

b) That the situation causing the unnecessary hardship or practical difficulty is unique to the affected property and is not self-imposed.

The affected property has an elevation drop from the top of road to top of pavement at parking lot location closest to where the sign will be of approximately five feet. The parking lot will also have automobile parking on each side of the monument sign at an average auto height of 5 to 6 feet. By allowing a sign base of 10' in height the automobile parking will not interfere with the line of sight of the sign and the community will not have to look down to see the information on the sign.

c) That granting the variance will not injure and will be wholly compatible with the use and permitted development of adjacent properties.

Sign will not be inside any easement at the road, will not injure and will be compatible with the surrounding developments and adjacent housing. Sign is over 150 feet from the nearest house and will be perpendicular to the road.

d) That the variance when granted is in harmony with the general purpose and intent of the ordinance or its amendments.

The requested variance would be in harmony and meet the intent of the sign ordinance while conveying important community information in a safe manner

I do hereby certify that the above statements are true and correct to the best of my knowledge.

David Talbert
(Applicant's Signature)

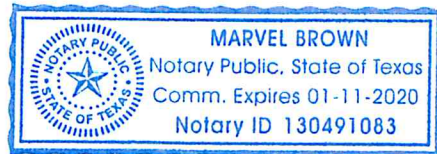
STATE OF TEXAS
COUNTY OF Denton

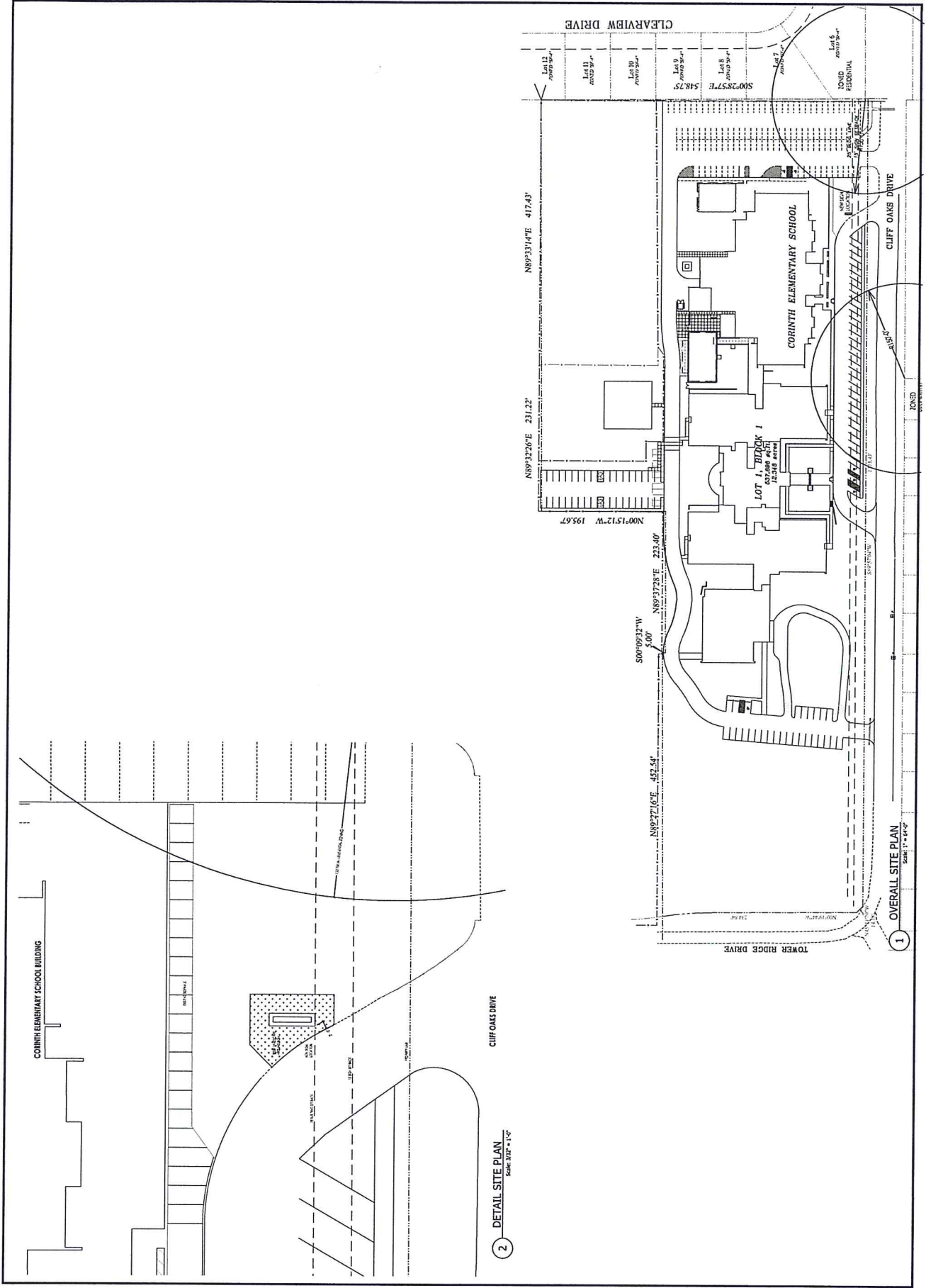
Subscribed and sworn to before me this 15th day of February, 2003, by

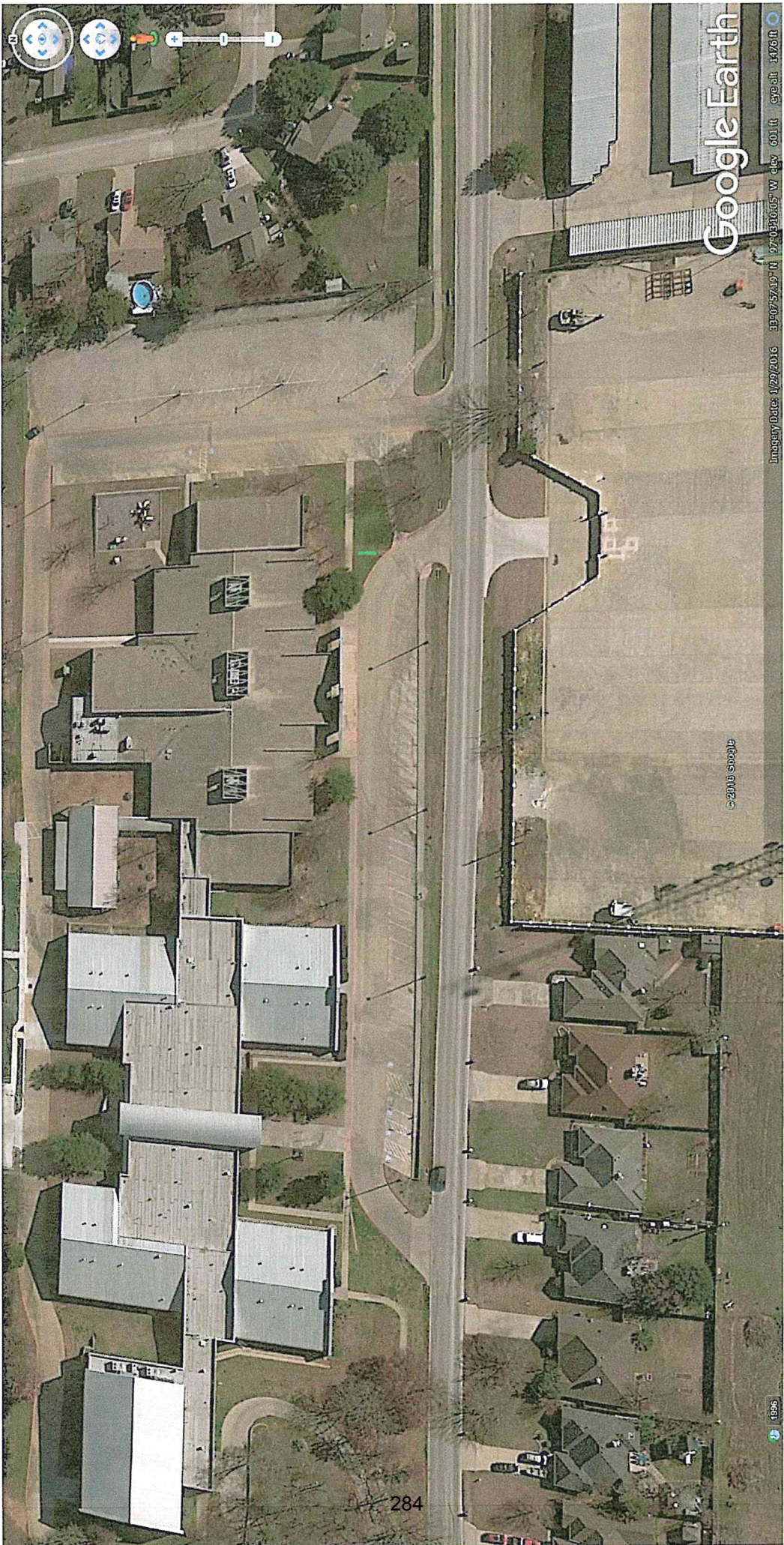
David Talbert, who on his/her oath certifies that the above statements are true and correct to the best of his/her knowledge.

Marvel Brown
(Notary Public)

01-11-2020
Commission expires on above date.







Google Earth

Imagery Date: 1/29/2016 33°07'54.9" N 97°04'10.05" W elev: 601 ft eye alt: 1476 ft

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1996

City Council Regular and Workshop Session

Meeting Date: 03/16/2017

Title: Motion to Reconsider

Submitted By: Kim Pence, City Secretary

Finance Review: N/A

Legal Review: Yes

City Manager Review: Approval: Bob Hart, City Manager

AGENDA ITEM

Consideration of a motion to reconsider an ordinance amending the Comprehensive Zoning Ordinance being a part of the Unified Development Code, Ordinance No. 13-05-02-08, as amended, and a portion of Planned Development Ordinance No. 99-03-18-05, as amended, by amending the zoning to Planned Development C-2 Commercial District and adding "Hospital" as a Permitted Use on Lot 1, Block A, Corinth Medical Center Addition being 5.00 acres in the City of Corinth, Denton County, Texas and calling a public hearing and continuation of action on an ordinance to April 20, 2017.

AGENDA ITEM SUMMARY/BACKGROUND

The applicant is requesting City Council to reconsider the zoning amendment agenda item from the March 2, 2017 Regular Session meeting. In order for the item to be reconsidered, a Council member will need to make the motion and receive a second and have a majority vote to reconsider the item on April 20, 2017. If the item is passed, staff will repost in the newspaper for the April 20, 2017 Regular Session for the public hearing and action on an ordinance.

RECOMMENDATION

Staff recommends Council consider the applicant's request for reconsideration.
