



*** PUBLIC NOTICE ***

**NOTICE OF A CITY COUNCIL REGULAR SESSION IMMEDIATELY FOLLOWING
A WORKSHOP SESSION
OF THE CITY OF CORINTH
Thursday, February 2, 2017, 5:30 P.M.
CITY HALL - 3300 CORINTH PARKWAY**

CALL TO ORDER:

WORKSHOP BUSINESS AGENDA

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

ADJOURN WORKSHOP SESSION

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

CALL TO ORDER, INVOCATION, PLEDGE OF ALLEGIANCE:

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

CITIZENS COMMENTS

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

PUBLIC HEARING

10. **PUBLIC HEARING:** 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.

BUSINESS ITEM: Consider and discuss the amendment of land use assumptions, capital improvements plans, and associated impact fees for water, wastewater and roadway capital improvements.

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

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 551.07 (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.

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 24 day of January, 2017 at 5:00 p.m. on the bulletin board at Corinth City Hall.

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

City Council Regular and Workshop Session

Meeting Date: 02/02/2017

Title: December 1, 2016 Workshop Session

Submitted For: Kim Pence, City Secretary

Submitted By: Kim Pence, City Secretary

Approval: Lee Ann Bunselmeyer, Acting City Manager

AGENDA ITEM

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

AGENDA ITEM SUMMARY/BACKGROUND

Attached are the minutes from the December 1, 2016 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 December 1, 2016 Workshop Session minutes.

Attachments

Minutes

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

On this the 1st day of December 2016 the City Council of the City of Corinth, Texas met in a Workshop 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
Scott Garber
Don Glockel
Lowell Johnson

Members Absent:

Joe Harrison, Mayor Pro-Tem
Sam Burke

Staff Members Present:

Lee Ann Bunselmeyer, Acting City Manager
Curtis Birt, Fire Chief LCFD
Kimberly Pence, City Secretary
Guadalupe Ruiz, Human Resources Director
Fred Gibbs, Planning & Development Director
Debra Walthall, Chief Corinth Police Department
Jason Alexander, Economic Development Director
Cody Collier, Director of Public Works, Parks and Recreation and Utility Operations
Shea Rodgers, Technology Services Manager
Lori Levy, Senior Planner
Erin Zumbrunn, Community Relation Coordinator
Mike Brownlee, City Engineer
Andy Messer, City Attorney

CALL TO ORDER FOR WORKSHOP:

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

- 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.**

BUSINESS AGENDA ITEM #3

Consider and act on an Ordinance of the City of Corinth, Texas approving an amendment to the Fiscal Year 2016-2017 City of Corinth Budget and Annual Program of Services to provide for the expenditure of funds from the Tree Mitigation Fund, the Roadway Impact Fee Fund, and the Storm Drainage Fund for the Lake Sharon Drive extension project.

Councilmember Glockel – Do we need to do this now? If we know to the dollar what it’s going to cost for Lake Sharon, I’m all for it.

Lee Ann Bunselmeyer, Acting City Manager – We don't know to the dollar, we are going by estimates that engineering has provided based on discussions with the folks that are working on the project. They have put in a little bit of a cushion, we don't expect it to exceed that amount. It is absolutely Council's prerogative. If you want to wait until we go out to bid to move the money, we can do that. We were trying to get ahead of it and try to go ahead and make sure that we had enough money to be able to move forward with the project. It was about \$1 million more than we already allocated for it. We can bring it back.

Councilmember Glockel – It makes sense to me if we know the money is in these different funds, instead of doing an ordinance tonight and we miss it by \$10, we have to do it again. I assume we have no intentions of doing anything with the money that is in these other accounts.

Councilmember Johnson – If we go out for bids and they are out of whack, we may not accept the bids and might not even do the project at this time. So we would have to do an amendment to put it all back.

Mayor Heidemann – So, do you want to pull that?

Councilmember Glockel – I would think that would be appropriate. I appreciate you having the leg work done and that we know where it's at.

Lee Ann Bunselmeyer, Acting City Manager - EDC has already approved the budget amendment to reallocate the \$173,000 for lighting. If you wanted to continue doing that we could or if you wanted to wait you could. I would pull #1 and #3 for sure and then decide how you want to handle the amendment for the EDC budget.

Mayor Heidemann – Does #2 come under the same category as what Don just mentioned? About we don't know the exact figure.

Lee Ann Bunselmeyer, Acting City Manager – Do you for the lights Mike?

Mike Brownlee, City Engineer – We don't exactly know what anything is going to cost. The biggest uncertainty is going to be the land acquisition, we don't know what the commissioners are going to base it on. We have an appraisal report and they are going to have an appraisal report, that's probably the biggest unknown now. We will know a lot more in January or February what the cost of the project is going to be. I don't think the bids are going to come in wildly out of what we have. We are hoping we are not the low bidder, if we are somewhere in the middle, that we get one good bid. We didn't want to go into the project not having enough money and come back later.

Councilmember Glockel - The money is ear tagged but we just won't change it by ordinance until we know exactly what the amount is.

Lee Ann Bunselmeyer, Acting City Manager – What we'll do is the night we come forward with the construction contracts, etc., for your approval, we will have the budget amendments that same night so at that point we'll know exactly what the cost will be.

Councilmember Johnson – Jason, have we already transferred the money to the City?

Jason Alexander, Economic Development Director – Yes Sir.

Councilmember Johnson – Ok, good. That gives the EDC a little more money.

Lee Ann Bunselmeyer, Acting City Manager – We can't transfer any money out of EDC until the Council approves it via this mechanism right here of approving this ordinance.

Mayor Heidemann – Ok, so we are pulling #1, #2, & #3.

BUSINESS AGENDA ITEM #7

Consider and act on 2016-2017 Interlocal Cooperative Agreement with Denton County for Fire Protection Services in the unincorporated areas of the county within operating territory or jurisdiction of the Lake Cities area.

Mayor Heidemann – Do you have any statistics of what we had last year, how many calls we had last year? And how is that in relationship to our new contract, is it the same amount of money that we're getting? Do we have any idea where we're at currently?

Lee Ann Bunselmeyer, Acting City Manager – As far as funding, I believe that last year we collected about \$52,000, for next year we have \$45,000 budgeted. At the time we did the budgets we didn't know where we were sitting. I believe this contract combined is about \$48,000 for both. I think Chief Birt actually has the call statistics.

Curtis Birt, Fire Chief LCFD – What they do is they wait to get all the call reports from fiscal year 15-16, they use the numbers and calls we run into that jurisdiction and then they apply it to the new contract. We ran 51 calls in the county last year so they moved that over and put that as the new numbers in the new one so they can allocate in their fund for Lake Cities how much it is. Last year we budgeted 44, we ended up bringing home 52, we had more calls there than they budgeted. On the fire side they give us \$10,000 just to cover it and then \$525 a call. On the EMS side they allocate us a number for estimating we are going to make 21 fire calls in that area. Then they say that is how much you're going to make. All we are guaranteed is the \$10,000, on the EMS side it's broken up into three parts of the formula. The population of the county, a percentage of calls we ran and a percentage of how many miles we have to run per call to the hospital. Then they take how many calls we ran last year, they put it in that formula and that's how much they say we are going to make. Anything up and above that, we get extra money.

Mayor Heidemann – Don't they have something in there about 350 calls?

Curtis Birt, Fire Chief LCFD – All the contracts say is they are going to give us \$10,000 just for execution of the agreement and \$525 for fire call and the county anticipates the agency to run approximately 30 calls at \$15,750. The EMS says that they are estimating us to run 21 calls.

Councilmember Glockel – The \$525, is if you run 25 calls you still get the \$15,750 or not? Then they say any calls over 30 you get \$525.

Curtis Birt, Fire Chief LCFD – They execute those different. On the fire, they give us \$10,000 up front and then for every call we get \$250 and they are saying we are going to make 30 calls for that amount. So if we make 32, we get even more than that. They are estimating for their accounting purposes how much to put aside. Sometimes we go up, sometimes we go down. In 13-14 we ran 27 calls and in 14-15 we ran 40, in 15-16 we ran 62 and this year we ran 51. It all depends.

Mayor Heidemann – You're talking about fire there, right?

Curtis Birt, Fire Chief LCFD – Fire and EMS.

Mayor Heidemann – With all those additional homes down there?

Curtis Birt, Fire Chief LCFD – They weren't up last year, so we'll probably over the 51 calls because they take last year's statistics. If last year's statistics were 51 and they build a bunch of homes, we

probably will see the increase in revenues from the extra calls over what they budgeted, but we'll get credit for those next year. We still get money up and above, every call we run above what they budget we get money for but they use the last year's calls to make the budget. The call numbers that are in the contracts are always from the previous year. They don't look at new home build.

Councilmember Glockel – Where did the 30 come from then? You never used 30 in any of your numbers. If they are saying they use the \$525 a call for 30 calls, I thought you said they used last years as the base for setting the number for the fire calls.

Curtis Birt, Fire Chief LCFD – We ran 30 fire calls in the county last year.

Councilmember Glockel – I'm sorry. What was the 51?

Curtis Birt, Fire Chief LCFD – 51 was total. We had 21 EMS calls and 30 fire calls. When we do the revenues in the budget, it's both of them together because they pay us in one check, they don't separate them out when they pay us. One revenue income.

Councilmember Glockel – In your database you can differentiate between and EMS call and a fire call?

Curtis Birt, Fire Chief LCFD – We report every month to them. Every month we go here's all our fire calls, here is what you need to pay us. We have to fill out a form for each EMS call and we pull all the reports for the fires and send it to them and they pay us out of that.

BUSINESS AGENDA ITEM #11

Consider and act on a contract to Weldon's Lawn and Tree LLC for the annual contract mowing of Corinth parks and facilities

Councilmember Glockel – I think it's a great concept, thank you for doing this. When you mentioned the asset listings in the placement schedule, what mowers and vehicles? Are they on the current budget?

Cody Collier, Director of Public Works, Parks and Recreation and Utility Operations – They are current vehicles we own now. If we do this program then we would be able to actually send them to auction, we would remove them from our asset listing and we would not have any need to ever replace them.

Councilmember Glockel – Are any of these pieces of equipment, the mowers or the vehicles, on the budget this year to be replaced?

Cody Collier, Director of Public Works, Parks and Recreation and Utility Operations – Not on this year's replacement schedule.

BUSINESS AGENDA ITEM #12

Consider and act on a Resolution canvassing votes for the Special Election held on Tuesday, November 8, 2016

Lee Ann Bunselmeyer, Acting City Manager – The week before Thanksgiving, Monday, November 21st, we canvassed the election for the street maintenance sales tax. Denton County Elections Administration provided us some numbers at about 5:30 pm the night of the canvass. About 6:30 pm or 7:00 pm that night they contacted Kim and said those numbers were incorrect and they had updated numbers and at that point we had already canvassed. I contacted Andy that night and he began to researched what we could do and what our options were.

Our City Attorney contacted the Secretary of State and because we had already canvassed, we were ok, we already met our obligations and at the next available meeting for us to go ahead and re-canvass the correct numbers and that is the Resolution on the agenda tonight. The difference was about 4 votes that got updated.

Andy Messer, City Attorney – There is no consequence to this.

Councilmember Glockel – If you look at the number of votes, the number of votes cast for: 6268, the number of votes cast against: 1695, the number of votes by which the proposition was approved, wouldn't that be the difference of the two? 4573? Instead of 6268.

Kimberly Pence, City Secretary – This is how they've done it in the past. This was the total votes for.

Lee Ann Bunselmeyer, Acting City Manager – This is how the information is provided to us to place on items. It doesn't make sense.

Mayor Heidemann – There was actually 7963 votes cast.

Councilmember Glockel – If you look at how many are for and how many are against, the difference of the two is 4573. Then you add those numbers up it comes to 7963.

Lee Ann Bunselmeyer, Acting City Manager – We will double check this for future elections.

2. Receive a presentation, hold a discussion and provide staff direction on the proposed Policy Statement for Tax Abatement.

Jason Alexander, Economic Development Director – We are here to discuss the proposed Tax Abatement Policy for City Council to provide staff direction on. The EDC recommended approval of the proposed Tax Abatement Policy with revisions.

The Purpose of Chapter 312 of the *Texas Tax Code*, the Property Redevelopment and Tax Abatement Act (“the Act”), allows cities, counties and special districts to exempt all or a portion of the increase in the value of real and/or tangible personal property to contribute to the expansion of primary employment or to attract major investment.

The Limitation of Chapter 312 - Tax abatement benefits may only be extended to property in reinvestment zones. Tax abatement periods cannot exceed 10 years. Tax abatement policies must be renewed every 2 years. The Act is set to expire on September 1, 2019, unless it is continued in effect.

Organization and Eligibility - As adopted, the existing incentives policy blends tax abatement benefits that may be extended to property under the Act, with other economic incentives pursuant to the provisions of Chapters 380, 501 and 505 of the *Texas Local Government Code*. Projects must be eligible facilities and must meet minimum economic qualifications.

Under the existing incentives policy, only the following facilities are eligible for tax abatement: Manufacturing, Regional Distribution Center, Regional Entertainment, Regional Service, Research, Retail, Tourism, Other Basic Industry.

Existing Incentives Policy:

- Minimum capital investment for expanding or modernizing facilities - \$350,000
- Minimum capital investment for entertainment, retail and tourism facilities - \$750,000
- Minimum capital investment for all other eligible facilities - \$2,000,000

As the second half of a rewrite of the City's Tax Abatement and Incentives Policy, the proposed Policy Statement for Tax Abatement is purposefully crafted to distinguish tax abatement benefits that may be offered pursuant to the Act from other economic development incentives, and its organization and focus is guided by 4 goals:

1. To fine-tune the process for negotiating and considering tax abatement agreements
2. To increase the number of projects eligible to receive tax abatement benefits
3. To lower the economic qualification for projects eligible to receive tax abatement
4. To satisfy the economic needs of Corinth, but not at the expense of its fiscal health

Minimum Standards:

1. The project must involve a minimum capital investment of \$250K
2. The project must be located within a designated reinvestment zone
3. The project should meet the City's economic goals and serve as a catalyst for other projects
4. The project should benefit existing businesses and not be detrimental to the local economy

Mayor Heidemann - Where it talks about the reinvestment zone, how many do we have in the city?

Jason Alexander, Economic Development Director – One. That is DATCU.

Mayor Heidemann – On the \$250K, how did you arrive at that amount?

Jason Alexander, Economic Development Director – We arrived at the \$250K minimum because we wanted to make it obtainable for small and large businesses. We thought that would be a good starting figure for both in the balance.

A tax abatement may only be granted:

1. to the increase in value of eligible property
2. to any new, modernizing or expanding facility
3. shall not be extended to ineligible property (e.g., housing, inventory, land, supplies, real property improvements with an economic life less than 15 years)

A tax abatement term shall be granted effective with the January 1st valuation date immediately following the date of execution of a tax abatement agreement. As proposed, a tax abatement cannot exceed 60 percent, however City Council is not limited or restricted in setting tax abatement terms and percent.

An applicant submits application to the Corinth Economic Development Corporations, then the Executive Director review for accuracy and consults with other appropriate City Departments. The Board of Directors reviews application and relevant materials, makes recommendation to City Council. City Council may elect to conduct a public hearing to approve a take abatement agreement with the applicant.

Filing fees are as follows:

1. New Businesses - \$1,000
2. Existing Businesses - \$250
3. Any modification to a tax abatement agreement - \$500

Councilmember Glockel – When you say DATCU is the only one under the 312 and they have a zoning, what does the zoning entail for DATCU? Is it the entire footprint for their property?

Jason Alexander, Economic Development Director – It’s for whatever is included within the actual zone. The boundaries are set by City Council. It could include all of DATCU as it does now, or it could also include other properties that would be eligible.

Councilmember Glockel – For a large piece of property you could have it as one zone and if DATCU wants to add another building 5 years from now they could be in the same zone? Or do you have to reestablish a new zone for each?

Jason Alexander, Economic Development Director – If it’s on the same property, yes.

Councilmember Glockel – There’s room for another type of development if they wanted an incentive.

Jason Alexander, Economic Development Director – Yes Sir. We would have to take a look at that agreement to see what provisions are in there, because it might require some modification.

Mayor Heidemann – Have we charged these fees before?

Jason Alexander, Economic Development Director – No Sir. Not from what I have researched.

Tax Abatement Agreement - Section 7 provides a list of terms and conditions that must be included in each tax abatement agreement (e.g., project description, project location, tax abatement period, tax abatement percentage, buy local provision, assignment and inspections). Includes language that City Council may impose other terms and conditions.

Denial of Tax Abatement - Neither a reinvestment zone nor tax abatement agreement shall be authorized if:

1. Adversely impact city services / tax base
2. Construction commenced
3. Hazard to the welfare of the public
4. Applicant has insufficient financial capacity
5. Violation of codes, ordinances, regulations
6. For any other reason (City Council)

Taxability - The value of ineligible property shall be fully taxable. The base year value of existing eligible property shall be fully taxable. The added value of new eligible property shall be taxed as provided in the tax abatement agreement and the added value of new eligible property shall be fully taxable at the end of the tax abatement term.

Recapture - In the event a default cannot be cured, then abated taxes shall be repaid as follows:

- Taxes abated during the same calendar year as termination –January 31st of the following year
- Taxes abated for years prior to year of termination –within 180 calendar days from termination
- City Council, at their sole and absolute discretion only, may elect to extend either deadline, and may also provide a formula for recapturing abated taxes

Reservation of Rights - Examining the merits of each application for tax abatement on a case-by-case basis Determining whether a proposed project should be granted tax abatement and determining whether the proposed tax abatement will benefit Corinth.

Key Takeaways:

1. The proposed Policy Statement for Tax Abatement is a rewrite of the existing Tax Abatement and Incentives Policy ---and is crafted to fine-tune the process for negotiating and considering tax abatement benefits; to increase the number of eligible projects; to reduce economic qualification; and to safeguard Corinth’s fiscal health short-and long-term.

2. The maximum tax abatement benefit proposed is 60 percent, including a 10 percent bonus for creating and maintaining a minimum of 5 full-time jobs; however, the City Council in its absolute and sole discretion, may offer a tax abatement benefit that exceeds the maximum if it is in the best interest of the City.
3. Filing fees are proposed for processing tax abatement requests due the public hearing and approval process as required by the Act:
 - New businesses - \$1000.00
 - Existing businesses - \$250.00
 - Modification to a tax abatement agreement - \$500.00
4. While affirming City Council as the absolute and sole authority for approving or denying tax abatement benefits, the proposed Policy Statement for Tax Abatement also expands the powers that may be exercised by City Council to ensure Corinth's economic needs are met in an efficient, effective and fiscally responsible manner.

Councilmember Garber – On the fees, I know we are about to have a special committee to look at the fees that the City is proposing, are these fees in line with what other cities charge for a 312?

Jason Alexander, Economic Development Director – Not the \$250, that was something that the Board recommended for existing businesses. The \$500 fee, that came from Plano, that is what they had for their modification, other communities have it at \$1,000.

Mayor Heidemann – How about the new one for \$1,000?

Jason Alexander, Economic Development Director – Yes, that is what they have, the maximum amount.

Mayor Heidemann - Do you feel, in your position, out talking to try to incentivize businesses coming here manufacturing that with your 380 plan, that you are pretty well equipped and you have a pretty good arsenal of weapons to use to try to get people to move here?

Jason Alexander, Economic Development Director – I think we are headed in the right direction with the policies that are being presented to City Council. We might need to use different tools for different projects, that is part of what we want to accomplish on the economic development side. So, Yes Sir.

Councilmember Johnson – One of the reasons we reworked this abatement policy, this allows for participation. Other county wide governments can participate in this, where they couldn't participate in the 380 agreement. This gives them the opportunity should we find a project that we like that we really want to pull here.

Mayor Heidemann – I have to compliment you on all your hard work in getting both the this abatement program put together and the 380 program and I think this is what we've been looking for, that type of leadership to get the arsenal ready so we can start using it.

Mayor Heidemann recessed the Workshop meeting at 6:25 pm. *See Closed Session.

CLOSED SESSION

The City Council will convene in executive (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; (2) and/or 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.

Council met in Executive Session from 6:26 p.m. until 7:00 p.m. under Section 551.071, and Section 551.074.

a. Marcus Mote v. Debra Walthall, Case No. 4:16-cv-00203-RC, United States District Court for the Eastern District of Texas.

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.

a. Deliberation of the employment, reassignment, or duties of the 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.

There was no action taken from closed session.

ADJOURN:

Mayor Heidemann adjourned the meeting at 7:00 pm.

Approved by Council on the ___ day of _____, 2016

Kimberly Pence, City Secretary
City of Corinth, Texas

City Council Regular and Workshop Session

Meeting Date: 02/02/2017

Title: December 1, 2016 Regular Session.

Submitted For: Kim Pence, City Secretary

Submitted By: Kim Pence, City Secretary

Approval: Lee Ann Bunselmeyer, Acting City Manager

AGENDA ITEM

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

AGENDA ITEM SUMMARY/BACKGROUND

Attached are the minutes from the December 1, 2016 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 December 1, 2016 Regular Session minutes.

Attachments

Minutes

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

On this the 1st day of December, 2016 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
Scott Garber, Council Member
Lowell Johnson, Council Member
Don Glockel, Council Member

Absent: Joe Harrison, Mayor Pro-Tem
Sam Burke, Council Member

Staff Members Present: Lee Ann Bunselmeyer, Finance Director
Guadalupe Ruiz, Human Resources Director
Fred Gibbs, Planning and Development Director
Kim Pence, City Secretary
Curtis Birt, Fire Chief
Andy Messer, City Attorney
Jason Alexander, Economic Development Director
Shea Rodgers, Technology Services Manager

CALL TO ORDER, INVOCATION, PLEDGE OF ALLEGIANCE:

Mayor Heidemann opened the meeting at 7:00 P.M.; Rodney Whitfield with Faith United Methodist Church 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 approval of project budget adjustments for the Capital Improvement Program (CIP)
2. Consider and act on an Ordinance of the City of Corinth, Texas approving an amendment to the FY 2016-17 City of Corinth Budget and Annual Program of Services for the Economic Development Corporation to provide funding for the Lake Sharon Drive extension.
3. Consider and act on an Ordinance of the City of Corinth, Texas approving an amendment to the Fiscal Year 2016-2017 City of Corinth Budget and Annual Program of Services to provide for the expenditure of funds from the Tree Mitigation Fund, the Roadway Impact Fee Fund, and the Storm Drainage Fund for the Lake Sharon Drive extension project.

Consent Items #1, #2, #3 were pulled from the Agenda. No action was taken.

4. Consider and act on approval of an Advance Funding Agreement for Voluntary Local Government Contributions to Transportation Improvement Projects with No Required Match on System in the amount of \$143,153.00 with the Texas Department of Transportation.
5. Consider and act on approval of calendar year 2017 Co-Sponsorship agreement between the City of Corinth and Lake Cities Soccer Association.
6. Consider and act on approval of calendar year 2017 Co-Sponsorship agreement between the City of Corinth and the Lake Cities Girls Softball Association for Youth Softball, Adult Softball and Youth Baseball.
7. Consider and act on 2016-2017 Interlocal Cooperative Agreement with Denton County for Fire Protection Services in the unincorporated areas of the county within operating territory or jurisdiction of the Lake Cities area
8. Consider and act on 2016-17 Interlocal Cooperative Agreement with Denton County for EMS services in the unincorporated areas of the county within operating territory or jurisdiction of the Lake Cities area.

MOTION made by Council Member Scott Garber to approve items #4, #5, #6, #7, #8 of the Consent Agenda as presented. Seconded by Council Member Lowell Johnson.

AYE: Council Member Scott Garber, Council Member Lowell Johnson, Council Member Don Glockel

Passed

CITIZENS COMMENTS

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

There were no Citizen Comments made.

PUBLIC HEARING

Mayor Heidemann opened the public hearing at 7:20 P.M. No one spoke during the public hearing. Mayor Heidemann closed the public hearing at 7:20 P.M.

9. TO HEAR PUBLIC OPINION REGARDING A REQUEST BY THE APPLICANT RICHARD FRONTERHOUSE, WITH GLENN THURMAN, INC., AUTHORIZED REPRESENTATIVE FOR

THE PROPERTY OWNER MERITAGE HOMES OF TEXAS, LLC., FOR A SPECIFIC USE PERMIT (SUP) TO ALLOW A “TEMPORARY CONCRETE BATCH PLANT” ON PROPERTY ZONED PLANNED DEVELOPMENT (PD) SF-4, SINGLE-FAMILY RESIDENTIAL DISTRICT ON APPROXIMATELY 0.568 ACRES OUT OF A TOTAL 31.368 ACRE TRACT OF LAND SITUATED IN THE WILLIAM C. GARRISON SURVEY, ABSTRACT NO. 508, THE WILLIAM WILSON SURVEY, ABSTRACT NO. 1383 AND THE D.A. WARE SURVEY, ABSTRACT NO. 1580, CITY OF CORINTH, DENTON COUNTY, TEXAS. THIS PROPERTY IS LOCATED ON THE EAST SIDE OF POST OAK DRIVE, NORTH OF LAKE SHARON DRIVE.

BUSINESS:

Consider and act on a Specific Use Permit (SUP) to allow a “Temporary Concrete Batch Plant” for approximately thirty days on property zoned Planned Development (PD) SF-4, Single-Family Residential District on approximately 0.568 acres out of a total 31.368 acre tract of land situated in the William C. Garrison Survey, Abstract No. 508, the William Wilson Survey, Abstract No. 1383 and the D.A. Ware Survey, Abstract No. 1580, City of Corinth, Denton County, Texas. This property is located on the east side of Post Oak Drive, north of Lake Sharon Drive.

Fred Gibbs, Planning and Development Director - A Temporary Concrete Batch Plant is proposed for a duration of approximately thirty days, on approximately 0.568 acres out of the recently approved planned development for Terrace Oaks, Phase One. Terrace Oaks, Phase One is located on the east side of Post Oak Dr., north of Lake Sharon Dr. The temporary SUP is being requested in order to pave public right-of-way that is being dedicated to the City as part of the development of the proposed 108 single-family lot residential subdivision and 7 common area lots for phase one. The property is zoned Planned Development (PD) SF-4, Single-Family Residential District. The preliminary and final plat for the single-family subdivision was approved by the Planning and Zoning Commission on April 18, 2016.

“Concrete Batch Plants” are only allowed by-right in the U-1, Utility District with conditional standards. All other zoning districts require approval of a Specific Use Permit (SUP) with conditional standards. The applicant is meeting or exceeding all Conditional Standards for a Concrete Batch Plant per Section 2.07.04 of the Unified Development Code, as well as all requirements of the Texas Commission on Environmental Quality.

The maximum height of the “wet” batch plant stackers will be 20’ tall, and the closest distance from a single-family residential property line will be 300’ and 940’ from the furthest point. The batch plant stackers and equipment will not have lighting and will produce a noise level of an average of 75 dB (decibels) and will only produce 85 dB on start-up of the mixer. The average of 75 dB is typical of noise produced by a vacuum cleaner or average radio and 85 dB is typical of heavy traffic, a noisy restaurant or a power lawn mower.

Councilmember Johnson – was there any comments at the Planning and Zoning Commission from any folks in the neighborhood?

Fred Gibbs, Planning and Development Director - At the Planning and Zoning Commission meeting, one (1) person spoke in favor of the request and one (1) person asked a question regarding water run-off from the Concrete Batch Plant operations. The applicant stated that there is a polymer lined wash pit for washing equipment, and any remaining standing water is pumped and removed off-site.

Please see the Conditional Development Standards for Concrete Batch Plants below:

CONDITIONAL DEVELOPMENT STANDARDS 2.07.04 (7). CONCRETE BATCH PLANT	
Required	Proposed
All Buildings and Equipment fenced with a chain link fence	10' Chain Link Fence
Site Plan meeting all of the following requirements:	
1. Provide Site Plan	Site Plan Attached
2. Building Permit Approved	Pending SUP Approval
3. Min. Setback from all neighboring Residential Districts = 300'	Min. 300'
4. Vehicular Access paved sufficiently to allow Emergency Vehicle Access	Internal access limed and compacted
5. Copy of TCEQ (Texas Commission on Environmental Quality) approved permit prior to issuance of Building Permits	TCEQ Permit Pending
6. Council may impose additional conditions	TBD

On November 14, 2016, the Planning and Zoning Commission recommended approval, subject to staff stipulations. Staff recommends approval on the Temporary SUP, subject to the following:

1. TCEQ permit approval.
2. The SUP shall expire no later than the 30th day from the date of issuance of building permits for the Temporary Concrete Batch Plant.
3. The SUP may be revoked upon removal of the Temporary Batch Plant operations.
4. After the SUP has expired, the property owner and tenant, if any, shall clean the site and remove all materials associated with the SUP.

The Concrete Batch Plant will only be in operation for approximately 7 days, and on-site a total of two weeks, including set-up and tear-down of equipment. The batch plant will be less intrusive to the adjacent single-family residential homes than a traditional pour of concrete that would have numerous concrete truck traffic, continuous noise and dust, and a longer construction period. The proposed Temporary Concrete Batch Plant will be on-site for approximately two weeks, and will allow the concrete to be self-contained within the equipment and poured on-site, as opposed to being continuously trucked-in.

In addition to the requirements of the Unified Development Code, Concrete Batch Plants are also regulated and must apply for permits with the Texas Commission on Environmental Quality and must comply with all State requirements.

MOTION made by Council Member Don Glockel to approve a temporary batch plant subject to the following:

1. TCEQ permit approval.
2. The SUP shall expire no later than the 30th day from the date of issuance of building permits for the Temporary Concrete Batch Plant.
3. The SUP may be revoked upon removal of the Temporary Batch Plant operations.
4. After the SUP has expired, the property owner and tenant, if any, shall clean the site and remove all materials associated with the SUP. Seconded by Council Member Lowell Johnson

AYE: Council Member Scott Garber, Council Member Lowell Johnson, Council Member Don Glockel

Passed

BUSINESS AGENDA

10. Consider and act on the proposed Chapter 380 Economic Development Agreement Policies and Procedures.

Jason Alexander, Economic Development Director - the item before you is the finalized Chapter 380 Economic Development Program Policies and Procedures. As we discussed over the last few meetings about the Chapter 380 policies that allows the City to incentivize projects that will support Economic Development growth and affirms the City's Economic goals.

The two things I would like to bring to the Councils attention as it pertains to the proposed policy from direction received from the last workshop session. The first being on page 7 and 8 that deals with in terms of consideration given towards businesses and how they can apply for Chapter 380 incentives. At the direction of City Council, the revised policy includes language where no longer is it that an applicant is ineligible to receive consideration for incentives if a building permit has already been issued, that has been changed to reflect the Certificate of Occupancy which is consistent with other incentive agreements. Also in the application are provisions that requires a business pro forma to be completed by the applicant that shows how the incentives are being complied and how it will affect the project.

Staff recommends City Council approve the proposed Chapter 380 Economic Development Agreement Policies and Procedures.

Councilmember Glockel – during some recent Economic Development Training that Councilman Johnson, Jason Alexander and I attended, there were some conversation in the presentation about the amount of attorney fees associated with 380 and that is was appropriate or was not inappropriate to pass that cost onto the person asking for and receiving the abatement, have you had a chance to think that over?

Jason Alexander, Economic Development Director – I think it should be considered on a case-by-case basis by the Corinth Economic Development Corporation. If the legal fees for putting together the incentives proposal if they are such where it might warrant consideration in the agreement of the applicant repaying those attorney fees, that could be included in that agreement but again I would recommend that be considered on a case-by-case basis.

MOTION made by Council Member Lowell Johnson to accept and approve the proposed Chapter 380 Economic Development Agreement Policies and Procedures as presented. Seconded by Council Member Scott Garber.

AYE: Council Member Scott Garber, Council Member Lowell Johnson, Council Member Don Glockel

Passed

11. Consider and act on a contract to Weldon's Lawn and Tree LLC for the annual contract mowing of Corinth parks and facilities.

Cody Collier, Public Works Director - In efforts to increase operational efficiencies, staff evaluated and identified potential savings for contract mowing of the City's eight neighborhood parks and two City facilities (City Hall and Public Works). Staff published an Invitation to Bid on October 31, 2016. Five sealed bids were received on November 15, 2016 with Weldon's Lawn and Tree LLC being the lowest at \$27,860.

Transitioning to contract mowing for the eight neighborhood parks and two city facilities would eliminate 3 full time Parks Maintenance Worker positions in the General Fund Parks Department. Currently the Parks Department is fully staffed; therefore, three employees would be permanently transferred to fill vacant Maintenance Worker positions in the Utility Department.

Staff is estimating a total potential net savings of \$146,888 per year or \$734,440 over a five year period. In addition to the elimination of 3 full time positions, it would also include the elimination of two vehicles and two mowers from the City's asset listing and replacement schedule. Additional savings would be seen in fuel, miscellaneous equipment, and associated employee costs.

Staff recommends awarding the mowing maintenance contract for Corinth parks and facilities to Weldon's Lawn and Tree LLC in the amount of \$27,860 and authorization of the City Manager to execute the contract.

Lee Ann Bunselmeyer, Acting City Manager – we had an urgency in the water/wastewater department where those positions had been vacant for some time and we needed to fill those, so we had to make a temporary move of the 3 parks employees over to utilities because there was a strain on the work of our utility department. We spoke with the employees and told them we were going to make a temporary move until the Council made a decision on what they wanted to do with the mowing of the neighborhood parks, they have been doing this now for 3 to 4 weeks and all the employees are much happier in the water/wastewater department because now they have more opportunities to learn new things. If Council approves this then we will make it a permanent shift to your water/wastewater department.

Mayor Heidemann – this time of the year you are not doing a lot of mowing. Did you have to find work for them to keep them busy and keep them challenged to come to work every day? Does this support your efforts in utilizing your staff more fully and give a better benefit to the citizens of Corinth by being able to accomplish more?

Cody Collier, Public Works Director – yes sir, we would always have to find them work during this time of year. They would go out and trim tree limbs, do various park maintenance things and

help in the street department.

Lee Ann Bunselmeyer, Acting City Manager – we pulled two individuals off the crew that mows all the neighborhood parks and public facilities and one position off of the community park crew. We really want to eliminate those three positions and we are going to evaluate it over this next year and if the workload on the community park is excessive for the other two individuals and they can't do their duties and help with the community park then we may need to do a package for some temporary help to assist us with mowing through the summer during the heavy mowing season but that is something at this point we did not budget or include it in our analysis because we feel we can do without the three positions without having any additional money for temporary help.

Councilmember Johnson – 28 cuts a year, when do we start and when do we stop?

Cody Collier, Public Works Director – I am still having to mow currently. Looking at last year, we ran really late and started really early mowing. Looks like we will run late again this year. In general we are starting at the end of March first of April and finished up the 2nd or 3rd week in November.

MOTION made by Council Member Scott Garber to approve the contract as presented.
Seconded by Council Member Don Glockel

AYE: Council Member Scott Garber, Council Member Lowell Johnson, Council Member Don Glockel

Passed

12. Consider and act on a Resolution canvassing votes for the Special Election held on Tuesday, November 8, 2016.

Lee Ann Bunselmeyer, Acting City Manager – On November 21, 2016, the City Council canvassed election results that was provided to us from Denton County. Later that evening we did receive word that the Count had changes. After consultation with the City Attorney and the Secretary of State it was determined that we would need to re-affirm the correct numbers and canvass those at the next regular scheduled meeting. This Resolution tonight is to re-affirm and re-canvass the votes that were held on November 8, 2016 and correct the canvass on November 21, 2016.

MOTION made by Council Member Lowell Johnson to approve the Resolution as presented.
Seconded by Council Member Don Glockel.

AYE: Council Member Scott Garber, Council Member Lowell Johnson, Council Member Don Glockel

Passed

13. Consider and act on an Ordinance re-authorizing and levying a sales and use tax for the purpose of financing maintenance and repair of municipal streets; and providing an effective date.

Lee Ann Bunselmeyer, Acting City Manager – in order to levy a street maintenance sales tax you

have to have a general election so the residents in the community can participate and vote and the Governing body has to adopt an Ordinance levying and authorizing the sales tax and provide an effective date. This is a continuation of the sales tax however we still need to provide an effective date. Our current sales tax expires December 31, 2016 so this re-authorization will go into effect on January 1, 2017 and it is a four year tax and it will go to December 31, 2021.

MOTION made by Council Member Lowell Johnson to approve the Ordinance reauthorizing and levying a sales and use tax for the purpose of financing maintenance and repair of municipal streets and providing an effective date of January 1, 2017. Seconded by Council Member Scott Garber.

AYE: Council Member Scott Garber, Council Member Lowell Johnson, Council Member Don Glockel

Passed

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.

Lee Ann Bunselmeyer, Acting City Manager – we will have our annual Christmas Tree Lighting on Monday, December 5, 2016 at 6:00 P.M.

Mayor Heidemann – on December 7, 2016 there will be a Ribbon Cutting Ceremony at Albertsons off of FM 2181 at 9:00 a.m.

There was no Closed Session during the Regular Session meeting.

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.

a. Marcus Mote v. Debra Walthall, Case No. 4:16-cv-00203-RC, United States District Court for the Eastern District of Texas.

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.

a. Deliberations of the employment, reassignment, or duties of the 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 executive session, any final action or vote taken will be in public by the City Council. City Council shall have the right at any time to seek legal advice in 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:

Mayor Heidemann adjourned the meeting at 7:35 P.M.

AYES: All

Meeting adjourned

Approved by Corinth City Council on the _____ day of _____, 2017.

Kimberly Pence, City Secretary
City of Corinth, Texas

City Council Regular and Workshop Session

Meeting Date: 02/02/2017

Title: December 10, 2016 Special Session.

Submitted For: Kim Pence, City Secretary

Submitted By: Kim Pence, City Secretary

Approval: Lee Ann Bunselmeyer, Acting City Manager

AGENDA ITEM

Consider and act on minutes from the December 10, 2016 Special Session.

AGENDA ITEM SUMMARY/BACKGROUND

Attached are the minutes from the December 10, 2016 Special Session. The minutes are in draft form and not considered official until formally approved by the City Council.

RECOMMENDATION

Staff recommends approval of the December 10, 2016 Special Session.

Attachments

Minutes

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

On this the 10th day of December, 2016 the City Council of the City of Corinth, Texas met in a Special Session at the Corinth City Hall at 9:00 A.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:

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: Guadalupe Ruiz, Human Resource Director

CALL TO ORDER:

Mayor Heidemann opened the meeting at 9:00 A.M. and reconvened into Closed Session at 9:01 A.M. *See Closed Session.

BUSINESS:

CLOSED SESSION

The City Council will convene in such executive (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.

Council met in Closed Session from 9:01 a.m. until 4:00 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 Special Session at 4:01 P.M.

There was no action taken from Executive Session.

ADJOURN:

Mayor Heidemann adjourned the Special meeting at 4:01 P.M.

AYES: All

Meeting adjourned

Approved by Council on the _____ day of _____ 2017.

Kimberly Pence, City Secretary
City of Corinth, Texas

City Council Regular and Workshop Session

Meeting Date: 02/02/2017

Title: December 15, 2016 Workshop Session

Submitted For: Kim Pence, City Secretary

Submitted By: Kim Pence, City Secretary

Approval: Lee Ann Bunselmeyer, Acting City Manager

AGENDA ITEM

Consider and act on minutes from the December 15, 2016 Workshop Session.

AGENDA ITEM SUMMARY/BACKGROUND

Attached are the minutes from the December 15, 2016 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 December 15, 2016 Workshop Session minutes.

Attachments

Minutes

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

On this the 15th day of December 2016 the City Council of the City of Corinth, Texas met in a Workshop 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
Scott Garber
Don Glockel
Lowell Johnson
Joe Harrison, Mayor Pro-Tem
Sam Burke

Members Absent:

None

Staff Members Present:

Curtis Birt, Fire Chief LCFD
Kimberly Pence, City Secretary
Michael Ross, Deputy Fire Chief LCFD
Fred Gibbs, Planning & Development Director
Kevin Tyson, Lt. Corinth Police Department
Jason Alexander, Economic Development Director
Cody Collier, Director of Public Works, Parks and Recreation and Utility Operations
Shea Rodgers, Technology Services Manager
Lori Levy, Senior Planner
Mack Reinwand, City Attorney

Others Present:

Charlie Kearns, Eikon Consulting
Carl Komatsu, Komatsu Architecture
Keith Durst, Sedalco Construction
Russ Garrison, Sedalco Construction

CALL TO ORDER FOR WORKSHOP:

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

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

No questions.

- 1. Receive a report, hold a discussion, and give staff direction on the Joint Public Safety Facility and Fire Station.**

Fred Gibbs, Planning & Development Director – Charlie Kearns with Eikon Consulting is here tonight to give you a brief presentation of the Joint Public Safety Facility and the new proposed Fire Station.

Charlie Kearns, Eikon Consulting – Carl Komatsu is here from Komatsu Architecture, Keith Hursh from Sedalco, and Russ Garrison.

Mr. Kearns gave a presentation regarding an update on the Joint Public Safety Facility and proposed Fire Station.

Site Plan - He spoke on the gate placement and public parking and explained why these changes were made. These changes saved money for the project.

Floor Plan – The floor plan hasn't changed much. A few rooms have been tweaked, mechanical and electrical room, the overall floor plan has held closely to what was presented last time.

Fire House – This floor plan held pretty tight, we did do some shuffling in the bunk area.

Councilmember Harrison – The fitness room is dual purpose, right?

Charlie Kearns, Eikon Consulting – Yes, Sir. The fitness room will have a concrete cap poured over it. It won't be a full blown shelter but it will be a safe room, a place where in the event of a storm they could go to this room. We do have a couple of windows that go into the bay, they are interior to the building. It really wasn't designed to be a full blown shelter but it is the safe room in the facility. That concrete cap will serve a dual purpose, the mechanical systems, the air handlers, the electrical switch gear, the low voltage controls for the radio stuff will be above this room here. We are utilizing that concrete cap as a floor up there.

Fire House Elevations – We made some changes and worked very hard to lower the roof line and parapet and roof to reduce the structure and cost associated with that, but still maintaining adequate clearances for the apparatus to be able to get up and work on top of the apparatus while they are inside of the bays. On the tower, we have added a porch and some elements that will do some dual purpose work on the tower for training reasons. We added a cast above the doors and redesigned the front entry.

Councilmember Glockel – You mentioned a cast above the doors, it talks about doing that in the brick, has that decision been made yet?

Charlie Kearns, Eikon Consulting – We're exploring that right now. When we get to the budget, we will really talk about that decision. Yes Sir, we are looking into changing some of that up.

Project Schedule -

Submit 60% CD to Owner and SEDALCO	12/14/2016
SEDALCO Update 60% Cost Estimate	1/4/2017
Site Plan Presentation to P&Z Commission	1/30/2017
Site Plan Presentation to City Council	2/16/2017
Submit 100% Documents to Owner and SEDALCO (clouded)	3/1/2017
GMP Presentation to City Council	3/16/2017
SEDALCO Amended GMP Contract at Council Meeting	3/16/2017
Start Construction	4/10/2017

Councilmember Garber – Is it possible for you to email this to us? The proposed schedule.

Charlie Kearns, Eikon Consulting – We actually have a full schedule that has the meetings and stuff that are not on these milestones in between, we can definitely get that to you all.

Project Budget - I would like to say a few things up front, obviously we are over budget. These costs right here are on the 30% construction documents. There is a 30% progress, not the 60% that you have there in front of you. This pricing was really the first time that Sedalco had a set of documents to really look at. The first estimate was based off the narrative that we wrote which was: this is the type of mechanical system we'd like have, those types of things, this is the way the building looks, etc. There was no detail to back that up, how was that wall actually built? How does the plumbing actually drain? How long are the runs? Those types of things. At 30% they were starting to get some of that. At this point we have the last cost estimate:

<u>Project Items</u>	<u>Estimated Cost</u>
Public Safety Building	\$4,097,841
Fire House	\$4,805,403
Materials Testing	<u>\$60,000</u>
Total	\$8,963,244
<u>Current Capital Funding</u>	<u>\$7,700,000</u>
Balance	(\$1,263,244)
<u>Additional Project Costs</u>	
Public Safety FF&E	\$550,000
Firehouse FF&E	<u>\$50,000</u>
Total Additional Project Costs	\$600,000

We understand we are over budget. This is the way this process is supposed to work, up until this point what we have done is we've taken everybody's wants/needs and we have put them into a package and we have met all the look, feel and city requirements. We have gone through that process and now our job is to whittling out all those wants and get back to the needs so we are back to this number. We started that value engineering process yesterday morning at 8:00 am. We had the electrical design team getting a little more realistic on loads and requirements and what the city would require as far as electrical distribution between the generator and the transfer switch. Those \$20,000 or \$30,000 things that we are chipping away at so we can start getting down to this budget. We have a list that we are working toward and we continue to refine that list.

We have these doors that actually fold outward, the reason we went with that on the first pass, on this iteration, in this phase was that we had already reduced the length of the bays as much as we could and still get the apparatus double stacked in there. There is some cost to this not only on the cost of the doors swinging out because the mechanics that operate those doors sticks outside the face of the building. If you notice all this cast stone and structure is there to incorporate that big metal box, weatherproof it, protect it and architecturally make it look not like a box sticking out there.

We are looking and preparing some sketches on what the effect, both aesthetics and cost, to make these doors swing inward, different model doors same concept, to swing inward to where we could pull all this cast stone structure back to the face of the building. We are also looking at some options that would eliminate some of this cast stone, do that with some different bricks and different patterns in the brick and try to maintain a little bit of this cast stone where we would have the engine, medic and the traditional things you see over the bays of the fire house. What that does is allows this cast to be part of the veneer of the wall, right now there's actually a tubing structural system that is holding all that up. All that adds dollars and we are looking at how to reduce dollars and still maintain something that was the visual we proposed the first time. There is a cast stone coping that goes around the parapet, we are looking at eliminating that and doing a soldier course of brick. It has a metal cap on top of it, we're just looking at some different ways. We know we have to get back into that budget and right now we are trying to do that and not affect the program requirements. The committee worked very hard to scrub those...how does it function? How does it work? on a daily basis square footage and we are going to try to get as much of

this cost back as we can out of things like this before we start affecting the actual program of the building. I am not happy with the budget, but this is the process, this is why Seldaco is here. We are on schedule, now that we have the documents becoming a little more flushed out, they are able to do a little tighter job on estimating.

Councilmember Glockel - When you talk about the bi-fold doors, at one time we talked about them folding in and we talked about the number of feet that it would use, when did that change?

Charlie Kearns, Eikon Consulting – They didn't change. Chief Birt and his crew laid out the apparatus in the bay double stacking apparatus and we had two feet between the apparatus. We came up with a number approximately 9-80 feet. Originally, the bays were a little longer than that, we brought those bays back in tight. In order to accommodate that, we had to get the door swings out of the way to go out. That's when we went to this out swinging door. Talking to Sedalco it was still cheaper to do the premium for the out swinging door vs adding square footage in the foundation and the slab, etc. What the Fire Department is saying now is that if these doors swing in they're going to lose 2-3 feet on each end. They are going to have to not be able to stack that large apparatus, they are going to have to work around that.

Chief Birt, Fire Chief LCFD – We are not going to be able to stack behind each other.

Councilmember Glockel – The whole idea, we have talked about double stacking since day one so I thought that was all taken care of. What does that do to the overall cost?

Charlie Kearns, Eikon Consulting – What we have preliminary found is it saved us about \$4,000 per door just in the door mechanism itself. We have about \$24,000 just in the door by doing inward swinging. That is the same number we had before, that is why we stayed with the outward swinging doors up to this point because it was going to cost us more \$24,000 to extend the building out and add that foundation. With the Fire Department electing to utilize that shorter bay because of the door swings, we know that we are saving \$24,000 just on the doors. We are going to save some more than that because we going to eliminate some of this structure and bring that back flush. We are just now sketching that out. We still want it, architecturally, to look like what it is but we are trying to bring that back in and bring it back flush so we don't have that separate structure out front.

Councilmember Harrison - The problem is the bi-fold doors are more expensive than the overhead doors. The overhead doors are \$200,000 cheaper than the bi-fold doors, however, the overhead doors are continuously moving because they come in and out constantly. So consequently the Chiefs feel that the maintenance and everything, if we go to the rollup doors, the maintenance in trying in maintain them, it is going to eat up significantly problems and they are going to be requiring maintenance constantly. It's going to affect your in/out of the station. They feel that the bi-fold doors are their first priority for the building because of the problems they have experienced in the other one. Don and I are concerned with the \$200,000 difference. If you saw the preliminary estimates were way over on both facilities. If you are over \$600,000-\$700,000 and we eliminate \$250,000, then you have significantly reduced your overage.

Charlie Kearns, Eikon Consulting – There is only about a delta of \$175,000 for these doors vs the overhead doors. After we have reduced them down now.

Councilmember Glockel – Is that with the 60%? We were \$198,000 the last time we went over this subject.

Charlie Kearns, Eikon Consulting – If we take this \$24,000 savings now then we're 100%.

Councilmember Glockel – The \$24,000 savings by bringing the hardware outside?

Charlie Kearns, Eikon Consulting – No, by swinging the doors inside.

Councilmember Glockel – You said that wouldn't work because all this time we have been thinking that the equipment would double stack inside this building with the three foot that was utilized by swinging the doors in.

Chief Birt, Fire Chief LCFD – When we did our measurements we had the bays originally at the length to where we could double stack them and have inward swinging doors. When we were starting to have to cut square footage, we pushed the square footage to the bay down by 8-9 feet and we went to the outward swing doors to gain some of that back. Looking at cuts and cost savings, if we are going to have to do it, we are going to have to stack different types of equipment together. Right now, we can't have two engines stacked in that bay, we would have to an engine and a medic or the heavy rescue with nothing behind it. The truck couldn't have anything behind it except maybe a brush truck. We are going to have to stack different instead of having the ability to do two engines.

Charlie Kearns, Eikon Consulting – Like Joe said, that discussion happened yesterday and the discussion was they would rather maintain the fourfold doors and lose that capability as of right now.

Councilmember Harrison – We have a question dealing with the HVAC, whether or not you use the old conventional, forced air, or not.

Charlie Kearns, Eikon Consulting – There are two options for air conditioning for a building like this, there is a traditional, forced air system like in your home. What we have found in the past on a fire house is that there is a wide range of temperature that the fire fighters are always trying to maintain. They want it to be cold in the day room, but he people that are sleeping want it a warm temperature or vice versa. A variable refrigerant flow is the other option. It chills water/refrigerant and sends it through pipe to each little cassette that would be up in the ceiling, each of those has a thermostat on it so you can get 65 degree air out of this room and the next room you can get 80 degrees air because you can turn the heat on also. It's a lot more flexible. Right now that system is about a \$60,000 premium, the other side of that is that it's a lot more energy efficient so it has a payback. The manufacturers say 7-10 years, I think its 10-15 years. It does have its payback because you are not running the whole building at 60 degrees when it is 110 degrees outside. It will never get to 60 degrees, but that's where the thermostats are cooling the whole building if you have a conventional building. That is one of the benefits, we have just found over the 5 or 6 fire stations we've done that it meets the requirements of the firefighters and saves money in the long run, it's one of those things you pay for up front. They have been using this in Europe for years because they condition spaces individually in buildings instead of the whole building like we do here. No decisions have been made, at this point we got this estimate on Tuesday, we have some numbers that are actually based on design documents and we have to go back and figure this out. The committee has prioritized what is first to be cut or what is last to be cut and that is where we stand right now. The doors, this air-conditioning system and two of the ones on this list. Next week we will have more to add to that list, we have to cut this out. We can get back to our numbers, we have to look at if there is anything we can reduce that doesn't affect the square footage of the program or the function of the building and once we exhaust that list we are going to have to make some hard choices.

Councilmember Harrison – Lee Ann is looking for some of these costs in the budget itself. There is some cross discussion between the Economic Development Corporation and us to find out if it would be permissible to share in that cost.

Charlie Kearns, Eikon Consulting – When I did this presentation in early September, I gave a number of \$125 per square foot for the Public Safety renovation and \$375 a square foot for the Fire House. This last estimate is right at \$125 for Public Safety and we are currently at \$406 a square foot on the Fire House. We're not far off and we are very clear that we have a \$7.7 million budget until someone tells us different, we are working to get back to that budget. We are on budget for the Public Safety currently and we are working to get this back in.

Councilmember Glockel – What was the current? \$375 for the Fire House and it's now what?

Charlie Kearns, Eikon Consulting – \$406.

Keith Durst, Sedalco Construction - Those budget numbers now include the contingencies.

Charlie Kearns, Eikon Consulting – That does include all the contingencies for the project, that is a full project total. That's not without the contingencies. We want to leave those in there, we are continuing to bring those down. Right now we are carrying 10% on the renovation and 5% on the Fire House, those were reduced in the last estimate.

Councilmember Glockel – One of the things you had the furniture as a line item, originally we did not put that furniture in the original cost, we didn't know what we needed at the time. Apparently there was a list made if you can come up with new figures. They were supposed to come up with a list of furniture needed by department. That furniture is not going to be needed until end of next year's budget so that could be handled in the next year's budget.

Charlie Kearns, Eikon Consulting – These are purely numbers our team pulled based off of other projects with similar square footage and scope. These are not a furniture rep quote. FF & E is anything furniture, fixtures and equipment. Anything that if you turn the building upside down, it falls out. These are normally carried outside the capital budget because it doesn't make sense to finance a desk for 20 years.

Councilmember Harrison – That's what the committee is trying to figure out. I have some questions about fees and the things that are included in that.

Councilmember Glockel – While we are on the Fire Station, the exterior hardware for the bi-fold doors, do you have an estimate for the outward folding vs the inward folding doors?

Charlie Kearns, Eikon Consulting – Yes Sir. We have the pricing, we've always had the pricing for the outward folding doors and that was included on the estimate we got off of the narrative. We've recently, as of today, talked to the door manufacturer and they are telling us that those doors swinging inward are about a \$4,000 per door savings, we do have that number. That is where that \$24,000 number comes from on the change.

Councilmember Glockel – So the November 22nd \$279,000 for the bi-fold was for exterior fold out?

Charlie Kearns, Eikon Consulting – I would have to look at the estimate again because his line item carries more than that.

Keith Durst, Sedalco Construction – We started off originally, we got several different options when we were pricing these outward for these four fold doors. The very first estimate, we had the one with all the bells and whistles, outward swinging doors we had a glass transom over the top of it, it was actually part of the door assembly. That was the highest priced option. As we progressed through different versions and design change estimates, the latest estimate we turned in Tuesday, we still have an outward swinging door with the glass transom over the top is no longer a part of the door assembly. There was a reduced cost there to get rid of the glass transom. Now we are talking about a further reduction to make them inward swinging instead of outward swinging, we just continue to revisit the options and the pricing.

Mayor Heidemann – When you look at those numbers, is it realistic to think you can cut 16.5% out of that cost?

Charlie Kearns, Eikon Consulting – Yes, we are can cut it, but I don't know what we are eventually have an effect on scope.

Mayor Heidemann – Without invading on the integrity of the project.

Charlie Kearns, Eikon Consulting – I don't have an answer for that yet, I know that is not a very good answer and here is why. Because 30% set of documents is exactly what it is and they are still trying to get more information. On January 4th is really when I want to answer that question because now we are getting more specific. We met yesterday with the electrician and the electrical engineer and Sedalco and we walked through and we physically said “are we keeping this breaker panel or is it going away?”, we are getting down to that level at this point of the drawings. Those things are \$4,000 or \$5,000 a pop and when you do that, those numbers start to add up. Those are the numbers Sedalco can really start carrying and start scrubbing. I now we can get 16% out, it's a question of can we get it out and still maintain, a certain % of masonry, per your ordinances, and all those things that go along with it. We have to still meet that. If we start talking about going around those things with a variance, if those are discussions we can have, right now we are trying to maintain that look. We talked about lighting protection yesterday, it's probably a \$50,000 item, that's easy to say we don't have it now, but do you want to have a Fire House and you tell everyone else when they come into town they have to have lighting protection. It's those things we are trying to work through right now. We are still getting accurate numbers, I know it's frustrating. In my world the process is working but I know it's frustrating seeing these because everybody wants to know.

Councilmember Harrison – Eventually we're going to get to the point. In the mid part of January the committee is going to have to come back and say we are at this point. Now we are going to have to come back to the Council and say what are we going to do? That is going to be the question that has to be answered.

Charlie Kearns, Eikon Consulting – I know it's not what everybody wants to hear but this is the process and it's not unusual to see this and have to work back. We've kind of done a little bit of scrub on the once and knowing what we need and now we are going to have to start shifting to really what the needs are and see how much of this we can maintain.

Councilmember Harrison – What's the problem at Public Safety?

Charlie Kearns, Eikon Consulting – There's no problem Joe, just challenges.

Councilmember Glockel – There's another issue that you have in your notes that I know if I understand. You talk about the grates for the drains, there has always been drains there so what is the change?

Keith Durst, Sedalco Construction – Now that we do have the 60% drawings that we had a chance to look at this morning, we are actually seeing a detail that is more favorable than what we thought we were up against when we were looking at the 30% drawings. We would like to revisit that and see if maybe we anticipated something a little bit more expensive than is now showing on the 60%. That could go away completely or not be as big a problem as we first thought.

Charlie Kearns, Eikon Consulting – Due to the soil conditions, this entire building is on a structural suspended slab that has piers and beams and they actually will lay down cardboard boxes on top of the ground and pour the concrete over this and when the cardboard disintegrates there is a void between the earth and the concrete. In your home when your foundation moves and the cracks and all that happens, you eliminate a lot of that because when the soil swells, you have that void in there that can move and not affect the integrity of the foundation. In order to do that these grades have to be on a grade beam and these are full length drains. The other reason we do this is because it's a lot easier to slope the concrete to a full length this way and try to have some area drains. You have pitching going to all these different places, it can be done but it's tough. These drains are very efficient because it's easy to slope but the

entire structural slab of the apparatus bay has to be poured first with some leave outs for these trenches to be put in. Then they come back and they pour the concrete around these and they pour a topping that brings that slope to it. It's still a thick topping, it's not like an inch thick. It's a labor intensive process. If we had a traditional area drain like you see in a bathroom or gymnasium, you would literally have a drain sticking up and you would pour concrete and slope to it but then you have this much square footage and you're trying to drain it controlled, so it doesn't hold water, that is one of the challenges that we work through. That is part of the soil conditions we have to work with.

Keith Durst, Sedalco Construction – Any other condition that is related to that structural slab it affects the pumping. When you isolate the slab from the soil it becomes necessary to isolate the plumbing that is underneath the slab from the soil so it does create a little bit more of an elaborate detail to create a void space in those under slab lines, now that we have seen the 60% drawings we are tossing around some alternate details that we might be able to utilize that could help reduce that cost.

This is a typical example of where there are very early estimates, not that they are assuming the worst case but they are not going to assume the skinny in this case. As that drawings progress from 15-30 and now 60 and hopefully 90, you begin to see a lot of numbers tighten up. The drain issue and the structural slab is another inherent thing this project has had to absorb and that is probably a 12% increase of having to do a structural slab. If you don't do that, within a year you are going to get the Chiefs complaining about the crack and upheave things, they are very picky on how the apparatus bay performs over the life of the building.

Charlie Kearns, Eikon Consulting – We have a requirement to secure this portion of the building from people trying to shoot at the Police. Originally we came up with a concept of trying to do some kind of secondary masonry wall along this west side where these exposed windows are, we have a natural buffer from vehicles but not from shooting. We have the detectives on this side that has glass. If you remember the existing building, it has a limestone wainscot up four feet and it has glass above that. There is a lot of exposed glass, the whole building is made that way. In looking at the cost of the wall and the foundations, to put that in it really still didn't provide because sex offender registration is here so they could walk behind the wall there is no way to bring it full width or length of this wall. There were some challenges that came up, so one of the options we are looking at is to put some film, bullet resistant film, on the glass along this portion. We asked Fire Admin is they had that requirement and they said that they don't have that requirement on the fire side. There was other ops we looked at, one of them was replacing the glass with bullet resistant glazing but it's thicker and that would require changing out all that glass system that holds the glass in place. We are going forward in pricing a bullet resistant film that goes on there to cover these windows along here. That cost is mostly absorbed by the number we would have had to spend here on this wall because it wouldn't be able to be stacked on the sidewalk it would have to have cut and foundations put in and stuff like that. That is one of the things in 60% that is there now and they'll start carrying. We are still refining the small things as they come up. I thought it was a good compromise to go to the film and not the glass. It's not going to stop everything but it will help quite a bit. In the transaction counter, this counter will have glass all the way to the ceiling and that will be a full bullet resistant glazing along with some ballistic material in the mill work bellow the bench. That would be a point blank situation. I have some finished here I'd like to show you.

Councilmember Glockel – Are the numbers still about the same \$210,000 for the bullet proof glass vs \$35,000 for the film?

Charlie Kearns, Eikon Consulting – Yes Sir, we're still looking at about \$30 a square foot for this and about 1200 square foot of glass. Yes, Sir, \$36,000. One thing that police also said the other day, the corridor doors that isolate the lobby, we are doing solid wood doors there, but we are not doing ballistic material in the doors, there will be glass panels in those doors so they can see in. We are going to use the same film there as we do here on the exterior of the building, not the same level as the transaction counter.

Keith Durst, Sedalco Construction – The same thing with the glazing vs the film is they are not equivalent in terms of ballistic performance. The Chief and her staff are willing to accept that.

Charlie Kearns, Eikon Consulting – The finishes, these have been presented to the committee and there were several different options that have been narrowed down. I don't have today is where all of these are going but we have some general areas that we know. Paint colors throughout the facility, this is Public Safety only, there will be some accent walls, etc. There is no real cost associated with doing anything different like that. The ceiling tiles, we looked at reducing the quality of this acoustical ceiling tile, especially in the corridors, where it is not as prevalent as an interview room or an office where it's important. We are not going to cheap out to where they all fall down after a few years. This is the stain color that the doors are going to be and currently and most of these doors over here are being replaced because of the nature of the renovation, it's actually cheaper to furnish a new frame and door than to try to save the frame and the door and refinish the door. These doors will mainly be new and on this side where we are able to save some doors, we are going to stain them this color. This is the sports flooring that goes in the fitness rooms, some resilient tile that goes in some of the common areas, entry mats will have walk off from the public lobbies, carpet in the corridors and offices, these are the hard services that will be in the restrooms and the breakroom areas, standard rubber base. These are some of the solid surface counter tops that they are proposing, the window shades and wall coverings. As we progress, we will have another presentation where we will actually show where all of this goes and on the plans we will have callouts for each of these types of finishes. Overall, that is the pallet of what the committee has been presented to and this was their selection based off of their options.

Fire House, one of the things we got as a direction is a more traditional Fire House, a lot of brick. Most of the flooring in the Fire House will be this resilient tile, everything except the bay area, there will be some walk off carpets in front of the main lobby doors and some of the high traffic areas coming in the staff entry. Same sports flooring concept for the fitness room, door stain, paints, etc. We do currently show this tile that looks like brick along this wall here where the TV would be to bring some of that old historic firehouse feel inside the day room. We have some red tile we're proposing to put in the backsplash of the kitchen and some areas in here. These are the only two items that are an additional cost. We could do this wall with just paint, but we are going to try to maintain as long as we can to create a good feel until we get down to that final list where we start looking for every dollar. There is not that much square footage on this wall. The backsplash, there is really not any premium cost for this, our options are to go stainless or some kind of tile, this is an area we are trying to maintain.

Mayor Heidemann – I would like to thank Joe and Don for all their efforts in coordinating as much as they can and being our eyes and ears in this committee to come within budget.

Councilmember Harrison – Lee Ann, they would like to see the schedule.

Charlie Kearns, Eikon Consulting – We do have a current schedule. I also want to thank the committee, anytime you do something like this there are a lot of decisions and a lot of hard decisions that have to be made and a lot of thought. We're doing the majority of this design work but every meeting we leave and we need you to go back and look at this equipment. There is a lot of work that happens between these meetings and I appreciate all that help. I want to thank Sedalco because they have really stepped up and helped us in getting numbers. We do understand we are over budget, we may come back and say we can get it to 3% over or what do you want to start cutting? We understand what our job is and we understand we have a \$7.7 million budget and we are actively working with our teams to get back to that number.

- 3. Receive a presentation, hold a discussion and provide staff direction on the Parks, Recreation, and Open Space Master Plan.**

Fred Gibbs, Planning & Development Director – I have three slides I want to show Council regarding the Master Park, Recreation, and Open Space Plan. I'm primarily going to go over the administrative things. Cody Collier, Public Works Operation Director is here to talk more about the plan and some of the CIP's and goal that were achieved.

This project has been going on since 2014, the City Council authorized for the City Manager to enter a contract with University of Texas in Arlington Urban Studies Program to do this plan. Through a series of committee meetings with the Public Works Director at that time, Justin Brown. Toward the end, Mr. Brown moved on to another endeavor and at the very end I got the last meeting that piece of it. The Council appointed KCB plus two Council members to be a part of that board that made some of these decisions that are outlined in the plan.

Back in November 19, 2015, the Assistant Director of the Urban Studies and some students came and make the presentation to City Council and at that time we received feedback to move forward with the formal adoption of that particular plan into our master plan, the 2010 Comprehensive Plan. Back in March some of the adoption was delayed, because there was some confusion about eminent domain, until July 25th time frame. I was fulfilling my marching orders and taking it before the P & Z to adopt officially into the Comprehensive Master Plan. P & Z did approve adoption. Between that time and today, it was delayed again by Council and we are at a crossroad and need some direction on whether or not it is still something the City Council wants to adopt officially as a planning document in your Comp Plan or is it something that we had a change of pace or change of mindset in the approach of the particular Master Plan. Cody can answer more eloquently the details of the plan. My direction, I need from Council tonight is whether or not I need to move forward with that ordinance adoption to this body to actually import into our Master Plan.

Councilmember Johnson - In July or August of this year, KCB revisited the plan and I asked them for direction in regards to what they wanted to do with it and there was no discussion. They were given the options of deciding if they wanted to change anything, modify anything, no motions brought up, no nothing. They said we are fine with it before. That was August of this year. They are fine with what we've got.

Councilmember Harrison – I think it needs to come back to Council at a workshop to decide what needs to come out of that and what doesn't. To me, \$100,000 dog park, that's shaky. If we can't do the public safety building and we are short of money on that, I can't see putting in a \$100,000 dog park. On page 14, you have to be aware that map, that is what got us in trouble with the charter amendments.

Councilmember Johnson – None of that is in the city, 98% of the Elm Fork Trail, is on corps property. That parking lot is but that parking lot also if you go back to the 1985 map, Lake Lewisville, it shows up there at corps property.

Councilmember Harrison – I'll give you my comment on the study, I think the study is flawed. I think the study was done on the majority of the people, that made comments on it, didn't live in the City of Corinth. The comments came from outside of the City of Corinth. When they made their assumptions they should have gone back to the citizens of Corinth and asked them what they wanted. We have not done that yet. If you go back to the citizens and they say they want all this stuff, then by all means. I don't think we should adopt a plan that has 80% of people living outside of the city that are asking for certain things. I think it was a waste of money.

Councilmember Glockel – I feel a lot like Joe, the fact that even if I agreed on the entire plan, the timing is wrong. Financially we are not able to do this without sacrificing something else. We have so many things in front of us that we can't finance today. I wouldn't think this would be a priority for us.

Fred Gibbs, Planning & Development Director – Also, this here was some of the action plan that came out of that particular plan. These type of individual projects could be programmed within your CIP, if

that is where the Council wanted to head in the future, you still have that opportunity if you wanted to make it a 5 or 10 year CIP, you certainly have that option. It's up to the Council how they want to proceed with the plan and whether or not you feel it needs to be part, an official adoption or not.

Councilmember Burke – Are the areas where the parks exist and/or planned to exist, are they already set aside or appropriately zoned?

Fred Gibbs, Planning & Development Director – No Sir, they are not. Basically, these are just some areas that were pinpointed through the process of where these potentially could go. The city could have a mindset with developers that when they come in, we want to try and preserve these areas for green space, open space or whatever other type of mechanism you want to use that space for. It's kind of hard to do that on our end without something on paper to help us facilitate that. I can ask the developer all day to do it but they don't have to.

Councilmember Burke – The trail plan, likewise, that would inform developers where we would like to have connectivity. And that hasn't otherwise been formally adopted as a policy of the city.

Councilmember Johnson – One thing about the trail plan is we, as a city, never decided is the trail plan something that is in our mobility plan which gives us the ability to take right of way or is it an amenity, like a park where we are looking for easements. That also plays into what we want to do with maintenance. If it's right of way we have the right to go in and take care of it, if it's an easement, we don't. It creates the situation where who is going to maintain it? Fred and I have had the discussion several times where we weren't able to get out of square one with the trail, what are we doing? Is it part of our mobility plan, is it a part that we can take actual right of way on or is it an amenity based plan that we are swapping parks space for trail? Which is what we did in Terrace Oaks, we swapped trail for the pipeline.

Councilmember Burke – If it's part of the mobility plan, what is the cost implication of that to the city as far as maintenance?

Councilmember Johnson – We maintain the right of way. Mowing and things like that.

Councilmember Burke – It's not any different than what we have encountered with the sidewalk.

Fred Gibbs, Planning & Development Director – In the process it's a little bit different, when they are coming in an platting property now, you have a mechanism in your ordinance that is making them either dedicated as an easement or dedicating as right of way. There are some different procedures on how you approach it from that standpoint. Trails can be programmed too just like a park and they can be programmed as a CIP as well.

Councilmember Burke – I agree with Joe and Don it doesn't feel like it's the right time to be committing capital expenditures. The times I've looked at this the location of the parks and trail plan look sound to me, like something we want. To implement either as development occurs or over time and so I'm all good with ditching the part of it that says we're committed within x number of years to build a dog park or this or that. I would also like not to throw out the whole thing to the extent that maybe we could adopt the parts of the plan that deal with location of parks and the overall trail plan and then take the rest out.

Mayor Heidemann – When you do the trail plan, do you have to divide it as mobility?

Fred Gibbs, Planning & Development Director – You don't have to. You have an existing trail plan that you use today and that is why you see some of the agenda items come through the way they do. We are actually utilizing an existing trail plan that was adopted back in 2006.

Councilmember Burke – This is a better plan, this has a lot more connectivity.

Fred Gibbs, Planning & Development Director – It's much clearer to read too. When we are looking at it from a planning standpoint you're looking at connectivity, you are not looking at this line has to go right here. You want to make sure you bridge that gap, when you're looking at connectivity. You may designate a green space, but that doesn't necessarily have to go there.

Mayor Heidemann - Haven't we done that in the last two developments? That we required that they have pocket parks and they had connectivity?

Fred Gibbs, Planning & Development Director – Our ordinance requires a certain amount of park land dedication as part of development. If the Council wanted something a little bit different, more than what your subdivision requires or more of an amenity type of feature, you want to have a plan for that to communicate that to the developers. Yes, we want more than just a two acre park, we want a three acre park with something else in it. Parks plans and plans like this can be as elaborate as you want or as detailed as you want. It is a guide that we communicate.

Councilmember Harrison – I agree with you. There are parts of it that aren't bad. If you read that plan, parts of it we are using now. Putting it in a structured plan and then we are going to come back and accept it, then sometime in the future you are going to have to amend it because it's going to eat you up in the next three to five years.

Councilmember Burke – I guess the parts I'm interested in, implementing it as part of our master plan or comprehensive plan would be the parks plan and the trail plan.

Councilmember Johnson – That will also direct your zoning too. If you pull out the schedule, it pretty much solves the cost problem, if you leave it up to development as development goes within the zoning, you will solve the problem.

Fred Gibbs, Planning & Development Director – When developers come to the city, you want to be able to communicate to them when you are rolling out a plan and you have a tract of property, you want to say the city has a vested interest in having this space as an open space or a gather space. That allows us to put that in the back of their mind when they are designing and laying out their property that they need to make some type of accommodation that ultimately this Council would agree to. Or a tradeoff, a little bit of money or a little bit of land.

Councilmember Harrison – I don't know what the trails committee said about it, to me the number one thing we need to do for the trails is we need to make a decision of this piece of property directly behind us that connects that to the Denton trail. So we can participate all the way to Carrollton. We have to figure a way to get Mrs. Pinnell to donate it. The cost that she asked us to pay for was just exorbitant. And, it's in a flood plain. That's the kind of thing that needs to be addressed.

Mayor Heidemann – Do I hear a consensus then that we should pursue with the trail plan and the park plan and that's as much as we want to tackle?

Councilmember Johnson – I think the general plan without the time frame.

Councilmember Harrison – you do it and you get it together and bring it back to a workshop and we decide. Make a direction.

Fred Gibbs, Planning & Development Director – What I'm hearing is this group really wants an illustration more than just a bunch of narrative that says I'm going to do this list of projects.

Councilmember Johnson – If we can free up our hands on a timeline. Eliminate a timeline so we don't have to worry about playing that into the capital spending plan. We're talking about maybe different zoning ideas or this will be incorporated and other pieces I think we need to mesh together.

Fred Gibbs, Planning & Development Director – Are these different concepts, are these things the Council wants to eliminate?

Councilmember Johnson – Maybe just green blobs and not splash pad here, dog park there.

Fred Gibbs, Planning & Development Director – This can be as simple as two maps, one map with green blobs on it and another one with a bunch of lines on it. It can be that simple. We can certainly scrub the plan, we'll see if we have the capabilities of making that type of map.

There was no Closed Session.

CLOSED SESSION

The City Council will convene in executive (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. Private consultation with its attorney to seek advice about pending or contemplated litigation; and/or settlement offer; (2) and/or 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.

a. Deliberation of the employment, reassignment, or duties of the 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.

ADJOURN:

Mayor Heidemann adjourned the meeting at 6:45 pm.

Approved by Council on the ____ day of _____, 2017

Kimberly Pence, City Secretary
City of Corinth, Texas

City Council Regular and Workshop Session

Meeting Date: 02/02/2017

Title: December 15, 2016 Regular Session

Submitted For: Kim Pence, City Secretary

Submitted By: Kim Pence, City Secretary

Approval: Lee Ann Bunselmeyer, Acting City Manager

AGENDA ITEM

Consider and act on minutes from the December 15, 2016 Regular Session.

AGENDA ITEM SUMMARY/BACKGROUND

Attached are the minutes from the December 15, 2016 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 December 15, 2016 Regular Session minutes.

Attachments

Minutes

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

On this the 15th day of December 2016 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: Fred Gibbs, Planning and Development Director
Guadalupe Ruiz, Human Resources Director
Kim Pence, City Secretary
Mack Reinwand, City Attorney
Shea Rodgers, Technology Services Manager Jason
Alexander, Economic Development Director

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

CALL TO ORDER, INVOCATION, PLEDGE OF ALLEGIANCE:

Mayor Heidemann called the meeting to order at 7:00 p.m. Councilmember Garber 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 November 15, 2016 Workshop Session.
2. Consider and act on minutes from the November 15, 2016 Regular Session.
3. Consider and act on minutes from the November 21, 2016 Special Session.

MOTION made by Mayor Pro-Tem Joe Harrison to approve the Consent Agenda as presented.
Seconded by Council Member Don Glockel

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

Passed

CITIZENS COMMENTS

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

There were no Citizens Comments made.

BUSINESS AGENDA

- 4 Consider and act on the Site Plan for Sonic drive-in restaurant on property legally described as 1.237 acres out of Lot 2, Block A, CVS Corinth Addition, City of Corinth, Denton County, Texas. (This property is located on the north side of F.M. 2181, west of F.M. 2499).

Fred Gibbs, Planning and Development Director - The proposed Sonic drive-in restaurant is located immediately adjacent to CVS on the west, on the north side of F.M. 2181, west of F.M. 2499.

The Sonic drive-in restaurant will have outdoor seating, 32 drive-up parking stalls and 14 regular parking spaces. The proposed restaurant will not have drive-through window service. Restaurant uses with outdoor seating and with drive-in service is an allowed use in the (C-2) Commercial zoning district. The applicant intends to build the 1,702 square foot restaurant building on the 1.237-acre proposed Lot 3, Block A.

The applicant is seeking approval of the site plan on proposed Lot 3, Block A, CVS Corinth Addition for the Sonic drive-in restaurant at this time, and is meeting all development requirements.

The Planning and Zoning Commission and staff recommend approval of the site plan as presented.

MOTION made by Council Member Lowell Johnson to approve the site plan as presented for the Sonic restaurant as described. Seconded by Council Member Scott Garber

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

Passed

- 5 Discuss and consider setting a public hearing date for February 2, 2017 to receive public comments on Land Use Assumptions, Roadway, Wastewater and Water Impact Fees, Capital Improvement Plan; to consider adoption of the Impact Fee Update Study and, to consider a Maximum Roadway, Wastewater and Water Impact Fee.

Fred Gibbs, Planning and Development Director - Section 395.052 of the Texas Local Government Code mandates periodic updates to the land use assumptions and capital improvements plan for a

political subdivision imposing an impact fee. The City of Corinth is working with Kimley-Horn Associates to prepare an updated study for the City of Corinth's Roadway, Wastewater and Water Impact Fees.

Impact fees are a one-time fee assessed to recover infrastructure costs required to serve new development. The City of Corinth currently assesses impact fees for roadways, wastewater and water. The purpose of this impact fee study is, per the Texas Local Government Code, to provide an analysis which formulates land use assumptions from which to base any needed impact fee changes, and to recommend a maximum water, wastewater and roadway impact fee to the Capital Improvements Advisory Committee (CIAC) and the City Council.

Chapter 395 of the Texas Local Government Code requires a Capital Improvements Advisory Committee (CIAC) be appointed to provide comments on proposed amendments to the impact fees, land use assumptions and capital improvements plan upon which calculation of the impact fee is based. Per the project schedule, the CIAC (Planning and Zoning Commission) will have the opportunity to review, and offer possible comments and recommendations to the City Council regarding the proposed land use assumptions and roadway and water impact fees.

State law requires that cities who have adopted impact fees to periodically study and update the fees. Normally, the impact fees are updated every five years. Corinth last updated our impact fees in December of 2011. A workshop session will be scheduled prior to adoption of the report to brief the Council on the report's findings and provide a discussion forum.

The CIAC (Planning and Zoning Commission) will also have the opportunity to review, and offer possible comments and recommendations to the City Council prior to the Council's public hearing regarding the proposed land use assumptions and roadway, wastewater and water impact fees.

The proposed project schedule suggests February 2, 2017 as the public hearing date:

12/02/2016 Kimley-Horn to Submit Draft Reports for staff review
12/02/2016 Kimley-Horn to Provide 5-year CIP for Rate Study Purposes
12/15/2016 Set Public Hearing Date at Council
12/31/2017 Finalize Reports
01/03/2017 Advertise for Public Hearing
01/12/2017 Impact Fee Study Update Council Workshop
01/23/2017 Present Impact Fees to CIAC
02/02/2017 Public Hearing at Council, Consider Adoption of Report, Consider Setting Maximum Fee Levels

At this time, the Council is not requested to take action on any fees. This item is simply to consider scheduling a public hearing at a future meeting to then consider such approvals. If the City Council chooses to set a future public hearing per the project schedule, staff will advertise for the public hearing accordingly, and make available to the public the proposed fees and land use assumptions.

Staff recommends setting a public hearing date for February 2, 2017 to receive public comments on Land Use Assumptions, Roadway, Wastewater and Water Impact Fees, Capital Improvement Plan; to consider adoption of the Impact Fee Update Study and, consider a Maximum Roadway, Wastewater and Water Impact Fee.

MOTION made by Council Member Sam Burke to set the Public Hearing date for February 2, 2017 to receive public comments. Seconded by Mayor Pro-Tem Joe Harrison

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

Passed

6. Consider and act on the proposed City of Corinth Policy Statement for Tax Abatement.

Jason Alexander, Economic Development Director - Chapter 312 of the Texas Tax Code, the Property Redevelopment and Tax Abatement Act ("the Act"), authorizes cities, counties and special districts to provide tax abatement benefits to contribute to the expansion of primary employment and to attract major investment. The City adopted an incentives policy (the Tax Abatement and Incentives Policy) on September 5, 2013. Originally conceived to encourage the expansion of industry and manufacturing with tax abatement benefits, there have been more than 1,000 tax abatement agreements executed since the 1980s according to the Texas Municipal League. Tax abatement policies crafted, and implemented pursuant to the Act, allow eligible governing bodies to exempt from taxation all, or a portion of real property and/or tangible personal property (business personal property). However, (i) the eligible governing body may only grant tax abatement to property located within a designated reinvestment zone; (ii) the length of the tax abatement agreement cannot exceed ten (10) years; and (iii) all tax abatement policies must be renewed by the governing body every two (2) years.

The City's tax abatement policy was designed and implemented in accordance with the provisions of the Act, and is contained within the Tax Abatement and Incentives Policy. The City's tax abatement policy, however, is combined with economic development incentives that may be offered pursuant to Chapters 380, 501 and 505 of the Texas Local Government Code, which encompasses both Chapter 380 Economic Development Programs and the Development Corporation Act of 1979, as amended. Based on direction received from City Council and the Corinth Economic Development Corporation Board of Directors, the proposed Policy Statement for Tax Abatement is the second half of a rewrite of the existing Tax Abatement and Incentives Policy, and is purposefully designed to distinguish the tax abatement benefits that may be extended to projects pursuant to the Act, from other economic development incentives. The Policy Statement for Tax Abatement, as crafted:

- Reduces the economic qualification for projects from as much as \$2 million to \$250,000;
- Increases the number of projects that may be eligible to receive tax abatement benefits by eliminating facility types;
- Fine-tunes the process for negotiating and considering tax abatement benefits for eligible projects;
- Caps the maximum tax abatement percentage at 60 percent (including a bonus tax abatement of ten percent), however City Council is not limited nor restricted with respect to the terms and percentage; and
- Introduces a flexible time schedule to recapture abated taxes on projects found to be in default of the tax abatement agreement from 60 days to: (i) taxes abated during the same calendar year as the termination are due by January 31st of the following year; (ii) taxes abated for years prior to the year of termination are due within 180 days; and (iii) City Council may elect to extend either deadline and provide a formula to recapture abated taxes.

The proposed Policy Statement for Tax Abatement was crafted pursuant to Chapter 312 of the Texas Tax Code, and reflects City Council's vision for achieving and sustaining development of the highest quality and a continuous improvement in the quality of life for Corinth's citizens without impairing the City's financial capabilities.

Staff recommends City Council approve the proposed City of Corinth Policy Statement for Tax Abatement.

Mayor Heidemann – are these fees comparable to the cities our size?

Jason Alexander, Economic Development Director – no they are not. The maximum fee that can be imposed is \$1,000, the \$500 was consistent with what the City of Plano has for modification of their agreements and the \$250.00 that was recommended by the Board of Directors.

Councilmember Harrison – on the \$250,000, to me to get the return on your investment it is going to have to be a short period of tax abatement to even get to that point. I think it is going to be hard to justify a \$250,000 investment. On the other end, if it you get a project in that you want to get the \$250,000 you don't have to approve it?

Jason Alexander, Economic Development Director – no sir, and also if it is a project that the City Council deems critical to the economic needs of the City, that particular provision could be waived by the City Council and also you see one of the limitations of the tax abatement act in that you are limited to ten years maximum for benefit.

MOTION made by Mayor Pro-Tem Joe Harrison to approve Resolution 16-12-15-28 accepting the proposed City of Corinth Policy Statement for Tax Abatement as presented. Seconded by Council Member Lowell Johnson

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

Passed

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 Glockel – would like to thank the City and the Police Department for their assistance with a charitable project that we did in the Lake Cities area they all did a remarkable job.

Back in November TML sent out a memo that talked about eminent domain filing which is just a filing with the state and has that been done and could someone follow up on it?

Fred Gibbs, Planning and Development Director – I am working with our City Attorney on that item.

Mack Reinwand, City Attorney – it is not due until February but we are working on it.

Fred Gibbs, Planning and Development Director – we are closed for the holidays on December 23rd and 25th. Also the January 5th Regular meeting has been canceled.

Mayor Heidemann – we are going to have a workshop on January 5th. I would like to thank the staff for putting on a tremendous Christmas Tree Lighting Ceremony. All the efforts they did to make it pleasant for the adults and the children. It was 1st Class and thank you for all their efforts.

Mayor Recessed the meeting at 7:25 p.m. *See Executive Session.

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.

Council met in Executive Session from 7:26 p.m. until 8:38 p.m.

a. Deliberations of the employment, reassignment, or duties of the 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.

MOTION made by Councilmember Johnson to authorize the Mayor, Human Resource Director and the City Attorney to enter into negotiations with possible candidate. Seconded by Councilmember Glockel.

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

MOTION CARRIED

Adjourned

Mayor Heidemann adjourned the meeting at 8:42 p.m.

Approved by Council on ____ day of _____, 2016.

Kimberly Pence, City Secretary
City of Corinth, Texas

City Council Regular and Workshop Session

Meeting Date: 02/02/2017

Title: January 5, 2017 Regular Session

Submitted For: Kim Pence, City Secretary

Submitted By: Kim Pence, City Secretary

Approval: Lee Ann Bunselmeyer, Acting City Manager

AGENDA ITEM

Consider and act on minutes from the January 5, 2017 Regular Session.

AGENDA ITEM SUMMARY/BACKGROUND

Attached are the minutes from the January 5, 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 January 5, 2017 Regular Session minutes.

Attachments

Minutes

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

On this the 5th day of January, 2017 the City Council of the City of Corinth, Texas met in a Regular 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
Curtis Birt, Fire Chief
Guadalupe Ruiz, Human Resource Director
Shea Rodgers, Technology Services Manager Mack Reinwand, City Attorney

CALL TO ORDER, INVOCATION, PLEDGE OF ALLEGIANCE:

Mayor Heidemann called the meeting to order at 5:30 p.m. Councilmember Garber delivered the invocation and led in the Pledge of Allegiance.

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.

No Citizens Comments made.

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.

No Council Comments and Future Agenda items made.

Mayor Heidemann recessed the Regular meeting at 5:35 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 following matters pursuant to Chapter 551 of the Texas Government Code.

Section 551.071. (2) Consultation with Attorney on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with the Texas Open Meetings Act:

City Council met in Closed Session from 5:35 p.m. until 5:48 p.m.

a. City Manager contract

Section 551.074. Deliberation regarding the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee;

a. City Manager

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

Mayor Heidemann reconvened the Regular meeting at 5:49 p.m.

a. Consider and act on City Manager Contract and authorize the Mayor or his designee to execute same.

MOTION made by Councilmember Garber to approve the City Manager contract with the changes on page 7 to read 2017 instead of 2016. Seconded by Councilmember Burke.

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

MOTION CARRIED

Mayor Heidemann recessed the Regular meeting at 5:51 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 551.071 (2): Consultation with Attorney on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with the Texas Open Meetings Act:

City Council met in Closed Session from 5:52 p.m. until 6:50 p.m.

a. Mayor, Council and City manager roles, organizational structure, capital projects including the public safety facility, software implementation, Zucker report, and Lake Sharon project.

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

Mayor Heidemann reconvened the Regular meeting at 6:51 p.m.

There was no action taken on Closed Session items.

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, pursuant to Section 551.071 of the Texas Open Meetings Act.

ADJOURN

Mayor Heidemann adjourned the meeting at 6:52 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: 02/02/2017

Title: FY 2016-2017 City Investment Policy

Submitted By: Lee Ann Bunselmeyer, Acting City Manager

Finance Review: N/A

Legal Review: N/A

AGENDA ITEM

Consider and act on a resolution approving the Investment Policy for the City of Corinth.

AGENDA ITEM SUMMARY/BACKGROUND

In accordance with Public Funds Investment Act, Chapter 2256 of the Texas Government Code, the city is required to adopt a formal written Investment Policy for the investment of public funds. The policy establishes investment parameters and guidelines for the investment program in order to achieve the goals of safety, liquidity, diversification, rate-of-return, and public trust, and designates the authorized investment officer responsible for the daily investment activity by the City.

As part of the annual review process, staff reviews the policy and may recommend revisions to the existing policy, if needed. Recommended revisions to the City's Investment Policy are listed below.

1. Section VI Responsibility and Standard of Care, Section A.1, Delegation of Authority (page 6, line 236) and Section X Authorized Financial Dealers and Institutions, Section A (page 11, line 495) - Removed "or the Director's designated representative." This policy grants explicit delegation of authority to the Director of Finance.
2. Section VI Responsibility and Standard of Care, Section B, Prudence (page 6, lines 267-272) - Updated prudent investor rule to coincide with the Public Funds Investment Act verbiage.
3. Replaced Officials with Officers throughout the policy to coincide with the Public Funds Investment Act verbiage.

The Finance Audit Committee reviewed the Investment Policy on November 30, 2016 and recommended approval.

RECOMMENDATION

Staff recommends approval of the City of Corinth's Investment Policy.

Attachments

Resolution
Investment Policy

RESOLUTION NO. 17-02-02-_____

A RESOLUTION REVIEWING AND APPROVING INVESTMENT POLICY FOR FUNDS FOR THE CITY OF CORINTH; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, in accordance with Section 2256.005(e) of Chapter 2256 of the Texas Government Code, the City Council has reviewed and approved the Investment Policy attached hereto as Exhibit A, which contain proposed changes, for compliance with the Public Funds Investment Act, TEX. GOV'T CODE ch. 2256, ("Chapter 2256") and

NOW, THEREFORE, THE COUNCIL OF THE CITY OF CORINTH HEREBY RESOLVES:

SECTION 1. That the City Council has reviewed the attached Investment Policy, which contain the investment strategies and policies, and hereby approves the Investment Policy.

SECTION 2. That the Director of Finance is hereby designated as the City's primary investment officer and is hereby authorized to perform the functions required of the primary investment officer under the Investment Policy and Chapter 2256.

SECTION 3. That all resolutions or parts of resolutions in force when the provisions of this resolution became effective which are inconsistent or in conflict with the terms or provisions contained in this resolution are hereby repealed to the extent of any such conflict only.

SECTION 4. That this resolution shall take effect immediately upon its passage and approval.

PASSED AND APPROVED this the 2nd day of February 2017.

Bill Heidemann, Mayor

ATTEST:

Kim Pence, City Secretary

APPROVED AS TO FORM AND LEGALITY:

Wm. Andrew Messer, City Attorney

EXHIBIT A- INVESTMENT POLICY
Pages 1 through 20

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**CITY OF CORINTH, TEXAS
INVESTMENT POLICY**

PREFACE

It is the policy of the City of Corinth (the "City") that after allowing for the anticipated cash flow requirements and giving due consideration to the safety and risks of investments, all available funds shall be invested in conformance with these legal and administrative guidelines to obtain a market rate-of-return.

Effective cash management is recognized as essential to good fiscal management. An active cash management and investment policy will be pursued to take advantage of investment interest as a viable and material source of revenue for City funds. The City's portfolio shall be designed and managed in a manner responsive to the public trust and shall be invested in conformance with State and Federal Regulations, applicable Bond Resolution requirements, and adopted investment policy. The City will invest public funds in a manner which will provide the maximum security and a market rate-of-return while meeting the daily cash flow demands of the City.

The City is required under the Public Funds Investment Act (Chapter 2256 of the Texas Government Code) to adopt a formal written investment policy for the investment of public funds. These policies serve to satisfy the statutory requirement (specifically the Public Funds Investment Act, Chapter 2256 of the Texas Government Code [the Act]) to define, adopt and review a formal investment strategy and policy.

28 **I. PURPOSE**

29
30 The purpose of this investment policy (the “policy”) is to set forth specific investment
31 policy and strategy guidelines for the City in order to achieve the goals of safety,
32 liquidity, rate-of-return, and public trust for all investment activities.
33

34 **II. SCOPE**

35
36 The investment policy shall govern the investment of all financial assets considered to
37 be part of the City and includes the following separately invested funds or fund types:
38 Operating, Reserve, Bond, Special and Capital Project Funds and any other funds which
39 have been contractually delegated to the City for management purposes. The City may
40 add or delete funds as may be required by law, or for proper accounting procedures.
41 This policy does not include funds governed by approved trust agreements, or assets
42 administered for the benefit of the City by outside agencies under retirement or deferred
43 compensation programs. In addition to this policy, bond funds (including debt service
44 and reserve funds) are governed by bond ordinances and are subject to the provisions
45 of the Internal Revenue Code and applicable federal regulations governing the
46 investment of bond proceeds. The City shall and will maintain responsibility for these
47 funds to the extent required by: Federal and State law; the City Charter; and donor
48 stipulations.
49

50 **III. INVESTMENT OBJECTIVES**

51
52 Funds of the City shall be invested in accordance with all applicable Texas statutes, this
53 policy and any other approved, written administrative procedures. The five objectives of
54 the City’s investment activities shall be as follows (in the order of priority):
55

56 **A. Safety** - Preservation and safety of Principal. Safety of principal invested is the
57 foremost objective in the investment decisions of the City. Each investment
58 transaction shall seek to ensure the preservation of capital in the overall portfolio.
59 The risk of loss shall be controlled by investing only in authorized securities as
60 defined in this policy, by qualifying the financial institutions with which the City will
61 transact, and by portfolio diversification. Safety is defined as the undiminished return
62 of the principal on the City’s investments.
63

64 **B. Liquidity** - The investment portfolio shall be managed to maintain liquidity to ensure
65 that funds will be available to meet the City’s cash flow requirements and by
66 investing in securities with active secondary markets. Investments shall be structured
67 in such a manner as to provide liquidity necessary to pay obligations as they become
68 due. A security may be liquidated prior to its stated maturity to meet unanticipated
69 cash requirements or to otherwise favorably adjust the City’s portfolio.
70

71 **C. Diversification** - Investment maturities shall be staggered throughout the budget
72 cycle to provide cash flow based on the anticipated needs of the City. Diversifying
73 the appropriate maturity structure will reduce market cycle risk.
74

75 **D. Market Rate-of-Return (Yield)** - The City’s investment portfolio shall be designed to
76 optimize a market rate-of-return on investments consistent with risk constraints and
77 cash flow requirements of the portfolio. The investment portfolio shall be managed in
78 a manner which seeks to attain a market rate-of-return throughout budgetary and

79 economic cycles. The City will not attempt to consistently attain an unrealistic above
80 market rate-of-return, as this objective will subject the overall portfolio to greater risk.
81 Therefore, the City's rate-of-return objective is secondary to those of safety and
82 liquidity. Rate-of-return (yield) is defined as the annual income returned on an
83 investment, expressed as a percentage.
84

- 85 E. Public Trust - The Investment Officer(s) shall avoid any transactions that might
86 impair public confidence in the City's ability to govern effectively. The governing body
87 recognizes that in diversifying the portfolio, occasional measured losses due to
88 market volatility are inevitable, and must be considered within the context of the
89 overall portfolio's investment return, provided that adequate diversification has been
90 implemented. The prudence of the investment decision shall be measured in
91 accordance with the tests set forth in Section 2256.006(b) of the Act.
92

93 IV. INVESTMENT STRATEGY

94
95 The City maintains a comprehensive and proactive cash management program which is
96 designed to monitor and control all City funds to ensure maximum utilization and yield a
97 market rate-of-return. The basic and underlying strategy of this program is that all of the
98 City's funds are earning interest. It is the responsibility and obligation of the City to
99 maintain a flexible approach and be prepared to modify the investment strategy as
100 market conditions dictate. The investment strategy described is predicated on conditions
101 as they now exist and are subject to change. The investment strategy emphasizes low
102 credit risk, diversification, and the management of maturities. The strategy also
103 considers the expertise and time constraints of the Investment Officers. The allowable
104 investments as defined in Section VII of this policy reflect the avoidance of credit risk.
105 Diversification refers to dividing investments among a variety of securities offering
106 independent returns. This strategy uses local government investment pools to achieve
107 diversification. The active management of maturities refers to structuring the maturity
108 dates of the direct investments so that, while funds are initially invested for a longer
109 period of time, some investments mature as cash needs require. The strategies for the
110 City's investment activities shall be as follows:
111

112 Strategy No. 1

113 Diversifying the City's investment opportunities through the use of local government
114 investment pools and money market mutual funds as authorized by the City Council. An
115 investment pool is a professionally managed portfolio of shared assets created to invest
116 public funds jointly on behalf of the governmental entities that participate in the pool and
117 whose investment objectives in order of priority match those objectives of the City. Fund
118 withdrawals are usually available from investment pools on a same-day basis, meaning
119 the pools have a high degree of liquidity. Because of the size and expertise of their staff,
120 investment pools are able to prudently invest in a variety of the investment types allowed
121 by state law. In this manner, investment pools achieve desired diversification. The
122 strategy of the City calls for the use of investment pools as a primary source of
123 diversification and a supplemental source of liquidity. Funds that may be needed on a
124 short-term basis but are in excess of the amount maintained at the depository bank are
125 available for deposit in investment pools.
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Strategy No. 2

Building a ladder of authorized securities with staggered maturities for all or part of the longer-term investable funds. The benefits of this ladder approach include the following:

- A. It is straight-forward and easily understood;
- B. It will assure the City that it will capture a reasonable portion of the yield curve; and,
- C. It provides predictable cash flow with scheduled maturities and reinvestment opportunities.

Strategy No. 3

Utilizing the services of a Professional Investment Advisor in order to maximize investment earnings and realize market opportunities when they become available. Other responsibilities of the Investment Advisor include, but are not limited to broker compliance, security selection, competitive bidding, investment reporting, and security documentation. The Investment Advisor must be registered with the Securities and Exchange Commission (SEC) under the Investment Advisor's Act of 1940, as well as, with the Texas State Securities Board and shall adhere to the spirit and philosophy of this policy and avoid recommending or suggesting transactions outside the "Standard of Care" under this policy.

Strategy No. 4

The City will utilize five general investment strategies designed to address the unique characteristics of specific fund-types (detailed strategies are presented in Attachment A):

- A. Investment strategies for operating funds and pooled funds containing operating funds have as their primary objective to assure that anticipated cash flows are matched with adequate investment liquidity. The secondary objective is to create a portfolio which will experience minimal volatility during economic cycles.
- B. Investment strategies for debt service funds shall have as the primary objective the assurance of investment liquidity adequate to cover the debt service obligation on the required payment date(s).
- C. Investment strategies for debt service reserve funds shall have as the primary objective the ability to generate a dependable revenue stream to the appropriate debt service fund.
- D. Investment strategies for special projects and capital projects funds will have as their primary objective to assure that anticipated cash flows are matched with adequate investment liquidity.
- E. The investment maturity of bond proceeds (excluding reserve and debt service funds) shall generally be limited to the anticipated cash flow requirement or the "temporary period," as defined by Federal tax law. During the temporary period, bond proceeds may be invested at an unrestricted yield. After the expiration of the temporary period, bond proceeds subject to yield restriction shall be invested considering the anticipated cash flow requirements of the funds and market conditions to achieve compliance with the applicable regulations.

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Strategy No. 5

The City generally intends to hold all of its securities until they mature and will accomplish this by maintaining sufficient liquidity in its portfolio so that it does not need to sell a security early. Should it become necessary to sell a security prior to maturity, where the sale proceeds are less than the current book value, the prior written consent of the City Manager must be obtained. Securities may be sold prior to maturity by the Director of Finance at or above their book value at any time, without the consent of the City Manager.

Strategy No. 6

All demand deposits of the City will be concentrated with one central depository. The City's depository procedure will maximize the City's ability to pool cash for investment purposes, and provide more manageable banking relationships. In addition, depositories not holding demand deposits of the City may be eligible to bid on City investments.

Strategy No. 7

This policy shall further seek to maintain good depository bank relationships while minimizing the cost of banking services. The City will seek to maintain a depository contract which will be managed to a level that minimizes the cost of the banking relationship to the City, while allowing the City to earn an appropriate return on idle demand deposits.

Strategy No. 8

A single pooled fund group, as defined in this policy, may be utilized at the discretion of the Investment Officer(s). However, earnings from investments will be allocated on a pro-rata cash basis to the individual funds and used in a manner that will best service the interests of the City.

Strategy No. 9

Procedures shall be established and implemented in order to maximize investable cash by decreasing the time between the actual collection and the deposit of receipts, and by the controlling of disbursements.

V. FINANCE AUDIT COMMITTEE

- A. Members** - There is hereby created a Finance Audit Committee consisting of the City Manager, Director of Finance, a secondary Investment Officer designated by the Director of Finance, two members of the City Council and two citizens appointed by the City Council by majority vote.
- B. Scope** - The Finance Audit Committee shall meet at least annually to determine general strategies and to monitor results. Included in its deliberations will be such topics as: economic outlook, portfolio diversification, maturity structure, potential risk to the City's funds, authorized brokers and dealers, and the target rate-of-return on the investment portfolio.
- C. Procedures** - The Finance Audit Committee shall provide minutes of its meetings. Any two members of the Finance Audit Committee may request a special meeting, and four members shall constitute a quorum. The Finance Audit Committee shall establish its own rules of procedures.

230 VI. RESPONSIBILITY AND STANDARD OF CARE

231
232 A. The responsibility for the daily operation and management of the City's investments
233 shall be outlined within this section.

234
235 1. Delegation of Authority - Management responsibility for the investment program
236 is hereby delegated to the Director of Finance ~~or the Director's designated~~
237 ~~representative~~, who shall be authorized to deposit, withdraw, invest, transfer or
238 manage the funds of the City and shall establish written procedures for the
239 operation of the investment program, consistent with this policy. Such procedures
240 shall include explicit delegation of authority to other persons responsible for
241 investment transactions. All persons involved in investment activities will be
242 referred to in this policy as "Investment ~~Officials~~Officers." No persons may
243 engage in investment transactions, except as provided under the terms of this
244 policy and the procedures established by the Director of Finance.

245
246 2. The Director of Finance shall assume responsibility for all transactions
247 undertaken and shall establish a system of controls to regulate the activities of
248 subordinate Investment ~~Officials~~Officers. The system of controls shall be
249 designed to provide reasonable assurance that ensures the assets of the City are
250 protected from loss, theft or misuse. The concept of reasonable assurance
251 recognizes that:

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253 a. The cost of control should not exceed the benefits likely to be derived; and,

254
255 b. The valuation of costs and benefits requires estimates and judgments by
256 management.

257
258 3. The Director of Finance shall be designated as the primary Investment Officer for
259 the City and shall be responsible for investment decisions and activities under
260 the direction of the City Manager. The Director of Finance may delegate any
261 phase of the investment program to a secondary Investment Officer. Both the
262 Director of Finance and the designated secondary Investment Officer are
263 responsible for daily investment decisions and activities. However, ultimate
264 responsibility for investment decisions will rest with the Director of Finance.

265
266 B. Prudence - The standard of prudence to be applied by the Investment Officer shall
267 be the "prudent investor" rule, which states, "investments shall be made with
268 judgment and care, under prevailing circumstances ~~then prevailing, that awchich~~
269 persons of prudence, discretion and intelligence would exercise in the management
270 of the person's their own affairs, not for speculation, but for investment, considering
271 the probable safety of their capital as well as and the probable income to be
272 derived." In determining whether the Investment Officer has exercised prudence
273 with respect to an investment decision, the determination shall be made taking into
274 consideration the following:

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276 1. The investment of all funds over which the Investment Officer had responsibility
277 rather than a consideration as to the prudence of a single investment; and

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279 2. The investment decision was consistent with the written investment policy and
280 procedures of the City.

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C. Due Diligence - The Director of Finance, designated secondary Investment Officer, Mayor, City Council, City Manager, other Finance employees and citizen committee members acting in accordance with written policies and procedures and exercising due diligence, shall not be held personally responsible for a specific security's credit risk or market price changes, provided that these deviations are reported in a timely manner and that appropriate action is taken to control adverse developments.

D. Ethical Standards and Conflicts of Interest

1. All City Investment Officials having a direct or indirect role in the investment of City funds shall act as custodians of the public trust avoiding any transaction which might involve a conflict of interest, the appearance of a conflict of interest, or any activity which might otherwise discourage public confidence. Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair the ability to make impartial investment decisions.
2. An Investment Officer who has a personal business relationship with the depository bank or with any entity seeking to sell an investment to the City shall file a statement disclosing that personal business interest.
3. An Investment Officer has a personal business relationship with a business organization if:
 - a. The Investment Officer or one related to the Investment Officer within the second degree of affinity or consanguinity owns 10% or more of the voting stock or shares of the business organization or owns \$5,000 or more of the fair market value of the business organization;
 - b. Funds received by the Investment Officer or one related to the Investment Officer within the second degree of affinity or consanguinity from the business organization exceed 10% of the Investment Officers gross income for the prior year; or
 - c. The Investment Officer or one related to the Investment Officer within the second degree of affinity or consanguinity has acquired from the business organization during the prior year investments with a book value of \$2,500 or more for the personal account of the Investment Officer.
 - d. An Investment Officer who is related within the second degree of affinity or consanguinity to an individual seeking to sell an investment to the City shall file a statement disclosing that relationship. A statement required under this subsection must be filed with the Texas Ethics Commission and the City Council.

E. Training - The City shall provide periodic training in investments for the investment personnel through courses and seminars offered by professional organizations and associations in order to ensure the quality and capability of the City's investment personnel making investment decisions in compliance with Public Funds Investment Act (PFIA). The Investment Officers and the Finance Audit Committee members shall attend at least one training session containing at least 10 hours of instruction

332 relating to the officer's responsibility under the PFIA within 12 months after assuming
333 duties, and thereafter shall attend at least 8 hours of additional investment training in
334 subsequent two-year periods which begin on the first day of the fiscal year and
335 consist of the two consecutive fiscal years after that date. The Government Finance
336 Officers Association of Texas, the Government Treasurers Organization of Texas,
337 the Texas Municipal League, or the North Central Texas Council of Governments are
338 approved as independent training sources by the City Council.
339

340 VII. AUTHORIZED INVESTMENTS

341
342 A. Generally - Safety of principal is the primary objective in investing public funds and
343 can be accomplished by limiting credit risk and interest rate risk. Credit risk is the
344 risk associated with the failure of a security issuer or backer to pay back principal
345 and interest on a timely basis. Interest rate risk is the risk that the value of a portfolio
346 will decline due to an increase in the general level of interest rates. In order to
347 provide for safety of principal as the City's primary objective, only certain investments
348 are authorized as acceptable investments for the City. The following list of
349 authorized investments for the City intentionally excludes some investments
350 authorized by state law. These restrictions are intended to limit possible risk and
351 provide the maximum measure of safety to City funds. In the event an authorized
352 investment loses its required minimum credit rating, all prudent measures will be
353 taken to liquidate said investment. Additionally, the City is not required to liquidate
354 investments that were authorized at the time of purchase.
355

356 B. Authorized and Acceptable Investments - The authorized list of investment
357 instruments is as follows:
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- 359 1. Obligations of the United States or its agencies and instrumentalities or any
360 obligation fully guaranteed or insured by the Federal Deposit Insurance
361 Corporation (FDIC), *excluding mortgage-backed securities*.
362
- 363 2. Direct obligations of the State of Texas, or its agencies and instrumentalities,
364 other obligations, the principal of and interest on which are unconditionally
365 guaranteed or insured by, or backed by the full faith and credit of, the State of
366 Texas or the United States or their respective agencies and instrumentalities,
367 excluding mortgage-related securities.

368 C. Certificates of Deposit - A certificate of deposit issued by a depository institution that
369 has its main office or branch office in this state, and is secured in accordance with
370 the specific collateralization requirements contained in section XI.B of this policy. In
371 addition, an investment in "bundled" or "shared" CDs made in accordance with the
372 following conditions is permitted:

- 373 1. The funds are invested through a broker that has its main office or a branch
374 office in this state selected from a list adopted by the City as required by Section
375 2256.025; or through a depository institution that has its main office or a branch
376 office in this state and that is selected by the City;
- 377 2. The selected broker or depository institution arranges for the deposit of the funds
378 in certificates of deposit in one or more federally insured depository institutions,
379 wherever located, for the account of the City.

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3. The full amount of the principal and accrued interest of each of the CD is insured by the United States or an instrumentality of the United States; and
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4. The City appoints the depository institution, a clearing broker-dealer registered with the Securities and Exchange Commission and operating pursuant to SEC Rule 15c3-3, or an entity described in the Public Funds Collateral Act, Section 2257.041(d), as custodian for the City with respect to those CDs issued for the City's account.
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- D. Eligible Local Government Investment Pools - AAA-rated public funds investment pools, with a weighted average maturity of 60 days or less, individually approved by formal Council resolution, which invest in instruments and follow practices allowed by the current law as defined in Section 2256.016 of the Texas Government Code. The pool must be continuously rated no lower than AAA or AAA-m or at an equivalent rating by at least one nationally recognized rating service. A public funds investment pool created to function as a money market mutual fund must mark to market daily and, stabilize at a \$1 net asset value.
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- E. Repurchase Agreements - Fully collateralized repurchase agreements having a defined termination date, placed through a primary government securities dealer or a financial institution doing business in the State of Texas, and fully secured by cash and obligations of the United States or its agencies and instrumentalities. This collateral must be pledged to the City and held in safekeeping with a third-party custodian approved by the City of Corinth. All collateral must be maintained at a market value of no less than the principal amount of the outstanding funds disbursed. All transactions shall be governed by signed Security Industry and Financial Markets Association, (SIFMA) Master Repurchase Agreement. Repurchase agreements must also be collateralized in accordance with State law as described in Section XI of this policy. Authorization under this section includes flexible repurchase agreements which may be used for specific investment of bond proceeds *but shall not include reverse repurchase agreements*.
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- F. Bankers' Acceptances, and Commercial Paper (LIMITED USE) - These investments are authorized for the City to the extent that they are contained in the portfolios of approved public funds investment pools or money market funds in which the City invests.
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- G. AAA-rated SEC-Regulated 2a7 No-Load Money Market Mutual Funds - An SEC-registered, no load money market mutual fund which has a dollar weighted average stated maturity of 60 days or less whose assets consist exclusively of the assets described in section VII.A. and whose investment objectives includes the maintenance of a stable net asset value of \$1 for each share; furthermore, it provides the City with a prospectus and other information required by the SEC Act of 1934 or the Investment Advisor Act of 1940 and which provides the City with a prospectus and other information required by the Securities Exchange Act of 1934 (15 USC Section 78a et. Seq.) or the Investment Company Act of 1990 (15 USC Section 80a-1 et. Seq.).
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- H. Unauthorized Securities - State law specifically prohibits investment in the following securities:

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1. An obligation whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security and pays no principal.
 2. An obligation whose payment represents the principal stream of cash flow from the underlying mortgage-backed security and bears no interest.
 3. Collateralized mortgage obligations that have a stated final maturity date of greater than 10 years.
 4. Collateralized mortgage obligations, the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

443 **VIII. DIVERSIFICATION**

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A. Generally - Diversification of investment instruments shall be utilized to avoid incurring unreasonable risks resulting from over-concentration of investments in a specific maturity, a specific issue, or a specific class of securities. With the exception of U.S. Government securities (debt obligations issued by the U. S. Government, its agencies, or instrumentalities) as authorized in this policy, and authorized local government investment pools, no more than forty percent (40%) of the total investment portfolio will be invested in any one security type or with a single financial institution. Diversification of the portfolio considers diversification by maturity dates and diversification by investment instrument.

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B. Diversification by Maturities - The longer the maturity of investments, the greater their price volatility. Therefore, it is the City's policy to concentrate its investment portfolio in shorter-term securities in order to limit principal risks caused by change in interest rates. The City will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow (including the anticipated cash flow requirements of bond proceeds within the temporary period), the City will not directly invest in securities maturing more than three (3) years from the date of purchase. However, the above described obligations, certificates, or agreements may be collateralized using longer date instruments. The City shall diversify the use of investment instruments to avoid incurring unreasonable risks inherent in over-investing in specific instruments, individual financial institutions or maturities. Maturity scheduling shall be managed by the Investment Officer so that maturities of investments shall be timed to coincide with projected cash flow needs.

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The entire City portfolio, or single pooled fund group if utilized, shall maintain a maximum average dollar-weighted maturity, based on the stated maturity date, of less than three hundred sixty five (365) days. Investment maturities for debt service interest and sinking funds and/or other types of reserve funds, whose use is never anticipated, shall maintain a maximum average dollar-weighted maturity, based on the stated maturity date, of less than three hundred sixty-five (365) days.

478 C. Diversification by Investment Instrument - Diversification by investment instrument
 479 shall not exceed the following guidelines for each type of instrument:

	Maximum % of Portfolio
U.S. Treasury Obligations	100%
U.S. Government Agency Securities and Instrumentalities	100%
Authorized Local Government Investment Pool	50%
Local Government Obligations	10%
Fully Collateralized Certificates of Deposit	50%
Fully Collateralized Repurchase Agreements	25%
SEC-Regulated No-Load Money Market Mutual Fund	50%
U.S. Treasury & Agency Callables	30%

483
 484 **IX. SECURITY SWAPS**

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 486 Security swaps may be considered as an investment option for the City. A swap out of
 487 one instrument into another is acceptable to increase yield, realign for disbursement
 488 dates, extend or shorten maturity dates and to improve market sector diversification.
 489 Swaps may be initiated by brokers/dealers who are on the City's approved list. A horizon
 490 analysis is required for each swap proving benefit to the City before the trade decision is
 491 made, which will accompany the investment file for record keeping.

492
 493 **X. AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS**

494
 495 **A.** The Director of Finance ~~or the Director's designated representative~~ will maintain a list
 496 of financial institutions authorized to provide investment services to the City. In
 497 addition, a list will also be maintained of approved broker/dealers authorized to
 498 provide investment services in the State of Texas. These will include financial
 499 institutions that qualify under Securities & Exchange Commission Rule 15-C3-1
 500 (uniform net capital rule). No public deposit shall be made except in a qualified public
 501 depository as established by state laws.

502
 503 **B.** All financial institutions and broker/dealers who desire to become qualified bidders
 504 for investment transactions must supply the Director of Finance with the following, as
 505 appropriate: audited financial statements, proof of Financial Industry Regulatory
 506 Authority certification trading resolution, proof of State registration, completed
 507 broker/dealer questionnaire and certification of having read the City's investment
 508 policy.

509
 510 **C.** The Finance Audit Committee shall be responsible for adopting the list of brokers
 511 and dealers of government securities. Their selection shall be among only primary
 512 government securities dealers that report directly to the New York Federal Reserve
 513 Bank, unless a comprehensive credit and capitalization analysis reveals that other
 514 firms are adequately financed to conduct public business. The Finance Audit
 515 Committee shall base its evaluation of security dealers and financial institutions
 516 upon:

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1. Financial conditions, strength and capability to fulfill commitments;
 2. Overall reputation with other dealers or investors;
 3. Regulatory status of the dealer;
 4. Background and expertise of the individual representatives.
- D.** Investment ~~Officials~~ Officers shall only conduct business with securities dealers approved by the Finance Audit Committee and will not purchase investments from any financial organization until the organization's registered principal has executed a written instrument stating that he or she has thoroughly reviewed the City's investment policy and acknowledges that reasonable procedures and controls have been implemented to preclude imprudent investment activities arising out of transactions between the organization and the City, except to the extent that this authorization is dependent on an analysis of the makeup of the City's entire portfolio or requires an interpretation of subjective investment standards.
- E.** To guard against default possibilities under these conditions, and to assure diversification of bidders, business with any one issuer, or investment broker, should be limited to forty percent (40%) of the total portfolio at any point in time. In this way, bankruptcy, receivership or legal action would not immobilize the City's ability to meet payroll or other expenses.
- F.** All investments (governments or bank C.D.'s) will be solicited on a competitive basis with at least three (3) institutions. The Finance Audit Committee can approve exceptions on a case by case basis or on a general basis in the form of guidelines. These guidelines shall take into consideration the investment type maturity date, amount, and potential disruptiveness to the City's investment strategy. The investment will be made with the broker/dealer offering the best yield/quality to the City. The quotes may be accepted orally, in writing, electronically, or any combination of these methods.
- G.** An annual review of the financial condition and registrations of qualified financial organizations will be conducted by the Director of Finance.
- H.** A current audited financial statement is required to be on file for each financial institution and broker/dealer in which the City invests.
- I.** If the City has contracted with a Registered Investment Advisor for the management of its funds, the advisor shall be responsible for performing due diligence on and maintaining a list of broker/dealers with which it shall transact business on behalf of the City. The advisor shall determine selection criteria and shall annually present a list of its authorized broker/dealers to the City for review and likewise shall execute the aforementioned written instrument stating that the advisor has reviewed the City's investment policy and has implemented reasonable procedures and controls in an effort to preclude imprudent investment activities with the City. The advisor shall obtain and document competitive bids and offers on all transactions and present these to the City as part of its standard trade documentation.

570 J. It is the policy of the City that all security transactions entered into with the City shall
571 be conducted on a "Delivery-versus-Payment" basis through the Federal Reserve
572 System. By doing this, City funds are not released until the City has received,
573 through the Federal Reserve wire, the securities purchased. The City shall authorize
574 the release of funds only after receiving notification from the safekeeping bank that a
575 purchased security has been received in the safekeeping account of the City. The
576 notification may be oral, but shall be confirmed in writing.
577

578 **XI. SAFEKEEPING AND COLLATERALIZATION**
579

580 A. Safekeeping - All securities owned by the City shall be held by a third-party
581 safekeeping agent selected by the City. The collateral for bank deposits will be held
582 in the City's name in the bank's trust department, in a Federal Reserve Bank account
583 in the City's name, or a third-party financial institutions doing business in the state of
584 Texas, in accordance with state law. Original safekeeping receipts shall be obtained
585 and held by the City. The City shall contract with a bank or banks for the safekeeping
586 of securities either owned by the City as part of its investment portfolio or held as
587 collateral to secure time deposits.
588

589 B. Collateralization - Consistent with the requirements of the Public Funds Collateral
590 Act, it is the policy of the City to require full collateralization of all City funds on
591 deposit with a depository bank. The market value of the investments securing the
592 deposit of funds shall be at least equal to 102% of the amount of the deposits of
593 funds reduced to the extent that the deposits are insured by the Federal Deposit
594 Insurance Corporation (FDIC). Securities pledged as collateral shall be held by an
595 independent third party with whom the City has a current custodial agreement. The
596 agreement is to specify the acceptable investment securities as collateral, including
597 provisions relating to possession of the collateral, the substitution or release of
598 investment securities, ownership of securities, and the method of valuation of
599 securities. The safekeeping agreement must clearly state that the safekeeping bank
600 is instructed to release purchased and collateral securities to the City in the event the
601 City has determined that the depository bank has failed to pay on any matured
602 investments in certificates of deposit, or has determined that the funds of the City are
603 in jeopardy for whatever reason, including involuntary closure or change of
604 ownership. A clearly marked evidence of ownership, e.g., safekeeping receipt, must
605 be supplied to the City and retained by the City.
606

607 1. The City may accept the following to insure or collateralize bank deposits:
608

609 a. Guaranteed or insured by the Federal Deposit Insurance Corporation or its
610 successor or the National Credit Union Share Insurance Fund or its
611 successor;

612 b. United States Treasuries & Agencies
613

614 c. Other securities as approved by the Finance Audit Committee
615

616 2. For certificates of deposit and other evidences of deposit, collateral shall be at
617 102% of market value. The market value of collateral will always equal or
618 exceed 102% of the principal plus accrued interest of deposits at financial
619 institutions.
620

621 3. Financial institutions with which the City invests or maintains other deposits shall
622 provide monthly, and as requested by the Investment Officer, a listing of the
623 collateral pledged to the City, marked to current market prices. The listing shall
624 include total pledged securities itemized by name, type, description, par value,
625 current market value, maturity date, and Moody's or Standard & Poor's rating, if
626 applicable. The City and the financial institution shall jointly assume the
627 responsibility for ensuring that the collateral is sufficient.
628

629 C. Collateralized Deposits - Consistent with the requirements of State law, the City
630 requires all bank deposits to be federally insured or collateralized with eligible
631 securities. Financial institutions serving as City depositories will be required to sign a
632 "Depository Agreement" with the City and the City's safekeeping agent. The
633 collateralized deposit portion of the Agreement shall define the City's rights to the
634 collateral in the event of default, bankruptcy, or closing and shall establish a
635 perfected security interest in compliance with Federal and State regulations,
636 including:
637

- 638 1. Agreement must be in writing;
- 639
- 640 2. Agreement has to be executed by the Depository and the City
641 contemporaneously with the acquisition of the asset;
- 642
- 643 3. Agreement must be approved by the Board of Directors or designated committee
644 of the Depository and a copy of the meeting minutes must be delivered to the
645 City; and
- 646
- 647 4. Agreement must be part of the Depository's "official record" continuously since its
648 execution.

649
650 **XII. INTERNAL CONTROL**

651 The Investment Officer shall establish a system of written internal controls, which shall
652 be reviewed annually by independent auditors. The controls shall be designed to
653 prevent loss of public funds due to fraud, error, misrepresentation, unanticipated market
654 changes, or imprudent actions. The internal controls are to be reviewed annually in
655 conjunction with an external independent audit. This review will provide assurance of
656 compliance with policies and procedures as specified by this policy. The City, in
657 conjunction with its annual financial audit, shall perform a compliance audit of
658 management controls and adherence to the City's established investment policy.
659

660
661 **XIII. PERFORMANCE**

662 The City's investment portfolio shall be designed to obtain a market rate-of-return on
663 investments consistent with risk constraints and cash flow requirements of the City. This
664 investment policy establishes "weighted average yield to maturity" as the standard
665 portfolio performance measurement.
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669 **XIV. REPORTING**

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- A. Quarterly - The Director of Finance shall prepare and submit a signed quarterly investment report to the Finance Audit Committee that summarizes current market conditions, economic developments, and anticipated investment conditions. The report shall summarize investment strategies employed in the most recent quarter and describe the portfolio in terms of investment securities, maturities, risk characteristics, and shall explain the total investment return for the quarter. The City shall also monitor the credit ratings on securities that require minimum ratings. This may be accomplished through staff research, or with the assistance of broker-dealers, investment advisors, banks or safekeeping agents.

- B. Annual Report - Within 180 days of the end of the fiscal year, the Director of Finance shall present an annual report on the investment program and investment activity. This report may be presented as a component of the fourth quarter report to the City Manager and City Council. The quarterly reports prepared by the Director of Finance shall be formally reviewed at least annually by an independent auditor, and the result of the review shall be reported to the City Council by that auditor.

- C. Methods - The quarterly and annual investment reports shall include a succinct management summary that provides a clear picture of the status of the current investment portfolio and transactions made over the past quarter. This management summary will be prepared in a manner which will allow the City to ascertain whether investment activities during the reporting period have conformed to the investment policy. The report will be prepared in compliance with generally accepted accounting principles. The report will be provided to the City Council. The report will include the following:
 - 1. A listing of individual securities held at the end of the reporting period. This list will include the name of the fund or pooled group fund for which each individual investment was acquired;
 - 2. Unrealized gains or losses resulting from appreciation or depreciation by listing the beginning and ending book and market value of securities for the period. Market values shall be obtained from financial institutions or portfolio reporting services independent from the broker/dealer from which the security was purchased;
 - 3. Additions and changes to the market value during the period;
 - 4. Fully accrued interest for the reporting period;
 - 5. Average weighted yield to maturity of portfolio on entity investments as compared to applicable benchmarks;
 - 6. Listing of investments by maturity date;
 - 7. The percentage of the total portfolio which each type of investment represents; and

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- 8. Statement of compliance of the City's investment portfolio with State Law and the investment strategy and policy approved by the City Council.
- 9. Market yield benchmark comparison of the average 90-day U. S. Treasury Bill auction yield during the reporting period.
- 10. The guidelines of retaining records for seven years as recommended in the *Texas State Library Municipal Records Manual* should be followed. The Director of Finance shall oversee the filing and/or storing of investment records.

XV. INVESTMENT POLICY ADOPTION AND AMENDMENT

The City's investment policy shall be adopted and amended by resolution of the City Council only. The City's written policies and procedures for investments are subject to review not less than annually to stay current with changing laws, regulations and needs of the City. The City Council, not less than annually, shall adopt a written instrument stating that it has reviewed the investment policy and investment strategies and that the written instrument so adopted shall record any changes made to either the policy or strategies.

742 **Attachment A**

743

744 CITY OF CORINTH, TEXAS

745 Investment Strategy Statement

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747 **Operating Funds**

748

749 1. Suitability - Any investment eligible in the investment policy is suitable for Operating
750 Funds.

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752 2. Safety of Principal - All investments shall be of high quality securities with no
753 perceived default risk. Market price fluctuations will occur. However, by managing
754 the weighted average days to maturity for the Operating Fund's portfolio to less than
755 270 days and restricting the maximum allowable maturity to three years, the price
756 volatility of the overall portfolio will be minimized.

757

758 3. Marketability - Securities with active and efficient secondary markets are necessary
759 in the event of an unanticipated cash flow requirement. Historical market "spreads"
760 between the bid and offer prices of a particular security-type of less than a quarter of
761 a percentage point will define an efficient secondary market.

762

763 4. Liquidity - The Operating Fund requires the greatest short-term liquidity of any of the
764 Fund types. Short-term investment pools and money market mutual funds will
765 provide daily liquidity and may be utilized as a competitive yield alternative to fixed
766 maturity investments.

767

768 5. Diversification - Investment maturities should be staggered throughout the budget
769 cycle to provide cash flow based on the anticipated operating needs of the City.
770 Market cycle risk will be reduced by diversifying the appropriate maturity structure
771 out through two years.

772

773 6. Yield - Attaining a competitive market yield for comparable security-types and
774 portfolio restrictions is the desired objective. The yield of an equally weighted, rolling
775 three-month treasury-bill portfolio will be the minimum yield objective.

776

777 **Reserve Funds**

778

779 1. Suitability - Any investment eligible in the investment policy is suitable for Debt
780 Service Reserve Funds. Bond resolution and loan documentation constraints and
781 insurance company restrictions may create specific considerations in addition to the
782 investment policy.

783

784 2. Safety of Principal - All investments shall be of high quality securities with no
785 perceived default risk. Market price fluctuations will occur. However, managing Debt
786 Service Reserve Fund maturities to not exceed the call provisions of the borrowing
787 reduces the investment's market risk if the City's debt is redeemed and the Reserve
788 Fund liquidated. The fund shall maintain a maximum average dollar-weighted
789 maturity, based on the stated maturity date, of less than three hundred sixty-five
790 (365) days. No stated final investment maturity shall exceed the shorter of the final
791 maturity of the borrowing or three years. Annual mark-to-market requirements or
792 specific maturity and average life limitations within the borrowing's documentation

- 793 will influence the attractiveness of market risk and reduce the opportunity for maturity
794 extension.
795
796 3. Marketability - Securities with less active and efficient secondary markets are
797 acceptable for Debt Service Reserve Funds.
798
799 4. Liquidity - Debt Service Reserve Funds have no anticipated expenditures. The
800 Funds are deposited to provide annual debt service payment protection to the City's
801 debt holders. The funds are "returned" to the City at the final debt service payment.
802 Market conditions and arbitrage regulation compliance determine the advantage of
803 security diversification and liquidity. Generally, if investment rates exceed the cost of
804 borrowing, the City is best served by locking in investment maturities and reducing
805 liquidity. If the borrowing cost cannot be exceeded, then concurrent market
806 conditions will determine the attractiveness of locking in maturities or investing
807 shorter and anticipating future increased yields.
808
809 5. Diversification - Market conditions and the arbitrage regulations influence the
810 attractiveness of staggering the maturity of fixed rate investments for Debt Service
811 Reserve Funds. At no time shall the final debt service payment date of the bond
812 issue be exceeded in an attempt to bolster yield.
813
814 6. Yield - Achieving a positive spread to the applicable borrowing cost is the desired
815 objective. Debt Service Reserve Fund portfolio management shall at all times
816 operate within the limits of the investment policy's risk constraints.
817

Special Project and Capital Project Funds

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820 1. Suitability - Any investment eligible in the investment policy is suitable for Special
821 Project and Capital Project Funds.
822
823 2. Safety of Principal - All investments will be of high quality securities with no
824 perceived default risk. Market fluctuations will however occur, by restricting the
825 maximum maturity to three years, managing the weighted average days to less than
826 270 days, restricting the maximum allowable maturity to two years, and by managing
827 Special Project and Capital Project Funds to balance the short term and long term
828 anticipated cash flow requirements of the plant or equipment being depreciated,
829 replaced or repaired, the market risk of the Fund portfolio will be minimized.
830
831 3. Marketability - The balancing of short-term and long-term cash flow needs requires
832 the short-term portion of the Special Project and Capital Project Funds portfolio to
833 have securities with active and efficient secondary markets. Historical market
834 "spreads" between the bid and offer prices of a particular security-type of less than a
835 quarter of a percentage point will define an efficient secondary market. Securities
836 with less active and efficient secondary markets are acceptable for the long-term
837 portion of the portfolio.
838
839 4. Liquidity - Special Project and Capital Project Funds used as part of a CIP plan or
840 scheduled repair and replacement program are reasonably predictable. However
841 unanticipated needs or emergencies may arise. Selecting Investment maturities that
842 provide greater cash flow than the anticipated needs will reduce the liquidity risk of
843 unanticipated expenditures.

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5. Diversification - Investment maturities should blend the short-term and long-term cash flow needs to provide adequate liquidity and yield enhancement and stability. A “barbell” maturity ladder may be appropriate.
6. Yield - Attaining a competitive market yield for comparable security-types and portfolio structures is the desired objective. The yield of an equally weighted, rolling six-month treasury-bill portfolio will be the minimum yield objective.

Bond Funds

1. Suitability - Any investment eligible in the investment policy is suitable for Bond Funds.
2. Safety of Principal - All investments will be of high quality securities with no perceived default risk. Market price fluctuations will occur. However, by managing Bond Funds to not exceed the shorter of three years or the anticipated expenditure schedule and maintaining a maximum average dollar-weighted maturity, based on the stated maturity date, of less than three hundred sixty-five (365) days the market risk of the overall portfolio will be minimized.
3. Marketability - Securities with active and efficient secondary markets are necessary in the event of an unanticipated cash flow requirement. Historical market “spreads” between the bid and offer prices of a particular security-type of less than a quarter of a percentage point will define an efficient secondary market.
4. Liquidity - Bond Funds used for capital improvements programs have reasonably predictable draw down schedules. Therefore investment maturities should generally follow the anticipated cash flow requirements. Investment pools and money market mutual funds will provide readily available funds generally equal to one month’s anticipated cash flow needs, or a competitive yield alternative for short term fixed maturity investments. A singular repurchase agreement may be utilized if disbursements are allowed in the amount necessary to satisfy any expenditure request. This investment structure is commonly referred to as a flexible repurchase agreement.
5. Diversification - Market conditions and arbitrage regulations influence the attractiveness of staggering the maturity of fixed rate investments for construction, loan and bond proceeds. Generally, when investment rates exceed the applicable cost of borrowing, the City is best served by locking in most investments. If the cost of borrowing cannot be exceeded, then concurrent market conditions will determine the attractiveness of diversifying maturities or investing in shorter and larger amounts. At no time shall the anticipated expenditure schedule be exceeded in an attempt to bolster yield.
6. Yield - Achieving a positive spread to the cost of borrowing is the desired objective, within the limits of the investment policy’s risk constraints. The yield of an equally weighted, rolling six-month treasury-bill portfolio will be the minimum yield objective for non-borrowed funds.

Attachment B

CITY OF CORINTH, TEXAS
Investment Policy

[SAMPLE]
TEXAS PUBLIC FUNDS INVESTMENT ACT
CERTIFICATION BY BUSINESS ORGANIZATION

This certification is executed on behalf of the City of Corinth, Texas (the "City") and _____ (the Business Organization), pursuant to the Public Funds Investment Act, Chapter 2256, Texas Government Code (the "Act") in connection with investment transactions conducted between the City and the Business Organization.

The undersigned Qualified Representative of the Business Organization hereby certifies on behalf of the Business Organization that:

1. The undersigned is a Qualified Representative of the Business Organization offering to enter an investment transaction with the Investor as such terms are used in the Public Funds Investment Act, Chapter 2256, Texas Government Code; and
2. The Qualified Representative of the Business Organization has received and reviewed the investment policy furnished by the City; and
3. The Qualified Representative of the Business Organization has implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the Business Organization and the City that are not authorized by the City's investment policy, except to the extent that this authorization is dependent on an analysis of the makeup of the City's entire portfolio or requires an interpretation of subjective investment standards.

Qualified Representative of Business Organization

Firm: _____

Signature _____

Name: _____

Title: _____

Date: _____

City Council Regular and Workshop Session

Meeting Date: 02/02/2017

Title: Economic Development Corporation Investment Policy

Submitted By: Lee Ann Bunselmeyer, Acting City Manager

Finance Review: N/A

Legal Review: N/A

AGENDA ITEM

Consider and act on a resolution approving the Investment Policy for the Economic Development Corporation.

AGENDA ITEM SUMMARY/BACKGROUND

In accordance with the Public Funds Investment Act, Chapter 2256 of the Texas Government Code, the city is required to adopt a formal written Investment Policy for the investment of public funds. The policy establishes investment parameters and guidelines for the investment program in order to achieve the goals of safety, liquidity, diversification, rate-of-return, and public trust, and designates the authorized investment officer responsible for the daily investment activity by the City.

As part of the annual review process, staff reviews the policy and may recommend revisions to the existing policy, if needed. Recommended revisions to the Economic Development Corporation's Investment Policy are listed below:

1. Section VI.A.1 Delegation of Authority (page 5, lines 226-227) and Section X.A Authorized Financial Dealers and Institutions (page 10, line 490) - Removed "or the Director's designated representative." This policy grants explicit delegation of authority to the Director of Finance.
2. Section VI.B Prudence (page 6, lines 258-261) - Updated prudent investor rule to coincide with the Public Funds Investment Act verbiage.
3. Section X.E Diversification (page 11, lines 533-535) - Added "In this way, bankruptcy, receivership or legal action would not immobilize the EDC's ability to meet payroll or other expenses." This is consistent with the City's Investment Policy.
4. Replaced Officials with Officers throughout the policy to coincide with the Public Funds Investment Act verbiage.

The Investment Policy was reviewed by the Finance Audit Committee on November 30, 2016 and the Economic Development Corporation on January 9, 2016. Both boards recommended approval.

RECOMMENDATION

Staff recommends approval of the Economic Development Corporation's Investment Policy.

Attachments

- Resolution
- Investment Policy

RESOLUTION NO. 17-02-02-_____

A RESOLUTION REVIEWING AND APPROVING THE INVESTMENT POLICY FOR FUNDS FOR THE CORINTH ECONOMIC DEVELOPMENT CORPORATION.

WHEREAS, in accordance with Section 2256.005(e) of Chapter 2256 of the Texas Government Code, the Board of Directors of the Corinth Economic Development Corporation has reviewed and approved the Investment Policy attached hereto as Exhibit A, which contain proposed changes, for compliance with the Public Funds Investment Act, TEX. GOV'T CODE Ch. 2256, ("chapter 2256"); and

WHEREAS, the City Council has reviewed the Investment Policy and proposed changes for compliance with the Public Funds Investment Act, TEX. GOV'T CODE Ch. 2256;

NOW, THEREFORE, THE COUNCIL OF THE CITY OF CORINTH HEREBY RESOLVES:

SECTION 1. That the City Council has reviewed the attached Corinth Economic Development Corporation Investment Policy, which contain the investment strategies and policies, and hereby approves the Investment Policy.

SECTION 2. That the Director of Finance is hereby designated as the City's and the Corinth Economic Development Corporation's primary investment officer and is hereby authorized to perform the functions required of the primary investment officer under the Investment Policy and Chapter 2256.

SECTION 3. That all resolutions or parts of resolutions in force when the provisions of this resolution became effective which are inconsistent or in conflict with the terms or provisions contained in this resolution are hereby repealed to the extent of any such conflict only.

SECTION 4. That this resolution shall take effect immediately upon its passage and approval.

PASSED AND APPROVED this the 2nd day of February, 2017.

Bill Heidemann, Mayor

ATTEST:

Kim Pence, City Secretary

APPROVED AS TO FORM AND LEGALITY:

Wm. Andrew Messer, City Attorney

EXHIBIT A- INVESTMENT POLICY

Pages 1 through 18

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**CITY OF CORINTH, TEXAS
ECONOMIC DEVELOPMENT CORPORATION
INVESTMENT POLICY**

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PREFACE

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It is the policy of the City of Corinth the "City" and the Corinth Economic Development Corporation (the "EDC") that after allowing for the anticipated cash flow requirements and giving due consideration to the safety and risks of investments, all available funds shall be invested in conformance with these legal and administrative guidelines to obtain a market rate of return.

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Effective cash management is recognized as essential to good fiscal management. An active cash management and investment policy will be pursued to take advantage of investment interest as a viable and material source of revenue for EDC funds. The EDC's portfolio shall be designed and managed in a manner responsive to the public trust and shall be invested in conformance with State and Federal Regulations, applicable Bond Resolution requirements, and adopted investment policy. The EDC will invest public funds in a manner which will provide the maximum security and a market rate of return while meeting the daily cash flow demands of the EDC.

The EDC is required under the Public Funds Investment Act (Chapter 2256 of the Texas Government Code) to adopt a formal written investment policy for the investment of public funds. These policies serve to satisfy the statutory requirement (specifically the Public Funds Investment Act, Chapter 2256 of the Texas Government Code [the Act]) to define, adopt and review a formal investment strategy and policy.

28 **I. PURPOSE**

29
30 The purpose of this investment policy (the “policy”) is to set forth specific investment
31 policy and strategy guidelines for the EDC in order to achieve the goals of safety,
32 liquidity, rate-of-return, and public trust for all investment activities.
33

34 **II. SCOPE**

35
36 The investment policy shall govern the investment of all financial assets considered to
37 be part of the EDC and includes the following separately invested funds or fund types:
38 Operating, Reserve, and Bond Funds, although the EDC has only operating funds. This
39 policy does not include funds governed by approved trust agreements, or assets
40 administered for the benefit of the EDC by outside agencies under retirement or deferred
41 compensation programs. The City shall and will maintain responsibility for these funds
42 to the extent required by: Federal and State law; the City Charter; and donor
43 stipulations.
44

45 **III. INVESTMENT OBJECTIVES**

46
47 Funds of the EDC shall be invested in accordance with all applicable Texas statutes, this
48 policy and any other approved, written administrative procedures. The five objectives of
49 the EDC’s investment activities shall be as follows (in the order of priority):
50

51 **A. Safety** – Preservation and safety of Principal. Safety of principal invested is the
52 foremost objective in the investment decisions of the EDC. Each investment
53 transaction shall seek to ensure the preservation of capital in the overall portfolio.
54 The risk of loss shall be controlled by investing only in authorized securities as
55 defined in this policy, by qualifying the financial institutions with which the EDC will
56 transact, and by portfolio diversification. Safety is defined as the undiminished return
57 of the principal on the EDC’s investments.
58

59 **B. Liquidity** - The investment portfolio shall be managed to maintain liquidity to ensure
60 that funds will be available to meet the EDC’s cash flow requirements and by
61 investing in securities with active secondary markets. Investments shall be
62 structured in such a manner as to provide liquidity necessary to pay obligations as
63 they become due. A security may be liquidated prior to its stated maturity to meet
64 unanticipated cash requirements or to otherwise favorably adjust the EDC’s portfolio.
65

66 **C. Diversification** - Investment maturities shall be staggered throughout the budget
67 cycle to provide cash flow based on the anticipated needs of the EDC. Diversifying
68 the appropriate maturity structure will reduce market cycle risk.
69

70 **D. Market Rate-of-Return (Yield)** - The EDC’s investment portfolio shall be designed to
71 optimize a market rate-of-return on investments consistent with risk constraints and
72 cash flow requirements of the portfolio. The investment portfolio shall be managed in
73 a manner which seeks to attain a market rate-of-return throughout budgetary and
74 economic cycles. The EDC will not attempt to consistently attain an unrealistic
75 above market rate-of-return, as this objective will subject the overall portfolio to
76 greater risk. Therefore, the EDC’s rate-of-return objective is secondary to those of
77 safety and liquidity. Rate-of-return (yield) is defined as the annual income returned
78 on an investment, expressed as a percentage.
79

80 **E. Public Trust** - The Investment Officer(s) shall avoid any transactions that might
81 impair public confidence in the EDC’s ability to govern effectively. The governing

82 body recognizes that in diversifying the portfolio, occasional measured losses due to
83 market volatility are inevitable, and must be considered within the context of the
84 overall portfolio's investment return, provided that adequate diversification has been
85 implemented. The prudence of the investment decision shall be measured in
86 accordance with the tests set forth in Section 2256.006(b) of the Act.
87

88 **IV. INVESTMENT STRATEGY**

89

90 The City maintains a comprehensive and proactive cash management program which is
91 designed to monitor and control all EDC funds to ensure maximum utilization and yield a
92 market rate of return. The basic and underlying strategy of this program is that all of the
93 EDC's funds are earning interest. It is the responsibility and obligation of the City to
94 maintain a flexible approach and be prepared to modify the investment strategy as
95 market conditions dictate. The investment strategy described is predicated on
96 conditions as they now exist and are subject to change. The investment strategy
97 emphasizes low credit risk, diversification, and the management of maturities. The
98 strategy also considers the expertise and time constraints of the Investment Officers.
99 The allowable investments as defined in Section VII of this policy reflect the avoidance of
100 credit risk. Diversification refers to dividing investments among a variety of securities
101 offering independent returns. This strategy uses local government investment pools to
102 achieve diversification. The active management of maturities refers to structuring the
103 maturity dates of the direct investments so that, while funds are initially invested for a
104 longer period of time, some investments mature as cash needs require. The strategies
105 for the EDC's investment activities shall be as follows:
106

107 **Strategy No. 1**

108 Diversifying the EDC's investment opportunities through the use of local government
109 investment pools and money market mutual funds as authorized by the EDC Board, and
110 the City Council. An investment pool is a professionally managed portfolio of shared
111 assets created to invest public funds jointly on behalf of the governmental entities that
112 participate in the pool and whose investment objectives in order of priority match those
113 objectives of the EDC. Fund withdrawals are usually available from investment pools on
114 a same-day basis, meaning the pools have a high degree of liquidity. Because of the
115 size and expertise of their staff, investment pools are able to prudently invest in a variety
116 of the investment types allowed by state law. In this manner, investment pools achieve
117 desired diversification. The strategy of the EDC calls for the use of investment pools as a
118 primary source of diversification and a supplemental source of liquidity. Funds that may
119 be needed on a short-term basis but are in excess of the amount maintained at the
120 depository bank are available for deposit in investment pools.
121

122 **Strategy No. 2**

123 Building a ladder of authorized securities with staggered maturities for all or part of the
124 longer-term investable funds. The benefits of this ladder approach include the following:
125

- 126 **A.** It is straight-forward and easily understood;
- 127
- 128 **B.** It will assure the EDC that it will capture a reasonable portion of the yield curve; and,
- 129
- 130 **C.** It provides predictable cash flow with scheduled maturities and reinvestment
131 opportunities.
132

133 **Strategy No. 3**

134 Utilizing the services of a Professional Investment Advisor in order to maximize
135 investment earnings and realize market opportunities when they become available.

136 Other responsibilities of the Investment Advisor include, but are not limited to broker
137 compliance, security selection, competitive bidding, investment reporting, and security
138 documentation. The Investment Advisor must be registered with the Securities and
139 Exchange Commission (SEC) under the Investment Advisor's Act of 1940 as well as
140 with the Texas State Securities Board and shall adhere to the spirit and philosophy of
141 this policy and avoid recommending or suggesting transactions outside the "Standard of
142 Care" under this policy.
143

144 **Strategy No. 4**

145 The EDC will utilize a general investment strategy designed to address the unique
146 characteristics of specific fund-types (detailed strategies are presented in Attachment A):
147

- 148 **A.** Investment strategies for operating funds and pooled funds containing operating
149 funds have as their primary objective to assure that anticipated cash flows are
150 matched with adequate investment liquidity. The secondary objective is to create a
151 portfolio which will experience minimal volatility during economic cycles.
152
- 153 **B.** Investment strategies for reserve funds shall have as the primary objective the ability
154 to generate a dependable revenue stream to the appropriate reserve fund.
155
- 156 **C.** Investment strategies for special projects and capital projects funds will have as their
157 primary objective to assure that anticipated cash flows are matched with adequate
158 investment liquidity.
159
- 160 **D.** The investment maturity of bond proceeds (excluding reserve and debt service
161 funds) shall generally be limited to the anticipated cash flow requirement or the
162 "temporary period," as defined by Federal tax law. During the temporary period,
163 bond proceeds may be invested at an unrestricted yield. After the expiration of the
164 temporary period, bond proceeds subject to yield restriction shall be invested
165 considering the anticipated cash flow requirements of the funds and market
166 conditions to achieve compliance with the applicable regulations.
167

168 **Strategy No. 5**

169 The EDC generally intends to hold all of its securities until they mature and will
170 accomplish this by maintaining sufficient liquidity in its portfolio so that it does not need
171 to sell a security early. Should it become necessary to sell a security prior to maturity,
172 where the sale proceeds are less than the current book value, the prior written consent
173 of the EDC Executive Director, or the City Manager must be obtained. Securities may be
174 sold prior to maturity by the Director of Finance at or above their book value at any time,
175 without the consent of the City Manager.
176

177 **Strategy No. 6**

178 All demand deposits of the EDC will be concentrated with one central depository, so long
179 as, the FDIC insurance limits are not exceeded. The City's depository procedure will
180 maximize the EDC's ability to pool cash for investment purposes, and provide more
181 manageable banking relationships. In addition, depositories not holding demand
182 deposits of the EDC may be eligible to bid on EDC investments.
183

184 **Strategy No. 7**

185 This policy shall further seek to maintain good depository bank relationships while
186 minimizing the cost of banking services. The City will seek to maintain a depository
187 contract which will be managed to a level that minimizes the cost of the banking
188 relationship to the EDC, while allowing the EDC to earn an appropriate return on idle
189 demand deposits.

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Strategy No. 8

A single pooled fund group of EDC funds, as defined in this policy, may be utilized at the discretion of the Investment Officer. However, earnings from investments will be allocated on a pro-rata cash basis to the individual funds and used in a manner that will best service the interests of the EDC.

Strategy No. 9

Procedures shall be established and implemented in order to maximize investable cash by decreasing the time between the actual collection and the deposit of receipts, and by the controlling of disbursements.

V. FINANCE AUDIT COMMITTEE

- A. Members – There is hereby created a Finance Audit Committee consisting of the City Manager, Director of Finance, a secondary Investment Officer designated by the Director of Finance, two members of the City Council and two citizens appointed by the City Council by majority vote.
- B. Scope – The Finance Audit Committee shall meet at least annually to determine general strategies and to monitor results. Included in its deliberations will be such topics as: economic outlook, portfolio diversification, maturity structure, potential risk to the EDC’s funds, authorized brokers and dealers, and the target rate ~~of~~ return on the investment portfolio.
- C. Procedures – The Finance Audit Committee shall provide minutes of its meetings. Any two members of the Finance Audit Committee may request a special meeting, and four members shall constitute a quorum. The Finance Audit Committee shall establish its own rules of procedures.

VI. RESPONSIBILITY AND STANDARD OF CARE

- A. The responsibility for the daily operation and management of the EDC’s investments shall be outlined within this section.
 - 1. Delegation of Authority - Management responsibility for the investment program is hereby delegated to the Director of Finance ~~or the Director’s designated representative~~, who shall be authorized to deposit, withdraw, invest, transfer or manage the funds of the City and shall establish written procedures for the operation of the investment program, consistent with this policy. Such procedures shall include explicit delegation of authority to other persons responsible for investment transactions. All persons involved in investment activities will be referred to in this policy as “Investment ~~Officials~~Officers.” No persons may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Director of Finance.
 - 2. The Director of Finance shall assume responsibility for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate Investment Officials. The system of controls shall be designed to provide reasonable assurance that ensures the assets of the City are protected from loss, theft or misuse. The concept of reasonable assurance recognizes that:
 - a. The cost of control should not exceed the benefits likely to be derived; and,

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b. The valuation of costs and benefits requires estimates and judgments by management.

3. The Director of Finance shall be designated as the primary Investment Officer for the City and shall be responsible for investment decisions and activities under the direction of the City Manager. The Director of Finance may delegate any phase of the investment program to a secondary Investment Officer. Both the Director of Finance and the designated secondary Investment Officer are responsible for daily investment decisions and activities. However, ultimate responsibility for investment decisions will rest with the Director of Finance.

B. Prudence - The standard of prudence to be applied by the Investment Officer shall be the "prudent investor" rule, which states, "investments shall be made with judgment and care, under prevailing circumstances ~~then-prevailing~~, that a which persons of prudence, discretion and intelligence would exercise in the management of the person's their own affairs, not for speculation, but for investment, considering the probable safety of ~~their capital~~ as well as and the probable income to be derived." In determining whether the Investment Officer has exercised prudence with respect to an investment decision, the determination shall be made taking into consideration the following:

1. The investment of all funds over which the Investment Officer had responsibility rather than a consideration as to the prudence of a single investment; and
2. the investment decision was consistent with the written investment policy and procedures of the EDC.

C. Due Diligence - The Director of Finance, designated secondary Investment Officer, Mayor, City Council, City Manager, other Finance employees and the citizen committee members acting in accordance with written policies and procedures and exercising due diligence, shall not be held personally responsible for a specific security's credit risk or market price changes, provided that these deviations are reported in a timely manner and that appropriate action is taken to control adverse developments.

D. Ethical Standards and Conflicts of Interest

1. All EDC Investment ~~Officials-Officers~~ having a direct or indirect role in the investment of EDC funds shall act as custodians of the public trust avoiding any transaction which might involve a conflict of interest, the appearance of a conflict of interest, or any activity which might otherwise discourage public confidence. Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair the ability to make impartial investment decisions.
2. An Investment Officer who has a personal business relationship with the depository bank or with any entity seeking to sell an investment to the EDC shall file a statement disclosing that personal business interest.
3. An Investment Officer has a personal business relationship with a business organization if:

- 298 a. The Investment Officer or person related to the Investment Officer by the
299 second degree of affinity or consanguinity owns 10% or more of the voting
300 stock or shares of the business organization or owns \$5,000 or more of the
301 fair market value of the business organization;
302
- 303 b. Funds received by the Investment Officer or person related to the investment
304 officer by the second degree of affinity or consanguinity from the business
305 organization exceed 10% of the Investment Officer's gross income for the
306 prior year; or
307
- 308 c. The Investment Officer or person related to the Investment Officer by the
309 second degree of affinity or consanguinity has acquired from the business
310 organization during the prior year investments with a book value of \$2,500 or
311 more for the personal account of the Investment Officer.
312
- 313 d. An Investment Officer who is related within the second degree of affinity or
314 consanguinity to an individual seeking to sell an investment to the EDC shall
315 file a statement disclosing that relationship. A statement required under this
316 subsection must be filed with the Texas Ethics Commission and the City
317 Council.
318

319 E. Training - The City shall provide periodic training in investments for the investment
320 personnel through courses and seminars offered by professional organizations and
321 associations in order to ensure the quality and capability of the EDC's investment
322 personnel making investment decisions in compliance with Public Funds Investment
323 Act (PFIA). The Investment Officers and Finance Audit Committee members shall
324 attend at least one training session containing at least 10 hours of instruction relating
325 to the officer's responsibility under the PFIA within 12 months after assuming duties,
326 and thereafter shall attend at least 8 hours of additional investment training in
327 subsequent two-year periods which begin on the first day of the fiscal year and
328 consist of the two consecutive fiscal years after that date. The Government Finance
329 Officers Association of Texas, the Government Treasurers Organization of Texas,
330 the Texas Municipal League, or the North Central Texas Council of Governments are
331 approved as independent training sources by the City Council.
332

333 VII. AUTHORIZED INVESTMENTS

334

335 A. Generally - Safety of principal is the primary objective in investing public funds and
336 can be accomplished by limiting credit risk and interest rate risk. Credit risk is the
337 risk associated with the failure of a security issuer or backer to pay back principal
338 and interest on a timely basis. Interest rate risk is the risk that the value of a portfolio
339 will decline due to an increase in the general level of interest rates. In order to
340 provide for safety of principal as the EDC's primary objective, only certain
341 investments are authorized as acceptable investments for the EDC. The following
342 list of authorized investments for the EDC intentionally excludes some investments
343 authorized by state law. These restrictions are intended to limit possible risk and
344 provide the maximum measure of safety to EDC funds. In the event an authorized
345 investment loses its required minimum credit rating, all prudent measures will be
346 taken to liquidate said investment. Additionally, the EDC is not required to liquidate
347 investments that were authorized at the time of purchase.
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349 B. Authorized and Acceptable Investments - The authorized list of investment
350 instruments is as follows:
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1. Obligations of the United States or its agencies and instrumentalities, or any obligation fully guaranteed or insured by the Federal Deposit Insurance Corporation (FDIC), *excluding mortgage-backed securities*.
 2. Direct obligations of the State of Texas, or its agencies and instrumentalities, other obligations, the principal of and interest on which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, the State of Texas or the United States or their respective agencies and instrumentalities, excluding mortgage-related securities.
- C. Certificates of Deposit – A certificate of deposit issued by a depository institution that has its main office or branch office in this state, and is secured in accordance with the specific collateralization requirements contained in section XI, B of this policy. In addition, an investment in "bundled" or "shared" CDs made in accordance with the following conditions is permitted:
1. The funds are invested through a broker that has its main office or a branch office in this state selected from a list adopted by the City as required by Section 2256.025; or through a depository institution that has its main office or a branch office in this state and that is selected by the City;
 2. The selected broker or depository institution arranges for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions, wherever located, for the account of the City.
 3. The full amount of the principal and accrued interest of each of the CD is insured by the United States or an instrumentality of the United States;
 4. The City appoints the depository institution, a clearing broker-dealer registered with the Securities and Exchange Commission and operating pursuant to SEC Rule 15c3-3, or an entity described in the Public Funds Collateral Act, Section 2257.041(d), as custodian for the City with respect to those CDs issued for the City's account.
- D. Eligible Local Government Investment Pools - AAA-rated public funds investment pools, with a weighted average maturity of 60 days or less, individually approved by formal Council resolution, which invest in instruments and follow practices allowed by the current law as defined in Section 2256.016 of the Texas Government Code. The pool must be continuously rated no lower than AAA or AAA-m or at an equivalent rating by at least one nationally recognized rating service. A public funds investment pool created to function as a money market mutual fund must mark to market daily and, stabilize at a \$1 net asset value.
- E. Repurchase Agreements - Fully collateralized repurchase agreements having a defined termination date, placed through a primary government securities dealer or a financial institution doing business in the State of Texas, and fully secured by cash and obligations of the United States or its agencies and instrumentalities. This collateral must be pledged to the EDC and held in safekeeping with a third-party custodian approved by the City. All collateral must be maintained at a market value of no less than the principal amount of the outstanding funds disbursed. All transactions shall be governed by signed Security Industry and Financial Markets Association (SIFMA) Master Repurchase Agreement. Repurchase agreements must also be collateralized in accordance with State law as described in Section XI of this policy. Authorized under this section includes flexible repurchase agreements which

406 may be used for specific investment of bond proceeds but *shall not include reverse*
407 *purchase agreements.*

408
409 **F. Bankers' Acceptances, and Commercial Paper (LIMITED USE)** - These investments
410 are authorized for the EDC to the extent that they are contained in the portfolios of
411 approved public funds investment pools or money market funds in which the EDC
412 invests.

413
414 **G. AAA-rated SEC-Regulated 2a7 No-Load Money Market Mutual Funds** - An SEC-
415 registered, no load money market mutual fund which has a dollar weighted average
416 stated maturity of 60 days or less whose assets consist exclusively of the assets
417 described in section VII.A and whose investment objectives includes the
418 maintenance of a stable net asset value of \$1 for each share: furthermore, it provides
419 the EDC with a prospectus and other information required by the SEC Act of 1934 or
420 the Investment Advisor Act of 1940 and which provides the EDC with a prospectus
421 and other information required by the Securities Exchange Act of 1934 (15 USC
422 Section 78a et. Seq.) & the Investment Company Act of 1990 (15 USC Section 80a-1
423 et. Seq.).

424
425 **H. Unauthorized Securities** - State law specifically prohibits investment in the following
426 securities:

427
428 1. An obligation whose payment represents the coupon payments on the
429 outstanding principal balance of the underlying mortgage-backed security and
430 pays no principal.

431
432 2. An obligation whose payment represents the principal stream of cash flow from
433 the underlying mortgage-backed security and bears no interest.

434
435 3. Collateralized mortgage obligations that have a stated final maturity date of
436 greater than 10 years.

437
438 4. Collateralized mortgage obligations, the interest rate of which is determined by
439 an index that adjusts opposite to the changes in a market index.

440
441 **VIII. DIVERSIFICATION**

442
443 **A. Generally** - Diversification of investment instruments shall be utilized to avoid
444 incurring unreasonable risks resulting from over-concentration of investments in a
445 specific maturity, a specific issue, or a specific class of securities. With the exception
446 of U.S. Government securities (debt obligations issued by the U. S. Government, its
447 agencies, or instrumentalities) as authorized in this policy, and authorized local
448 government investment pools, no more than forty percent (40%) of the total
449 investment portfolio will be invested in any one security type or with a single financial
450 institution. Diversification of the portfolio considers diversification by maturity dates
451 and diversification by investment instrument.

452
453 **B. Diversification by Maturities** - The longer the maturity of investments, the greater
454 their price volatility. Therefore, it is the EDC's policy to concentrate its investment
455 portfolio in shorter-term securities in order to limit principal risks caused by change in
456 interest rates. The EDC will attempt to match its investments with anticipated cash
457 flow requirements. Unless matched to a specific cash flow (including the anticipated
458 cash flow requirements of bond proceeds within the temporary period), the EDC will
459 not directly invest in securities maturing more than two (2) years from the date of

460 purchase. However, the above described obligations, certificates, or agreements
 461 may be collateralized using longer date instruments. The EDC shall diversify the use
 462 of investment instruments to avoid incurring unreasonable risks inherent in over-
 463 investing in specific instruments, individual financial institutions or maturities.
 464 Maturity scheduling shall be managed by the Investment Officer so that maturities of
 465 investments shall be timed to coincide with projected cash flow needs.
 466

467 The entire EDC portfolio, or single pooled fund group if utilized, shall maintain a
 468 maximum average dollar-weighted maturity, based on the stated maturity date, of
 469 less than two hundred seventy (270) days. Investment maturities for debt service
 470 interest and sinking funds and/or other types of reserve funds, whose use is never
 471 anticipated, shall maintain a maximum average dollar-weighted maturity, based on
 472 the stated maturity date, of less than three hundred sixty-five (365) days.
 473

474 **C. Diversification by Investment Instrument** - Diversification by investment instrument
 475 shall not exceed the following guidelines for each type of instrument:
 476

	Maximum % of Portfolio
U.S. Treasury Obligations	100%
U.S. Government Agency Securities and Instrumentalities	100%
Authorized Local Government Investment Pool	100%
Local Government Obligations	10%
Fully Insured Certificates of Deposit	50%
Fully Collateralized Repurchase Agreements	25%
SEC-Regulated No-Load Money Market Mutual Fund	100%
U.S. Treasury & Agency Callables	30%

478
 479 **IX. SECURITY SWAPS**

480 Security swaps may be considered as an investment option for the EDC. A swap out of
 481 one instrument into another is acceptable to increase yield, realign for disbursement
 482 dates, extend or shorten maturity dates and improve market sector diversification.
 483 Swaps may be initiated by brokers/dealers who are on the City's approved list. A horizon
 484 analysis is required for each swap proving benefit to the EDC before the trade decision
 485 is made, which will accompany the investment file for record keeping.
 486

487
 488 **X. AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS**

489
 490 **A.** The Director of Finance ~~or the Director's designated representative~~ will maintain a
 491 list of financial institutions authorized to provide investment services to the City. In
 492 addition, a list will also be maintained of approved broker/dealers authorized to
 493 provide investment services in the State of Texas. These will include financial
 494 institutions that qualify under Securities & Exchange Commission Rule 15-C3-1
 495 (uniform net capital rule). No public deposit shall be made except in a qualified public
 496 depository as established by state laws.
 497

498
 499 **B.** All financial institutions and broker/dealers who desire to become qualified bidders
 500 for investment transactions must supply the Director of Finance with the following, as
 501 appropriate: audited financial statements, proof of Financial Industry Regulatory
 502 Authority certification, trading resolution, proof of State registration, completed
 503 broker/dealer questionnaire and certification of having read the EDC's investment
 504 policy.

- 505 C. The Finance Audit Committee shall be responsible for adopting the list of brokers
506 and dealers of government securities. Their selection shall be among only primary
507 government securities dealers that report directly to the New York Federal Reserve
508 Bank, unless a comprehensive credit and capitalization analysis reveals that other
509 firms are adequately financed to conduct public business. The Finance Audit
510 Committee shall base its evaluation of security dealers and financial institutions
511 upon:
512
513 1. Financial conditions, strength and capability to fulfill commitments;
514
515 2. Overall reputation with other dealers or investors;
516
517 3. Regulatory status of the dealer;
518
519 4. Background and expertise of the individual representatives.
520
521 D. Investment ~~Officials~~Officers shall only conduct business with securities dealers
522 approved by the Finance Audit Committee and will not purchase investments from
523 any financial organization until the organization's registered principal has executed a
524 written instrument stating that he or she has thoroughly reviewed the EDC's
525 investment policy and acknowledges that reasonable procedures and controls have
526 been implemented to preclude imprudent investment activities arising out of
527 transactions between the organization and the EDC, except to the extent that this
528 authorization is dependent on an analysis of the makeup of the EDC's entire portfolio
529 or requires an interpretation of subjective investment standards.
530
531 E. To guard against default possibilities under these conditions, and to assure
532 diversification of bidders, business with any one issuer, or investment broker, should
533 be limited to forty percent (40%) of the total portfolio at any point in time. In this way,
534 bankruptcy, receivership or legal action would not immobilize the EDC's ability to
535 meet payroll or other expenses.
536
537 F. All investments (governments or bank C.D.'s) will be solicited on a competitive basis
538 with at least three (3) institutions. The Finance Audit Committee can approve
539 exceptions on a case by case basis or on a general basis in the form of guidelines.
540 These guidelines shall take into consideration the investment type maturity date,
541 amount, and potential disruptiveness to the EDC's investment strategy. The
542 investment will be made with the broker/dealer offering the best yield/quality to the
543 EDC. The quotes may be accepted orally, in writing, electronically, or any
544 combination of these methods.
545
546 G. An annual review of the financial condition and registrations of qualified financial
547 organizations will be conducted by the Director of Finance.
548
549 H. A current audited financial statement is required to be on file for each financial
550 institution and broker/dealer in which the EDC invests.
551
552 I. If the City has contracted with a Registered Investment Advisor for the management
553 of its funds, the advisor shall be responsible for performing due diligence on and
554 maintaining a list of broker/dealers with which it shall transact business on behalf of
555 the EDC. The advisor shall determine selection criteria and shall annually present a
556 list of its authorized broker/dealers to the City for review and likewise shall execute
557 the aforementioned written instrument stating that the advisor has reviewed the
558 EDC's investment policy and has implemented reasonable procedures and controls

559 in an effort to preclude imprudent investment activities with the EDC. The advisor
560 shall obtain and document competitive bids and offers on all transactions and
561 present these to the City as part of its standard trade documentation.
562

563 J. It is the policy of the City that all security transactions entered into with the EDC shall
564 be conducted on a "Delivery-versus-Payment" basis through the Federal Reserve
565 System. By doing this, EDC funds are not released until the City has received,
566 through the Federal Reserve wire, the securities purchased. The City shall authorize
567 the release of funds only after receiving notification from the safekeeping bank that a
568 purchased security has been received in the safekeeping account of the EDC. The
569 notification may be oral, but shall be confirmed in writing.
570

571 **XI. SAFEKEEPING AND COLLATERALIZATION**
572

573 A. Safekeeping - All securities owned by the EDC shall be held by a third-party
574 safekeeping agent selected by the EDC's Investment Officer. Bank deposits will be
575 held in the EDC's name in the bank's trust department, in a Federal Reserve Bank
576 account in the EDC's name, or a third-party financial institutions doing business in
577 the state of Texas, in accordance with state law. Original safekeeping receipts shall
578 be obtained and held by the City and the EDC. The City and the EDC shall contract
579 with a bank or banks for the safekeeping of securities either owned by the EDC as
580 part of its investment portfolio or held as collateral to secure time deposits, if
581 collateralized time deposits are specifically authorized by the board.
582

583 B. Collateralized Deposits - Consistent with the requirements of State law, the EDC
584 requires all bank deposits to be federally insured. If the board and the City do agree
585 that collateralized accounts are acceptable in specific situations the provisions above
586 may be amended for EDC accounts.
587

588 **XII. INTERNAL CONTROL**
589

590 The Investment Officer shall establish a system of written internal controls, which shall
591 be reviewed annually by independent auditors. The controls shall be designed to
592 prevent loss of public funds due to fraud, error, misrepresentation, unanticipated market
593 changes, or imprudent actions. The internal controls are to be reviewed annually in
594 conjunction with an external independent audit. This review will provide assurance of
595 compliance with policies and procedures as specified by this policy. The City, in
596 conjunction with its annual financial audit, shall perform a compliance audit of
597 management controls and adherence to the EDC's established investment policy.
598

599 **XIII. PERFORMANCE**
600

601 The EDC's investment portfolio shall be designed to obtain a market rate-of-return on
602 investments consistent with risk constraints and cash flow requirements of the EDC.
603 This investment policy establishes "weighted average yield to maturity" as the standard
604 portfolio performance measurement.
605

606 **XIV. REPORTING**
607

608 A. Quarterly - The Director of Finance shall prepare and submit a signed quarterly
609 investment report to the Economic Development Board and the Finance Audit
610 Committee that summarizes current market conditions, economic developments, and
611 anticipated investment conditions. The report shall summarize investment strategies
612 employed in the most recent quarter and describe the portfolio in terms of investment

613 securities, maturities, risk characteristics, and shall explain the total investment
614 return for the quarter. The City shall also monitor the credit ratings on securities that
615 require minimum ratings. This may be accomplished through staff research, or with
616 the assistance of broker-dealers, investment advisors, banks or safekeeping agents.
617

618 **B. Annual Report** - Within 180 days of the end of the fiscal year, the Director of Finance
619 shall present an annual report on the investment program and investment activity.
620 This report may be presented as a component of the fourth quarter report to the
621 Economic Development Board, City Manager and the City Council. The quarterly
622 reports prepared by the Director of Finance shall be formally reviewed at least
623 annually by an independent auditor, and the result of the review shall be reported to
624 the City Council by that auditor.
625

626 **C. Methods** - The quarterly and annual investment reports shall include a succinct
627 management summary that provides a clear picture of the status of the current
628 investment portfolio and transactions made over the past quarter. This management
629 summary will be prepared in a manner which will allow the EDC to ascertain whether
630 investment activities during the reporting period have conformed to the investment
631 policy. The report will be prepared in compliance with generally accepted accounting
632 principles. The report will include the following:
633

- 634 1. A listing of individual securities held at the end of the reporting period. This list
635 will include the name of the fund or pooled group fund for which each individual
636 investment was acquired;
637
- 638 2. Unrealized gains or losses resulting from appreciation or depreciation by listing
639 the beginning and ending book and market value of securities for the period.
640 Market values shall be obtained from financial institutions or portfolio reporting
641 services independent from the broker/dealer from which the security was
642 purchased;
643
- 644 3. Additions and changes to the market value during the period;
645
- 646 4. Fully accrued interest for the reporting period;
647
- 648 5. Average weighted yield to maturity of portfolio on entity investments as compared
649 to applicable benchmarks;
650
- 651 6. Listing of investments by maturity date;
652
- 653 7. The percentage of the total portfolio which each type of investment represents;
654 and
655
- 656 8. Statement of compliance of the EDC's investment portfolio with State Law and
657 the investment strategy and policy approved by the City Council.
658
- 659 9. Market yield benchmark comparison of the average 90-day U. S. Treasury Bill
660 auction yield during the reporting period.
661
- 662 10. The guidelines of retaining records for seven years as recommended in the
663 *Texas State Library Municipal Records Manual* should be followed. The Director
664 of Finance shall oversee the filing and/or storing of investment records.
665

666 **XV. INVESTMENT POLICY ADOPTION AND AMENDMENT**

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The EDC's investment policy shall be reviewed by the Economic Development Board and formally adopted and amended by resolution by the City Council. The City's written policies and procedures for investments are subject to review not less than annually to stay current with changing laws, regulations and needs of the City. The City Council, not less than annually, shall adopt a written instrument stating that it has reviewed the investment policy and investment strategies and that the written instrument so adopted shall record any changes made to either the policy or strategies.

678 **Attachment A**

679
680 CITY OF CORINTH, TEXAS
681 Economic Development Corporation
682 Investment Strategy Statement

683
684 **Operating Funds**
685

- 686 1. Suitability - Any investment eligible in the investment policy is suitable for Operating
687 Funds.
688
- 689 2. Safety of Principal - All investments shall be of high quality securities with no
690 perceived default risk. Market price fluctuations will occur. However, by managing
691 the weighted average days to maturity for the Operating Fund's portfolio to less than
692 270 days and restricting the maximum allowable maturity to two years, the price
693 volatility of the overall portfolio will be minimized.
694
- 695 3. Marketability - Securities with active and efficient secondary markets are necessary
696 in the event of an unanticipated cash flow requirement. Historical market "spreads"
697 between the bid and offer prices of a particular security-type of less than a quarter of
698 a percentage point will define an efficient secondary market.
699
- 700 4. Liquidity - The Operating Fund requires the greatest short-term liquidity of any of the
701 Fund types. Short-term investment pools and money market mutual funds will
702 provide daily liquidity and may be utilized as a competitive yield alternative to fixed
703 maturity investments.
704
- 705 5. Diversification - Investment maturities should be staggered throughout the budget
706 cycle to provide cash flow based on the anticipated operating needs of the EDC.
707 Market cycle risk will be reduced by diversifying the appropriate maturity structure
708 out through two years.
709
- 710 6. Yield - Attaining a competitive market yield for comparable security-types and
711 portfolio restrictions is the desired objective. The yield of an equally weighted, rolling
712 three-month treasury-bill portfolio will be the minimum yield objective.
713

714 **Reserve Funds**
715

- 716 1. Suitability - Any investment eligible in the investment policy is suitable for Debt
717 Service Reserve Funds. Bond resolution and loan documentation constraints and
718 insurance company restrictions may create specific considerations in addition to the
719 investment policy.
720
- 721 2. Safety of Principal - All investments shall be of high quality securities with no
722 perceived default risk. Market price fluctuations will occur. However, managing Debt
723 Service Reserve Fund maturities to not exceed the call provisions of the borrowing
724 reduces the investment's market risk if the EDC's debt is redeemed and the Reserve
725 Fund liquidated. The fund shall maintain a maximum average dollar-weighted
726 maturity, based on the stated maturity date, of less than three hundred sixty-five
727 (365) days. No stated final investment maturity shall exceed the shorter of the final
728 maturity of the borrowing or two years. Annual mark-to-market requirements or
729 specific maturity and average life limitations within the borrowing's documentation
730 will influence the attractiveness of market risk and reduce the opportunity for maturity
731 extension.

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3. Marketability - Securities with less active and efficient secondary markets are acceptable for Debt Service Reserve Funds.
4. Liquidity - Debt Service Reserve Funds have no anticipated expenditures. The Funds are deposited to provide annual debt service payment protection to the City's debt holders. The funds are "returned" to the EDC at the final debt service payment. Market conditions and arbitrage regulation compliance determine the advantage of security diversification and liquidity. Generally, if investment rates exceed the cost of borrowing, the EDC is best served by locking in investment maturities and reducing liquidity. If the borrowing cost cannot be exceeded, then concurrent market conditions will determine the attractiveness of locking in maturities or investing shorter and anticipating future increased yields.
5. Diversification - Market conditions and the arbitrage regulations influence the attractiveness of staggering the maturity of fixed rate investments for Debt Service Reserve Funds. At no time shall the final debt service payment date of a bond issue, if any, be exceeded in an attempt to bolster yield.
6. Yield - Achieving a positive spread to the applicable borrowing cost is the desired objective. Debt Service Reserve Fund portfolio management shall at all times operate within the limits of the investment policy's risk constraints.

Bond Funds

1. Suitability - Any investment eligible in the Investment Policy is suitable for Bond Funds.
2. Safety of Principal - All investments will be of high quality securities with no perceived default risk. Market price fluctuations will occur. However, by managing Bond Funds to not exceed the shorter of two years or the anticipated expenditure schedule and maintaining a maximum average dollar-weighted maturity, based on the stated maturity date, of less than three hundred sixty-five (365) days the market risk of the overall portfolio will be minimized.
3. Marketability - Securities with active and efficient secondary markets are necessary in the event of an unanticipated cash flow requirement. Historical market "spreads" between the bid and offer prices of a particular security-type of less than a quarter of a percentage point will define an efficient secondary market.
4. Liquidity - Bond Funds used for capital improvements programs have reasonably predictable draw down schedules. Therefore investment maturities should generally follow the anticipated cash flow requirements. Investment pools and money market mutual funds will provide readily available funds generally equal to one month's anticipated cash flow needs, or a competitive yield alternative for short term fixed maturity investments. A singular repurchase agreement may be utilized if disbursements are allowed in the amount necessary to satisfy any expenditure request. This investment structure is commonly referred to as a flexible repurchase agreement.
5. Diversification - Market conditions and arbitrage regulations influence the attractiveness of staggering the maturity of fixed rate investments for construction, loan and bond proceeds. Generally, when investment rates exceed the applicable cost of borrowing, the EDC is best served by locking in most investments. If the cost

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of borrowing cannot be exceeded, then concurrent market conditions will determine the attractiveness of diversifying maturities or investing in shorter and larger amounts. At no time shall the anticipated expenditure schedule be exceeded in an attempt to bolster yield.

6. Yield - Achieving a positive spread to the cost of borrowing is the desired objective, within the limits of the investment policy's risk constraints. The yield of an equally weighted, rolling six-month treasury-bill portfolio will be the minimum yield objective for non-borrowed funds.

839 **Attachment B**

840
841 CITY OF CORINTH, TEXAS
842 Investment Policy

843
844 [SAMPLE]
845 TEXAS PUBLIC FUNDS INVESTMENT ACT
846 CERTIFICATION BY BUSINESS ORGANIZATION

847
848
849 This certification is executed on behalf of the City of Corinth, Texas (the "City") and
850 _____ (the Business Organization), pursuant to the Public
851 Funds Investment Act, Chapter 2256, Texas Government Code (the "Act") in connection with
852 investment transactions conducted between the City and the Business Organization.

853
854 The undersigned Qualified Representative of the Business Organization hereby certifies on
855 behalf of the Business Organization that:

- 856
- 857 1. The undersigned is a Qualified Representative of the Business Organization offering to
858 enter an investment transaction with the Investor as such terms are used in the Public
859 Funds Investment Act, Chapter 2256, Texas Government Code; and
 - 860 2. The Qualified Representative of the Business Organization has received and reviewed
861 the investment policy furnished by the City; and
 - 862 3. The Qualified Representative of the Business Organization has implemented reasonable
863 procedures and controls in an effort to preclude investment transactions conducted
864 between the Business Organization and the City that are not authorized by the City's
865 investment policy, except to the extent that this authorization is dependent on an
866 analysis of the makeup of the City's entire portfolio or requires an interpretation of
867 subjective investment standards.
868
869

870
871
872 Qualified Representative of Business Organization

873
874 Firm: _____

875
876 Signature _____

877
878 Name: _____

879
880 Title: _____

881
882 Date: _____

City Council Regular and Workshop Session

Meeting Date: 02/02/2017

Title: Crime Control & Prevention District Investment Policy

Submitted By: Lee Ann Bunselmeyer, Acting City Manager

Finance Review: N/A

Legal Review: N/A

AGENDA ITEM

Consider and act on a resolution approving the Investment Policy for the Crime Control & Prevention District.

AGENDA ITEM SUMMARY/BACKGROUND

In accordance with the Public Funds Investment Act, Chapter 2256 of the Texas Government Code, the city is required to adopt a formal written Investment Policy for the investment of public funds. The policy establishes investment parameters and guidelines for the investment program in order to achieve the goals of safety, liquidity, diversification, rate-of-return, and public trust, and designates the authorized investment officer responsible for the daily investment activity by the City.

As part of the annual review process, staff reviews the policy and may recommend revisions to the existing policy, if needed. Recommended revisions to the Crime Control & Prevention District's Investment Policy are listed below:

1. Section VI.A.1 Delegation of Authority (page 6, line 229) and Section X.A Authorized Financial Dealers and Institutions (page 11, line 491): Removed "or the Director's designated representative." . This policy grants explicit delegation of authority to the Director of Finance.
2. Section VI.B - Prudence (page 6, lines 261-265) - Updated prudent investor rule to coincide with the Public Funds Investment verbiage.
3. Section X.E Diversification (page 12, lines 534-536) - Added "In this way, bankruptcy, receivership or legal action would not immobilize the DISTRICT's ability to meet payroll or other expenses." This is consistent with the City's Investment Policy.
4. Replaced Officials with Officers throughout the policy to coincide with the Public Funds Investment Act verbiage.

The Finance Audit Committee reviewed the Investment Policy on November 30, 2016 and recommended approval.

RECOMMENDATION

Staff recommends approval of the Crime Control & Prevention District Investment Policy.

Attachments

Resolution
Investment Policy

RESOLUTION NO. 17-02-02-_____

A RESOLUTION REVIEWING AND ADOPTING THE INVESTMENT POLICY FOR FUNDS FOR THE CORINTH CRIME CONTROL AND PREVENTION DISTRICT.

WHEREAS, in accordance with Section 2256.005€ of Chapter 2256 of the Texas Government Code, the Board of Directors of the Corinth Crime Control and Prevention District have reviewed and approved the Investment Policy attached hereto as Exhibit A, which contain proposed changes, for compliance with the Public Funds Investment Act, TEX. GOV'T CODE ch. 2256, ("Chapter 2256"); and

WHEREAS, the City Council has reviewed the Investment Policy and proposed changes for compliance with the Public Funds Investment Act, TEX. GOV'T CODE ch. 2256;

NOW, THEREFORE, THE COUNCIL OF THE CITY OF CORINTH HEREBY RESOLVES:

SECTION 1. That the City Council has reviewed the attached Corinth Crime Control and Prevention District Investment Policy, which contain the investment strategies and policies and hereby approves the Investment Policy.

SECTION 2. That the Director of Finance is hereby designated as the City's and the Corinth Crime Control and Prevention District's primary investment officer and is hereby authorized to perform the functions required of the primary investment officer under the Investment Policy and Chapter 2256.

SECTION 3. That all resolutions or parts of resolutions in force when the provisions of this resolution became effective which are inconsistent or in conflict with the terms or provisions contained in this resolution are hereby repealed to the extent of any such conflict only.

SECTION 4. That this resolution shall take effect immediately upon its passage and approval.

PASSED AND APPROVED this the 2nd day of February, 2017.

Bill Heidemann, Mayor

ATTEST:

Kim Pence, City Secretary

APPROVED AS TO FORM AND LEGALITY:

Wm. Andrew Messer, City Attorney

EXHIBIT A- INVESTMENT POLICY
Pages 1 through 20

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**CORINTH, TEXAS
CORINTH CRIME CONTROL AND PREVENTION DISTRICT
INVESTMENT POLICY**

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PREFACE

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It is the policy of the City of Corinth (the "City") and the Corinth Crime Control and Prevention District (the "DISTRICT") that after allowing for the anticipated cash flow requirements and giving due consideration to the safety and risks of investments, all available funds shall be invested in conformance with these legal and administrative guidelines to obtain a market rate-of-return.

Effective cash management is recognized as essential to good fiscal management. An active cash management and investment policy will be pursued to take advantage of investment interest as a viable and material source of revenue for DISTRICT funds. The DISTRICT's portfolio shall be designed and managed in a manner responsive to the public trust and shall be invested in conformance with State and Federal Regulations, applicable Bond Resolution requirements, and adopted investment policy. The DISTRICT will invest public funds in a manner which will provide the maximum security and a market rate-of-return while meeting the daily cash flow demands of the DISTRICT.

Pursuant to Subchapter E of Chapter 363 of the Local Government Code, the DISTRICT designates the City of Corinth to invest its funds in accordance with the provisions and requirements of this policy and § 363.206(c) of the Texas Local Gov't Code.

27 **I. PURPOSE**

28
29 The purpose of this investment policy (the “policy”) is to set forth specific investment
30 policy and strategy guidelines for the DISTRICT in order to achieve the goals of safety,
31 liquidity, rate-of-return, and public trust for all investment activities.
32

33 **II. SCOPE**

34
35 The investment policy shall govern the investment of all financial assets considered to
36 be part of the DISTRICT and includes the following separately invested funds or fund
37 types: Operating, Reserve, and Bond Funds, although the DISTRICT has only operating
38 funds. This policy does not include funds governed by approved trust agreements, or
39 assets administered for the benefit of the DISTRICT by outside agencies under
40 retirement or deferred compensation programs. The City shall and will maintain
41 responsibility for these funds to the extent required by: Federal and State law; the City
42 Charter; and donor stipulations.
43

44 **III. INVESTMENT OBJECTIVES**

45
46 Funds of the DISTRICT shall be invested in accordance with all applicable Texas
47 statutes, this policy and any other approved, written administrative procedures. The five
48 objectives of the DISTRICT’s investment activities shall be as follows (in the order of
49 priority):
50

51 **A. Safety** – Preservation and safety of Principal. Safety of principal invested is the
52 foremost objective in the investment decisions of the DISTRICT. Each investment
53 transaction shall seek to ensure the preservation of capital in the overall portfolio.
54 The risk of loss shall be controlled by investing only in authorized securities as
55 defined in this policy, by qualifying the financial institutions with which the DISTRICT
56 will transact, and by portfolio diversification. Safety is defined as the undiminished
57 return of the principal on the DISTRICT’s investments
58

59 **B. Liquidity** -The investment portfolio shall be managed to maintain liquidity to ensure
60 that funds will be available to meet the DISTRICT’s cash flow requirements and by
61 investing in securities with active secondary markets. Investments shall be
62 structured in such a manner as to provide liquidity necessary to pay obligations as
63 they become due. A security may be liquidated prior to its stated maturity to meet
64 unanticipated cash requirements or to otherwise favorably adjust the DISTRICT’s
65 portfolio.
66

67 **C. Diversification** - Investment maturities shall be staggered throughout the budget
68 cycle to provide cash flow based on the anticipated needs of the DISTRICT.
69 Diversifying the appropriate maturity structure will reduce market cycle risk.
70

71 **D. Market Rate-of-Return (Yield)** - The DISTRICT’s investment portfolio shall be
72 designed to optimize a market rate-of-return on investments consistent with risk
73 constraints and cash flow requirements of the portfolio. The investment portfolio
74 shall be managed in a manner which seeks to attain a market rate-of-return
75 throughout budgetary and economic cycles. The DISTRICT will not attempt to
76 consistently attain an unrealistic above market rate-of-return as this objective will
77 subject the overall portfolio to greater risk. Therefore, the DISTRICT’s rate-of-return

78 objective is secondary to those of safety and liquidity. Rate-of-return (yield) is defined
79 as the annual income returned on an investment, expressed as a percentage.
80

- 81 E. Public Trust - The Investment Officer(s) shall avoid any transactions that might
82 impair public confidence in the DISTRICT's ability to govern effectively. The
83 governing body recognizes that in diversifying the portfolio, occasional measured
84 losses due to market volatility are inevitable, and must be considered within the
85 context of the overall portfolio's investment return, provided that adequate
86 diversification has been implemented. The prudence of the investment decision shall
87 be measured in accordance with the tests set forth in Section 2256.006(b) of the Act.
88

89 IV. INVESTMENT STRATEGY

90
91 The City maintains a comprehensive and proactive cash management program which is
92 designed to monitor and control all DISTRICT funds to ensure maximum utilization and
93 yield a market rate-of-return. The basic and underlying strategy of this program is that
94 all of the DISTRICT's funds are earning interest. It is the responsibility and obligation of
95 the City to maintain a flexible approach and be prepared to modify the investment
96 strategy as market conditions dictate. The investment strategy described is predicated
97 on conditions as they now exist and are subject to change. The investment strategy
98 emphasizes low credit risk, diversification, and the management of maturities. The
99 strategy also considers the expertise and time constraints of the Investment Officers.
100 The allowable investments as defined in Section VII of this policy reflect the avoidance of
101 credit risk. Diversification refers to dividing investments among a variety of securities
102 offering independent returns. This strategy uses local government investment pools to
103 achieve diversification. The active management of maturities refers to structuring the
104 maturity dates of the direct investments so that, while funds are initially invested for a
105 longer period of time, some investments mature as cash needs require. The strategies
106 for the DISTRICT's investment activities shall be as follows:
107

108 Strategy No. 1

109 Diversifying the DISTRICT's investment opportunities through the use of local
110 government investment pools and money market mutual funds as authorized by the City
111 Council. An investment pool is a professionally managed portfolio of shared assets
112 created to invest public funds jointly on behalf of the governmental entities that
113 participate in the pool and whose investment objectives in order of priority match those
114 objectives of the DISTRICT. Fund withdrawals are usually available from investment
115 pools on a same-day basis, meaning the pools have a high degree of liquidity. Because
116 of the size and expertise of their staff, investment pools are able to prudently invest in a
117 variety of the investment types allowed by state law. In this manner, investment pools
118 achieve desired diversification. The strategy of the DISTRICT calls for the use of
119 investment pools as a primary source of diversification and a supplemental source of
120 liquidity. Funds that may be needed on a short-term basis but are in excess of the
121 amount maintained at the depository bank are available for deposit in investment pools.
122

123 Strategy No. 2

124 Building a ladder of authorized securities with staggered maturities for all or part of the
125 longer-term investable funds. The benefits of this ladder approach include the following:
126
127

- 128 A. It is straight-forward and easily understood;
129
130 B. It will assure the DISTRICT that it will capture a reasonable portion of the yield curve;
131 and,
132
133 C. It provides predictable cash flow with scheduled maturities and reinvestment
134 opportunities.
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136 **Strategy No. 3**

137 Utilizing the services of a Professional Investment Advisor in order to maximize
138 investment earnings and realize market opportunities when they become available.
139 Other responsibilities of the Investment Advisor include, but are not limited to broker
140 compliance, security selection, competitive bidding, investment reporting, and security
141 documentation. The Investment Advisor must be registered with the Securities and
142 Exchange Commission (SEC) under the Investment Advisor's Act of 1940 as well as
143 with the Texas State Securities Board and shall adhere to the spirit and philosophy of
144 this policy and avoid recommending or suggesting transactions outside the "Standard of
145 Care" under this policy.
146

147 **Strategy No. 4**

148 The DISTRICT will utilize a general investment strategy designed to address the unique
149 characteristics of specific fund-types (detailed strategies are presented in Attachment A):
150

- 151 A. Investment strategies for operating funds and pooled funds containing operating
152 funds have as their primary objective to assure that anticipated cash flows are
153 matched with adequate investment liquidity. The secondary objective is to create a
154 portfolio which will experience minimal volatility during economic cycles.
155
156 B. Investment strategies for reserve funds shall have as the primary objective the ability
157 to generate a dependable revenue stream to the appropriate reserve fund.
158
159 C. Investment strategies for special projects and capital projects funds will have as their
160 primary objective to assure that anticipated cash flows are matched with adequate
161 investment liquidity.
162
163 D. The investment maturity of bond proceeds (excluding reserve and debt service
164 funds) shall generally be limited to the anticipated cash flow requirement or the
165 "temporary period," as defined by Federal tax law. During the temporary period,
166 bond proceeds may be invested at an unrestricted yield. After the expiration of the
167 temporary period, bond proceeds subject to yield restriction shall be invested
168 considering the anticipated cash flow requirements of the funds and market
169 conditions to achieve compliance with the applicable regulations.
170

171 **Strategy No. 5**

172 The DISTRICT generally intends to hold all of its securities until they mature and will
173 accomplish this by maintaining sufficient liquidity in its portfolio so that it does not need
174 to sell a security early. Should it become necessary to sell a security prior to maturity,
175 where the sale proceeds are less than the current book value, the prior written consent
176 of the City Manager must be obtained. Securities may be sold prior to maturity by the
177 Director of Finance at or above their book value at any time, without the consent of the
178 City Manager.

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Strategy No. 6

All demand deposits of the DISTRICT will be concentrated with one central depository. The City’s depository procedure will maximize the DISTRICT's ability to pool cash for investment purposes, and provide more manageable banking relationships. In addition, depositories not holding demand deposits of the DISTRICT may be eligible to bid on DISTRICT investments.

Strategy No. 7

This policy shall further seek to maintain good depository bank relationships while minimizing the cost of banking services. The City will seek to maintain a depository contract which will be managed to a level that minimizes the cost of the banking relationship to the DISTRICT, while allowing the DISTRICT to earn an appropriate return on idle demand deposits.

Strategy No. 8

A single pooled fund group, as defined in this policy, may be utilized at the discretion of the Investment Officer. However, earnings from investments will be allocated on a pro-rata cash basis to the individual funds and used in a manner that will best service the interests of the DISTRICT.

Strategy No. 9

Procedures shall be established and implemented in order to maximize investable cash by decreasing the time between the actual collection and the deposit of receipts, and by the controlling of disbursements.

V. FINANCE AUDIT COMMITTEE

- A. Members - There is hereby created a Finance Audit Committee consisting of the City Manager, Director of Finance, a secondary Investment Officer designated by the Director of Finance, two members of the City Council and two citizens appointed by the City Council by majority vote.
- B. Scope - The Finance Audit Committee shall meet at least annually to determine general strategies and to monitor results. Included in its deliberations will be such topics as: economic outlook, portfolio diversification, maturity structure, potential risk to the DISTRICT’s funds, authorized brokers and dealers, and the target rate-of-return on the investment portfolio.
- C. Procedures - The Finance Audit Committee shall provide minutes of its meetings. Any two members of the Finance Audit Committee may request a special meeting, and four members shall constitute a quorum. The Finance Audit Committee shall establish its own rules of procedures.

VI. RESPONSIBILITY AND STANDARD OF CARE

- A. The responsibility for the daily operation and management of the DISTRICT’s investments shall be outlined within this section.

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278
1. Delegation of Authority - Management responsibility for the investment program is hereby delegated to the Director of Finance ~~or the Director's designated representative~~, who shall be authorized to deposit, withdraw, invest, transfer or manage the funds of the DISTRICT and shall establish written procedures for the operation of the investment program, consistent with this policy. Such procedures shall include explicit delegation of authority to other persons responsible for investment transactions.— All persons involved in investment activities will be referred to in this policy as "Investment ~~Officials~~Officers."— No persons may engage in investment transactions, except as provided under the terms of this policy and the procedures established by the Director of Finance.

 2. The Director of Finance shall assume responsibility for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate Investment ~~Officials~~Officers.— The system of controls shall be designed to provide reasonable assurance that ensures the assets of the DISTRICT are protected from loss, theft or misuse.— The concept of reasonable assurance recognizes that:
 - a. The cost of control should not exceed the benefits likely to be derived; and,
 - b. The valuation of costs and benefits requires estimates and judgments by management.

 3. The Director of Finance shall be designated as the primary Investment Officer for the DISTRICT and shall be responsible for investment decisions and activities under the direction of the City Manager. The Director of Finance may delegate any phase of the investment program to a secondary Investment Officer. Both the Director of Finance and the designated secondary Investment Officer are responsible for daily investment decisions and activities.— However, ultimate responsibility for investment decisions will rest with the Director of Finance.

 - B. Prudence - The standard of prudence to be applied by the Investment Official shall be the "prudent investor" rule, which states, "investments shall be made with judgment and care, under prevailing circumstances ~~then prevailing~~, that which a persons of prudence, discretion and intelligence would exercise in the management of ~~their~~ the person's own affairs, not for speculation, but for investment, considering the probable safety of ~~their~~ capital as well as and the probable income to be derived." —In determining whether the Investment Officer has exercised prudence with respect to an investment decision, the determination shall be made taking into consideration the following:
 1. The investment of all funds over which the Investment Officer had responsibility rather than a consideration as to the prudence of a single investment; and
 2. The investment decision was consistent with the written investment policy and procedures of the DISTRICT.

 - C. Due Diligence - The Director of Finance, designated secondary Investment Officer, Mayor, City Council, City Manager, other Finance employees and citizen committee members acting in accordance with written policies and procedures and exercising due diligence, shall not be held personally responsible for a specific security's credit

279 risk or market price changes, provided that these deviations are reported in a timely
280 manner and that appropriate action is taken to control adverse developments.
281

282 **D. Ethical Standards and Conflicts of Interest**
283

284 1. All DISTRICT Investment Officers having a direct or indirect role in the
285 investment of DISTRICT funds shall act as custodians of the public trust avoiding
286 any transaction which might involve a conflict of interest, the appearance of a
287 conflict of interest, or any activity which might otherwise discourage public
288 confidence. Officers and employees involved in the investment process shall
289 refrain from personal business activity that could conflict with proper execution of
290 the investment program, or which could impair the ability to make impartial
291 investment decisions.
292

293 2. An Investment Officer who has a personal business relationship with the
294 depository bank or with any entity seeking to sell an investment to the DISTRICT
295 shall file a statement disclosing that personal business interest.
296

297 3. An Investment Officer has a personal business relationship with a business
298 organization if:
299

300 a. The Investment Officer or one related to the Investment Officer within the
301 second degree of affinity or consanguinity owns 10% or more of the voting
302 stock or shares of the business organization or owns \$5,000 or more of the
303 fair market value of the business organization;
304

305 b. Funds received by the Investment Officer or one related to the Investment
306 Officer within the second degree of affinity or consanguinity from the business
307 organization exceed 10% of the Investment Official's gross income for the
308 prior year; or
309

310 c. The Investment Officer or one related to the Investment Officer within the
311 second degree of affinity or consanguinity has acquired from the business
312 organization during the prior year investments with a book value of \$2,500 or
313 more for the personal account of the Investment Officer.
314

315 d. An Investment Officer who is related within the second degree of affinity or
316 consanguinity to an individual seeking to sell an investment to the DISTRICT
317 shall file a statement disclosing that relationship. A statement required under
318 this subsection must be filed with the Texas Ethics Commission and the City
319 Council.
320

321 **E. Training** - The City shall provide periodic training in investments for the investment
322 personnel through courses and seminars offered by professional organizations and
323 associations in order to ensure the quality and capability of the DISTRICT'S
324 investment personnel making investment decisions in compliance with the Public
325 Funds Investment Act (PFIA). The Investment Officials and the Finance Audit
326 Committee members shall attend at least one training session containing at least 10
327 hours of instruction relating to the officer's responsibility under the PFIA within 12
328 months after assuming duties, and thereafter shall attend at least 8 hours of
329 additional investment training in subsequent two-year periods which begin on the first

330 day of the fiscal year and consist of the two consecutive fiscal years after that date.
331 The Government Finance Officers Association of Texas, the Government Treasurers
332 Organization of Texas, the Texas Municipal League, or the North Central Texas
333 Council of Governments are approved as independent training sources by the City
334 Council.
335

336 VII. AUTHORIZED INVESTMENTS 337

338 A. Generally - Safety of principal is the primary objective in investing public funds and
339 can be accomplished by limiting credit risk and interest rate risk. Credit risk is the
340 risk associated with the failure of a security issuer or backer to pay back principal
341 and interest on a timely basis. Interest rate risk is the risk that the value of a portfolio
342 will decline due to an increase in the general level of interest rates. In order to
343 provide for safety of principal as the DISTRICT's primary objective, only certain
344 investments are authorized as acceptable investments for the DISTRICT. The
345 following list of authorized investments for the DISTRICT intentionally excludes some
346 investments authorized by state law. These restrictions are intended to limit possible
347 risk and provide the maximum measure of safety to DISTRICT funds. In the event an
348 authorized investment loses its required minimum credit rating, all prudent measures
349 will be taken to liquidate said investment. Additionally, the DISTRICT is not required
350 to liquidate investments that were authorized at the time of purchase.
351

352 B. Authorized and Acceptable Investments - The authorized list of investment
353 instruments is as follows:
354

- 355 1. Obligations of the United States or its agencies and instrumentalities or any
356 obligation fully guaranteed or insured by the Federal Deposit Insurance
357 Corporation (FDIC), *excluding mortgage-backed securities*.
358
- 359 2. Direct obligations of the State of Texas, or its agencies and instrumentalities
360 Other obligations, the principal of and interest on which are unconditionally
361 guaranteed or insured by, or backed by the full faith and credit of, the State of
362 Texas or the United States or their respective agencies and instrumentalities,
363 excluding mortgage-related securities.
364

365 C. Certificates of Deposit – A certificate of deposit issued by a depository institution that
366 has its main office or branch office in this state, and is secured in accordance with
367 the specific collateralization requirements contained in section XI.B of this policy. In
368 addition, an investment in “bundled” or “shared” CDs made in accordance with the
369 following conditions is permitted:

- 370 1. The funds are invested through a broker that has its main office or a branch
371 office in this state selected from a list adopted by the City as required by Section
372 2256.025; or through a depository institution that has its main office or a branch
373 office in this state and that is selected by the City;

- 374 2. The selected broker or depository institution arranges for the deposit of the funds
375 in certificates of deposit in one or more federally insured depository institutions,
376 wherever located, for the account of the City.

- 377 3. The full amount of the principal and accrued interest of each of the CD is insured

- 378 by the United States or an instrumentality of the United States; and
- 379 4. The City appoints the depository institution, a clearing broker-dealer registered
380 with the Securities and Exchange Commission and operating pursuant to SEC
381 Rule 15c3-3, or an entity described in the Public Funds Collateral Act, Section
382 2257.041(d), as custodian for the City with respect to those CDs issued for the
383 City's account.
- 384
- 385 D. Eligible Local Government Investment Pools – AAA-rated public funds investment
386 pools, with a weighted average maturity of 60 days or less, individually approved by
387 formal Council resolution, which invest in instruments and follow practices allowed by
388 the current law as defined by Section 2256.016 of the Texas Government Code. The
389 pool must be continuously rated no lower than AAA or AAA-m or at an equivalent
390 rating by at least one nationally recognized rating service. A public funds investment
391 pool created to function as a money market mutual fund must mark to market daily
392 and, stabilize at a \$1 net asset value.
- 393
- 394 E. Repurchase Agreements – Fully collateralized repurchase agreements having a
395 defined termination date, placed through a primary government securities dealer or a
396 financial institution doing business in the State of Texas, and fully secured by cash
397 and obligations of the United States or its agencies and instrumentalities. This
398 collateral must be pledged to the DISTRICT and held in safekeeping with a third-
399 party custodian approved by the City. All collateral must be maintained at a market
400 value of no less than the principal amount of the outstanding funds disbursed. All
401 transactions shall be governed by signed Security Industry and Financial Markets
402 Association, (SIFMA) Master Repurchase Agreement. Repurchase agreements must
403 also be collateralized in accordance with State law as described in Section XI of this
404 policy. Authorization under this section includes flexible repurchase agreements
405 which may be used for specific investment of bond proceeds *but shall not include*
406 *reverse repurchase agreements*.
- 407
- 408 F. Bankers' Acceptances and Commercial Paper (LIMITED USE) – These investments
409 are authorized for the DISTRICT to the extent that they are contained in the
410 portfolios of approved public funds investment pools or money market funds in which
411 the DISTRICT invests.
- 412
- 413 G. AAA-rated SEC-Regulated 2a7 No-Load Money Market Mutual Funds – An SEC-
414 registered, no load money market mutual fund which has a dollar weighted average
415 stated maturity of 60 days or less whose assets consist exclusively of the assets
416 described in section VII.A and whose investment objectives includes the
417 maintenance of a stable net asset value of \$1 for each share: furthermore, it provides
418 the DISTRICT with a prospectus and other information required by the SEC act of
419 1934 or the Investment Advisor Act of 1940 and which provides the DISTRICT with a
420 prospectus and other information required by the Securities Exchange Act of 1934
421 (15 USC Section 78a et. Seq.) of the Investment Company Act of 1990 (15 USC
422 Section 80a-1 et. Seq.).
- 423
- 424 H. Unauthorized Securities – State law specifically prohibits investment in the following
425 securities:
- 426
- 427 1. An obligation whose payment represents the coupon payments on the

- 428 outstanding principal balance of the underlying mortgage-backed security and
 429 pays no principal.
 430
 431 2. An obligation whose payment represents the principal stream of cash flow from
 432 the underlying mortgage-backed security and bears no interest.
 433
 434 3. Collateralized mortgage obligations that have a stated final maturity date of
 435 greater than 10 years.
 436
 437 4. Collateralized mortgage obligations, the interest rate of which is determined by
 438 an index that adjusts opposite to the changes in a market index.
 439

440 **VIII. DIVERSIFICATION**

441
 442 **A. Generally** - Diversification of investment instruments shall be utilized to avoid
 443 incurring unreasonable risks resulting from over-concentration of investments in a
 444 specific maturity, a specific issue, or a specific class of securities. With the exception
 445 of U.S. Government securities (debt obligations issued by the U. S. Government, its
 446 agencies, or instrumentalities) as authorized in this policy, and authorized local
 447 government investment pools, no more than forty percent (40%) of the total
 448 investment portfolio will be invested in any one security type or with a single financial
 449 institution. Diversification of the portfolio considers diversification by maturity dates
 450 and diversification by investment instrument.
 451

452 **B. Diversification by Maturities** - The longer the maturity of investments, the greater
 453 their price volatility. Therefore, it is the DISTRICT's policy to concentrate its
 454 investment portfolio in shorter-term securities in order to limit principal risks caused
 455 by change in interest rates. The DISTRICT will attempt to match its investments with
 456 anticipated cash flow requirements. Unless matched to a specific cash flow
 457 (including the anticipated cash flow requirements of bond proceeds within the
 458 temporary period), the DISTRICT will not directly invest in securities maturing more
 459 than two (2) years from the date of purchase. However, the above described
 460 obligations, certificates, or agreements may be collateralized using longer date
 461 instruments. The DISTRICT shall diversify the use of investment instruments to
 462 avoid incurring unreasonable risks inherent in over-investing in specific instruments,
 463 individual financial institutions or maturities. Maturity scheduling shall be managed
 464 by the Investment Officer so that maturities of investments shall be timed to coincide
 465 with projected cash flow needs.
 466

467 The entire DISTRICT portfolio, or single pooled fund group if utilized, shall maintain a
 468 maximum average dollar-weighted maturity, based on the stated maturity date, of
 469 less than two hundred seventy (270) days. Investment maturities for debt service
 470 interest and sinking funds and/or other types of reserve funds, whose use is never
 471 anticipated, shall maintain a maximum average dollar-weighted maturity, based on
 472 the stated maturity date, of less than three hundred sixty-five (365) days.
 473

474 **C. Diversification by Investment Instrument** - Diversification by investment instrument
 475 shall not exceed the following guidelines for each type of instrument:

Maximum %
 of Portfolio

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 & Agency Callables	30%

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IX. SECURITY SWAPS

Security swaps may be considered as an investment option for the DISTRICT. A swap out of one instrument into another is acceptable to increase yield, realign for disbursement dates, extend or shorten maturity dates and improve market sector diversification. Swaps may be initiated by brokers/dealers who are on the City's approved list. A horizon analysis is required for each swap proving benefit to the DISTRICT before the trade decision is made, which will accompany the investment file for record keeping.

X. AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS.

- A. The Director of Finance, ~~or the Directors designated representative,~~ will maintain a list of financial institutions authorized to provide investment services to the City. In addition, a list will also be maintained of approved broker/dealers authorized to provide investment services in the State of Texas. These will include financial institutions that qualify under Securities & Exchange Commission Rule 15-C3-1 (uniform net capital rule). No public deposit shall be made except in a qualified public depository as established by state laws.
- B. All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must supply the Director of Finance with the following, as appropriate: audited financial statements, proof of Financial Industry Regulatory Authority certification, trading resolution, proof of State registration, completed broker/dealer questionnaire and certification of having read the DISTRICT's investment policy.
- C. The Finance Audit Committee shall be responsible for adopting the list of brokers and dealers of government securities. Their selection shall be among only primary government securities dealers that report directly to the New York Federal Reserve Bank, unless a comprehensive credit and capitalization analysis reveals that other firms are adequately financed to conduct public business. The Finance Audit Committee shall base its evaluation of security dealers and financial institutions upon:
 1. Financial conditions, strength and capability to fulfill commitments;
 2. Overall reputation with other dealers or investors;
 3. Regulatory status of the dealer;
 4. Background and expertise of the individual representatives.

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- D. Investment ~~Officials~~ Officers shall only conduct business with securities dealers approved by the Finance Audit Committee and will not purchase investments from any financial organization until the organization's registered principal has executed a written instrument stating that he or she has thoroughly reviewed the DISTRICT's investment policy and acknowledges that reasonable procedures and controls have been implemented to preclude imprudent investment activities arising out of transactions between the organization and the DISTRICT, except to the extent that this authorization is dependent on an analysis of the makeup of the DISTRICT's entire portfolio or requires an interpretation of subjective investment standards.

- E. To guard against default possibilities under these conditions, and to assure diversification of bidders, business with any one issuer, or investment broker, should be limited to forty percent (40%) of the total portfolio at any point in time. In this way, bankruptcy, receivership or legal action would not immobilize the DISTRICT's ability to meet payroll or other expenses.

- F. All investment (governments or bank C.D.'s) will be solicited on a competitive basis with at least three (3) institutions. The Finance Audit Committee can approve exceptions on a case by case basis or on a general basis in the form of guidelines. These guidelines shall take into consideration the investment type maturity date, amount, and potential disruptiveness to the DISTRICT's investment strategy. The investment will be made with the broker/dealer offering the best yield/quality to the DISTRICT. The quotes may be accepted orally, in writing, electronically, or any combination of these methods.

- G. An annual review of the financial condition and registration of qualified financial organizations will be conducted by the Director of Finance.

- H. A current audited financial statement is required to be on file for each financial institution and broker/dealer in which the DISTRICT invests.

- I. If the City has contracted with a Registered Investment Advisor for the management of its funds, the advisor shall be responsible for performing due diligence on and maintaining a list of broker/dealers with which it shall transact business on behalf of the DISTRICT. The advisor shall determine selection criteria and shall annually present a list of its authorized broker/dealers to the CITY for review and likewise shall execute the aforementioned written instrument stating that the advisor has reviewed the DISTRICT's investment policy and has implemented reasonable procedures and controls in an effort to preclude imprudent investment activities with the DISTRICT. The advisor shall obtain and document competitive bids and offers on all transactions and present these to the City as part of its standard trade documentation.

- J. It is the policy of the City that all security transactions entered into with the DISTRICT shall be conducted on a "Delivery-versus-Payment basis through the Federal Reserve System. By doing this, DISTRICT funds are not released until the City has received, through the Federal Reserve wire, the securities purchased. The City shall authorize the release of funds only after receiving notification from the safekeeping bank that a purchased security has been received in the safekeeping account of the DISTRICT. The notification may be oral, but shall be confirmed in writing.

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1. Financial conditions, strength and capability to fulfill commitments;
2. Overall reputation with other dealers or investors;
3. Regulatory status of the dealer;
4. Background and expertise of the individual representatives.

XI. SAFEKEEPING AND COLLATERALIZATION

- A. Safekeeping** - All securities owned by the DISTRICT shall be held by a third-party safekeeping agent selected by the City. The collateral for bank deposits will be held in the City's name in the bank's trust department, in a Federal Reserve Bank account in the City's name, or a third-party financial institutions doing business in the state of Texas, in accordance with state law. Original safekeeping receipts shall be obtained and held by the City. The City shall contract with a bank or banks for the safekeeping of securities either owned by the City as part of its investment portfolio or held as collateral to secure time deposits.
- B. Collateralization** - Consistent with the requirements of the Public Funds Collateral Act, it is the policy of the City to require full collateralization of all City funds on deposit with a depository bank. The market value of the investments securing the deposit of funds shall be at least equal to 102% of the amount of the deposits of funds reduced to the extent that the deposits are insured by the Federal Deposit Insurance Corporation (FDIC). Securities pledged as collateral shall be held by an independent third party with whom the City has a current custodial agreement. The agreement is to specify the acceptable investment securities as collateral, including provisions relating to possession of the collateral, the substitution or release of investment securities, ownership of securities, and the method of valuation of securities. The safekeeping agreement must clearly state that the safekeeping bank is instructed to release purchased and collateral securities to the City in the event the City has determined that the depository bank has failed to pay on any matured investments in certificates of deposit, or has determined that the funds of the City are in jeopardy for whatever reason, including involuntary closure or change of ownership. A clearly marked evidence of ownership, e.g., safekeeping receipt, must be supplied to the City and retained by the City.
1. The City may accept the following to insure or collateralize bank deposits:
 - a. Guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or the National Credit Union Share Insurance Fund or its successor;
 - b. United States Treasuries & Agencies
 - c. Other securities as approved by the Finance Audit Committee
 2. For certificates of deposit and other evidences of deposit, collateral shall be at 102% of market value. The market value of collateral will always equal or exceed 102% of the principal plus accrued interest of deposits at financial institutions.

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3. Financial institutions with which the City invests or maintains other deposits shall provide monthly, and as requested by the Investment Officer, a listing of the collateral pledged to the City, marked to current market prices. The listing shall include total pledged securities itemized by name, type, description, par value, current market value, maturity date, and Moody's or Standard & Poor's rating, if applicable. The City and the financial institution shall jointly assume the responsibility for ensuring that the collateral is sufficient.

C. Collateralized Deposits - Consistent with the requirements of State law, the City requires all bank deposits to be federally insured or collateralized with eligible securities. Financial institutions serving as City depositories will be required to sign a "Depository Agreement" with the City and the City's safekeeping agent. The collateralized deposit portion of the Agreement shall define the City's rights to the collateral in the event of default, bankruptcy, or closing and shall establish a perfected security interest in compliance with Federal and State regulations, including:

1. Agreement must be in writing;
2. Agreement has to be executed by the Depository and the City contemporaneously with the acquisition of the asset;
3. Agreement must be approved by the Board of Directors or designated committee of the Depository and a copy of the meeting minutes must be delivered to the City; and
4. Agreement must be part of the Depository's "official record" continuously since its execution.

XII. INTERNAL CONTROL

The Investment Officer shall establish a system of written internal controls, which shall be reviewed annually by independent auditors. The controls shall be designed to prevent loss of public funds due to fraud, error, misrepresentation, unanticipated market changes, or imprudent actions. The internal controls are to be reviewed annually in conjunction with an external independent audit. This review will provide assurance of compliance with policies and procedures as specified by this policy. The City, in conjunction with its annual financial audit, shall perform a compliance audit of management controls and adherence to the DISTRICT's established investment policy.

XIII. PERFORMANCE

The DISTRICT's investment portfolio shall be designed to obtain a market rate-of-return on investments consistent with risk constraints and cash flow requirements of the DISTRICT. This investment policy establishes "weighted average yield to maturity" as the standard portfolio performance measurement.

XIV. REPORTING

A. Quarterly - The Director of Finance shall prepare and submit a signed quarterly

674 investment report to the Corinth Crime Control and Prevention District Board and the
675 Finance Audit Committee that summarizes current market conditions, economic
676 developments, and anticipated investment conditions. The report shall summarize
677 investment strategies employed in the most recent quarter and describe the portfolio
678 in terms of investment securities, maturities, risk characteristics, and shall explain the
679 total investment return for the quarter. The City shall also monitor the credit ratings
680 on securities that require minimum ratings. This may be accomplished through staff
681 research, or with the assistance of broker-dealers, investment advisors, banks or
682 safekeeping agents.

683
684 **B. Annual Report** - Within 180 days of the end of the fiscal year, the Director of Finance
685 shall present an annual report on the investment program and investment activity.
686 This report may be presented as a component of the fourth quarter report to the
687 Corinth Crime Control and Prevention District Board, City Manager and the City
688 Council. The quarterly reports prepared by the Director of Finance shall be formally
689 reviewed at least annually by an independent auditor, and the result of the review
690 shall be reported to the City Council by that auditor.

691
692 **C. Methods** - The quarterly and annual investment reports shall include a succinct
693 management summary that provides a clear picture of the status of the current
694 investment portfolio and transactions made over the past quarter. This management
695 summary will be prepared in a manner which will allow the DISTRICT to ascertain
696 whether investment activities during the reporting period have conformed to the
697 investment policy. The report will be prepared in compliance with generally accepted
698 accounting principles. The report will include the following:

- 700 1. A listing of individual securities held at the end of the reporting period. This list
701 will include the name of the fund or pooled group fund for which each individual
702 investment was acquired;
- 703
704 2. Unrealized gains or losses resulting from appreciation or depreciation by listing
705 the beginning and ending book and market value of securities for the period.
706 Market values shall be obtained from financial institutions or portfolio reporting
707 services independent from the broker/dealer from which the security was
708 purchased;
- 709
710 3. Additions and changes to the market value during the period;
- 711
712 4. Fully accrued interest for the reporting period;
- 713
714 5. Average weighted yield to maturity of portfolio on entity investments as compared
715 to applicable benchmarks;
- 716
717 6. Listing of investments by maturity date;
- 718
719 7. The percentage of the total portfolio which each type of investment represents;
720 and
- 721
722 8. Statement of compliance of the DISTRICT's investment portfolio with State Law
723 and the investment strategy and policy approved by the City Council.
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9. Market yield benchmark comparison of the average 90-day U. S. Treasury Bill auction yield during the reporting period.

10. The guidelines of retaining records for seven years as recommended in the *Texas State Library Municipal Records Manual* should be followed. The Director of Finance shall oversee the filing and/or storing of investment records.

XV. INVESTMENT POLICY ADOPTION AND AMENDMENT

The DISTRICT’s investment policy shall be reviewed by the Corinth Crime Control and Prevention District and formally adopted and amended by resolution by the City Council. The CITY’s written policies and procedures for investments are subject to review not less than annually to stay current with changing laws, regulations and needs of the CITY. The City Council, not less than annually, shall adopt a written instrument stating that it has reviewed the investment policy and investment strategies and that the written instrument so adopted shall record any changes made to either the policy or strategies.

751 **Attachment A**

752

753 CITY OF CORINTH, TEXAS

754 Corinth Crime Control and Prevention District

755 Investment Strategy Statement

756

757

758 **Operating Funds**

759

760 1. Suitability - Any investment eligible in the investment policy is suitable for Operating
761 Funds.

762

763 2. Safety of Principal - All investments shall be of high quality securities with no
764 perceived default risk. Market price fluctuations will occur. However, by managing
765 the weighted average days to maturity for the Operating Fund's portfolio to less than
766 270 days and restricting the maximum allowable maturity to two years, the price
767 volatility of the overall portfolio will be minimized.

768

769 3. Marketability - Securities with active and efficient secondary markets are necessary
770 in the event of an unanticipated cash flow requirement. Historical market "spreads"
771 between the bid and offer prices of a particular security-type of less than a quarter of
772 a percentage point will define an efficient secondary market.

773

774 4. Liquidity - The Operating Fund requires the greatest short-term liquidity of any of the
775 Fund types. Short-term investment pools and money market mutual funds will
776 provide daily liquidity and may be utilized as a competitive yield alternative to fixed
777 maturity investments.

778

779 5. Diversification - Investment maturities should be staggered throughout the budget
780 cycle to provide cash flow based on the anticipated operating needs of the
781 DISTRICT. Market cycle risk will be reduced by diversifying the appropriate maturity
782 structure out through two years.

783

784 6. Yield - Attaining a competitive market yield for comparable security-types and
785 portfolio restrictions is the desired objective. The yield of an equally weighted, rolling
786 three-month treasury-bill portfolio will be the minimum yield objective.

787

788 **Reserve Funds**

789

790 1. Suitability - Any investment eligible in the investment policy is suitable for Debt
791 Service Reserve Funds. Bond resolution and loan documentation constraints and
792 insurance company restrictions may create specific considerations in addition to the
793 investment policy.

794

795 2. Safety of Principal - All investments shall be of high quality securities with no
796 perceived default risk. Market price fluctuations will occur. However, managing Debt
797 Service Reserve Fund maturities to not exceed the call provisions of the borrowing
798 reduces the investment's market risk if the DISTRICT debt is redeemed and the
799 Reserve Fund liquidated. The fund shall maintain a maximum average dollar-
800 weighted maturity, based on the stated maturity date, of less than three hundred
801 sixty-five (365) days. No stated final investment maturity shall exceed the shorter of

- 802 the final maturity of the borrowing or two years. Annual mark-to-market requirements
803 or specific maturity and average life limitations within the borrowing's documentation
804 will influence the attractiveness of market risk and reduce the opportunity for maturity
805 extension.
- 806
- 807 3. Marketability - Securities with less active and efficient secondary markets are
808 acceptable for Debt Service Reserve Funds.
- 809
- 810 4. Liquidity – Debt Service Reserve Funds have no anticipated expenditures. The
811 Funds are deposited to provide annual debt service payment protection to the
812 DISTRICT's debt holders. The funds are "returned" to the DISTRICT at the final debt
813 service payment. Market conditions and arbitrage regulation compliance determine
814 the advantage of security diversification and liquidity. Generally, if investment rates
815 exceed the cost of borrowing, the DISTRICT is best served by locking in investment
816 maturities and reducing liquidity. If the borrowing cost cannot be exceeded, then
817 concurrent market conditions will determine the attractiveness of locking in maturities
818 or investing shorter and anticipating future increased yields.
- 819
- 820 5. Diversification - Market conditions and the arbitrage regulations influence the
821 attractiveness of staggering the maturity of fixed rate investments for Debt Service
822 Reserve Funds. At no time shall the final debt service payment date of the bond
823 issue be exceeded in an attempt to bolster yield.
- 824
- 825 6. Yield - Achieving a positive spread to the applicable borrowing cost is the desired
826 objective. Debt Service Reserve Fund portfolio management shall at all times
827 operate within the limits of the investment policy's risk constraints.
- 828

829 **Bond Funds**

- 830
- 831 1. Suitability - Any investment eligible in the investment policy is suitable for Bond
832 Funds.
- 833
- 834 2. Safety of Principal - All investments will be of high quality securities with no
835 perceived default risk. Market price fluctuations will occur. However, by managing
836 Bond Funds to not exceed the shorter of two years or the anticipated expenditure
837 schedule and maintaining a maximum average dollar-weighted maturity, based on
838 the stated maturity date, of less than three hundred sixty-five (365) days the market
839 risk of the overall portfolio will be minimized.
- 840
- 841 3. Marketability - Securities with active and efficient secondary markets are necessary
842 in the event of an unanticipated cash flow requirement. Historical market "spreads"
843 between the bid and offer prices of a particular security-type of less than a quarter of
844 a percentage point will define an efficient secondary market.
- 845
- 846 4. Liquidity – Bond Funds used for capital improvements programs have reasonably
847 predictable draw down schedules. Therefore investment maturities should generally
848 follow the anticipated cash flow requirements. Investment pools and money market
849 mutual funds will provide readily available funds generally equal to one month's
850 anticipated cash flow needs, or a competitive yield alternative for short term fixed
851 maturity investments. A singular repurchase agreement may be utilized if
852 disbursements are allowed in the amount necessary to satisfy any expenditure

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request. This investment structure is commonly referred to as a flexible repurchase agreement.

- 5. Diversification - Market conditions and arbitrage regulations influence the attractiveness of staggering the maturity of fixed rate investments for construction, loan and bond proceeds. Generally, when investment rates exceed the applicable cost of borrowing, the DISTRICT is best served by locking in most investments. If the cost of borrowing cannot be exceeded, then concurrent market conditions will determine the attractiveness of diversifying maturities or investing in shorter and larger amounts. At no time shall the anticipated expenditure schedule be exceeded in an attempt to bolster yield.

- 6. Yield - Achieving a positive spread to the cost of borrowing is the desired objective, within the limits of the investment policy's risk constraints. The yield of an equally weighted, rolling six-month treasury-bill portfolio will be the minimum yield objective for non-borrowed funds.

904 **Attachment B**

905
906 CITY OF CORINTH, TEXAS
907 Investment Policy

908
909 [SAMPLE]
910 TEXAS PUBLIC FUNDS INVESTMENT ACT
911 CERTIFICATION BY BUSINESS ORGANIZATION

912
913
914 This certification is executed on behalf of the CITY of Corinth, Texas (the "CITY") and
915 _____ (the Business Organization), pursuant to the Public
916 Funds Investment Act, Chapter 2256, Texas Government Code (the "Act") in connection with
917 investment transactions conducted between the CITY and the Business Organization.

918
919 The undersigned Qualified Representative of the Business Organization hereby certifies on
920 behalf of the Business Organization that:

- 921
- 922 1. The undersigned is a Qualified Representative of the Business Organization offering to
- 923 enter an investment transaction with the Investor as such terms are used in the Public
- 924 Funds Investment Act, Chapter 2256, Texas Government Code; and
- 925
- 926 2. The Qualified Representative of the Business Organization has received and reviewed
- 927 the investment policy furnished by the CITY; and
- 928
- 929 3. The Qualified Representative of the Business Organization has implemented reasonable
- 930 procedures and controls in an effort to preclude investment transactions conducted
- 931 between the Business Organization and the CITY that are not authorized by the CITY's
- 932 investment policy, except to the extent that this authorization is dependent on an
- 933 analysis of the makeup of the CITY's entire portfolio or requires an interpretation of
- 934 subjective investment standards.

935
936
937 Qualified Representative of Business Organization

938
939 Firm: _____

940
941 Signature _____

942
943 Name: _____

944
945 Title: _____

946
947 Date: _____

City Council Regular and Workshop Session

Meeting Date: 02/02/2017

Title: 2016 Impact Fee Report Adoption - Public Hearing

Submitted For: Fred Gibbs, Director

Submitted By: Mike Brownlee, City Engineer

Approval: Lee Ann Bunselmeyer, Acting City Manager

AGENDA ITEM

PUBLIC HEARING: 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.

BUSINESS ITEM: Consider and discuss the amendment of land use assumptions, capital improvements plans, and associated impact fees for water, wastewater and roadway capital improvements.

AGENDA ITEM SUMMARY/BACKGROUND

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 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.

RECOMMENDATION

Staff recommends approval of the report unless City Council wants to continue the Public Hearing to a future meeting.

Attachments

2016 Water and Wastewater Impact Fee Report

2016 Roadway Impact Fee Report



City of Corinth

2016 Land Use Assumptions, Water
and Wastewater Impact Fee Report
December 2016



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Appendices

- A. Conceptual Level Cost Projections



1.1 Introduction

The City of Corinth retained the services of Kimley-Horn and Associates, Inc. (Kimley-Horn) for the purpose of updating the impact fees for water system improvements required to serve new development. The impact fees were last updated in 2016 in accordance with Chapter 395 of the *Local Government Code* (impact fees), which requires a city imposing impact fees to update the land-use assumptions and capital improvements plan upon which the fees are calculated.

The purpose of this report is to satisfy the requirements of the law and provide the City with projected land use assumptions, an impact fee capital improvements plan and associated impact fees.

For convenience and reference, the following is excerpted from Chapter 395 of the *Local Government Code*, "Financing Capital Improvements required by New Development in Municipalities, Counties, and certain other Local Governments."

- (a) *The political subdivision shall use qualified professionals to prepare the capital improvements plan and to calculate the impact fee. The capital improvements plan must contain specific enumeration of the following items:*
- (1) *a description of the existing capital improvements within the service area and the costs to upgrade, update, improve, expand, or replace the improvements to meet existing needs and usage and stricter safety, efficiency, environmental, or regulatory standards, which shall be prepared by a qualified professional engineer licensed to perform such professional engineering services in this state;*
 - (2) *an analysis of the total capacity, the level of current usage, and commitments for usage of capacity of the existing capital improvements, which shall be prepared by a qualified professional engineer licensed to perform such professional engineering services in this state;*
 - (3) *a description of all or the parts of the capital improvements or facility expansions and their costs necessitated by and attributable to new development in the service area based on the approved land use assumptions, which shall be prepared by a qualified professional engineer licensed to perform such professional engineering services in this state;*
 - (4) *a definitive table establishing the specific level or quantity of use, consumption, generation, or discharge of a service unit for each category of capital improvements or facility expansions and an equivalency or conversion table establishing the ratio of a service unit to various types of land uses, including but not limited to residential, commercial, and industrial;*
 - (5) *the total number of projected service units necessitated by and attributable to new development within the service area based on the approved land use assumptions and calculated in accordance with generally accepted engineering or planning criteria;*
 - (6) *the projected demand for capital improvements or facility expansions required by new service units projected over a reasonable period of time, not to exceed 10 years; and*



(7) 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.

The impact fee study includes information from the *Water and Wastewater Master Plan Report, 2017*. The impact fees are based on recommended capital improvements and the population growth projections outlined in the *Water and Wastewater Master Plan Report as well as the City's Comprehensive Master Plan*.

The study process was comprised of three (3) tasks:

A. Land Use Assumptions

In order to assess an impact fee, Land Use Assumptions must be developed to provide the basis for population and employment growth projections within a political subdivision. As defined by Chapter 395 of the Texas Local Government Code, these assumptions include a description of changes in land uses, densities, and population in the service area. In addition, these assumptions are useful in assisting the City of Corinth in determining the need and timing of capital improvements to serve future development.

In accordance with Chapter 395, information for the development of the Land Use Assumptions was determined from the City of Corinth Comprehensive Land Use Plan Categories – 2010 as well as working with City staff to identify possible changes to the future land use plan, aerial photography, and consultation with City staff.

The residential and non-residential estimates and projections were all compiled in accordance with the following categories:

Population: Number of people, based on person per dwelling unit factors.

Employment: Acreages based on retail, service, and basic land uses. Each classification has unique demand characteristics.

Retail: Land use activities which provide for the retail sale of goods that primarily serve households and whose location choice is oriented toward the household sector, such as grocery stores and restaurants.

Service: Land use activities which provide personal and professional services such as government and other professional administrative offices.

Basic: Land use activities that produce goods and services such as those that are exported outside of the local economy, such as manufacturing, construction, transportation, wholesale, trade, warehousing, and other industrial uses.



The geographic boundary of the impact fee service area for water facilities is shown in Figure 1.1. The City of Corinth contains only one (1) service area which is limited to the area within the current Water CCN. Per coordination with City staff, a single growth rate was assumed for the service area.

Table 1.1 summarizes the residential and non-residential growth projections by service area within the City of Corinth from 2016 to 2026.

Table 1.1 Residential and Non-Residential Growth Projections

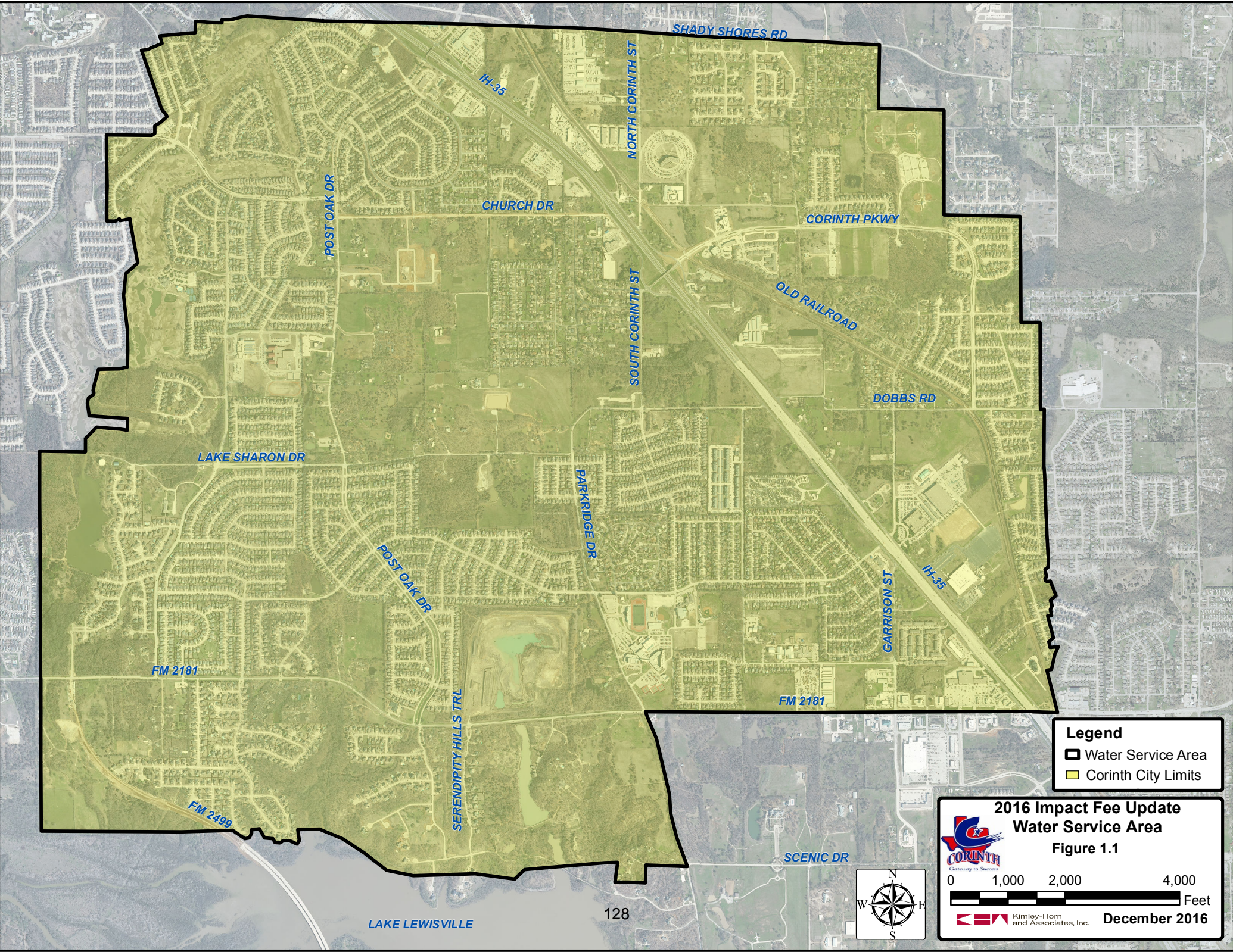
	Year	Population Growth	Employment (Sq. Ft.) Growth			
			Basic	Service	Retail	Total
Corinth	2016 - 2026	3,554	150,000	622,500	852,500	1,625,000

B. Impact Fee Capital Improvements Plan



This task involved evaluation of the water capital improvements plan outlined in the master plan and discussion with City staff to identify projects that will be built in the 10-year planning window and meet the design criteria.

C. Impact Fee Analysis and Report


This task included calculating the additional service units, service unit equivalents, and credit reduction. These values were then used to determine the impact fee per service unit and the maximum assessable impact fee by meter size.



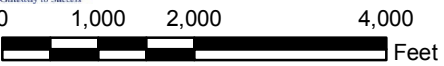

Legend


-  Water Service Area
-  Corinth City Limits

2016 Impact Fee Update
Water Service Area
 Figure 1.1



0 1,000 2,000 4,000 Feet

 Kimley-Horn and Associates, Inc. **December 2016**



1.2 Water Impact Fee Executive Summary

This study was performed to update the City of Corinth's Water System Impact Fees. Water system analysis and the Water System Master Plan are important tools for facilitating orderly growth of the water system and for providing adequate facilities. The implementation of an impact fee is a way for development to pay their proportionate impact on the water system.

Elements of the water system, including storage facilities, pumping facilities, and the distribution network itself, were evaluated against industry standards as outlined in the Design Criteria section of this report. Information related to the growth of the City was developed through evaluation of historical growth rates and discussions with City staff.

Water system improvements necessary to serve 10-year (2026) and ultimate system needs were evaluated. Typically, infrastructure improvements are sized beyond the 10-year requirements; however, Texas' impact fee law (Chapter 395) only allows recovery of costs to serve the 10-year planning period. For example, the projected cost to construct the infrastructure needed through 2026 is \$19,597,706. Of this, \$5,906,709 is projected to be eligible for recovery through impact fees. After financing costs are added and the 50% credit is applied, \$3,927,961 is recoverable through impact fees serving the 10 year system needs. A portion of the remainder can be assessed as the planning window extends beyond 2026 and as the impact fees are updated in the future.

The impact fee law defines a service unit as follows: "Service Unit" means a 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." Therefore, the City of Corinth defines a *service unit* as unit of development that consumes the amount of water requiring a standard 5/8"x 3/4" meter. For a development that requires a different size meter, a service unit equivalent is established at a multiplier based on its capacity with respect to the 5/8"x 3/4" meter. The equivalency factor and associated impact fee by meter size is shown in Table 1.2.

Based on the City's 10-year growth projections and the associated demand (consumption) values, 1,782 additional service units will need water by the year 2026. Based on the additional service units and the recoverable capital improvements plans, the City may assess a maximum of \$2,204 per service unit.



Table 1.2 Maximum Assessable Water Impact Fee for Commonly Used Meters

Meter Size*	Maximum Continuous Operating Capacity (GPM)**	Service Unit Equivalent	Maximum Assessable Fee (\$)
5/8"x 3/4" PD	10	1	2,204
3/4" PD	15	1.5	3,306
1" PD	25	2.5	5,510
1 1/2" PD	50	5	11,020
2" PD	80	8	17,632
2" Compound	80	8	17,632
2" Turbine	160	16	35,264
3" Compound	175	17.5	38,570
3" Turbine	350	35	77,140
4" Compound	300	30	66,120
4" Turbine	650	65	143,260
6" Compound	675	67.5	148,770
6" Turbine	1,400	140	308,560
8" Compound	900	90	198,360
8" Turbine	2,400	240	528,960
10" Turbine	3,500	350	771,400

* PD = Positive Displacement Meter (Typical residential meter)

** Operating capacities obtained from American Water Works Associate (AWWA) C700-15, C701-15, and C702-15. Turbine and Compound meter flows are based on Class II (in-line) meters.

1.3 Design Criteria

A. Water Transmission Lines

The function of the transmission system is to transfer water across the water system and fill the elevated storage tanks. There are three (3) conditions for which the transmission system is evaluated:

- Peak hour demand — This is the maximum demand that the system experiences. It is the condition under which generally the lowest operational pressures are experienced.
- Tank filling (minimum hour demand) — This is the period during which the elevated tank is replenished. This is the period of lowest demand during the maximum day. It normally occurs after midnight and is the condition under which the highest operational pressures may be experienced.
- Fire flow demand — During the maximum day demand, the local transmission lines are tested to ensure that fire protection requirements are met. Pressures are allowed to fall below normal operating pressures, but should not drop below 20 psi.

The transmission system should be sized to maintain a minimum pressure of 40 psi during normal operating conditions and a minimum pressure of 20 psi during extreme operating conditions. The State requires a minimum operating pressure of 35 psi. In a current urban-type water system, operating pressures of 30-35 psi normally result in customer complaints. In addition, pressures above 80 psi are undesirable and should be avoided. The maximum pressure in extreme conditions should be limited to 120 psi because high operating pressure will result in increased system maintenance and increased operational cost. The transmission system should also be sized to limit maximum velocity in the pipe to five (5) feet per second.

B. Storage Tanks

The Texas Commission on Environmental Quality (TCEQ) and the State Board of Insurance (SBI) have established criteria for ground and elevated storage. These criteria address volume and height requirements only. The layout of the distribution system, location of the storage facilities, and the interaction with the high service and booster pumps affect the amount of storage necessary for the most efficient and reliable operation of the system.

1. GROUND STORAGE

Ground storage serves two (2) functions:

- Equalization for differing feed rates between the water supply and pumping to the system; and
- Emergency capacity in the event of temporary loss of water supply.

Generally, ground storage facilities are located at water supply points or at each pump station within the water distribution system. Although ground and elevated storage facilities perform separate functions within



the system, both are aimed at decreasing the impact of demand fluctuations. Their capacities are established based on knowledge of how demand varies seasonally and daily.

Due to inaccuracies in estimating growth, occasional extremes in usage exceed design values; ground storage should provide sufficient capacity to supply any differences. Sufficient ground storage should be provided to ensure that adequate supplies meet the maximum day demand.

2. ELEVATED STORAGE

Elevated storage serves three (3) purposes:

- Functionally, elevated storage equalizes the pumping rate to compensate for daily variations in demand and to maintain a fairly constant pumping rate (usually referred to as operational storage), or a pumping rate that conforms to the requirements of the electrical rate structure.
- Provides pressure maintenance and protection against surges created by instantaneous demand, such as fire flow and main breaks, and instantaneous change in supply, such as pumps turning on and off.
- Maintains a reserve capacity for fire protection and pressure maintenance in case of power failure to one or more pump stations. Sufficient storage should be maintained to provide two (2) hours of fire flow demand during a loss of power to the pump station.

Suggested storage capacities are established by the TCEQ. Adequate operational storage is established by determining the required volume to equalize the daily fluctuations in flow during the maximum day demand, plus the reserve volume required for fire protection.

The minimum requirements for storage, according to Chapter 290 of the Texas Administrative Code, are as follows:

- Total Storage - Equal to 200 gallons per connection.
- Elevated Storage - Equal to 100 gallons per connection; or
- Elevated Storage – Equal to 200 gallons per connection for a firm pumping capacity reduction from 2.0 gallons per connection to 0.6 gallons per connection.

Because elevated storage is approximately four (4) times more expensive than ground storage, an economical balance between elevated storage and pumping should be sought.

C. Pump Stations

Pumping capacities must provide the maximum demand or the peak hour demand required by the water system or the suggested capacities established by the TCEQ. Pumping capacity should supply the



maximum demand with sufficient redundancy to allow for the largest pump at the pump station to be out of service. This is known as firm pumping capacity.

Each pump station or pressure plane must have two or more pumps that have a total capacity of 2.0 gallons per minute per connection, or have a total capacity of at least 1,000 gallons per minute and the ability to meet peak hour demand with the largest pump out of service, whichever is less. If the system provides elevated storage capacity of 200 gallons per connection, two service pumps with a minimum combined capacity of 0.6 gpm per connection are required.

D. Water Demand

The criteria used for projecting the water demands for the water system were derived from the *Water and Wastewater Master Plan Report, 2017*. Table 1.3 shows the projected average day demand by land use type.

Table 1.3 Average Day Demand by Land Use Type

Land Use	gpd/acre	gpm/acre
Existing Single Family	420	0.29
Low Density Residential	1,250	0.87
High Density Residential	3,000	2.08
Mixed Residential	1,920	1.33
Mixed Use Residential	1,810	1.26
Rural	420	0.29
Parks and Open Space	50	0.03
Public/Semi-Public	1,500	1.04
Mixed Use Non-Residential	1,130	0.78
Office/Business Park	2,000	1.39
Retail	800	0.56
Commercial	1,000	0.69
Industrial	500	0.35

1.4 Impact Fee Capital Improvements Plan

The City of Corinth commissioned Kimley-Horn and Associates, Inc. to update the current Water Master Plan in 2016. The purpose of the water master plan is to provide the City with a logical strategy for upgrading and expanding its water distribution system to accommodate future growth and for addressing existing system deficiencies. The Master Plan Report is anticipated to be completed in 2017 shortly after the Impact Fee Update.

Thirteen (13) projects are determined eligible for recoverable cost through impact fees over the next 10 years. The total cost of these projects is \$19,597,706. The projected total CIP recoverable cost through impact fees is \$5,906,709. The recoverable percentage represents the projected utilization and capacity of each project over the next 10 years. These values were determined by utilizing the hydraulic model prepared for the Water Master Plan Update. These impact fee capital improvements are shown in Table 1.4 and illustrated in Figure 1.2.

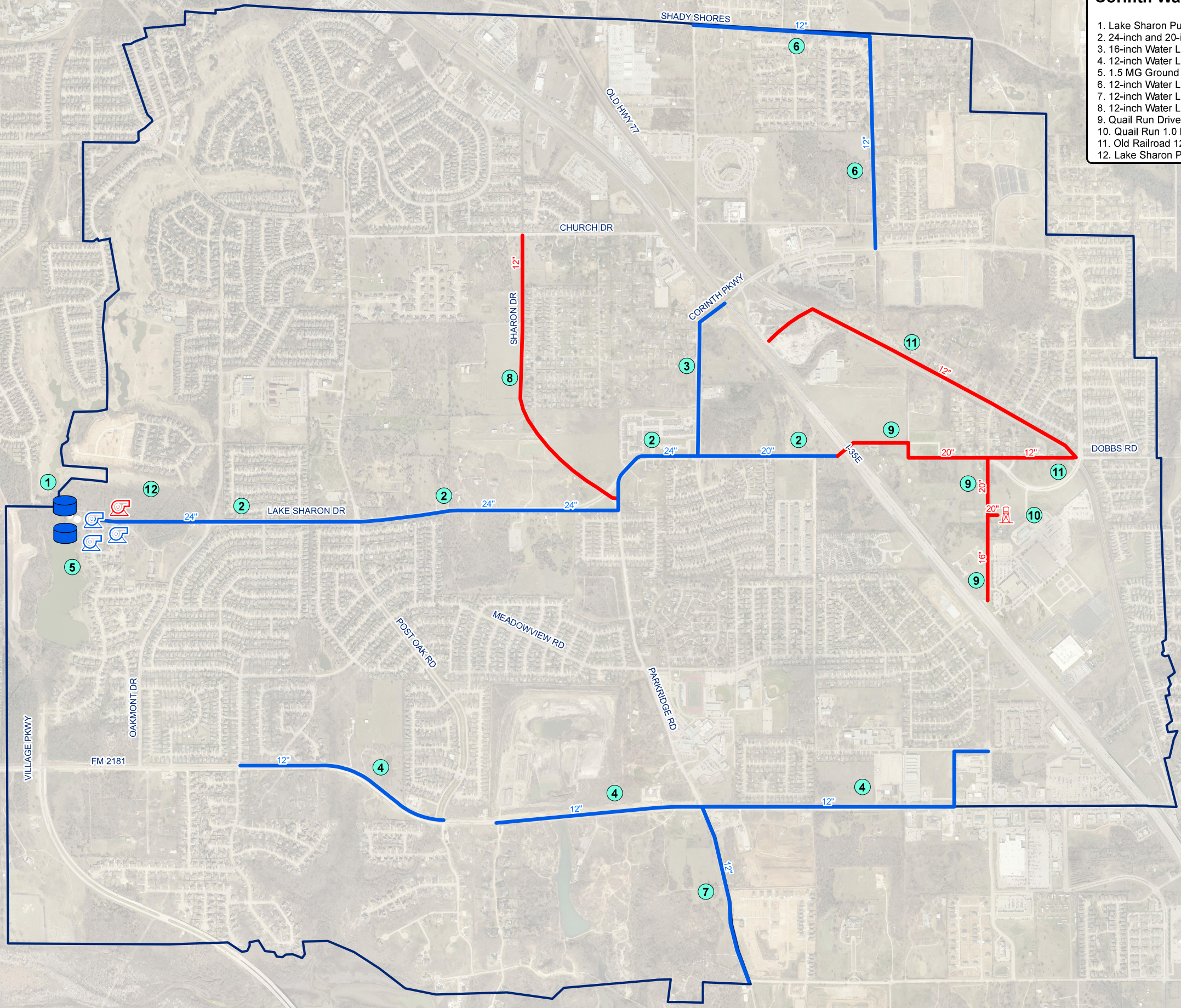
Table 1.4 Water Impact Fee Capital Improvements
Project Cost and 10-Year Recoverable Cost

Proj. #	Description	2016 Required Capacity (Percent Utilization)	2026 Required Capacity (Percent Utilization)	2016-2026 Required Capacity (Percent Utilization)	2026 Projected Recoverable Cost	Total Project Cost
1*	Lake Sharon Pump Station and 3 MG Ground Storage Tank	87%	100%	13%	\$ 502,934	\$ 3,868,722
2*	24-inch and 20-inch Water Line Along Lake Sharon Drive	65%	85%	20%	\$ 390,878	\$ 1,954,388
3*	16-inch Water Line Along South Corinth Street	45%	65%	20%	\$ 47,528	\$ 237,641
4*	12-inch Water Lines Along FM 2181	13%	57%	44%	\$ 855,297	\$ 1,943,856
5*	1.5 MG Ground Storage Tank at Lake Sharon PS	0%	32%	32%	\$ 658,673	\$ 2,058,354
6*	12-inch Water Line Along Shady Rest Lane and Shade Shores Road	13%	57%	44%	\$ 201,832	\$ 458,710
7*	12-inch Water Line Along Parkridge Drive, South of FM 2181	13%	57%	44%	\$ 77,367	\$ 175,835
8	12-inch Water Line Along Sharon Drive	0%	51%	51%	\$ 408,000	\$ 800,000
9	Quail Run Drive/Dobbs Road 16-inch and 20-inch Water Lines	40%	70%	30%	\$ 630,000	\$ 2,100,000
10	Quail Run 1.0 MG Elevated Storage Tank	40%	70%	30%	\$ 1,230,000	\$ 4,100,000
11	Old Railroad 12-inch Water Line	0%	51%	51%	\$ 612,000	\$ 1,200,000
12	Lake Sharon Pump Station Expansion Phase 1	0%	32%	32%	\$ 192,000	\$ 600,000
13	Water Impact Fee Report	0%	100%	100%	\$ 100,200	\$ 100,200
Total					\$ 5,906,709	\$19,597,706

*Project Cost Shown is Actual Construction Cost

Corinth Water Impact Fee CIP Project List

1. Lake Sharon Pump Station and 3 MG Ground Storage Tank
2. 24-inch and 20-inch Water Line Along Lake Sharon Drive
3. 16-inch Water Line Along Corinth Parkway
4. 12-inch Water Lines Along FM 2181
5. 1.5 MG Ground Storage Tank at Lake Sharon PS
6. 12-inch Water Line Along Shady Rest Lane and Shade Shores Road
7. 12-inch Water Line Along Parkridge Drive, South of FM 2181
8. 12-inch Water Line Along Sharon Drive
9. Quail Run Drive/Dobbs Road 16-inch and 20-inch Water Lines
10. Quail Run 1.0 MG Elevated Storage Tank
11. Old Railroad 12-inch Water Line
12. Lake Sharon Pump Station Expansion Phase 1



Legend

- Existing Ground Tank
- Proposed Ground Tank
- Proposed Elevated Tank
- Existing Pump
- Proposed Pump
- Existing Water Main
- Proposed Water Main
- Corinth City Limits

2016 Impact Fee Update
Water CIP
Figure 1.2

0 400 800 1,600 Feet

December 2016



A. Project Descriptions

1. Lake Sharon Pump Station and 3 MG Ground Storage Tank

This project consists of a booster pump station, a 3 MG ground storage tank, and a 20-inch water line along future Lake Sharon Drive extension. The project involved installing 3 - 4,800 gpm pumps in a building sized for the ultimate capacity of 5 - 4,800 gpm pumps.

Project Cost (Actual Construction Cost)	\$3,868,722
Recoverable Cost	\$502,934

2. 24-inch and 20-inch Water Line Along Lake Sharon Drive

This project consists of a 24-inch and 20-inch water line extending into the water distribution system from the Lake Sharon Pump Station. The water line runs along Lake Sharon Drive and extends to Interstate Highway 35E.

Project Cost (Actual Construction Cost)	\$1,954,388
Recoverable Cost	\$390,878

3. 16-inch Water Lines Along South Corinth Street

This project consists of a 16-inch water line along South Corinth Street needed to provide looped connections with the existing 12-inch water lines. The limits for this project are between Blue Jay Drive and Post Oak Drive and Serendipity Hills Trail and Garrison Street.

Project Cost (Actual Construction Cost)	\$237,641
Recoverable Cost	\$47,528

4. 12-inch Water Lines Along FM 2181

This project consists of a 12-inch water line along FM 2181 needed to provide looped connections with the existing 12-inch water lines. The limits for this project are between Blue Jay Drive and Post Oak Drive and Serendipity Hills Trail and Garrison Street.

Project Cost (Actual Construction Cost)	\$1,943,856
Recoverable Cost	\$855,297

5. 1.5 MG Ground Storage Tank at Lake Sharon PS

This project consists of a 1.5 million gallon ground storage tank at the existing Lake Sharon pump station site.

Project Cost (Actual Construction Cost)	\$2,058,354
Recoverable Cost	\$658,673



6. 12-inch Water Line Along Shady Rest Lane and Shade Shores Road
This project consists of a 12-inch water line along Shady Rest Lane and Shade Shores Road. The water line connects the existing 16-inch water line along North Corinth Street with the existing 8-inch water line along Corinth Parkway.

Project Cost (Actual Construction Cost)	\$458,710
Recoverable Cost	\$201,832

7. 12-inch Water Line Along Parkridge Drive, South of FM 2181
This project consists of a 12-inch water line along Parkridge Drive from FM 2181 to Scenic Drive.

Project Cost (Actual Construction Cost)	\$175,835
Recoverable Cost	\$77,367

8. 12-inch Water Line Along Sharon Drive
This project consists of a 12-inch water line between Lake Sharon Drive and Church Drive.

Project Cost	\$800,000
Recoverable Cost	\$408,000

9. Quail Run Drive/Dobbs Road and 16-inch and 20-inch Water Lines
This project consists of 20-inch and 16-inch water lines required to provide water supply to the proposed Quail Run Elevated Tank. The 20-inch water line runs along Dobbs Road from Interstate Highway 35E to Quail Run, then along Quail Run from Dobbs Road to the proposed elevated tank. The 16-inch water line runs along Quail run from the proposed elevated tank to Interstate Highway 35E

Project Cost	\$2,100,000
Recoverable Cost	\$630,000

10. Quail Run 1.0 MG Elevated Storage Tank
This project consists of a 1.0 MG elevated storage tank along Quail Run.

Project Cost	\$4,100,000
Recoverable Cost	\$1,230,000

11. Old Railroad 12-inch Water Line
This project consists of a 12-inch water line along to the Old Railroad from Corinth Parkway to Corinth Parkway.

Project Cost	\$1,200,000
Recoverable Cost	\$612,000

12. Lake Sharon Pump Station Expansion Phase 1
This project consists of expanding the pump station capacity by adding a 4,800 gpm pump. The additional pump will increase the pump station capacity to 20.7 MGD (firm).

Project Cost	\$600,000
Recoverable Cost	\$192,000



13. Water Impact Fee Report

Based on projected future infrastructure needs, the Water Impact Fees and Master Plan were updated to determine how much of the infrastructure costs may be recovered by the City.

Project Cost	\$100,200
Recoverable Cost	\$100,200



1.5 Water Impact Fee Calculation

Chapter 395 of the Local Government Code defines a service unit as follows, "Service Unit" means a 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." Therefore, the City of Corinth defines a *service unit* based on historical water usage over the past 10 years as compared to the estimated residential units. The residential unit is the development type that predominately uses a 5/8"x 3/4" meter. The measure of consumption per service unit is based on a 5/8"x 3/4" meter and the data shown in Table 1.5.

Table 1.5 Service Unit Consumption Calculation

Year	Population ¹	Residential Units (2.9 persons/unit) ¹	Water Usage Average Day Demand (MGD)	Consumption per Service Unit (GPD)
2006	17,147	5,913	3.46	585
2007	18,755	6,467	2.47	382
2008	19,215	6,625	2.88	435
2009	19,650	6,776	2.66	393
2010	19,935	6,874	2.95	429
2011	20,678	7,130	3.30	463
2012	20,721	7,145	3.19	447
2013	20,772	7,163	2.86	400
2014	20,839	7,186	2.75	383
2015	20,957	7,227	2.90	401
Average Consumption per Service Unit				432

Water Usage Source: City of Corinth
(1) Source: 2016 Land Use Assumptions

Additional Service Units and Water Impact Fee Calculation

Based on the City's 10-year growth projections and the resulting water demand projections, water service will be required for an additional 1,782 service units. The calculation is as follows:



- A service unit, which is a unit of development that consumes approximately 432 gallons per day (GPD), is a typical residential connection that uses a 5/8"x 3/4" meter. Table 3.6 outlines the future water demand projections and its relationship to the additional service units projected for the next 10-years.

Table 1.6 10-year Additional Service Units Calculation

Year	Average Day Demand (MGD)	Service Unit Demand (GPD)	Service Units
2016	3.56	432	8,241
2026	4.33	432	10,023
10-year Additional Service Units			1,782

*Projected Water Usage Source: 2005 Water and Wastewater Master Plan and 2016 Land Use Assumptions

Impact fee law allows for a credit calculation to credit back the development community based on the utility revenues or ad valorem taxes that are allocated for paying a portion of future capital improvements. The intent of this credit is to prevent the City from double charging development for future capital improvements via impact fees and utility rates. If the City chooses to not do a financial analysis to determine the credit value they are required by law to reduce the recoverable cost by 50 percent. The city has chosen the latter; therefore, the maximum recoverable cost for impact fee shown below is 50 percent of the Pre Credit Recoverable Cost.

A breakdown of the 10-year recoverable costs and the associated impact fee per service unit is as follows:

Table 1.7 10-year Recoverable Cost Breakdown

Pre Credit CIP Recoverable Cost for Impact Fee	\$5,906,709
Financing Costs (4% Provided by City)	\$1,949,213
Pre Credit Total	\$7,855,922
Credit for Utility Revenues (50% credit)	(\$3,927,961)
Maximum Recoverable Cost for Impact Fee	\$3,927,961

$$\text{Impact fee per service unit} = \frac{\text{10-year recoverable costs}}{\text{10-year additional service units}}$$

$$\text{Impact fee per service unit} = \frac{\$3,927,961}{1,782}$$

$$\text{Impact fee per service unit} = \$2,204$$

Therefore, the maximum assessable impact fee per service unit is \$2,204.



For a development that requires a different size meter, a service unit equivalent is established at a multiplier based on its capacity with respect to the 5/8"x 3/4" meter. The maximum impact fee that could be assessed for other meter sizes is based on the value shown on Table 1.8, Service Unit Equivalency Table for Commonly Used Meters.

Table 1.8 Service Unit Equivalency Table for Commonly Used Meters

Meter Size*	Maximum Continuous Operating Capacity (GPM)**	Service Unit Equivalent	Maximum Assessable Fee (\$)
5/8"x 3/4" PD	10	1	2,204
3/4" PD	15	1.5	3,306
1" PD	25	2.5	5,510
1 1/2" PD	50	5	11,020
2" PD	80	8	17,632
2" Compound	80	8	17,632
2" Turbine	160	16	35,264
3" Compound	175	17.5	38,570
3" Turbine	350	35	77,140
4" Compound	300	30	66,120
4" Turbine	650	65	143,260
6" Compound	675	67.5	148,770
6" Turbine	1,400	140	308,560
8" Compound	900	90	198,360
8" Turbine	2,400	240	528,960
10" Turbine	3,500	350	771,400

* PD = Positive Displacement Meter (Typical residential meter)

** Operating capacities obtained from American Water Works Associate (AWWA) C700-15, C701-15, and C702-15. Turbine and Compound meter flows are based on Class II (in-line) meters.

APPENDIX A

Client: City of Corinth	Date: 12/28/2016
Project: Water Impact Fee Projects	Prepared By: AMK
KHA No.: 061008048	Checked By: MAS

Title: 12-inch Water Line Along Sharon Drive	Project: 8
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Item No.	Item Description	Quantity	Unit	Unit Price	Item Cost
1	Mobilization	1	LS	\$ 20,000.00	\$ 20,000
2	12" Water Line	4,150	LF	\$ 100.00	\$ 415,000
3	Trench Safety	4,120	LF	\$ 2.00	\$ 8,240
4	Seed, Fertilizer and Erosion Control	4,110	LF	\$ 10.00	\$ 41,100
5	Concrete Pavement Repair (SY)	10	SY	\$ 80.00	\$ 800
6	12" Gate Valve (1 per 2,000 LF of pipe)	3	EA	\$ 7,000.00	\$ 21,000
7	Fire Hydrant Assembly (1 per 2,000 LF of pipe)	3	EA	\$ 6,500.00	\$ 19,500
8	Bore with 24" Steel Casing	30	LF	\$ 750.00	\$ 22,500
9	Connect to Existing Water Line	3	EA	\$ 5,000.00	\$ 15,000
10	Hydrostatic Testing and Disinfection	1	LS	\$ 5,000.00	\$ 5,000

Basis for Cost Projection:

- No Design Completed
- Preliminary Design
- Final Design

Subtotal:		\$ 568,140
Eng/Survey Fees (+/- %):	15	\$ 85,000
Contingency (+/- %):	25	\$ 146,860
Total:		\$ 800,000

Client: City of Corinth	Date: 12/28/2016
Project: Water Impact Fee Projects	Prepared By: AMK
KHA No.: 061008048	Checked By: MAS

Title: 12-inch Water Line Along Sharon Drive	Project: 9
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Item No.	Item Description	Quantity	Unit	Unit Price	Item Cost
1	Mobilization	1	LS	\$ 25,000.00	\$ 25,000
2	16" Water Line	1,100	LF	\$ 120.00	\$ 132,000
3	20" Water Line	3,800	LF	\$ 150.00	\$ 570,000
4	Trench Safety	4,280	LF	\$ 2.00	\$ 8,560
5	Seed, Fertilizer and Erosion Control	430	LF	\$ 10.00	\$ 4,300
6	Concrete Pavement Repair (SY)	44	SY	\$ 80.00	\$ 3,556
7	16" Gate Valve (1 per 3,000 LF of pipe)	1	EA	\$ 12,000.00	\$ 12,000
8	20" Gate Valve (1 per 3,000 LF of pipe)	2	EA	\$ 15,000.00	\$ 30,000
9	Fire Hydrant Assembly (1 per 2,000 LF of pipe)	2	EA	\$ 6,500.00	\$ 13,000
10	Bore with 30" Steel Casing	70	LF	\$ 900.00	\$ 63,000
11	Bore with 36" Steel Casing	550	LF	\$ 1,000.00	\$ 550,000
12	Connect to Existing Water Line	3	EA	\$ 10,000.00	\$ 30,000
13	Hydrostatic Testing and Disinfection	1	LS	\$ 10,000.00	\$ 10,000
14	Combination 2" Air Release/Vacuum Valve & Assembly (1 per 3,000 lf of pipe)	1	EA	\$ 10,000.00	\$ 10,000

Basis for Cost Projection:

- No Design Completed
- Preliminary Design
- Final Design

Subtotal:		\$ 1,461,416
Eng/Survey Fees (+/- %):	15	\$ 219,000
Contingency (+/- %):	25	\$ 419,584
Total:		\$ 2,100,000

Client: City of Corinth	Date: 12/28/2016
Project: Water Impact Fee Projects	Prepared By: AMK
KHA No.: 061008048	Checked By: MAS

Title: 12-inch Water Line Along Sharon Drive	Project: 10
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Item No.	Item Description	Quantity	Unit	Unit Price	Item Cost
1	Mobilization	1	LS	\$ 100,000.00	\$ 100,000
2	Pollution Prevention and Control	1	LS	\$ 5,000.00	\$ 5,000
3	1.0 MG Composite Elevated Water Storage Tank	1	LS	\$ 2,000,000.00	\$ 2,000,000
4	20" Yard Piping	500	LF	\$ 175.00	\$ 87,500
5	20" Yard Gate Valve	1	EA	\$ 15,000.00	\$ 15,000
6	Concrete Sidewalk	150	SY	\$ 30.00	\$ 4,500
7	Driveway	250	SY	\$ 80.00	\$ 20,000
8	Site Grading	1	LS	\$ 40,000.00	\$ 40,000
9	8' Security Fence	1	LS	\$ 80,000.00	\$ 80,000
10	Electrical	1	LS	\$ 200,000.00	\$ 200,000
11	SCADA	1	LS	\$ 50,000.00	\$ 50,000
12	Landscaping	1	LS	\$ 20,000.00	\$ 20,000
13	Irrigation System	1	LS	\$ 10,000.00	\$ 10,000
14	20" Hydraulic Valve	1	LS	\$ 20,000.00	\$ 20,000
15	Connect to Existing Water Line	1	EA	\$ 10,000.00	\$ 10,000
16	Property Acquisition	1	AC	\$ 250,000.00	\$ 250,000

- Basis for Cost Projection:**
- No Design Completed
 - Preliminary Design
 - Final Design

Subtotal:		\$ 2,912,000
Eng/Survey Fees (+/- %):	15	\$ 437,000
Contingency (+/- %):	25	\$ 751,000
		\$ -
Total:		\$ 4,100,000

Client: City of Corinth	Date: 12/28/2016
Project: Water Impact Fee Projects	Prepared By: AMK
KHA No.: 061008048	Checked By: MAS

Title: 12-inch Water Line Along Sharon Drive	Project: 11
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Item No.	Item Description	Quantity	Unit	Unit Price	Item Cost
1	Mobilization	1	LS	\$ 25,000.00	\$ 25,000
2	12" Water Line	5,800	LF	\$ 100.00	\$ 580,000
3	Trench Safety	5,700	LF	\$ 2.00	\$ 11,400
4	Seed, Fertilizer and Erosion Control	5,680	LF	\$ 10.00	\$ 56,800
5	Concrete Pavement Repair (SY)	20	SY	\$ 80.00	\$ 1,600
6	12" Gate Valve (1 per 2,000 LF of pipe)	6	EA	\$ 7,000.00	\$ 42,000
7	Fire Hydrant Assembly (1 per 2,000 lf of pipe)	3	EA	\$ 6,500.00	\$ 19,500
8	Bore with 24" Steel Casing	100	LF	\$ 750.00	\$ 75,000
9	Connect to Existing Water Line	2	EA	\$ 5,000.00	\$ 10,000
10	Hydrostatic Testing and Disinfection	1	LS	\$ 5,000.00	\$ 5,000

Basis for Cost Projection:

- No Design Completed
- Preliminary Design
- Final Design

Subtotal:		\$ 826,300
Eng/Survey Fees (+/- %):	15	\$ 124,000
Contingency (+/- %):	25	\$ 249,700
		\$ -
Total:		\$ 1,200,000

Client: City of Corinth	Date: 12/28/2016
Project: Water Impact Fee Projects	Prepared By: AMK
KHA No.: 061008048	Checked By: MAS

Title: 12-inch Water Line Along Sharon Drive	Project: 12
---	--------------------

Item No.	Item Description	Quantity	Unit	Unit Price	Item Cost
1	Mobilization	1	LS	\$ 10,000.00	\$ 10,000
2	4800 GPM Pump and 400 HP Motor	1	EA	\$ 120,000.00	\$ 120,000
3	16" Pump Control Valve	1	EA	\$ 30,000.00	\$ 30,000
4	20" Spool Piping	1	LS	\$ 5,000.00	\$ 5,000
5	16" Spool Piping	1	LS	\$ 5,000.00	\$ 5,000
6	Electrical	1	LS	\$ 150,000.00	\$ 150,000
7	SCADA	1	LS	\$ 50,000.00	\$ 50,000
8	Concrete Pump Base	1	EA	\$ 2,500.00	\$ 2,500
9	2" Air Release Valve	1	EA	\$ 4,000.00	\$ 4,000

Basis for Cost Projection:		Subtotal:	\$ 376,500
<input checked="" type="checkbox"/>	No Design Completed	Eng/Survey Fees (+/- %):	15 \$ 56,000
<input type="checkbox"/>	Preliminary Design	Contingency (+/- %):	25 \$ 167,500
<input type="checkbox"/>	Final Design		\$ -
		Total:	\$ 600,000

City of Corinth, Texas Wastewater Impact Fee Report



Prepared by:

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12750 Merit Drive, Suite 1000,
Dallas, TX 75251
972.770.1300
Registration Number: F-928

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M. A. SAMARRIPAS P.E.
SERIAL NO. 95876
DATE: 12/2016

December 2016

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- A. Conceptual Level Project Cost Projections



2.1 Introduction

The City of Corinth retained the services of Kimley-Horn and Associates, Inc. (Kimley-Horn) for the purpose of updating the impact fees for the wastewater system improvements required to serve new development. The impact fees were last updated in 2011 in accordance with Chapter 395 of the *Local Government Code* (impact fees), which requires a city imposing impact fees to update the land-use assumptions and capital improvements plan upon which the fees are calculated.

The purpose of this report is to satisfy the requirements of the law and provide the City with proposed land use assumptions, an impact fee capital improvements plan and associated impact fees.

For convenience and reference, the following is excerpted from Chapter 395 of the *Local Government Code*, "Financing Capital Improvements required by New Development in Municipalities, Counties, and certain other Local Governments."

- (a) *The political subdivision shall use qualified professionals to prepare the capital improvements plan and to calculate the impact fee. The capital improvements plan must contain specific enumeration of the following items:*
- (1) *a description of the existing capital improvements within the service area and the costs to upgrade, update, improve, expand, or replace the improvements to meet existing needs and usage and stricter safety, efficiency, environmental, or regulatory standards, which shall be prepared by a qualified professional engineer licensed to perform such professional engineering services in this state;*
 - (2) *an analysis of the total capacity, the level of current usage, and commitments for usage of capacity of the existing capital improvements, which shall be prepared by a qualified professional engineer licensed to perform such professional engineering services in this state;*
 - (3) *a description of all or the parts of the capital improvements or facility expansions and their costs necessitated by and attributable to new development in the service area based on the approved land use assumptions, which shall be prepared by a qualified professional engineer licensed to perform such professional engineering services in this state;*
 - (4) *a definitive table establishing the specific level or quantity of use, consumption, generation, or discharge of a service unit for each category of capital improvements or facility expansions and an equivalency or conversion table establishing the ratio of a service unit to various types of land uses, including but not limited to residential, commercial, and industrial;*
 - (5) *the total number of projected service units necessitated by and attributable to new development within the service area based on the approved land use assumptions and calculated in accordance with generally accepted engineering or planning criteria;*
 - (6) *the projected demand for capital improvements or facility expansions required by new service units projected over a reasonable period of time, not to exceed 10 years; and*



(7) 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.

The impact fee study includes information from the *Water and Wastewater Master Plan Report, 2017*. The impact fees are based on recommended capital improvements and the population growth projections outlined in the *Water and Wastewater Master Plan Report as well as the City's Comprehensive Master Plan*.

The study process was comprised of three (3) tasks:

A. Land Use Assumptions

In order to assess an impact fee, Land Use Assumptions must be developed to provide the basis for population and employment growth projections within a political subdivision. As defined by Chapter 395 of the Texas Local Government Code, these assumptions include a description of changes in land uses, densities, and population in the service area. In addition, these assumptions are useful in assisting the City of Corinth in determining the need and timing of capital improvements to serve future development.

In accordance with Chapter 395, information for the development of the Land Use Assumptions was determined from the City of Corinth Comprehensive Land Use Plan Categories – 2010 as well as working with City staff to identify possible changes to the future land use plan, aerial photography, and consultation with City staff.

The residential and non-residential estimates and projections were all compiled in accordance with the following categories:

Population: Number of people, based on person per dwelling unit factors.

Employment: Acreages based on retail, service, and basic land uses. Each classification has unique demand characteristics.

Retail: Land use activities which provide for the retail sale of goods that primarily serve households and whose location choice is oriented toward the household sector, such as grocery stores and restaurants.

Service: Land use activities which provide personal and professional services such as government and other professional administrative offices.

Basic: Land use activities that produce goods and services such as those that are exported outside of the local economy, such as manufacturing, construction, transportation, wholesale, trade, warehousing, and other industrial uses.



The proposed geographic boundaries for the impact fee service areas for wastewater facilities are shown in Figure 2.1. The City of Corinth contains three (3) service areas.

Table 2.1 summarizes the residential and non-residential growth projections by service area within the City of Corinth from 2016 to 2026.

Table 2.1 Residential and Non-Residential Growth Projections for the City of Corinth

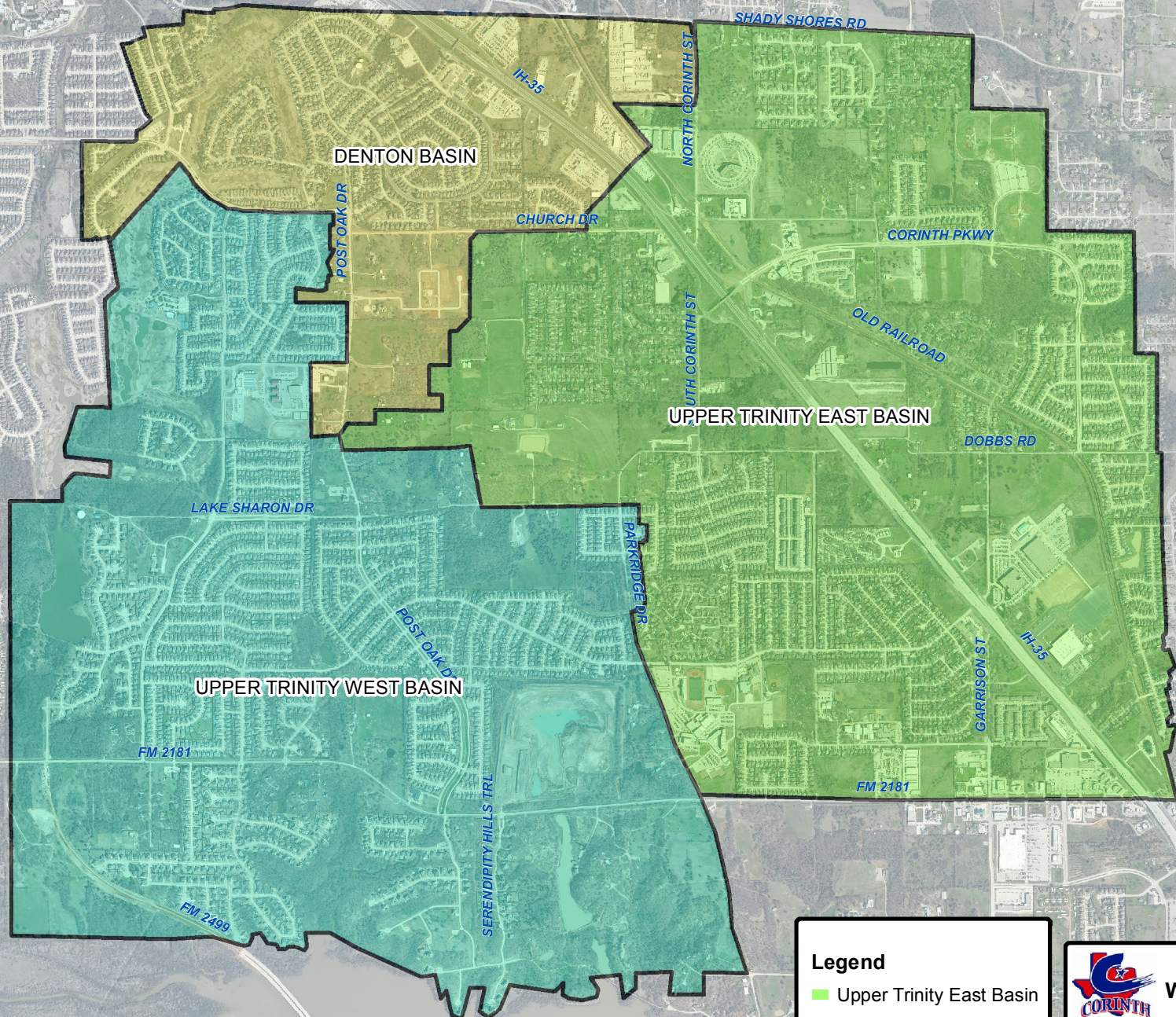
Service Area	Year	Population Growth	Employment (Sq. Ft.) Growth			
			Basic	Service	Retail	Total
Upper Trinity West	2016 - 2026	2,250	0	249,000	170,500	419,500
Upper Trinity East	2016 - 2026	1,273	90,000	373,500	682,000	1,145,500
Denton	2016 - 2026	31	60,000	0	0	60,000

B. Impact Fee Capital Improvements Plan

This task involved evaluation of the wastewater capital improvements plan outlined in the master plan and discussion with City staff to identify projects that will be built in the 10-year planning window and meet the design criteria.

C. Impact Fee Analysis and Report

This task included calculating the additional service units, service unit equivalents, and credit reduction. These values were then used to determine the impact fee per service unit and the maximum assessable impact fee by meter size.



DENTON BASIN

UPPER TRINITY EAST BASIN

UPPER TRINITY WEST BASIN

Legend

- Upper Trinity East Basin
- Upper Trinity West Basin
- Denton Basin
- Corinth City Limits

2016 Impact Fee Update
Wastewater Service Area Map
Figure 2.1

0 1,000 2,000 4,000
 Feet

December 2016





2.2 Wastewater Impact Fee Executive Summary

This study was performed to update the City of Corinth's Wastewater System Impact Fees. Wastewater system analysis and the Wastewater System Master Plan are important tools for facilitating orderly growth of the wastewater system. The implementation of an impact fee is a way for development to pay their proportionate impact on the water system.

Elements of the wastewater system, including pumping facilities, force mains and the collector network itself, were evaluated against industry standards as outlined in the Design Criteria section of this report. Information related to the growth of the City was provided through the City's 2010 Comprehensive Plan.

The City's Wastewater system is divided into three service areas, Denton, Upper Trinity East and Upper Trinity West. Each of these areas must be evaluated individually to determine the maximum impact fee allowable for each service area.

The Denton service area has zero (0) projects planned for the future and as a result there are no recoverable costs associated with this service area. The impact fee for the Denton service area is \$0. While the Denton service area has no City of Corinth Impact Fee residents in this service area may be subject to a charge associated with the City of Denton Impact Fees. The proposed future Wholesale Wastewater Treatment Contract between the City of Denton and the City of Corinth may require that Corinth residents in this service area pay the adopted City of Denton Impact Fee.

The Upper Trinity East service area has ten (10) projects which are determined eligible for recoverable cost through impact fee over the next 10 years. The total cost of these projects is \$6,423,750. The projected total CIP recoverable cost through impact fees is \$1,750,800. After financing costs are added and the 50% credit is applied, \$1,164,282 is recoverable through impact fees serving the 10-year system needs. These impact fee capital improvements are shown in Table 2.5.1 and illustrated in Figure 2.2.

The Upper Trinity West service area has five (5) projects which are determined eligible for recoverable cost through impact fee over the next 10 years. The total cost of these projects is \$9,456,541. The projected total CIP recoverable cost through impact fees is \$2,252,400. After financing costs are added and the 50% credit is applied, \$1,500,098 is recoverable through impact fees serving the 10-year system needs. These impact fee capital improvements are shown in Table 2.5.2 and illustrated in Figure 2.2.



Table 2.2 Maximum Assessable Wastewater Impact Fee for Commonly Used Meters

Meter Size*	Maximum Continuous Operating Capacity (GPM)**	Service Unit Equivalent	Maximum Assessable Fee per Service Area (\$)		
			Denton	Upper Trinity East	Upper Trinity West
5/8"x 3/4" PD	10	1	\$0	1,271	2,121
3/4" PD	15	1.5	\$0	1,907	3,182
1" PD	25	2.5	\$0	3,178	5,303
1 1/2" PD	50	5	\$0	6,355	10,605
2" PD	80	8	\$0	10,168	16,968
2" Compound	80	8	\$0	10,168	16,968
2" Turbine	160	16	\$0	20,336	33,936
3" Compound	175	17.5	\$0	22,243	37,118
3" Turbine	350	35	\$0	44,485	74,235
4" Compound	300	30	\$0	38,130	63,630
4" Turbine	650	65	\$0	82,615	137,865
6" Compound	675	67.5	\$0	85,793	143,168
6" Turbine	1,400	140	\$0	177,940	296,940
8" Compound	900	90	\$0	114,390	190,890
8" Turbine	2,400	240	\$0	305,040	509,040
10" Turbine	3,500	350	\$0	444,850	742,350

* PD = Positive Displacement Meter (Typical residential meter)

** Operating capacities obtained from American Water Works Associate (AWWA) C700-15, C701-15, and C702-15. Turbine and Compound meter flows are based on Class II (in-line) meters.

Table 2.3 Additional Service Units - 2026

Service Area	2026 Additional Service Units
Denton	95
Upper Trinity East	916
Upper Trinity West	707
TOTAL	1,718

2.3 Design Criteria

A. Sewer Trunk Lines (Interceptors)

The design criteria for sewer trunk lines or interceptors is based on the TCEQ requirements that meet peak wet weather design flows with no overflows while maintaining a minimum of 2 ft/sec cleaning velocity and a maximum of 8 ft/sec velocity.

B. Lift Stations Pumping Capacity

The design criteria for lift station pumping shall be to provide firm pumping capacity to meet 125% of the peak wet weather design flows. The firm pumping capacity is defined as the available total pumping capacity with the largest pump out of service.

C. Force Mains

The design criteria recommended for force mains is to meet the required pumping capacity of the lift station at a velocity less than 8 feet per second and a maximum discharge pressure of 100 psi and to allow a minimum of 2 feet per second scouring velocity during a single pump operation.

D. Wastewater Demand

The criteria used for projecting the water demands for the water system were derived from the *Water and Wastewater Master Plan Report, 2017*. Table 2.4 shows the projected average day demand by land use type.

Table 2.4 Demand by Land Use Type

Land Use Type	Demand gpd/ac	Demand gpd/dwelling unit
Residential Units	N/A	240
Non-Residential	Varies	N/A



2.4 Impact Fee Capital Improvements Plan

The City of Corinth commissioned Kimley-Horn and Associates, Inc. to update the current Wastewater Master Plan in 2016. The purpose of the wastewater master plan is to provide the City with a logical strategy for upgrading and expanding its water distribution system to accommodate future growth and for addressing existing system deficiencies. The Master Plan Report is anticipated to be completed in 2017 shortly after the Impact Fee Update.

The City's Wastewater system is divided into three service areas: Denton, Upper Trinity East and Upper Trinity West. Each of these areas must be evaluated individually to determine the maximum impact fee allowable for each service area.

The Denton service area has zero (0) projects planned for the future and as a result there are no recoverable costs associated with this service area. The impact fee for the Denton service area is \$0. While the Denton service area has no City of Corinth Impact Fee residents in this service area may be subject to a charge associated with the City of Denton Impact Fees. The proposed future Wholesale Wastewater Treatment Contract between the City of Denton and the City of Corinth may require that Corinth residents in this service area pay the adopted City of Denton Impact Fee.

The Upper Trinity East service area has ten (10) projects which are determined eligible for recoverable cost through impact fee over the next 10 years. The total cost of these projects is \$6,423,750. The projected total CIP recoverable cost through impact fees is \$1,750,800. These impact fee capital improvements are shown in Table 2.5.1 and illustrated in Figure 2.2.

The Upper Trinity West service area has five (5) projects which are determined eligible for recoverable cost through impact fee over the next 10 years. The total cost of these projects is \$9,456,541. The projected total CIP recoverable cost through impact fees is \$2,252,400. These impact fee capital improvements are shown in Table 2.5.2 and illustrated in Figure 2.2.

The recoverable percentage represents the projected utilization and capacity of each project over the next 10 years. These values were determined by utilizing the hydraulic model prepared for the Wastewater Master Plan Update.



Table 2.5.1 Upper Trinity East

Wastewater Impact Fee Capital Improvements
Project Cost and 10-Year Recoverable Cost

Proj. #	Description	2016 Required Capacity (Percent Utilization)	2026 Required Capacity (Percent Utilization)	2016-2026 Required Capacity (Percent Utilization)	2026 Projected Recoverable Cost	Total Project Cost
1*	Lift Station 3A and 18-inch/21-inch Wastewater Line	79%	100%	21%	\$ 359,700	\$ 1,686,163
2*	Lift Station 3A 14-inch/12-inch Force Main	59%	83%	24%	\$ 165,200	\$ 688,165
3*	Lift Station 3A 18-inch Wastewater Line	59%	83%	24%	\$ 69,900	\$ 291,425
4*	Lynchburg 15-inch, 12-inch and 10-inch Wastewater Lines	59%	83%	24%	\$ 305,400	\$ 1,272,325
5*	Lift Station 2 Expansion and 6-inch Force Main	59%	83%	24%	\$ 152,500	\$ 635,572
6	Lift Station 3A Upgrade	0%	32%	32%	\$ 64,000	\$ 200,000
7	Silver Meadow Lane 8-inch Wastewater Extension	0%	41%	41%	\$ 82,000	\$ 200,000
8	North City 8-inch Wastewater Extension	0%	41%	41%	\$ 246,000	\$ 600,000
9	Lift Station 3A Parallel Force Main	0%	32%	32%	\$ 256,000	\$ 800,000
10	Wastewater Impact Fee Update	0%	100%	100%	\$ 50,100	\$ 50,100
Total					\$ 1,750,800	\$ 6,423,750

Table 2.5.2 Upper Trinity West

Wastewater Impact Fee Capital Improvements
Project Cost and 10-Year Recoverable Cost

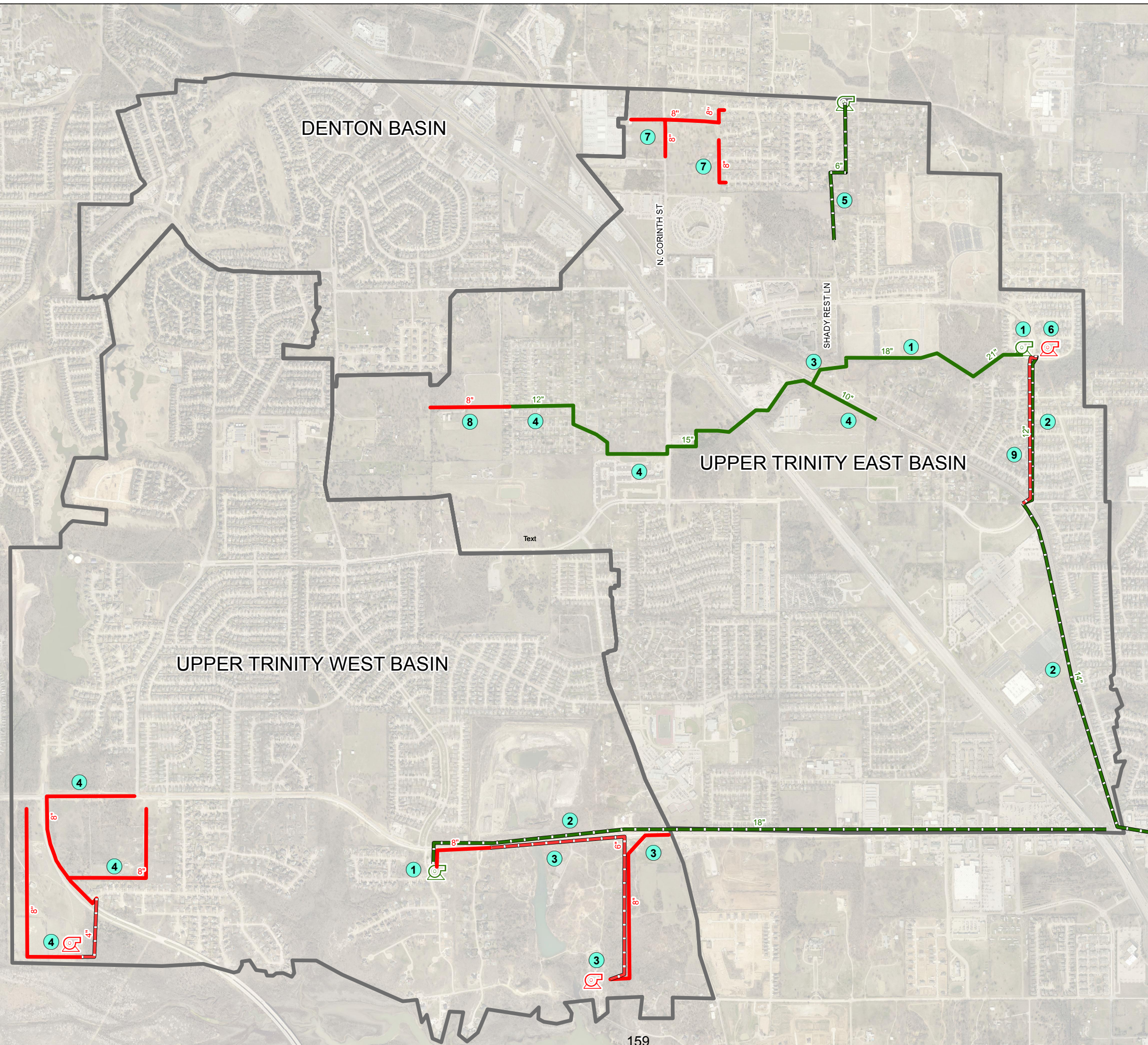
Proj. #	Description	2016 Required Capacity (Percent Utilization)	2026 Required Capacity (Percent Utilization)	2016-2026 Required Capacity (Percent Utilization)	2026 Projected Recoverable Cost	Total Project Cost
1	Westside Lift Station Improvements	5%	28%	23%	\$ 520,500	\$ 2,286,172
2	FM 2181 18-inch Force Main	5%	28%	23%	\$ 625,800	\$ 2,720,669
3	South Lift Station, Force Main and Gravity Improvements	0%	24%	24%	\$ 528,000	\$ 2,200,000
4	Southwest Lift Station, Force Main and Gravity Improvements	0%	24%	24%	\$ 528,000	\$ 2,200,000
5	Wastewater Impact Fee Update	0%	100%	100%	\$ 50,100	\$ 50,100
Total					\$ 2,252,400	\$ 9,456,941

**Corinth Wastewater CIP Project List
Upper Trinity East Service Area**

1. Lift Station 3A and 18-inch/21-inch Wastewater Line
2. Lift Station 3A 12-inch/14-inch Force Main
3. Lift Station 3A 18-inch Wastewater Line
4. Lynchburg 15-inch, 12-inch and 10-inch Wastewater Lines
5. Lift Station 2 Expansion and 6-inch Force Main
6. Lift Station 3A Upgrade
7. North Corinth Gravity Wastewater Collectors
8. Silvermeadow Lane 8-inch Wastewater Extension
9. Lift Station 3A Parallel Force Main

**Corinth Wastewater CIP Project List
Upper Trinity West Service Area**

1. Westside Lift Station Improvements
2. FM 2181 18-inch Force Main
3. South Lift Station, Force Main, and Gravity Improvements
4. Southwest Lift Station, Force Main, and Gravity Improvements



Legend

- Proposed Force Main
- Proposed Gravity Main
- Existing Force Main
- Existing Gravity Main
- Existing Lift Station
- Proposed Lift Station
- Service Area Boundary

**2016 Impact Fee Update
Wastewater CIP
Figure 2.2**

0 400 800 1,600 Feet

Kimley»Horn January 2017



A. Project Descriptions (By Service Area)

I. Denton Service area

1. No Projects Planned

Project Cost	\$0
Recoverable Cost	\$0

II. Upper Trinity East Service area

1. Lift Station 3A and 18-inch/21-inch Wastewater Line

This project involved the abandonment of Lift Stations 3 and 4 and the installation of three pumps along with the lift station structure. The project also involved an 18-inch/21-inch gravity wastewater line from Shady Rest Lane to the lift station site.

Project Cost (Actual Construction Cost)	\$1,686,163
Recoverable Cost	\$359,700

2. Lift Station 3A 14-inch/12-inch Force Main

This project involved the installation of a 14-inch/12-inch force main from the Lift Station 3A site to an existing UTRWD force main located near FM 2181.

Project Cost (Actual Construction Cost)	\$688,165
Recoverable Cost	\$165,200

3. Lift Station 3A 18-inch Wastewater Line

This project involved the installation of an 18-inch gravity wastewater line from Shady Rest Lane to the Old Railroad.

Project Cost (Actual Construction Cost)	\$291,425
Recoverable Cost	\$69,900

4. Lynchburg 15-inch, 12-inch and 10-inch Wastewater Lines

This project consisted of the installation of a 12-inch gravity wastewater line from Sharon Drive to Oak Hill Drive, a 15-inch gravity line from Oak Hill Drive to the east side of Interstate Highway 35E, and a 10-inch gravity wastewater line along the Old Railroad.

Project Cost (Actual Construction Cost)	\$1,272,325
Recoverable Cost	\$305,400

5. Lift Station 2 Expansion and 6-inch Force Main

This project consisted of the expansion of the existing Lift Station 2 and the installation of a 6-inch force main from the lift station to Corinth Bend.

Project Cost (Actual Construction Cost)	\$635,572
Recoverable Cost	\$152,500



6. Lift Station 3A Upgrade

This project consists of the installation of a fourth pump at the existing lift station. The additional pump will increase the lift station firm capacity from 2.3 MGD to 3.4 MGD.

Project Cost	\$200,000
Recoverable Cost	\$64,000

7. Silver Meadow Lane 8-inch Wastewater Extension

This project consists of the installation of 8-inch wastewater line along Silver Meadow to provide service for future developments.

Project Cost	\$200,000
Recoverable Cost	\$82,000

8. North City 8-inch Wastewater Extension

This project consists of the installation of 8-inch wastewater line to provide service for future developments.

Project Cost	\$600,000
Recoverable Cost	\$246,000

9. Lift Station 3A Parallel Force Main

This project consists of the installation of a parallel force main to increase pumping capacity for Lift Station 3A. The force main would begin at the lift station site and end near Dobbs Road.

Project Cost	\$800,000
Recoverable Cost	\$256,000

10. Wastewater Impact Fee Update

Based on the projected future infrastructure needs, a Wastewater Impact Fee Update was completed to determine how much of the infrastructure costs may be recovered by the City. The recoverable costs associated with the Wastewater Impact Fee Update have been divided among the Upper Trinity East and Upper Trinity West service areas.

Project Cost	\$50,100
Recoverable Cost	\$50,100

III. Upper Trinity West Service area

1. Westside Lift Station Improvements

This project involves the expansion of the existing Westside Lift Station. The improvements involved a new wet well and three new 2.8 MGD pumps, an associated electrical building and equipment upgrades.

Project Cost (Actual Construction Cost)	\$2,286,172
Recoverable Cost	\$526,700



2. FM 2181 18-inch Force Main
This project involves the installation of an 18-inch force main from the Westside Lift Station to Interstate Highway 35E.

Project Cost (Actual Construction Cost)	\$2,720,669
Recoverable Cost	\$625,800

3. South Lift Station, Force Main and Gravity Improvements
Improvements will be required to provide a regional solution to wastewater service for this area. Improvements will include gravity wastewater lines, lift station and force main.

Project Cost	\$2,200,000
Recoverable Cost	\$528,000

4. Southwest Lift Station, Force Main and Gravity Improvements
Improvements will be required to provide a regional solution to wastewater service for this area. Improvements will include gravity wastewater lines, lift station and force main.

Project Cost	\$2,200,000
Recoverable Cost	\$528,000

5. Wastewater Impact Fee Update
Based on the projected future infrastructure needs, a Wastewater Impact Fee Update was completed to determine how much of the infrastructure costs may be recovered by the City. The recoverable costs associated with the Wastewater Impact Fee Update have been divided among the Upper Trinity East and Upper Trinity West service areas.

Project Cost	\$50,100
Recoverable Cost	\$50,100



2.5 Wastewater Impact Fee Calculation

Chapter 395 of the Local Government Code defines a service unit as follows, "Service Unit" means a 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." Therefore, the City of Corinth defines a *service unit* based on historical wastewater usage over the past 10 years as compared to the estimated residential units. From 2006 to 2010 City only has historical wastewater flow data for the Upper Trinity East and West service areas, the Denton service area wastewater flow was not metered. Since no data was available for the Denton area from 2006 to 2010 the table below only shows information related to the Upper Trinity East and West areas during those years. From 2011 to 2015 the City was able to provide meter data for all areas. The residential unit is the development type that predominately uses a 5/8"x 3/4" meter. The measure of consumption per service unit is based on a 5/8"x 3/4" meter and the data shown in Table 2.6.

Table 2.6 Service Unit Consumption Calculation

Year	Population ¹	Residential Units (2.9 persons/unit) ¹	Wastewater Flow Average Day Flow ² (MGD)	Flow per Service Unit (GPD)
2006	14,350	4,948	0.68	137
2007	15,958	5,503	1.28	232
2008	16,418	5,661	1.04	184
2009	17,120	5,903	1.19	202
2010	17,153	5,915	1.23	208
2011	20,678	7,130	1.18	165
2012	20,721	7,145	1.30	182
2013	20,772	7,163	1.35	188
2014	20,839	7,186	1.38	192
2015	20,957	7,227	1.50	207
Average Flow per Service Unit				190

Wastewater Usage Source: City of Corinth

- (1) Source: 2016 Land Use Assumptions. Population shown represents Upper Trinity East and West areas only for years 2006 to 2010.
- (2) Historic Flow is for Upper Trinity East and West areas only from 2006 to 2010. No meter data available for Denton area during those years.

The City's historic usage of 190 gallons per service unit is considerably less than the usage projected in the City's Wastewater Master Plan. The master plan projects a usage of 240 gallons per day per service unit. There are numerous possible explanations for the variance in the historic data versus the master plan projections:



1. Inaccuracies associated with measuring wastewater flow
2. The historic data represents a large number of dry years which results in lower wastewater demands. The master plan focuses on projected demands for wet weather events.
3. No flow data available for the Denton Service Area for the years of 2006 to 2010

After evaluating the data available and weighing the possible explanations for the variations in the projected demands versus historic demands, it was decided to use the Master Plan demand projection of 240 gallons per day.

Based on the City's 10-year growth projections and the resulting wastewater flow projections, wastewater service will be required for 1,718 additional service units. The calculation is as follows:

- A service unit, which is a unit of development that discharges approximately 240 gallons per day (GPD), is a typical residential connection that uses a 5/8"x 3/4" meter. Tables 2.7.1 – 2.7.3 outlines the future wastewater discharge projections and its relationship to the additional service units projected for the next 10-years.

Table 2.7.1 Denton Service Area 10-year Additional Service Unit Calculation

Year	Average Day Flow (MGD)	Service Unit Demand (GPD)	Service Units
2016	0.31	240	1,292
2021	0.33	240	1,387
10-year Additional Service Units			95

Table 2.7.2 Upper Trinity East Service Area 10-year Additional Service Unit Calculation

Year	Average Day Flow (MGD)	Service Unit Demand (GPD)	Service Units
2016	0.91	240	3,792
2021	1.13	240	4,708
10-year Additional Service Units			916

Table 2.7.3 Upper Trinity West Service Area 10-year Additional Service Unit Calculation

Year	Average Day Flow (MGD)	Service Unit Demand (GPD)	Service Units
2016	0.74	240	3,084
2021	0.91	240	3,791
10-year Additional Service Units			707



Impact fee law allows for a credit calculation to credit back the development community based on the utility revenues or ad valorem taxes that are allocated for paying a portion of future capital improvements. The intent of this credit is to prevent the City from double charging development for future capital improvements via impact fees and utility rates. If the City chooses not to do a financial analysis to determine the credit value, they are required by law to reduce the recoverable cost by 50 percent. The City has chosen the latter; therefore, the maximum recoverable cost for impact fee shown below is 50 percent of the Pre Credit Recoverable Cost.

A breakdown of the 10-year recoverable costs and the associated impact fee for each service area per service unit is as follows

Table 2.8.1 Denton Service Area 10-year Recoverable Cost Breakdown

Pre Credit Recoverable Cost for Impact Fee	\$0
Credit for Utility Revenues (50% credit)	(\$0)
Maximum Recoverable Cost for Impact Fee	\$0

$$\text{Impact fee per service unit} = \frac{\text{10-year recoverable costs}}{\text{10-year additional service units}}$$

$$\text{Impact fee per service unit} = \frac{\$0.00}{95}$$

$$\text{Impact fee per service unit} = \$0.00$$

Therefore, the maximum assessable impact fee for the Denton service area is \$0.00.

Table 2.8.2 Upper Trinity East Service Area 10-year Recoverable Cost Breakdown

Pre Credit CIP Recoverable Cost for Impact Fee	\$1,750,800
Financing Cost (4% Provided by City)	\$577,764
Pre Credit Total	\$2,328,564
Credit for Utility Revenues (50% credit)	(\$1,164,282)
Maximum Recoverable Cost for Impact Fee	\$1,164,282

$$\text{Impact fee per service unit} = \frac{\text{10-year recoverable costs}}{\text{10-year additional service units}}$$

$$\text{Impact fee per service unit} = \frac{\$1,164,282}{916}$$

$$\text{Impact fee per service unit} = \$1,271$$

Therefore, the maximum assessable impact fee for the Upper Trinity East service area is \$1,271.



Table 2.8.3 Upper Trinity West Service Area 10-year Recoverable Cost Breakdown

Pre Credit CIP Recoverable Cost for Impact Fee	\$2,252,400
Financing Cost (4% Provided by City)	\$747,796
Pre Credit Total	\$3,000,196
Credit for Utility Revenues (50% credit)	(\$1,500,098)
Maximum Recoverable Cost for Impact Fee	\$1,500,098

$$\text{Impact fee per service unit} = \frac{\text{10-year recoverable costs}}{\text{10-year additional service units}}$$

$$\text{Impact fee per service unit} = \frac{\$1,500,098}{707}$$

$$\text{Impact fee per service unit} = \$2,121$$

Therefore, the maximum assessable impact fee for the Upper Trinity West service area is \$2,121.

For a development that requires a different size meter, a service unit equivalent is established at a multiplier based on its capacity with respect to the 5/8"x 3/4" meter. The maximum impact fee that could be assessed for other meter sizes is based on the value shown on Table 2.9, Service Unit Equivalency Table for Commonly Used Meters.



Table 2.9 Service Unit Equivalency Table for Commonly Used Meters

Meter Size*	Maximum Continuous Operating Capacity (GPM)**	Service Unit Equivalent	Maximum Assessable Fee per Service Area (\$)		
			Denton	Upper Trinity East	Upper Trinity West
5/8"x 3/4" PD	10	1	\$0	1,271	2,121
3/4" PD	15	1.5	\$0	1,907	3,182
1" PD	25	2.5	\$0	3,178	5,303
1 1/2" PD	50	5	\$0	6,355	10,605
2" PD	80	8	\$0	10,168	16,968
2" Compound	80	8	\$0	10,168	16,968
2" Turbine	160	16	\$0	20,336	33,936
3" Compound	175	17.5	\$0	22,243	37,118
3" Turbine	350	35	\$0	44,485	74,235
4" Compound	300	30	\$0	38,130	63,630
4" Turbine	650	65	\$0	82,615	137,865
6" Compound	675	67.5	\$0	85,793	143,168
6" Turbine	1,400	140	\$0	177,940	296,940
8" Compound	900	90	\$0	114,390	190,890
8" Turbine	2,400	240	\$0	305,040	509,040
10" Turbine	3,500	350	\$0	444,850	742,350

* PD = Positive Displacement Meter (Typical residential meter)

** Operating capacities obtained from American Water Works Associate (AWWA) C700-15, C701-15, and C702-15. Turbine and Compound meter flows are based on Class II (in-line) meters

APPENDIX A

Client: City of Corinth	Date: 1/16/2017
Project: Wastewater Impact Fee Projects	Prepared By: AMK
KHA No.: 061008048	Checked By: MAS

Title: South Lift Station, Force Main, and Gravity Improvements	Project: UTW - 3
--	-------------------------

Item No.	Item Description	Quantity	Unit	Unit Price	Item Cost
1	Mobilization	1	LS	\$ 50,000.00	\$ 50,000.00
2	8" Wastewater Main	4,270	LF	\$ 60.00	\$ 256,200
3	6" Wastewater Force Main	4,600	LF	\$ 60.00	\$ 276,000
4	0.5 MGD Lift Station	1	LS	\$ 500,000.00	\$ 500,000.00
5	4' Manhole (8" - 18" Main)	7	EA	\$ 9,000.00	\$ 63,000
6	Connect to Existing Manhole	1	EA	\$ 5,000.00	\$ 5,000
7	Bore with 16" Steel Casing	60	LF	\$ 600.00	\$ 36,000
8	Seeding, Fertilizer & Erosion Control	5,100	LF	\$ 10.00	\$ 51,000
9	Concrete Pavement Repair (SY)	4,200	SY	\$ 80.00	\$ 336,000
10	Trench Safety	8,810	LF	\$ 2.00	\$ 17,620
11	TV Inspection	4,270	LF	\$ 1.00	\$ 4,270

Basis for Cost Projection:

- No Design Completed
- Preliminary Design
- Final Design

Subtotal:		\$ 1,545,090
Eng/Survey Fees (+/- %):	15	\$ 232,000
Contingency (+/- %):	25	\$ 422,910
Total:		\$ 2,200,000

Client: City of Corinth	Date: 1/16/2017
Project: Wastewater Capital Improvement Projects	Prepared By: AMK
KHA No.: 061008048	Checked By: MAS

Title: Southwest Lift Station, Force Main, and Gravity Improvements	Project: UTW - 4
--	-------------------------

Item No.	Item Description	Quantity	Unit	Unit Price	Item Cost
1	Mobilization	1	LS	\$ 50,000.00	\$ 50,000.00
2	8" Wastewater Main	9,150	LF	\$ 60.00	\$ 549,000
3	4" Wastewater Force Main	1,100	LF	\$ 50.00	\$ 55,000
4	0.1 MGD Lift Station	1	LS	\$ 120,000.00	\$ 120,000.00
5	4' Manhole (8" - 18" Main)	14	EA	\$ 9,000.00	\$ 126,000
6	Connect to Existing Manhole	1	EA	\$ 5,000.00	\$ 5,000
7	Bore with 12" Steel Casing	150	LF	\$ 500.00	\$ 75,000
8	Seeding, Fertilizer & Erosion Control	4,250	LF	\$ 10.00	\$ 42,500
9	Concrete Pavement Repair (SY)	6,500	SY	\$ 80.00	\$ 520,000
10	Trench Safety	10,100	LF	\$ 2.00	\$ 20,200
11	TV Inspection	9,150	LF	\$ 1.00	\$ 9,150

Basis for Cost Projection:

- No Design Completed
- Preliminary Design
- Final Design

Subtotal:		\$ 1,521,850
Eng/Survey Fees (+/- %):	15	\$ 229,000
Contingency (+/- %):	25	\$ 449,150
Total:		\$ 2,200,000

Client: City of Corinth	Date: 1/16/2017
Project: Wastewater Impact Fee Projects	Prepared By: AMK
KHA No.: 061008048	Checked By: MAS

Title: Lift Station 3A Upgrade	Project: UTE - 6
---------------------------------------	-------------------------

Item No.	Item Description	Quantity	Unit	Unit Price	Item Cost
1	Mobilization	1	LS	\$ 5,000.00	\$ 5,000.00
2	750 gpm Pump and Motor (match existing)	1	EA	\$ 70,000.00	\$ 70,000
3	Electrical	1	LS	\$ 30,000.00	\$ 30,000
4	SCADA and Instrumentation	1	LS	\$ 10,000.00	\$ 10,000
5	Mechanical Piping	1	LS	\$ 30,000.00	\$ 30,000

Basis for Cost Projection:		Subtotal:	\$	140,000
<input checked="" type="checkbox"/>	No Design Completed	Eng/Survey Fees (+/- %):	15	\$ 21,000
<input type="checkbox"/>	Preliminary Design	Contingency (+/- %):	25	\$ 39,000
<input type="checkbox"/>	Final Design	Total:		\$ 200,000

Client: City of Corinth	Date: 1/16/2017
Project: Wastewater Capital Improvement Projects	Prepared By: ER
KHA No.: 061008048	Checked By: MAS

Title: Silvermeadow Lane 8-inch Wastewater Extension	Project: UTE - 7
---	-------------------------

Item No.	Item Description	Quantity	Unit	Unit Price	Item Cost
1	Mobilization	1	LS	\$ 5,000.00	\$ 5,000.00
2	8" Wastewater Main	1,300	LF	\$ 60.00	\$ 78,000
3	4' Manhole (8" - 18" Main)	3	EA	\$ 9,000.00	\$ 27,000
4	Connect to Existing Manhole	1	EA	\$ 5,000.00	\$ 5,000
5	Bore with 12" Steel Casing	20	LF	\$ 500.00	\$ 10,000
6	Seeding, Fertilizer & Erosion Control	1,280	LF	\$ 10.00	\$ 12,800
7	Concrete Pavement Repair (SY)	10	SY	\$ 80.00	\$ 800
8	Trench Safety	1,280	LF	\$ 2.00	\$ 2,560
9	TV Inspection	1,300	LF	\$ 1.00	\$ 1,300

Basis for Cost Projection:	Subtotal:		\$ 137,460
<input checked="" type="checkbox"/> No Design Completed	Eng/Survey Fees (+/- %):	15	\$ 21,000
<input type="checkbox"/> Preliminary Design	Contingency (+/- %):	25	\$ 41,540
<input type="checkbox"/> Final Design	Total:		\$ 200,000

Client: City of Corinth	Date: 1/16/2017
Project: Wastewater Capital Improvement Projects	Prepared By: ER
KHA No.: 061008048	Checked By: MAS

Title: North City 8-inch Wastewater Extension	Project: UTE - 8
--	-------------------------

Item No.	Item Description	Quantity	Unit	Unit Price	Item Cost
1	Mobilization	1	LS	\$ 15,000.00	\$ 15,000.00
2	8" Wastewater Main	3,100	LF	\$ 60.00	\$ 186,000
3	4' Manhole (8" - 18" Main)	9	EA	\$ 9,000.00	\$ 81,000
4	Connect to Existing Manhole	2	EA	\$ 5,000.00	\$ 10,000
5	Bore with 12" Steel Casing	70	LF	\$ 500.00	\$ 35,000
6	Seeding, Fertilizer & Erosion Control	2,430	LF	\$ 10.00	\$ 24,300
7	Concrete Pavement Repair (SY)	700	SY	\$ 80.00	\$ 56,000
8	Trench Safety	3,030	LF	\$ 2.00	\$ 6,060
9	TV Inspection	3,100	LF	\$ 1.00	\$ 3,100

Basis for Cost Projection:	Subtotal:		\$ 401,460
<input checked="" type="checkbox"/> No Design Completed	Eng/Survey Fees (+/- %):	15	\$ 61,000
<input type="checkbox"/> Preliminary Design	Contingency (+/- %):	25	\$ 137,540
<input type="checkbox"/> Final Design	Total:		\$ 600,000

Client: City of Corinth	Date: 1/16/2017
Project: Wastewater Impact Fee Projects	Prepared By: AMK
KHA No.: 061008048	Checked By: MAS

Title: Lift Station 3A Parallel Force Main	Project: UTE - 9
---	-------------------------

Item No.	Item Description	Quantity	Unit	Unit Price	Item Cost
1	Mobilization	1	LS	\$ 20,000.00	\$ 20,000.00
2	Wastewater Force Main	2,500	LF	\$ 80.00	\$ 200,000
3	Gate Valve	2	EA	\$ 15,000.00	\$ 30,000
4	Connect to Existing Force Main	2	EA	\$ 5,000.00	\$ 10,000
5	Bore with Steel Casing	150	LF	\$ 600.00	\$ 90,000
6	Seeding, Fertilizer & Erosion Control	100	LF	\$ 10.00	\$ 1,000
7	Concrete Pavement Repair (SY)	2,500	SY	\$ 80.00	\$ 200,000
8	Trench Safety	2,350	LF	\$ 2.00	\$ 4,700
9	TV Inspection	2,500	LF	\$ 1.00	\$ 2,500

Basis for Cost Projection:	Subtotal:		\$ 538,200
<input checked="" type="checkbox"/> No Design Completed	Eng/Survey Fees (+/- %):	15	\$ 81,000
<input type="checkbox"/> Preliminary Design	Contingency (+/- %):	25	\$ 180,800
<input type="checkbox"/> Final Design	Total:		\$ 800,000



City of Corinth

2016 Land Use Assumptions and Roadway Impact Fee Report

December 2016

Kimley»Horn

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City of Corinth, Texas

Roadway

Impact Fee Report for 2016

December 2016



Prepared for:

City of Corinth

Prepared by:

Kimley»»Horn

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TBPE Firm Registration Number: F-928

Project Number: 061008048

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Executive Summary

This study was performed to update the City of Corinth's Roadway Impact Fees. Transportation system analysis is an important tool for facilitating orderly growth of the transportation system and for providing adequate facilities that promote economic development in the City of Corinth. The implementation of an impact fee is a way to shift a portion of the burden of paying for new facilities onto new development.

Roadway improvements necessary to serve 10-year (2026) and ultimate system needs were evaluated. Typically, infrastructure improvements are sized beyond the 10-year requirements; however, Texas' impact fee law (Chapter 395) only allows recovery of costs to serve the 10-year planning period. For example, the projected cost to construct the infrastructure needed through 2026 is \$26,202,545. After financing costs are added and a 50% credit is applied, \$13,101,272 is recoverable through impact fees serving the 10-year system needs. A portion of the remainder can be assessed as the planning window extends beyond 2026 and as the impact fees are updated in the future.

The impact fee law defines a service unit as follows: "Service Unit" means a 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." Therefore, the City of Corinth defines a *service unit* as the number of vehicle-mile of travel during the afternoon peak-hour. For each type of development, the City utilizes the Land Use/Vehicle-Mile Equivalency Table (LUVMET), presented in Table 10 to determine the number of service units.

Based on the additional service units (15,057 vehicle-miles) and the recoverable Capital Improvements Plan (\$13,101,272), the City may assess a maximum of \$870 per service unit.



1.0 Introduction

Impact Fees are a mechanism for funding the public infrastructure necessitated by new development. In Texas, the legislature has allowed their use for water, wastewater, roadway and drainage facilities. In the most basic terms, impact fees are meant to recover the incremental cost of the impact of each new unit of development which creates new infrastructure needs. In the case of roadway impact fees, the infrastructure need is the increased capacity on arterial and collector roadways that serve the overall transportation system.

Chapter 395 of the Texas Local Government Code describes the procedure political subdivisions must follow in order to create and implement impact fees. Senate Bill 243 (SB 243) amended Chapter 395 in 2001 to define an Impact Fee as “a charge or assessment imposed by a political subdivision against new development in order to generate revenue for funding or recouping the costs of capital improvements or facility expansions necessitated by and attributable to the new development.”

The City retained Kimley-Horn and Associates, Inc. to provide professional transportation engineering services for the 2016 Roadway Impact Fee Update. This report includes details of the Roadway Impact Fee calculation methodology in accordance with Chapter 395, the applicable Land Use Assumptions, development of the Roadway Impact Fee Capital Improvements Plan, and the Land Use Equivalency Table.

This report references two of the basic inputs to the Roadway Impact Fee:

1. Land Use Assumptions (Pg. 6)
2. Roadway Impact Fee Capital Improvements Plan (CIP) (Pg.11)

Information from these Land Use Assumptions and Roadway Impact Fee CIP is used extensively throughout the remainder of the report.

There is a detailed discussion of the methodology for the computation of impact fees. This discussion is broken into two components:

- A. Computation Method for Roadway Impact Fees (Pg. 14)
- B. Roadway Impact Fee Calculation (Pg. 26)



The components of the Computation Method for Roadway Impact Fee include development of:

- Service Areas (Pg. 14)
- Service Units (Pg. 14)
- Cost Per Service Unit (Pg. 16)
- Roadway Impact Fee CIP Costing Methodology (Pg. 16)
- Summary of Roadway Impact Fee CIP Costs (Pg. 20)
- Service Unit Calculation (Pg. 22)

The Roadway Impact Fee is then calculated as:

- Maximum Assessable Impact Fee Per Service Unit (Pg. 26)
- Plan for Awarding the Transportation Impact Fee Credit (Pg. 28)
- Service Unit Demand Per Unit of Development (Pg. 30)

This report also includes a section concerning the Plan for Awarding the Transportation Impact Fee Credit. In the case of the City of Corinth, the credit calculation was based on awarding a 50 percent credit.

The final section of the report is the Conclusion, which presents the findings of the update analysis and summarizes the report.



2.0 Land Use Assumptions

A. Purpose and Overview

In order to assess an impact fee, Land Use Assumptions must be developed to provide the basis for residential and employment growth projections within a political subdivision. As defined by Chapter 395 of the Texas Local Government Code, these assumptions include a description of changes in land uses, densities, and development in the service area. The land use assumptions are then used in determining the need and timing of transportation improvements to serve future development.

Information from the following sources was compiled to complete the land use assumptions:

- Denton County Appraisal District (DCAD)
- City of Corinth staff
- Historic Building Permit Data

The Land Use Assumptions include the following components:

- Land Use Assumptions Methodology – An overview of the general methodology used to generate the land use assumptions.
- Roadway Impact Fee Service Areas – Explanation of the division of Corinth into service areas for transportation facilities.
- Residential and Employment – Data on residential and employment growth within the service area over the next ten years (2016 – 2026).
- Land Use Assumptions Summary – A synopsis of the land use assumptions.



The residential and employment estimates and projections were compiled in accordance with the following categories:

Units: Number of dwelling units, both single and multi-family.

Employment: Square feet of building area based on three (3) different classifications. Each classification has unique trip making characteristics.

Retail: Land use activities which provide for the retail sale of goods which primarily serve households and whose location choice is oriented toward the household sector, such as grocery stores and restaurants.

Service: Land use activities which provide personal and professional services, such as government and other professional offices.

Basic: Land use activities that produce goods and services such as those which are exported outside of the local economy, such as manufacturing, construction, transportation, wholesale, trade, warehousing, and other industrial uses.

These broader categories are used in the development of the assumptions for impact fees; however, expanded classifications used in the assessment of impact fees are found in the Land Use / Vehicle-Mile Equivalency Table (Pg. 31).

B. Land Use Assumptions Methodology

The residential and non-residential growth projections formulated in this report were performed using reasonable and generally accepted planning principles. The following factors were considered in developing these projections:

- Character, type, density, and quantity of existing development;
- Current zoning;
- Growth trends;
- Location of vacant land;
- Physical restrictions (i.e. flood plains, railroads); and
- Physical development capacity of Corinth.



Existing residential and employment estimates were obtained using Corinth parcel data and an aerial survey of existing development.

For the remaining undeveloped areas, assumptions were based upon the demographic projections for Corinth based on previous growth and planned development to estimate the ten-year growth of residential and employment development.

Research of historical building permits was performed to compare the projected growth of these known developments with previous growth trends in the City of Corinth over the last ten years.

C. Roadway Impact Fee Service Areas

The geographic boundary of the proposed impact fee service area for transportation facilities is shown in Exhibit 1. The City of Corinth is currently divided into one (1) service area, based upon the six (6) mile limit, as required in Chapter 395 (explained on Pg.14). For roadway facilities, the service areas as required by state law are limited to areas within the current corporate limits. Therefore, areas within the extraterritorial jurisdiction (ETJ) are excluded from this study. This service area covers the entire corporate boundary of the City of Corinth which is approximately four (4) miles in diameter.

It should be noted that at locations where service area boundaries follow a City thoroughfare facility, the proposed boundary is intended to follow the centerline of the roadway, unless otherwise noted. In cases where a service area boundary follows the City Limits, only those portions of the transportation facility within the City Limits are included in the service area.

2016 Impact Fee Update
Water and Roadway Service Area
Exhibit 1

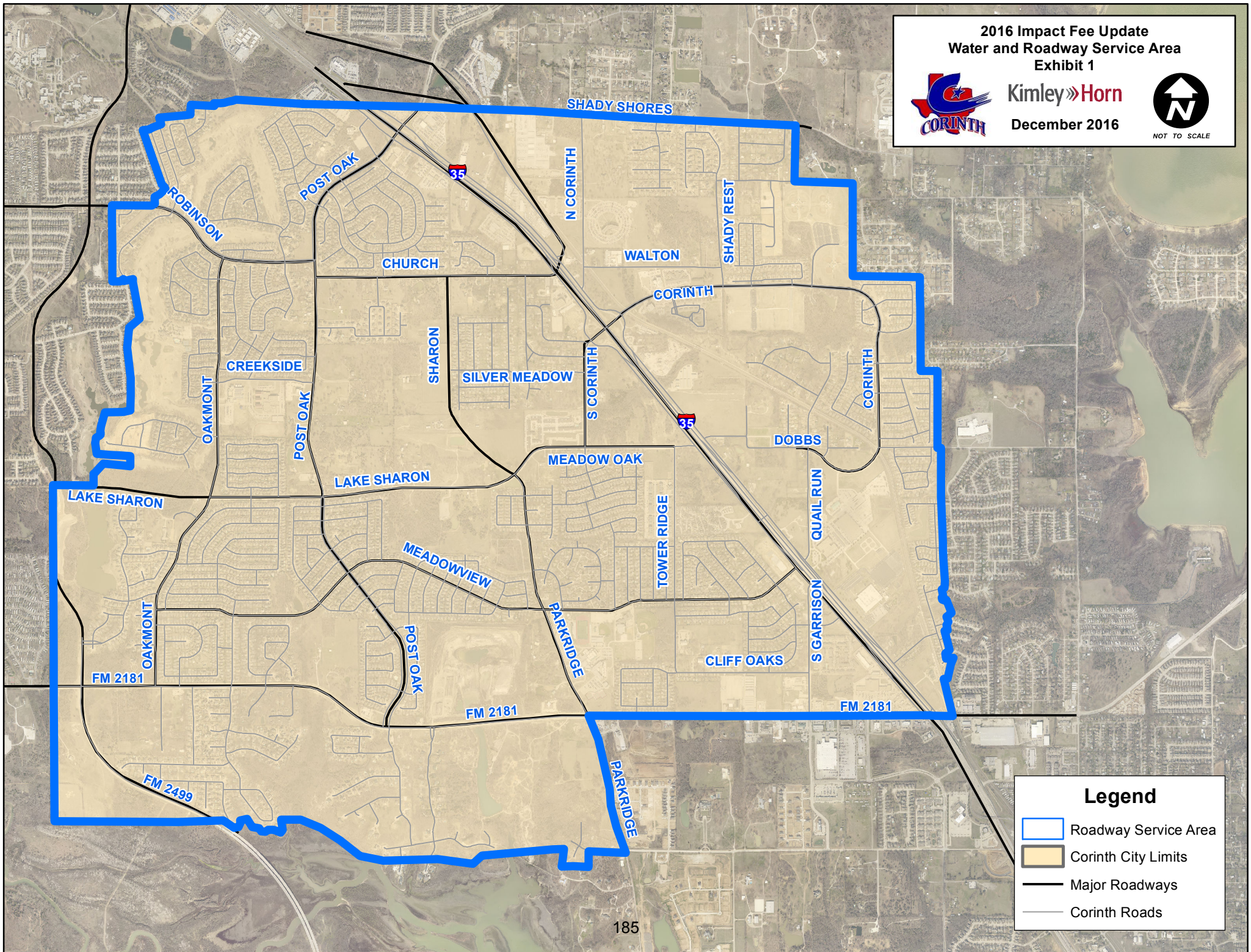


Kimley»Horn

December 2016



NOT TO SCALE



Legend

-  Roadway Service Area
-  Corinth City Limits
-  Major Roadways
-  Corinth Roads



D. Residential and Employment

Residential and Employment estimates for the base year (2016) were performed based upon a survey of the existing land uses on Corinth parcel data and aerial verification. Ten-year growth projections were prepared based upon demographic projections and consultation with City staff.

E. Land Use Assumptions Summary

Table 1 summarizes the residential and employment 10-year growth projections. The projected growth over the next ten years is reasonable compared to the historical growth over the previous ten years, as described in the Land Use Assumptions Methodology (page 7).

Table 1 Residential and Employment 10-Year Growth Projections

Service Area	Residential (Units)	Employment (Square Feet)		
		Basic	Service	Retail
Corinth	1,230	150,000	622,500	852,500



3.0 Roadway Impact Fee Capital Improvements Plan

Development of a 10-year Roadway Impact Fee Capital Improvement Plan is required per Chapter 395 of the Texas local Government Code. The current Corinth Thoroughfare Plan was used as the basis for this Roadway Impact Fee CIP. The Roadway Impact Fee CIP includes arterial and collector class roadway facilities that serve the overall transportation system, as well as major intersection improvements. All of the facilities identified are included in the current Thoroughfare Plan map.

The proposed Roadway Impact Fee CIP is listed in Table 2 and mapped in Exhibit 2. The table shows the length of each project as well as the facility's Thoroughfare Plan classification. The Roadway Impact Fee CIP was developed in conjunction with input from City of Corinth staff and represents those projects that will be needed to accommodate the growth projected in the Land Use Assumptions section of this report.



Table 2 10-Year Roadway Impact Fee Capital Improvements Plan

Service Area	Proj. #	Class	Roadway	Limits	Length (mi)	% In Service Area
Corinth	1	Greenway	Lake Sharon Dr (1)	FM 2499 to Oakmont Dr	0.59	100%
	2	Greenway	Lake Sharon Dr (2)	Blue Holley Dr to Parkridge Dr	0.90	100%
	3	Greenway	Meadow Oak Dr	Parkridge Dr to Tower Ridge Dr	0.64	100%
	4	Greenway	Dobbs Rd (1)	IH-35E NBFR to Carpenter Ln	0.14	100%
	5	Greenway	Dobbs Rd (2)	Carpenter Ln to Quail Run Dr	0.22	100%
	6	Greenway	Dobbs Rd (3)	Quail Run to 300' east of Corinth Pkwy	0.33	100%
	7	Collector	Church Dr	Post Oak Rd to IH-35E SBFR	0.90	100%
	8	Collector	Walton Dr	North Corinth St to Shady Rest Ln	0.52	100%
	9	Collector	Shady Shores Rd	Railroad to 205' East of Dalton Dr	1.22	50%
	10	Collector	Parkridge Dr (1)	Lake Sharon Dr to Tori Oak Tr	0.09	100%
	11	Collector	Parkridge Dr (2)	Warwick Dr to FM 2181	0.76	100%
	12	Collector	Parkridge Dr (3)	FM 2181 to South City Limits	0.53	100%
	13	Collector	Tower Ridge Dr (1)	Meadow Oaks Dr to 215' South of Brookview Dr	0.42	100%
	14	Collector	Tower Ridge Dr (2)	215' South of Brookview Dr to Cliff Oaks Dr	0.43	100%
	15	Collector	Garrison St	IH 35E SBFR to Cliff Oak Dr	0.33	100%
	16	Collector	Quail Run Dr	Dobbs Rd to IH-35E NBFR	0.37	100%
	17	Greenway (1/2)	Post Oak Rd	Robinson Rd to Lake Sharon Dr	0.89	100%
	18	Collector	Sharon Dr	Church Dr to Lake Sharon Dr	0.84	100%
	19	Greenway	S. Corinth St	IH-35E SBFR to Meadow Oak Dr	0.41	100%
	20	Collector	Shady Rest Ln	Fritz Ln to Walton Dr	0.33	100%
	21	Major	FM 2181	West City Limits to IH-35E SBFR	3.32	100%
	22	Collector	Cliff Oak Dr	Tower Ridge Dr to Garrison Rd	0.50	100%

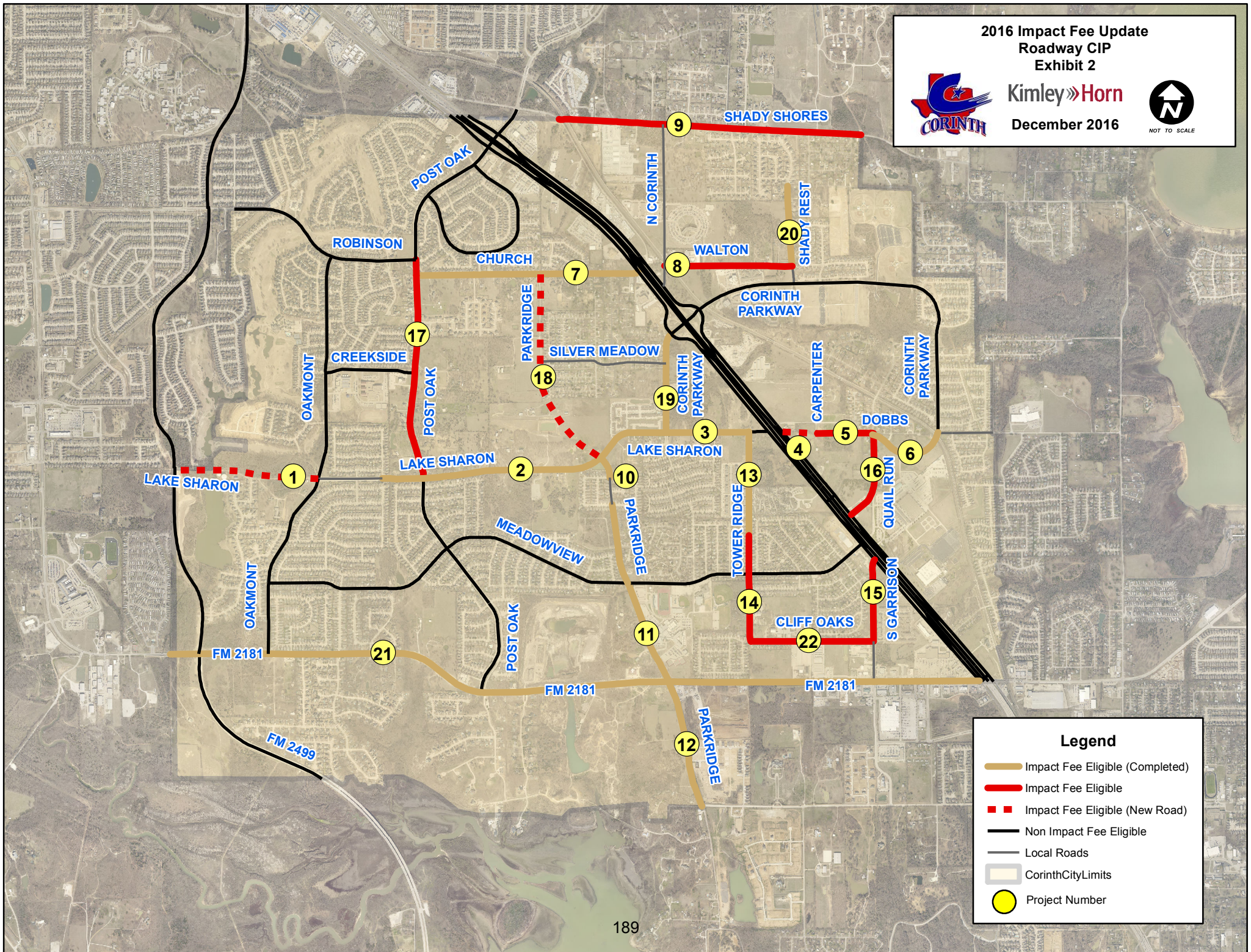
Note: The 10-Year Roadway Impact Fee CIP is not in a prioritized order.

2016 Impact Fee Update
Roadway CIP
Exhibit 2



Kimley»Horn

December 2016



Legend

- Impact Fee Eligible (Completed)
- Impact Fee Eligible
- - - Impact Fee Eligible (New Road)
- Non Impact Fee Eligible
- Local Roads
- CorinthCityLimits
- Project Number



4.0 Computation Method for Roadway Impact Fees

A. Service Areas

The service area used in the 2016 Roadway Impact Fee Update is shown in the previously referenced Exhibit 1. Chapter 395 of the Texas Local Government Code specifies that “the service area is limited to an area within the corporate boundaries of the political subdivision and shall not exceed six (6) miles.” Based on guidance in Chapter 395 and examination of the City of Corinth, one roadway service area was deemed appropriate. This service area covers the entire corporate boundary of the City of Corinth which is approximately four (4) miles in diameter.

B. Service Units

The “service unit” is a measure of consumption or use of the capital facilities by new development. In other words, it is the unit of measure used in the 2016 Roadway Impact Fee Study to quantify the supply and demand for roads in the City. For transportation purposes, the service unit is defined as a vehicle-mile. Below is the definition for vehicle-mile.

Vehicle-Mile: The capacity consumed in a single lane in the PM peak hour by a vehicle making a trip one mile in length. The PM Peak is used as the basis for transportation planning and the estimation of trips caused by new development.

Total Vehicle-Miles of Supply: Based on the total length (miles), number of lanes, and capacity (vehicles per hour) provided by the North Central Texas Council of Governments (NCTCOG) (see Appendix B).

Total Vehicle-Miles of Demand: Based on the 10-year growth projections (Pg. 25). The demand is equal to PM Trip Rate (trips) * Trip Length (miles).

The capacity values used in the 2016 Roadway Impact Fee Study are based upon Thoroughfare Capacity Criteria published by NCTCOG. Tables 3A and 3B show the service volumes as a function of the facility classification and type.



Table 3A Service Volumes for Proposed Facilities

(used in Appendix B – Roadway Impact Fee CIP Service Units of Supply)

Facility Classification	Median Configuration	Hourly Vehicle-Mile Capacity per Lane-Mile of Roadway Facility
Minor Arterial	Divided	700
Minor Arterial/Greenway	Divided	650
Collector	Undivided	425

Table 3B Service Volumes for Existing Facilities

(used in Appendix C – Existing Roadway Facilities Inventory)

Roadway Type	Description	Hourly Vehicle-Mile Capacity per Lane-Mile of Roadway Facility
2U-R	Rural Cross-Section (i.e., gravel, dirt, etc.)	150
2U	Two lane undivided	350
3U	Three lane undivided (two-way, left-turn lane)	425
4U	Four lane undivided	550
4D	Four lane divided	650
6D	Six lane divided	700



C. Cost Per Service Unit

A fundamental step in the impact fee process is to establish the cost for each service unit. In the case of the Roadway Impact Fee, this is the cost for each vehicle-mile of travel. Thus, it is the cost to construct a roadway (lane-mile) needed to accommodate a vehicle-mile of travel at a level of service corresponding to the City's standards. The cost per service unit is calculated for each service area based on the roadway projects within that service area.

The second component of the cost per service unit is the determination of the number of service units in each service area. This number is the measure of the growth in transportation demand that is projected to occur in the ten-year period.

D. Roadway Impact Fee CIP Costing Methodology

All of the project costs for an arterial or collector facility which serves the overall transportation system are eligible to be included in the Roadway Impact Fee Capital Improvements Plan. Chapter 395 of the Texas Local Government Code specifies that the allowable costs are "...including and limited to the:

1. Construction contract price;
2. Surveying and engineering fees;
3. Land acquisition costs, including land purchases, court awards and costs, attorney's fees, and expert witness fees; and
4. Fees actually paid or contracted to be paid to an independent qualified engineer or financial consultant preparing or updating the capital improvements plan who is not an employee of the political subdivision."

The engineer's opinion of the probable costs of the projects in the Roadway Impact Fee CIP is based, in part, on the calculation of a unit cost of construction. This means that a cost per linear foot of roadway is calculated based on an average price for the various components of roadway construction. This allows the probable cost to be determined by the type of facility being constructed, the number of lanes, and the length of the project. The cost for location specific items such as bridges, highway ramps, drainage structures, and any other special components are added to each project, as appropriate. In addition, based upon discussions with City of Corinth staff, State, County, and developer driven projects in which the City has contributed a portion of the total project cost have been included in the CIP as lump sum costs. The following is a detailed description of the costing worksheet/methodology for the Roadway Impact Fee CIP.



1. Overview of Roadway Impact Fee CIP Costing Worksheets

For each project a specific costing worksheet was developed (see Appendix A). Each worksheet contained the following four (4) main components:

- Project Information,
- Construction Pay Items,
- Construction Component Allowances and
- Summary of Costs and Allowances

City of Corinth
2016 Roadway Impact Fee Update
Conceptual Level Project Cost Projection

Kimley-Horn and Associates, Inc.
 updated: 12/21/2016

Project Information:		Description:	Project No.	4
Name:	Dobbs Rd (1)	This project consists of the construction of a new greenway minor arterial.		
Limits:	IH-35E NBFR to Carpenter Ln			
Impact Fee Class:	Greenway			
Ultimate Class:	Greenway			
Length (lf):	740			
Service Area(s):	Corinth			

Roadway Construction Cost Projection					
No.	Item Description	Quantity	Unit	Unit Price	Item Cost
104	Unclassified Street Excavation	2,302	cy	\$ 9.25	\$ 21,296
204	6" Lime Stabilization (with Lime @ 27#/sy)	4,440	sy	\$ 3.50	\$ 15,540
304	8" Concrete Pavement w/ 6" Curb	4,111	sy	\$ 48.00	\$ 197,333
404	4" Topsoil	3,124	sy	\$ 3.75	\$ 11,717
504	4' Concrete Sidewalk / Trail	8,880	sf	\$ 5.00	\$ 44,400
604	Concrete Driveway Approach	1	ea	\$ 3,250.00	\$ 3,250
Paving Construction Cost Subtotal:					\$ 293,536

Major Construction Component Allowances**:			
Item Description	Notes	Allowance	Item Cost
√ Prep ROW		3%	\$ 8,806
Traffic Control	None Anticipated	0%	\$ -
√ Pavement Markings/Markers		3%	\$ 8,806
√ Roadway Drainage	Standard Internal System	30%	\$ 88,061
√ Illumination		5%	\$ 14,677
Special Drainage Structures	None Anticipated	0%	\$ -
√ Water	Minor Adjustments	2%	\$ 5,871
√ Sewer	Minor Adjustments	1%	\$ 2,935
√ Basic Landscaping/Irrigation		2%	\$ 5,871
Other:		\$0	\$ -
**Allowances based on % of Paving Construction Cost Subtotal			Allowance Subtotal: \$ 135,026
Paving and Allowance Subtotal: \$ 428,562			
Construction Contingency: 20% \$ 85,712			
Construction Cost TOTAL: \$ 515,000			

Impact Fee Project Cost Summary			
Item Description	Notes:	Allowance	Item Cost
Construction:		-	\$ 515,000
Engineering/Survey/Testing:		18%	\$ 92,700
Mobilization		6%	\$ 30,900
Previous City contribution			
Other			
ROW/Easement Acquisition:	New Roadway Alignment	20%	\$ 103,000
Impact Fee Project Cost TOTAL:			\$ 742,000

NOTE: The planning level cost projections listed in this appendix have been developed for Impact Fee calculations only and should not be used for any future Capital Improvement Planning within the City of Corinth. The planning level cost projections shall not supersede the City's design standards or the determination of the City Engineer for a specific project.



Project Information

In order to correctly estimate the cost of a roadway project, several attributes are first identified:

- Project Number – Identifies the project a corresponding number. The corresponding number does not represent any prioritizations and is used only to identify projects. For example, Project 4 is the 4th project on the list.
- Name – A unique identifier for each project.
- Limits – Represents the beginning and ending location for each project.
- Impact Fee Class – The costing class to be used in the analysis. The impact fee class provides the width for the various elements in the roadway. The construction costs are variable, based on the Thoroughfare Plan classification of the roadway. For example, Type A stands for Major Arterial. A Major Arterial Impact Fee Class means the entire roadway is to be constructed. Additional classifications are utilized in cases where a portion of the facility currently exists and the road is only to be widened. The following notations are used for these projects:
 - "(1/2)" for facilities where half of the roadway needs to be constructed.
- Ultimate Class – The functional classification on Corinth's Thoroughfare Plan.
- Length (ft) – The distance measured in feet that is used to cost out the project.
- Service Area – Represents the service area where the project is located.
- Description – Used to describe the project type assumed in the costing such as a widening or reconstruction.

2. Construction Pay Items

A typical roadway project consists of a number of costs, including the following: planning, survey, design engineering, permitting, right-of way acquisition, and construction and inspection. While the construction cost component of a project may actually consist of approximately 100 various pay items, a simplified approach was used for developing the conceptual level project costs. The pay items for are shown in Table 4.



Table 4 Construction Cost Pay Items

City Pay Items
<ul style="list-style-type: none">• Unclassified street excavation• Lime Stabilization• Concrete pavement and curb• Topsoil• Sidewalk• Driveways

3. Construction Component Allowances

A percentage of the paving construction cost is allotted for various major construction component allowances, as appropriate. These allowances include traffic control, pavement markings and signage, roadway drainage, illumination, minor water and sewer adjustments, landscaping and irrigation. These allowance percentages are also based on historical data.

In addition, lump sum dollar allowances are provided for special drainage structures, railroad crossings, and intersection improvements where needs are anticipated. The paving and allowance subtotal is given a twenty percent (20%) contingency, six percent (6%) mobilizations, and three percent (3%) or five percent (5%) preparation of right-of-way depending on whether the roadway is existing or will be new to determine the construction cost total.

4. Summary of Cost and Allowances

To determine the total Impact Fee Project Cost, eighteen percent (18%) of the construction cost total is added for engineering, surveying, and testing.

Percentages are also allotted ROW/easement acquisition. ROW/easement acquisition was based on whether the project was an existing alignment or future alignment. For an existing alignment, the ROW/easement acquisition cost was provided an allotment equal to 10% of the construction cost total. For a new alignment, the ROW/easement acquisition cost was equal to 20% of the construction cost total. The value for ROW/easement acquisition is an estimated contribution allocation and does not represent actual ROW/easement acquisition needs.

The Impact Fee Project Cost Total is then the Construction Cost Total plus engineering, surveying, testing, and inspection; plus ROW/easement acquisition; and minus roadway escrow agreements.



E. Summary of Roadway Impact Fee CIP Costs

Table 5 is the 10-Year Roadway Impact Fee CIP project lists for the service area with planning level project costs. Individual project cost worksheets can be seen in Appendix A, Conceptual Level Project Cost Projections. It should be noted that these tables reflect only conceptual-level opinions or assumptions regarding the portions of future project costs that are recoverable through impact fees. Actual project costs are likely to change with time and are dependent on market and economic conditions that cannot be predicted.

The Roadway Impact Fee CIP establishes the list of projects for which Impact Fees can be utilized. Projects not included in the Roadway Impact Fee CIP are not eligible to receive impact fee funding. The cost projections utilized in this study should not be utilized for the City's construction CIP.



Table 5 – 10-Year Roadway Impact Fee CIP with Conceptual Level Cost Projections

Service Area	Proj. #	Class	Roadway	Limits	Length (mi)	% In Service Area	Total Project Cost	Cost in Service Area
Corinth	1	Greenway	Lake Sharon Dr (1)	FM 2499 to Oakmont Dr	0.59	100%	\$ 5,135,760	\$ 5,135,760
	2	Greenway	Lake Sharon Dr (2)	Blue Holley Dr to Parkridge Dr	0.90	100%	\$ 5,137,991	\$ 5,137,991
	3	Greenway	Meadow Oak Dr	Parkridge Dr to Tower Ridge Dr	0.64	100%	\$ 3,485,426	\$ 3,485,426
	4	Greenway	Dobbs Rd (1)	IH-35E NBFR to Carpenter Ln	0.14	100%	\$ 742,000	\$ 742,000
	5	Greenway	Dobbs Rd (2)	Carpenter Ln to Quail Run Dr	0.22	100%	\$ 1,163,000	\$ 1,163,000
	6	Greenway	Dobbs Rd (3)	Quail Run to 300' east of Corinth Pkwy	0.33	100%	\$ 453,628	\$ 453,628
	7	Collector	Church Dr	Post Oak Rd to IH-35E SBFR	0.90	100%	\$ 2,700,213	\$ 2,700,213
	8	Collector	Walton Dr	North Corinth St to Shady Rest Ln	0.52	100%	\$ 1,473,000	\$ 1,473,000
	9	Collector	Shady Shores Rd	Railroad to 205' East of Dalton Dr	1.22	50%	\$ 3,473,000	\$ 1,736,500
	10	Collector	Parkridge Dr (1)	Lake Sharon Dr to Tori Oak Tr	0.09	100%	\$ 765,541	\$ 765,541
	11	Collector	Parkridge Dr (2)	Warwick Dr to FM 2181	0.76	100%	\$ 1,014,513	\$ 1,014,513
	12	Collector	Parkridge Dr (3)	FM 2181 to South City Limits	0.53	100%	\$ 1,454,490	\$ 1,454,490
	13	Collector	Tower Ridge Dr (1)	Meadow Oaks Dr to 215' South of Brookview Dr	0.42	100%	\$ 780,001	\$ 780,001
	14	Collector	Tower Ridge Dr (2)	215' South of Brookview Dr to Cliff Oaks Dr	0.43	100%	\$ 1,317,000	\$ 1,317,000
	15	Collector	Garrison St	IH 35E SBFR to Cliff Oak Dr	0.33	100%	\$ 878,000	\$ 878,000
	16	Collector	Quail Run Dr	Dobbs Rd to IH-35E NBFR	0.37	100%	\$ 1,127,000	\$ 1,127,000
	17	Greenway (1/2)	Post Oak Rd	Robinson Rd to Lake Sharon Dr	0.89	100%	\$ 2,475,000	\$ 2,475,000
	18	Collector	Sharon Dr	Church Dr to Lake Sharon Dr	0.84	100%	\$ 2,621,000	\$ 2,621,000
	19	Greenway	S. Corinth St	IH-35E SBFR to Meadow Oak Dr	0.41	100%	\$ 2,137,686	\$ 2,137,686
	20	Collector	Shady Rest Ln	Fritz Ln to Walton Dr	0.33	100%	\$ 1,544,049	\$ 1,544,049
	21	Major	FM 2181	West City Limits to IH-35E SBFR	3.32	100%	\$ 242,000	\$ 242,000
	22	Collector	Cliff Oak Dr	Tower Ridge Dr to Garrison Rd	0.50	100%	\$ 1,525,000	\$ 1,525,000
							Service Area Project Cost Subtotal	\$ 39,908,798
							2016 Roadway Impact Fee Update	\$ 36,000
							Total Cost in Corinth	\$ 39,944,798

- a. These planning level cost projections have been developed for Impact Fee calculations only and should not be used for any future Capital Improvement Projects within the City of Corinth.
- b. These planning level cost projections shall not supersede the City's design standards or the determination of the City Engineer for a specific project.
- c. The project cost total within each Service Area may differ from the total shown in the Summary sheets provided to the City due to some projects that are split between multiple jurisdictions.



F. Service Unit Calculation

The basic service unit for the computation of Corinth's Roadway Impact Fees is the vehicle-mile of travel during the afternoon peak-hour (as explained on Pg.14). To determine the cost per service unit, it is necessary to project the growth in vehicle-miles of travel for the service area for the ten-year period.

The growth in vehicle-miles from 2016 to 2026 is based upon projected changes in residential units and employment for the period. In order to determine this growth, estimates of residential units, basic employment, service employment, and retail employment for 2016 were made, along with growth projections for each of these demographic statistics through 2026. The Land Use Assumptions section of this report details the growth estimates used for impact fee determination.

For the purposes of impact fees, all developed and developable land is categorized as either residential or non-residential. For residential land uses, the existing and projected number of dwelling units are estimated. The number of dwelling units in each service area is multiplied by a *transportation demand factor* (discussed in more detail below) to compute the vehicle-miles of travel that occur during the afternoon peak hour. This factor indicates the average amount of demand created by the residential land uses in the service area.

For non-residential land uses, the process is similar. The Land Use Assumptions section of this report provides existing and projected number of building square footages for three (3) categories of employment – basic, service, and retail. These categories correspond to an aggregation of other specific land use categories based on the North American Industrial Classification System (NAICS).

Building square footage is the most common independent variable for the estimation of non-residential trips in the *Institute of Transportation Engineers (ITE) Trip Generation Manual, 9th Edition*. This characteristic is more appropriate than the number of employees, because building square footage is tied more closely to trip generation and is known at the time of application for any development that would require the assessment of an impact fee.

The existing and projected land use assumptions for the dwelling units and the square footage of basic, service, and retail land uses provide the basis for the projected increase in vehicle-miles of travel. As noted earlier, a *transportation demand factor* is applied to these values and then summed to calculate the total peak hour vehicle-miles of demand for each service area.

The *transportation demand factors* are aggregate rates derived from two sources – the *ITE Trip Generation Manual, 9th Edition* and the National Household Travel Survey performed by the FHWA. The *ITE Trip Generation Manual, 9th Edition*



Edition provides the number of trips that are produced or attracted to the land use for each dwelling unit, square foot of building, or other corresponding unit. For the retail category of land uses, the rate is adjusted to account for the fact that a percentage of retail trips are made by people who would otherwise be traveling past that particular establishment anyway, such as a trip between work and home. For example, a stop at a nearby supermarket on the way home from work does not create a new trip onto the roadway network. These trips are called pass-by trips, and since the travel demand is accounted for in the land use calculations relative to the primary trip, it is necessary to discount the retail trip generation rates to avoid double counting trips.

The next component of the *transportation demand factor* accounts for the length of each trip. The average trip length for each category is based on the National Household Travel Survey (NHTS) conducted by the Federal Highway Administration (FHWA).

The computation of the *transportation demand factor* is based on the following equation:

$$TDF = T * (1 - P_b) * L_{max}$$

$$\text{where... } L_{max} = \min(L * OD \text{ or } SA_L)$$

Variables:

- TDF = Transportation Demand Factor,
- T = Trip Rate (peak hour trips / unit),
- P_b = Pass-By Discount (% of trips),
- L_{max} = Maximum Trip Length (miles),
- L = Average Trip Length (miles), and
- OD = Origin-Destination Reduction (50%)
- SA_L = Max Service Area Trip Length

For land uses which are characterized by longer average trip lengths the maximum trip length is typically limited to six (6) miles based on the maximum trip length within each service area. Chapter 395 of the Texas Local Government Code allows for a service area of six (6) miles in diameter; however, the service area within Corinth is approximated to be four (4) miles in diameter.

The adjustment made to the average trip length statistic in the computation of the maximum trip length is the origin-destination reduction. This adjustment is made because the Roadway Impact Fee is charged to both the origin and destination end of the trip. For example, impact fee methodology will account for a trip from home to work within Corinth to both residential and non-residential land uses. To avoid counting these trips twice as both residential and non-residential trips, a 50% origin-destination (OD) reduction factor is applied. Therefore, only half of the trip length is assessed to each land use, and the total trip is only counted once.



Table 6 shows the derivation of the *Transportation Demand Factor* for the residential land use and the three (3) non-residential land use categories. The values utilized for all variables shown in the *transportation demand factor* equation are also shown in the table.

Table 6 Transportation Demand Factor Calculations

Variable	Residential	Basic	Service	Retail
T	1.00	0.97	1.49	3.71
P _b	0%	0%	0%	34%
L	9.79	14.65	14.65	5.60
L _{max} *	4.90	4.00	4.00	2.80
TDF	4.00	3.88	5.96	6.86

* L_{max} is less than 4 miles for retail land uses; therefore this lower trip length is used for calculating the TDF for these land uses.

The application of the demographic projections and the *transportation demand factors* are presented in the 10-Year Growth Projections in Table 7. This table shows the total vehicle-miles by service area for the ten-year period between years 2016 and 2026. These estimates and projections lead to the Vehicle-Miles of Travel for the ten-year period.



Table 7 10-Year Growth Projections

SERVICE AREA	RESIDENTIAL VEHICLE-MILES			SQUARE FEET ⁴			TRANS. DEMAND FACTOR (TDF) ⁵				NON-RESIDENTIAL VEHICLE-MILES ⁹			TOTAL VEHICLE-MILES ¹⁰
	DWELLING UNITS ¹	Trip Rate TDF ²	VEHICLE-MILES ³	BASIC	SERVICE	RETAIL	BASIC ⁶	SERVICE ⁷	RETAIL ⁸	BASIC	SERVICE	RETAIL	TOTAL	TOTAL
Corinth	1,230	1.00 4.00	4,920	150,000	622,500	852,500	0.97 3.88	1.49 5.96	2.45 6.86	582	3,710	5,845	10,137	15,057

VEHICLE-MILES OF INCREASE¹¹ (2016 - 2026)

SERVICE AREA	VEH-MILES
Corinth	15,057

Notes:

- ¹ From Land Use Assumptions Section
- ² Transportation Demand Factor for each Service Area (from LUVMET) using Single Family Detached Housing land use and trip generation rate
- ³ Calculated by multiplying TDF by the number of dwelling units
- ⁴ From Land Use Assumptions Section
- ⁵ Trip generation rate and Transportation Demand Factors from LUVMET for each land use
- ⁶ 'Basic' corresponds to General Light Industrial land use and trip generation rate
- ⁷ 'Service' corresponds to General Office land use and trip generation rate
- ⁸ 'Retail' corresponds to Shopping Center land use and trip generation rate
- ⁹ Calculated by multiplying Transportation Demand Factor by the number of thousand square feet for each land use
- ¹⁰ Residential plus non-residential vehicle-mile totals for each Service Area
- ¹¹ Total Vehicle-Miles (2016) subtracted from Total Vehicle-Miles (2026)



5.0 Roadway Impact Fee Calculation

A. Maximum Assessable Impact Fee Per Service Unit

This section presents the maximum assessable impact fee rate calculated for each service area. The maximum assessable impact fee is the sum of the eligible Roadway Impact Fee CIP costs for the service area divided by the growth in travel attributable to new development projected to occur within the 10-year period. A majority of the components of this calculation have been described and presented in previous sections of this report. The purpose of this section is to document the computation for each service area and to demonstrate that the guidelines provided by Chapter 395 of the Texas Local Government Code have been addressed. Table 8 illustrates the computation of the maximum assessable impact fee computed for each service area. Each row in the table is numbered to simplify explanation of the calculation.

Table 8 Maximum Assessable Roadway Impact Fee Computation

Line	Title	Description
1	<i>Total Vehicle-Miles of Capacity Added by the Roadway Impact Fee CIP</i>	The total number of vehicle-miles added to the service area based on the capacity, length, and number of lanes in each project (from Appendix B – CIP Units of Supply)

Each project identified in the CIP will add a certain amount of capacity to the City's roadway network based on its length and classification. This line displays the total amount added within each service area.

2	<i>Total Vehicle-Miles of Existing Demand</i>	A measure of the amount of traffic currently using the roadway facilities upon which capacity is being added. (from Appendix B – CIP Units of Supply)
---	---	---

A number of facilities identified in the CIP have traffic currently utilizing a portion of their existing capacity. This line displays the total amount of capacity along these facilities currently being used by existing traffic.

3	<i>Total Vehicle-Miles of Existing Deficiencies</i>	Number of vehicle-miles of travel that are not accommodated by the existing roadway system (from Appendix C – Existing Roadway Facilities Inventory)
---	---	--

In order to ensure that existing deficiencies on the City's roadway network are not recoverable through impact fees, this line is based on the entire roadway network within the service area. Any roadway within the service area that is deficient – even those not identified on the Roadway Impact Fee CIP – will have these additional trips removed from the calculation.

4	<i>Net Amount of Vehicle-Miles of Capacity Added</i>	A measurement of the amount of vehicle-miles added by the Roadway Impact Fee CIP that will not be utilized by existing demand (Line 1 – Line 2 – Line 3)
---	--	--

This calculation identifies the portion of the Roadway Impact Fee CIP (in vehicle-miles) that can be recoverable through the collection of impact fees.



5	<i>Total Cost of the Roadway Impact Fee CIP within the Service Area</i>	The total cost of the projects within each service area (from Table 5: 10-Year Roadway Impact Fee Capital Improvements Plan with Conceptual Level Cost Opinions)
---	---	--

This line simply identifies the total cost of all of the projects identified in each service area.

6	<i>Cost of Net Capacity Supplied</i>	The total Roadway Impact Fee CIP cost (Line 5) prorated by the ratio of Net Capacity Added (Line 4) to Total Capacity Added (Line 1). [(Line 4 / Line 1) * (Line 5)]
---	--------------------------------------	--

Using the ratio of vehicle-miles added by the Roadway Impact Fee CIP available to serve future growth to the total vehicle-miles added, the total cost of the CIP is reduced to the amount available for future growth (i.e. excluding existing usage and deficiencies).

7	<i>Cost to Meet Existing Needs and Usage</i>	The difference between the Total Cost of the Roadway Impact Fee CIP (Line 5) and the Cost of the Net Capacity supplied (Line 6). (Line 5 – Line 6)
---	--	--

This line is provided for information purposes only – it is to present the portion of the total cost of the Roadway Impact Fee CIP that is required to meet existing demand.

8	<i>Total Vehicle-Miles of New Demand over Ten Years</i>	Based upon the growth projection provided in the Land Use Assumptions, an estimate of the number of new vehicle-miles within the service area over the next ten years. (from Table 7)
---	---	---

This line presents the amount of growth (in vehicle-miles) projected to occur within each service area over the next ten years.

9	<i>Percent of Capacity Added Attributable to New Growth</i>	The result of dividing Total Vehicle-Miles of New Demand (Line 8) by the Net Amount of Capacity Added (Line 4), limited to 100% (Line 10). This calculation is required by Chapter 395 to ensure capacity added is attributable to new growth.
10	<i>Chapter 395 Check</i>	

In order to ensure that the vehicle-miles added by the Roadway Impact Fee CIP do not exceed the amount needed to accommodate growth beyond the ten-year window, a comparison of the two values is performed. If the amount of vehicle-miles added by the Roadway Impact Fee CIP exceeds the growth projected to occur in the next ten years, the Roadway Impact Fee CIP cost is reduced accordingly.

11	<i>Cost of Roadway Impact Fee CIP Attributable to New Growth</i>	The result of multiplying the Cost of Net Capacity Added (Line 6) by the Percent of Capacity Added Attributable to New Growth, limited to 100% (Line 10).
----	--	---

This value is the total Roadway Impact Fee CIP project costs (excluding financial costs) that may be recovered through impact fees. This line is determined considering the limitations to impact fees required by the Texas legislature.



B. Plan for Awarding the Transportation Impact Fee Credit

Chapter 395 of the Texas Local Government Code requires the Roadway Impact Fee Capital Improvements Plan to contain specific enumeration of a plan for awarding the impact fee credit. Section 395.014 of the Code requires:

- (A) a credit for the portion of ad valorem tax and utility service revenues generated by new service units 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 projected cost of implementing the capital improvements plan..."

The following table summarizes the portions of Table 8 that utilize this credit calculation, based on awarding a 50 percent credit.

Line	Title	Description
12	<i>Net Financing Costs</i>	Using 4% Interest Rate for Bond Debt Service.
13	<i>Existing Impact Fee Fund Balance</i>	Existing Roadway Impact Fees in fund balance as of October 2016
14	<i>Cost of the CIP and Financing Attributable to New Growth</i>	The sum of the Cost of Capacity Added Attributable to New Growth, Financing Costs, and Interest Earnings. (Line 11 + Line 12 - Line 13)
15	<i>Pre-Credit Maximum Fee Per Service Unit</i>	Found by dividing the Cost of the CIP and Financing Attributable to New Growth (Line 14) by the Total Vehicle-Miles of New Demand Over Ten Years (Line 8). (Line 14 / Line 8)
16	<i>Credit</i>	A credit equal to 50% of the total projected cost, as per section 395.014 of the Texas Local Government Code.
17	<i>Recoverable Cost of CIP and Financing</i>	The difference between the Cost of the CIP and Financing Attributable to New Growth (Line 14) and the Credit for Ad Valorem Taxes (Line 16). (Line 14 - Line 16)
18	<i>Maximum Assessable Fee Per Service Unit</i>	Found by dividing the Recoverable Cost of the CIP and Financing (Line 17) by the Total Vehicle-Miles of New Demand Over Ten Years (Line 8). (Line 17 / Line 8)



Table 9 Maximum Assessable Roadway Impact Fee

SERVICE AREA:		Corinth
1	TOTAL VEH-MI OF CAPACITY ADDED BY THE CIP (FROM CIP SERVICE UNITS OF SUPPLY, APPENDIX B)	30,293
2	TOTAL VEH-MI OF EXISTING DEMAND (FROM CIP SERVICE UNITS OF SUPPLY, APPENDIX B)	10,469
3	TOTAL VEH-MI OF EXISTING DEFICIENCIES (FROM EXISTING FACILITIES INVENTORY, APPENDIX C)	0
4	NET AMOUNT OF VEH-MI OF CAPACITY ADDED (LINE 1 - LINE 2 - LINE 3)	19,824
5	TOTAL COST OF THE CIP WITHIN SERVICE AREA (FROM TABLE 5)	\$ 39,944,798
6	COST OF NET CAPACITY SUPPLIED (LINE 4 / LINE 1) * (LINE 5)	\$ 26,140,220
7	COST TO MEET EXISTING NEEDS AND USAGE (LINE 5 - LINE 6)	\$ 13,804,578
8	TOTAL VEH-MI OF NEW DEMAND OVER TEN YEARS (FROM TABLE 7)	15,057
9	PERCENT OF CAPACITY ADDED ATTRIBUTABLE TO GROWTH (LINE 8 / LINE 4)	75.9%
10	IF LINE 8 > LINE 4, REDUCE LINE 9 TO 100%, OTHERWISE NO CHANGE	75.9%
11	COST OF CAPACITY ADDED ATTRIBUTABLE TO GROWTH (LINE 6 * LINE 10)	\$ 19,840,427
12	FINANCING COSTS	\$ 6,587,022
13	EXISTING IMPACT FEE FUND BALANCE	\$ 224,904
14	COST OF CIP AND FINANCING ATTRIBUTABLE TO GROWTH (LINE 11 + LINE 12 - LINE 13)	\$ 26,202,545
15	PRE-CREDIT MAX FEE PER SERVICE UNIT (\$ PER VEH-MI) (LINE 14 / LINE 8)	\$ 1,740
16	CREDIT (50% OF LINE 14)	\$ 13,101,272
17	RECOVERABLE COST OF CIP AND FINANCING (LINE 14 - LINE 16)	\$ 13,101,272
18	MAX ASSESSABLE FEE PER SERVICE UNIT (\$ PER VEH-MI) (LINE 17 / LINE 8)	\$ 870



C. Service Unit Demand Per Unit of Development

The Roadway Impact Fee is determined by multiplying the impact fee rate by the number of service units projected for the proposed development. For this purpose, the City will utilize the Land Use/Vehicle-Mile Equivalency Table (LUVMET), presented in Table 10. This table lists the predominant land uses that may occur within the City of Corinth. For each land use, the development unit that defines the development's magnitude with respect to transportation demand is shown. Although every possible use cannot be anticipated, the majority of local uses are found in this table. The descriptions for each land use are presented in Table 11. If the exact use is not listed, one similar in trip-making characteristics can serve as a reasonable proxy. The individual land uses are grouped into categories, such as residential, office, commercial, industrial, and institutional.

The trip rates presented for each land use is a fundamental component of the LUVMET. The trip rate is the average number of trips generated during the afternoon peak hour by each land use per development unit. The next column in Table 10, if applicable to the land use, presents the number of trips to and from certain land uses reduced by pass-by trips, as previously discussed.

The definitive source of the trip generation and pass-by statistics is the *ITE Trip Generation Manual, 9th Edition*, the latest edition. This manual utilizes trip generation studies for a variety of land uses throughout the United States, and is the standard used by traffic engineers and transportation planners for traffic impact analysis, site design, and transportation planning.

To convert vehicle trips to vehicle-miles, it is necessary to multiply trips by trip length. The adjusted trip length values are based on the *Regional Origin-Destination Travel Survey* performed by the NCTCOG and NHTS. The other adjustment to trip length is the 50% origin-destination reduction to avoid double counting of trips. At this stage, another important aspect of the state law is applied – the limit on transportation service unit demand. If the adjusted trip length is above the maximum trip length, four (4) miles, the maximum trip length used for calculation is reduced to four (4) miles. This reduction, as discussed previously, limits the maximum trip length to the approximate size of the service areas.

The remaining column in the LUVMET shows the vehicle-miles per development unit. This number is the product of the trip rate and the maximum trip length. This number, previously referred to as the *Transportation Demand Factor*, is used in the impact fee to compute the number of service units attributed to each land use category. The number of service units is multiplied by the impact fee rate (established by City ordinance) in order to determine the impact fee for a development.



Table 10 Land Use / Vehicle-Mile Equivalency Table (LUVMET)

Land Use Category	ITE Land Use Code	Development Unit	Trip Gen Rate (PM)	Pass-by Rate	Pass-by Source	Trip Rate	NHTS Trip Length (mi)	Adj. For O-D	Adj. Trip Length (mi)	Max Trip Length (mi)	Veh-Mi Per Dev-Unit
PORT AND TERMINAL											
Truck Terminal	030	Acre	6.55			6.55	14.65	50%	7.33	4.00	26.20
INDUSTRIAL											
General Light Industrial	110	1,000 SF GFA	0.97			0.97	14.65	50%	7.33	4.00	3.88
General Heavy Industrial	120	1,000 SF GFA	0.68			0.68	14.65	50%	7.33	4.00	2.72
Industrial Park	130	1,000 SF GFA	0.86			0.85	14.65	50%	7.33	4.00	3.40
Warehousing	150	1,000 SF GFA	0.32			0.32	14.65	50%	7.33	4.00	1.28
Mini-Warehouse	151	1,000 SF GFA	0.26			0.26	14.65	50%	7.33	4.00	1.04
RESIDENTIAL											
Single-Family Detached Housing	210	Dwelling Unit	1.00			1.00	9.79	50%	4.90	4.00	4.00
Apartment/Multi-family	220	Dwelling Unit	0.62			0.62	9.79	50%	4.90	4.00	2.48
Residential Condominium/Townhome	230	Dwelling Unit	0.52			0.52	9.79	50%	4.90	4.00	2.08
Senior Adult Housing-Detached	251	Dwelling Unit	0.27			0.27	9.79	50%	4.90	4.00	1.08
Senior Adult Housing-Attached	252	Dwelling Unit	0.25			0.25	9.79	50%	4.90	4.00	1.00
Assisted Living	254	Beds	0.22			0.22	9.79	50%	4.90	4.00	0.88
LODGING											
Hotel	310	Room	0.60			0.60	6.43	50%	3.22	3.22	1.93
Motel / Other Lodging Facilities	320	Room	0.47			0.47	6.43	50%	3.22	3.22	1.51
RECREATIONAL											
Golf Driving Range	432	Tee	1.25			1.25	7.86	50%	3.93	3.93	4.91
Golf Course	430	Acre	0.30			0.30	7.86	50%	3.93	3.93	1.18
Recreational Community Center	495	1,000 SF GFA	2.74			2.74	7.86	50%	3.93	3.93	10.77
Ice Skating Rink	465	1,000 SF GFA	2.36			2.36	7.86	50%	3.93	3.93	9.27
Miniature Golf Course	431	Hole	0.33			0.33	7.86	50%	3.93	3.93	1.30
Multiplex Movie Theater	445	Screens	13.64			13.64	7.86	50%	3.93	3.93	53.61
Racquet / Tennis Club	491	Court	3.35			3.35	7.86	50%	3.93	3.93	13.17
INSTITUTIONAL											
Church	560	1,000 SF GFA	0.55			0.55	8.31	50%	4.16	4.00	2.20
Day Care Center	565	1,000 SF GFA	12.34	44%	B	6.91	3.49	50%	1.75	1.75	12.06
Primary/Middle School (1-8)	522	Students	0.16			0.16	3.49	50%	1.75	1.75	0.28
High School	530	Students	0.13			0.13	3.49	50%	1.75	1.75	0.23
Junior / Community College	540	Students	0.12			0.12	10.44	50%	5.22	4.00	0.48
University / College	550	Students	0.17			0.17	10.44	50%	5.22	4.00	0.68
MEDICAL											
Clinic	630	1,000 SF GFA	5.18			5.18	9.85	50%	4.93	4.00	20.72
Hospital	610	Beds	0.93			0.93	9.85	50%	4.93	4.00	3.72
Nursing Home	620	Beds	0.22			0.22	9.85	50%	4.93	4.00	0.88
Animal Hospital/Veterinary Clinic	640	1,000 SF GFA	4.72	30%	B	3.30	9.85	50%	4.93	4.00	13.20

Key to Sources of Pass-by Rates:

A: ITE Trip Generation Handbook 3rd Edition (August 2014)

B: Estimated by Kimley-Horn based on ITE rates for similar categories

C: ITE rate adjusted upward by KHA based on logical relationship to other categories



Table 10 Land Use / Vehicle-Mile Equivalency Table (LUVMET)

Land Use Category	ITE Land Use Code	Development Unit	Trip Gen Rate (PM)	Pass-by Rate	Pass-by Source	Trip Rate	NHTS Trip Length (mi)	Adj. For O-D	Adj. Trip Length (mi)	Max Trip Length (mi)	Veh-Mi Per Dev-Unit
OFFICE											
Corporate Headquarters Building	714	1,000 SF GFA	1.41			1.41	14.65	50%	7.33	4.00	5.64
General Office Building	710	1,000 SF GFA	1.49			1.49	14.65	50%	7.33	4.00	5.96
Medical-Dental Office Building	720	1,000 SF GFA	3.57			3.57	9.85	50%	4.93	4.00	14.28
Single Tenant Office Building	715	1,000 SF GFA	1.74			1.74	14.65	50%	7.33	4.00	6.96
Office Park	750	1,000 SF GFA	1.48			1.48	14.65	50%	7.33	4.00	5.92
COMMERCIAL											
Automobile Related											
Automobile Care Center	942	1,000 SF Occ. GLA	3.11	40%	B	1.87	4.45	50%	2.23	2.23	4.15
Automobile Parts Sales	843	1,000 SF GFA	5.98	43%	A	3.41	4.45	50%	2.23	2.23	7.58
Gasoline/Service Station	944	Vehicle Fueling Position	13.87	42%	A	8.04	1.20	50%	0.60	0.60	4.83
Gasoline/Service Station w/ Conv Market	945	Vehicle Fueling Position	13.54	56%	B	5.96	1.20	50%	0.60	0.60	3.57
Gasoline/Service Station w/ Conv Market and Car Wash	946	Vehicle Fueling Position	13.86	56%	A	6.10	1.20	50%	0.60	0.60	3.66
New Car Sales	841	1,000 SF GFA	2.62	20%	B	2.10	4.45	50%	2.23	2.23	4.66
Quick Lubrication Vehicle Shop	941	Servicing Positions	5.19	40%	B	3.11	4.45	50%	2.23	2.23	6.93
Self-Service Car Wash	947	Stall	5.54	40%	B	3.32	1.20	50%	0.60	0.60	1.99
Tire Store	848	1,000 SF GFA	4.15	28%	A	2.99	4.45	50%	2.23	2.23	6.65
Dining											
Fast Food Restaurant with Drive-Thru Window	934	1,000 SF GFA	32.65	50%	A	16.33	5.64	50%	2.82	2.82	46.04
Fast Food Restaurant without Drive-Thru Window	933	1,000 SF GFA	26.15	50%	B	13.08	5.64	50%	2.82	2.82	36.87
High Turnover (Sit-Down) Restaurant	932	1,000 SF GFA	9.85	43%	A	5.61	6.07	50%	3.04	3.04	17.04
Quality Restaurant	931	1,000 SF GFA	7.49	44%	A	4.19	6.07	50%	3.04	3.04	12.73
Coffee/Donut Shop with Drive-Thru Window	937	1,000 SF GFA	42.80	70%	A	12.84	4.53	50%	2.27	2.27	29.08
Other Retail											
Free-Standing Discount Store	815	1,000 SF GFA	4.98	30%	C	3.49	5.60	50%	2.80	2.80	9.76
Nursery (Garden Center)	817	1,000 SF GFA	6.94	30%	B	4.86	5.60	50%	2.80	2.80	13.60
Home Improvement Superstore	862	1,000 SF GFA	2.33	48%	A	1.21	5.60	50%	2.80	2.80	3.39
Pharmacy/Drugstore w/o Drive-Thru Window	880	1,000 SF GFA	8.40	53%	A	3.95	5.60	50%	2.80	2.80	11.05
Pharmacy/Drugstore w/ Drive-Thru Window	881	1,000 SF GFA	9.91	49%	A	5.05	5.60	50%	2.80	2.80	14.15
Shopping Center	820	1,000 SF GFA	3.71	34%	A	2.45	5.60	50%	2.80	2.80	6.86
Supermarket	850	1,000 SF GFA	9.48	36%	A	6.07	5.60	50%	2.80	2.80	16.99
Toy/Children's Superstore	864	1,000 SF GFA	4.99	30%	B	3.49	5.60	50%	2.80	2.80	9.78
Department Store	875	1,000 SF GFA	1.87	30%	B	1.31	5.60	50%	2.80	2.80	3.67
SERVICES											
Walk-In Bank	911	1,000 SF GFA	12.13	40%	B	7.28	3.39	50%	1.70	1.70	12.34
Drive-In Bank	912	Drive-in Lanes	33.24	47%	A	17.62	3.39	50%	1.70	1.70	29.86
Hair Salon	918	1,000 SF GLA	1.45	30%	B	1.02	3.39	50%	1.70	1.70	1.72

Key to Sources of Pass-by Rates:

A: ITE Trip Generation Handbook 3rd Edition (August 2014)

B: Estimated by Kimley-Horn based on ITE rates for similar categories

C: ITE rate adjusted upward by KHA based on logical relationship to other categories



Table 11 Land Use Descriptions

Land Use Category	ITE Land Use Code	Land Use Description
PORT AND TERMINAL		
Truck Terminal	030	Point of good transfer between trucks, between trucks and rail, or between trucks and ports.
INDUSTRIAL		
General Light Industrial	110	Emphasis on activities other than manufacturing with minimal office space; typically employing fewer than 500 workers
General Heavy Industrial	120	Primary activity is conversion of raw materials or parts into finished products; high number of employees per industrial plant
Industrial Park	130	Area containing a number of industries or related facilities
Warehousing	150	Devoted to storage of materials but may included office and maintenance areas
Mini-Warehouse	151	Facilities with a number of units rented to others for the storage of goods; typically referred to as "self-storage" facilities.
RESIDENTIAL		
Single-Family Detached Housing	210	Single-family detached homes on individual lots
Apartment/Multi-family	220	At least 3 rental dwelling units per building
Residential Condominium/Townhome	230	Single-family ownership units that have at least one other single-family owned unit within the same building
Senior Adult Housing-Detached	251	Consists of detached independent living developments that include amenities such as golf courses and swimming pools.
Senior Adult Housing-Attached	252	Consists of attached independent living developments that include limited social or recreational services.
Assisted Living	254	Residential settings that provide either routine general protective oversight or assistance with activities.
LODGING		
Hotel	310	Lodging facilities that typically have on-site restaurants, lounges, meeting and/or banquet rooms, or other retail shops and services
Motel/ Other Lodging Facilities	320	Lodging facilities that provide sleeping accommodations and often a restaurant. They provide little or no meeting space and few services.
RECREATIONAL		
Golf Driving Range	432	Facilities with driving tees for practice; may provide individual or group lessons; may have prop shop and/or refreshment facilities
Golf Course	430	May include municipal courses and private country clubs; may have driving ranges, pro shops, and restaurant/banquet facilities
Recreational Community Center	495	Category includes racquet clubs, health/fitness clubs, can include facilities such as YMCA's
Ice Skating Rink	465	Rinks for ice skating and related sports; may contain spectator areas and refreshment facilities
Miniature Golf	431	One or more individual putting courses; category should not be used when part of a larger entertainment center(with batting cages, video game centers, etc)
Multiplex Movie Theater	445	Movie theater with audience seating, minimum of ten screens, lobby, and refreshment area.
Racquet / Tennis Club	491	Indoor or outdoor facilities specifically designed for playing tennis but also may provide facilities as swimming, whirlpools, saunas, etc.
INSTITUTIONAL		
Church	560	Churches and houses of worship
Day Care Center	565	Generally includes facilities for care of pre-school aged children, generally includes classrooms, offices, eating areas, and playgrounds
Primary/Middle School (1-8)	522	Serves students who have not yet entered high school.
High School	530	Serves students who have completed middle or junior high school.
Junior / Community College	540	Two-year junior, community, or technical colleges.
University / College	550	Four-year universities or colleges that may or may not offer graduate programs.
MEDICAL		
Clinic	630	Facilities with limited diagnostic and outpatient care, but is unable to provide prolonged in-house medical and surgical
Hospital	610	Medical and surgical facilities with overnight accommodations
Nursing Home	620	Primary function is to care for persons who are unable to care for themselves. Rest and convalescent homes with residents who do little or no driving
Animal Hospital/Veterinary Clinic	640	Specializes in the medical care and treatment for animals.



Table 11 (Cont'd) Land Use Descriptions

Land Use Category	ITE Land Use Code	Land Use Description
OFFICE		
Corporate Headquarters Building	714	Office building housing corporate headquarters of a single company or organization
General Office Building	710	Office buildings which house multiple tenants
Medical-Dental Office	720	Multi-tenant building with offices for physicians and/or dentists
Single Tenant Office Building	715	Single tenant office buildings other than corporate headquarters
Office Park	750	Office buildings (typically low-rise) in a campus setting and served by a common roadway system
COMMERCIAL		
Automobile Related		
Automobile Care Center	942	Automobile repair and servicing including stereo installations and upholstery
Automobile Parts Sales	843	Retail sale of auto parts but no on-site vehicle repair
Casoline/Service Station	944	Casoline sales without convenience store or car wash; may include repair
Casoline/Service Station w/ Conv Market	945	Casoline sales with convenience store where the primary business is gasoline sales
Service Station w/ Conv Market and Car Wash	946	Casoline sales with convenience store and car washes where the primary business is gasoline sales
New Car Sales	841	New car dealerships, typically with automobile servicing, part sales, and used car sales
Quick Lubrication Vehicle Cshop	941	Primary business is to perform oil changes and fluid/filter changes with other repair services not provided
Self-Service Car Wash	947	Has stalls for driver to park and wash the vehicle
Tire Store	848	Primary business is sales and installation of tires; usually do not have large storage or warehouse area
Dining		
Fast Food Restaurant w/ Drive-Thru	934	High-turnover fast food restaurant for carry-out and eat-in customers with a drive-thru window or drive-in service.
Fast Food Restaurant without Drive-Thru	933	High-turnover fast food restaurant for carry-out and eat-in customers, but without a drive-thru window
High Turnover (Sit-Down) Restaurant	932	Restaurants with turnover rates less than one hour; typically includes moderately-priced chain restaurants
Quality Restaurant	931	Restaurants with turnover rates of one hour or longer; typically require reservations
Coffee/Donut Shop with Drive-Thru	937	Single tenant coffee and donut restaurant with drive-thru.
Other Retail		
Free-Standing Retail Store	815	Category includes free-standing stores with off-street parking; typically offer a variety of products and services with long store hours
Garden Center (Nursery)	817	Building with a yard of planting or landscape stock; may have office, storage, shipping or greenhouse facilities
Home Improvement Superstore	862	Warehouse-type facilities offering a large variety of products and services including lumber, tool, paint, lighting, and fixtures, among other items.
Pharmacy/Drugstore w/o Drive-Thru Window	880	Facilities that sell perscription and non-prescription drugs without a drive-thru.
Pharmacy/Drugstore w/ Drive-Thru Window	881	Facilities that sell perscription and non-prescription drugs with a drive-thru.
Shopping Center	820	Integrated group of commercial establishments; planning, owned, and managed as a unit
Supermarket	850	Primary business is sale of groceries, food, and household cleaning items; may include photo, pharmacy, video rental, and/or ATM;
Toy/Children's Superstore	864	Businesses specializing in child-oriented merchandise
Department Store	875	Free standing stores that specialized in the sale of apparel, footwear, bedding, home products, jewelry, etc.
SERVICES		
Bank (Walk-In)	911	Bank without drive-thru lanes
Bank (Drive In)	912	Bank with drive-thru lanes
Hair Salon	918	Specialize in cosmetic and beauty services.



6.0 Sample Calculations

The following section details two (2) examples of maximum assessable Roadway Impact Fee calculations.

Example 1:

Development Type - One (1) Unit of Single-Family Housing

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: \$870
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 * \$870 Maximum Assessable Impact Fee = \$3,480

Example 2:

Development Type – 125,000 square foot Home Improvement Superstore

Step 1	Determine Development Unit and Vehicle-Miles Per Development Unit
	<i>From Table 10 [Land Use – Vehicle-Mile Equivalency Table]</i> Development Type: 125,000 square feet of Home Improvement Superstore Development Unit: 1,000 square feet of Gross Floor Area Veh-Mi Per Development Unit: 3.39
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: \$870
Step 3	Determine Maximum Assessable Impact Fee
	Impact Fee = # of Development Units * Veh-Mi Per Dev Unit * Max. Fee Per Service Unit Impact Fee = 125 * 3.39 * \$870 Maximum Assessable Impact Fee = \$368,663



7.0 Adoption and Administration of Roadway Impact Fees

Adoption Process

Chapter 395 of the Texas Local Government Code stipulates a specific process for the adoption of Roadway Impact Fees. A Capital Improvement Advisory Committee (CIAC) is required to review the Land Use Assumptions and Roadway Impact Fees CIP used in calculating the maximum fee, and to provide the Committee's findings for consideration by the City Council. This CIAC also reviews the Roadway Impact Fee ordinance and provides its findings to the City Council. The composition of the CIAC is required to adequately represent the building and development communities. The City Council then conducts a first public hearing on the Land Use Assumptions and Roadway Impact Fee CIP and a second public hearing on the Roadway Impact Fee Ordinance.

Following policy adoption, the CIAC is tasked with advising the City Council of the need to update the Land Use Assumptions or the Roadway Impact Fees CIP at any time within five years of adoption. Finally, the CIAC oversees the proper administration of the Impact Fee, once in place, and advises the Council as necessary.

Collection and Use of Transportation Impact Fees

Roadway Impact fees are assessed when a final plat is recorded. The assessment defines the impact of each unit at the time of platting, according to land use, and may not exceed the maximum impact fee allowed by law. Roadway Impact Fees are collected when a building permit is issued. Therefore, funds are not collected until development-impacts are introduced to the transportation system. Funds collected within a service area can be used only within the same service area. Finally, fees must be utilized within 10 years of collection, or must be refunded with interest.



8.0 Conclusions

The City of Corinth has established a process to implement the assessment and collection of Roadway Impact Fees through the adoption of an impact fee ordinance that is consistent with Chapter 395 of the Texas Local Government Code.

This report establishes the maximum allowable Roadway Impact Fee that could be assessed by the City of Corinth. The maximum assessable roadway impact fee calculated in this report is \$870 per vehicle-mile.

This document serves as a guide to the assessment of Roadway Impact Fees pertaining to future development, and the City's need for transportation improvements to accommodate that growth. Following the public hearing process, the City Council may establish an impact fee amount to be collected, up to the calculated maximum, and establish the Roadway Impact Fee Ordinance accordingly.

In conclusion, it is our opinion that the data and methodology used in this analysis are appropriate and consistent with Chapter 395 of the Texas Local Government Code. Furthermore, the Land Use Assumptions and the proposed Roadway Impact Fee Capital Improvements Plan are appropriately incorporated into the development of the maximum assessable Roadway Impact Fee.



APPENDICES

- A. Conceptual Level Project Cost Projections
- B. Roadway Impact Fee CIP Service Units of Supply
- C. Existing Roadway Facilities Inventory



Appendix A – Conceptual Level Project Cost Projections

City of Corinth - 2016 Roadway Impact Fee Update

Capital Improvement Plan for Roadway Impact Fees
Summary of Conceptual Level Project Cost Projections

Roadway Improvements - Corinth

#	Class	Project	Limits	Status	% in SA	Project Cost	Project Cost in SA
1	Greenway	Lake Sharon Dr (1)	FM 2499 to Oakmont Dr	NEW	100%	\$5,135,760	\$5,135,760
2	Greenway	Lake Sharon Dr (2)	Blue Holley Dr to Parkridge Dr	COMPLETED	100%	\$5,137,991	\$5,137,991
3	Greenway	Meadow Oak Dr	Parkridge Dr to Tower Ridge Dr	COMPLETED	100%	\$3,485,426	\$3,485,426
4	Greenway	Dobbs Rd (1)	IH-35E NBFR to Carpenter Ln	NEW	100%	\$742,000	\$742,000
5	Greenway	Dobbs Rd (2)	Carpenter Ln to Quail Run Dr	WIDENING	100%	\$1,163,000	\$1,163,000
6	Greenway	Dobbs Rd (3)	Quail Run to 300' east of Corinth Pkwy	COMPLETED	100%	\$453,628	\$453,628
7	Collector	Church Dr	Post Oak Rd to IH-35E SBFR	COMPLETED	100%	\$2,700,213	\$2,700,213
8	Collector	Walton Dr	North Corinth St to Shady Rest Ln	WIDENING	100%	\$1,473,000	\$1,473,000
9	Collector	Shady Shores Rd	Railroad to 205' East of Dalton Dr	WIDENING	50%	\$3,473,000	\$1,736,500
10	Collector	Parkridge Dr (1)	Lake Sharon Dr to Tori Oak Tr	COMPLETED	100%	\$765,541	\$765,541
11	Collector	Parkridge Dr (2)	Warwick Dr to FM 2181	COMPLETED	100%	\$1,014,513	\$1,014,513
12	Collector	Parkridge Dr (3)	FM 2181 to South City Limits	COMPLETED	100%	\$1,454,490	\$1,454,490
13	Collector	Tower Ridge Dr (1)	Meadow Oaks Dr to 215' South of Brookview Dr	COMPLETED	100%	\$780,001	\$780,001
14	Collector	Tower Ridge Dr (2)	215' South of Brookview Dr to Cliff Oaks Dr	WIDENING	100%	\$1,317,000	\$1,317,000
15	Collector	Garrison St	IH 35E SBFR to Cliff Oak Dr	WIDENING	100%	\$878,000	\$878,000
16	Collector	Quail Run Dr	Dobbs Rd to IH-35E NBFR	WIDENING	100%	\$1,127,000	\$1,127,000
17	Greenway (1/2)	Post Oak Rd	Robinson Rd to Lake Sharon Dr	WIDENING	100%	\$2,475,000	\$2,475,000
18	Collector	Sharon Dr	Church Dr to Lake Sharon Dr	NEW	100%	\$2,621,000	\$2,621,000
19	Greenway	S. Corinth St	IH-35E SBFR to Meadow Oak Dr	COMPLETED	100%	\$2,137,686	\$2,137,686
20	Collector	Shady Rest Ln	Fritz Ln to Walton Dr	COMPLETED	100%	\$1,544,049	\$1,544,049
21	Major	FM 2181	West City Limits to IH-35E SBFR	COMPLETED	100%	\$242,000	\$242,000
22	Collector	Cliff Oak Dr	Tower Ridge Dr to Garrison Rd	WIDENING	100%	\$1,525,000	\$1,525,000
TOTAL						\$ 41,645,298	\$ 39,908,798

*Total may be higher than presented in Table 5 (10-Year Roadway Improvement Plan for Roadway Impact Fees with Conceptual Level Cost Opinions) because the cost of some projects are shared between jurisdictions.

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City of Corinth
2016 Roadway Impact Fee Update
Conceptual Level Project Cost Projection

Kimley-Horn and Associates, Inc.

updated: 12/22/2016

Project Information:		Description:	Project No.
Name:	Lake Sharon Dr (1)	This project consists of the construction of a new greenway minor arterial. The cost estimate of \$6,435,760 was provided by the City of Corinth. \$1,300,000 has been removed from the cost due to a County of Denton ICA Agreement. Therefore, the City contribution to this facility was \$5,135,760.	1
Limits:	FM 2499 to Oakmont Dr		
Impact Fee Class:	Greenway		
Ultimate Class:	Greenway		
Length (lf):	3,105		
Service Area(s):	Corinth		

Impact Fee Project Cost Summary			
Item Description	Notes:	Allowance	Item Cost
Construction:	Cost Estimate Provided By Corinth		\$ 5,248,000
Engineering/Survey/Testing:			\$ 553,660
Mobilization			\$ -
Previous City contribution			\$ -
Other	County of Denton ICA Agreement		\$ (1,300,000)
ROW/Easement Acquisition:			\$ 634,100
Impact Fee Project Cost TOTAL:			\$ 5,135,760

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City of Corinth
2016 Roadway Impact Fee Update
Conceptual Level Project Cost Projection

Kimley-Horn and Associates, Inc.

updated: 12/21/2016

Project Information:		Description:	Project No.
Name:	Lake Sharon Dr (2)	<p>This project consisted of the construction of a greenway minor arterial. This City project was a combination of Impact Fee Project Number 2, 3, and 9. The cost provided by the City for these three projects was \$9,569,257.29. \$5,167,398.94 (54%) is contributed to Lake Sharon Drive from Blue Holley to Parkridge Drive. \$29,408 has been removed from the cost for escrow funds. Therefore, the City contribution to this facility was \$5,137,991.</p>	2
Limits:	Blue Holley Dr to Parkridge Dr		
Impact Fee Class:	Greenway		
Ultimate Class:	Greenway		
Length (lf):	4,740		
Service Area(s):	Corinth		

Impact Fee Project Cost Summary			
Item Description	Notes:	Allowance	Item Cost
Construction:	Actual Cost Provided By Corinth		\$ 3,716,120
Engineering/Survey/Testing:			\$ 442,512
Previous City contribution	Escrow Funds		\$ (29,408)
Other			\$ 568,320
ROW/Easement Acquisition:	Actual Cost Provided By Corinth		\$ 440,447
Impact Fee Project Cost TOTAL:			\$ 5,137,991

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City of Corinth
2016 Roadway Impact Fee Update
Conceptual Level Project Cost Projection

Kimley-Horn and Associates, Inc.
 updated: 12/21/2016

Project Information:		Description:	Project No.
Name:	Meadow Oak Dr	<p>This project consisted of the construction of a greenway minor arterial. This City project was a combination of Impact Fee Project Number 2, 3, and 9. The cost provided by the City for these three projects was \$9,569,257.29. \$3,636,317.77 (38%) is contributed to Meadow Oaks Drive from Parkridge Drive to Tower Ridge Drive. \$150,892 has been removed from the cost for escrow funds. Therefore, the City contribution to this facility was \$3,485,426.</p>	3
Limits:	Parkridge Dr to Tower Ridge Dr		
Impact Fee Class:	Greenway		
Ultimate Class:	Greenway		
Length (lf):	3,395		
Service Area(s):	Corinth		

Impact Fee Project Cost Summary			
Item Description	Notes:	Allowance	Item Cost
Construction:	Actual Cost Provided By Corinth		\$ 2,615,047
Engineering/Survey/Testing:			\$ 311,397
Previous City contribution	Escrow Funds		\$ (150,892)
Other			\$ 399,929
ROW/Easement Acquisition:	Actual Cost Provided By Corinth		\$ 309,944
Impact Fee Project Cost TOTAL:			\$ 3,485,426

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City of Corinth
2016 Roadway Impact Fee Update
Conceptual Level Project Cost Projection

Kimley-Horn and Associates, Inc.
 updated: 12/21/2016

Project Information:		Description:	Project No.
Name:	Dobbs Rd (1)	This project consists of the construction of a new greenway minor arterial.	4
Limits:	IH-35E NBFR to Carpenter Ln		
Impact Fee Class:	Greenway		
Ultimate Class:	Greenway		
Length (lf):	740		
Service Area(s):	Corinth		

Roadway Construction Cost Projection					
No.	Item Description	Quantity	Unit	Unit Price	Item Cost
104	Unclassified Street Excavation	2,302	cy	\$ 9.25	\$ 21,296
204	6" Lime Stabilization (with Lime @ 27#/sy)	4,440	sy	\$ 3.50	\$ 15,540
304	8" Concrete Pavement w/ 6" Curb	4,111	sy	\$ 48.00	\$ 197,333
404	4" Topsoil	3,124	sy	\$ 3.75	\$ 11,717
504	4' Concrete Sidewalk / Trail	8,880	sf	\$ 5.00	\$ 44,400
604	Concrete Driveway Approach	1	ea	\$ 3,250.00	\$ 3,250
Paving Construction Cost Subtotal:					\$ 293,536
Major Construction Component Allowances**:					
Item Description	Notes	Allowance	Item Cost		
√ Prep ROW		3%	\$	8,806	
Traffic Control	None Anticipated	0%	\$	-	
√ Pavement Markings/Markers		3%	\$	8,806	
√ Roadway Drainage	Standard Internal System	30%	\$	88,061	
√ Illumination		5%	\$	14,677	
Special Drainage Structures	None Anticipated	0%	\$	-	
√ Water	Minor Adjustments	2%	\$	5,871	
√ Sewer	Minor Adjustments	1%	\$	2,935	
√ Basic Landscaping/Irrigation		2%	\$	5,871	
Other:		\$0	\$	-	
		Allowance Subtotal:	\$	135,026	
Paving and Allowance Subtotal:					\$ 428,562
Construction Contingency: 20%					\$ 85,712
Construction Cost TOTAL:					\$ 515,000

Impact Fee Project Cost Summary			
Item Description	Notes:	Allowance	Item Cost
Construction:		-	\$ 515,000
Engineering/Survey/Testing:		18%	\$ 92,700
Mobilization		6%	\$ 30,900
Previous City contribution			
Other			
ROW/Easement Acquisition:	New Roadway Alignment	20%	\$ 103,000
Impact Fee Project Cost TOTAL:			\$ 742,000

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City of Corinth
2016 Roadway Impact Fee Update
Conceptual Level Project Cost Projection

Kimley-Horn and Associates, Inc.
 updated: 12/21/2016

Project Information:		Description:	Project No. 5
Name:	Dobbs Rd (2)	This project consists of the reconstruction of a two-lane rural asphalt facility to a greenway minor arterial.	
Limits:	Carpenter Ln to Quail Run Dr		
Impact Fee Class:	Greenway		
Ultimate Class:	Greenway		
Length (lf):	1,180		
Service Area(s):	Corinth		

Roadway Construction Cost Projection					
No.	Item Description	Quantity	Unit	Unit Price	Item Cost
104	Unclassified Street Excavation	3,671	cy	\$ 9.25	\$ 33,958
204	6" Lime Stabilization (with Lime @ 27#/sy)	7,080	sy	\$ 3.50	\$ 24,780
304	8" Concrete Pavement w/ 6" Curb	6,556	sy	\$ 48.00	\$ 314,667
404	4" Topsoil	4,982	sy	\$ 3.75	\$ 18,683
504	4' Concrete Sidewalk / Trail	14,160	sf	\$ 5.00	\$ 70,800
604	Concrete Driveway Approach	1	ea	\$ 3,250.00	\$ 3,250
Paving Construction Cost Subtotal:					\$ 466,138
Major Construction Component Allowances**:					
Item Description	Notes	Allowance	Item Cost		
√ Prep ROW		5%	\$	23,307	
√ Traffic Control	Construction Phase Traffic Control	7%	\$	32,630	
√ Pavement Markings/Markers		3%	\$	13,984	
√ Roadway Drainage	Standard Internal System	30%	\$	139,841	
√ Illumination		5%	\$	23,307	
Special Drainage Structures	None Anticipated	0%	\$	-	
√ Water	Minor Adjustments	2%	\$	9,323	
√ Sewer	Minor Adjustments	1%	\$	4,661	
√ Basic Landscaping/Irrigation		2%	\$	9,323	
Other:		\$0	\$	-	
Allowance Subtotal:					\$ 256,376
Paving and Allowance Subtotal:					\$ 722,514
Construction Contingency: 20%					\$ 144,503
Construction Cost TOTAL:					\$ 868,000

Impact Fee Project Cost Summary			
Item Description	Notes:	Allowance	Item Cost
Construction:		-	\$ 868,000
Engineering/Survey/Testing:		18%	\$ 156,240
Mobilization		6%	\$ 52,080
Previous City contribution			
Other			
ROW/Easement Acquisition:	Existing Alignment	10%	\$ 86,800
Impact Fee Project Cost TOTAL:			\$ 1,163,000

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City of Corinth
2016 Roadway Impact Fee Update
Conceptual Level Project Cost Projection

Kimley-Horn and Associates, Inc.
 updated: 12/22/2016

Project Information:		Description:	Project No.
Name:	Dobbs Rd (3)	<p>This project consisted of the construction of a greenway minor arterial. The cost provided by the City for this facility was \$1,066,652. \$400,000 has been removed from the cost due to a Developer contribution. \$213,024 has been removed from the cost for escrow funds. Therefore, the City contribution to this facility was \$453,628.</p>	6
Limits:	Quail Run to 300' east of Corinth Pkwy		
Impact Fee Class:	Greenway		
Ultimate Class:	Greenway		
Length (lf):	1,765		
Service Area(s):	Corinth		

Impact Fee Project Cost Summary			
Item Description	Notes:	Allowance	Item Cost
Construction:	Actual Cost Provided By Corinth		\$ 1,025,466
Engineering/Survey/Testing:			
Previous Contribution	Developer and Escrow		\$ (613,024)
Misc Cost			\$ 32,454
ROW/Easement Acquisition:	Actual Cost Provided By Corinth		\$ 8,732
Impact Fee Project Cost TOTAL:			\$ 453,628

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City of Corinth
2016 Roadway Impact Fee Update
Conceptual Level Project Cost Projection

Kimley-Horn and Associates, Inc.
 updated: 12/21/2016

Project Information:		Description:	Project No.
Name:	Church Dr	This project consisted of the construction of a collector facility. The cost provided by the City for this facility was \$2,887,440. \$187,227 has been removed from the cost for escrow funds. Therefore, the City contribution to this facility was \$2,700,213.	7
Limits:	Post Oak Rd to IH-35E SBFR		
Impact Fee Class:	Collector		
Ultimate Class:	Collector		
Length (lf):	4,755		
Service Area(s):	Corinth		

Impact Fee Project Cost Summary			
Item Description	Notes:	Allowance	Item Cost
Construction:	Actual Cost Provided By Corinth	-	\$ 2,287,055
Engineering/Survey/Testing:			\$ 317,150
Previous City contribution	Escrow Funds		\$ (187,227)
Other			\$ 54,220
ROW/Easement Acquisition:	Actual Cost Provided By Corinth		\$ 229,015
Impact Fee Project Cost TOTAL:			\$ 2,700,213

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City of Corinth
2016 Roadway Impact Fee Update
Conceptual Level Project Cost Projection

Kimley-Horn and Associates, Inc.

updated: 12/21/2016

Project Information:		Description:	Project No.
Name:	Walton Dr	This project consists of the reconstruction of a two-lane rural asphalt facility to a collector.	8
Limits:	North Corinth St to Shady Rest Ln		
Impact Fee Class:	Collector		
Ultimate Class:	Collector		
Length (lf):	2,730		
Service Area(s):	Corinth		

Roadway Construction Cost Projection					
No.	Item Description	Quantity	Unit	Unit Price	Item Cost
103	Unclassified Street Excavation	6,218	cy	\$ 9.25	\$ 57,520
203	6" Lime Stabilization (with Lime @ 27#/sy)	12,133	sy	\$ 3.50	\$ 42,467
303	8" Concrete Pavement w/ 6" Curb	11,527	sy	\$ 35.00	\$ 403,433
403	4" Topsoil	4,247	sy	\$ 3.75	\$ 15,925
503	4' Concrete Sidewalk	21,840	sf	\$ 5.00	\$ 109,200
603	Concrete Driveway Approach	3	ea	\$ 3,250.00	\$ 9,750
Paving Construction Cost Subtotal:					\$ 638,295
Major Construction Component Allowances**:					
Item Description	Notes	Allowance	Item Cost		
√ Prep ROW		5%	\$	31,915	
√ Traffic Control	Construction Phase Traffic Control	7%	\$	44,681	
√ Pavement Markings/Markers		3%	\$	19,149	
√ Roadway Drainage	Standard Internal System	30%	\$	191,488	
√ Illumination		5%	\$	31,915	
Special Drainage Structures	None Anticipated	0%	\$	-	
√ Water	Minor Adjustments	2%	\$	12,766	
√ Sewer	Minor Adjustments	1%	\$	6,383	
√ Basic Landscaping/Irrigation		2%	\$	12,766	
Other:		\$0	\$	-	
Allowance Subtotal:					\$ 351,062
Paving and Allowance Subtotal:					\$ 989,357
Construction Contingency: 20%					\$ 197,871
Construction Cost TOTAL:					\$ 1,188,000

Impact Fee Project Cost Summary			
Item Description	Notes:	Allowance	Item Cost
Construction:		-	\$ 1,188,000
Engineering/Survey/Testing:		18%	\$ 213,840
Mobilization		6%	\$ 71,280
Previous City contribution			
Other			
ROW/Easement Acquisition:	NO ROW INCLUDED	0%	\$ -
Impact Fee Project Cost TOTAL:			\$ 1,473,000

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City of Corinth
2016 Roadway Impact Fee Update
Conceptual Level Project Cost Projection

Kimley-Horn and Associates, Inc.
 updated: 12/21/2016

Project Information:		Description:	Project No.
Name:	Shady Shores Rd	This project consists of the reconstruction of a two-lane asphalt facility to a collector.	9
Limits:	Railroad to 205' East of Dalton Dr		
Impact Fee Class:	Collector		
Ultimate Class:	Collector		
Length (lf):	6,455		
Service Area(s):	Corinth		

Roadway Construction Cost Projection					
No.	Item Description	Quantity	Unit	Unit Price	Item Cost
103	Unclassified Street Excavation	14,703	cy	\$ 9.25	\$ 136,003
203	6" Lime Stabilization (with Lime @ 27#/sy)	28,689	sy	\$ 3.50	\$ 100,411
303	8" Concrete Pavement w/ 6" Curb	27,254	sy	\$ 35.00	\$ 953,906
403	4" Topsoil	10,041	sy	\$ 3.75	\$ 37,654
503	4' Concrete Sidewalk	51,640	sf	\$ 5.00	\$ 258,200
603	Concrete Driveway Approach	6	ea	\$ 3,250.00	\$ 19,500
Paving Construction Cost Subtotal:					\$ 1,505,674
Major Construction Component Allowances**:					
Item Description	Notes	Allowance	Item Cost		
√ Prep ROW		5%	\$	75,284	
√ Traffic Control	Construction Phase Traffic Control	7%	\$	105,397	
√ Pavement Markings/Markers		3%	\$	45,170	
√ Roadway Drainage	Standard Internal System	30%	\$	451,702	
√ Illumination		5%	\$	75,284	
Special Drainage Structures	None Anticipated	0%	\$	-	
√ Water	Minor Adjustments	2%	\$	30,113	
√ Sewer	Minor Adjustments	1%	\$	15,057	
√ Basic Landscaping/Irrigation		2%	\$	30,113	
Other:		\$0	\$	-	
**Allowances based on % of Paving Construction Cost Subtotal					Allowance Subtotal: \$ 828,121
Paving and Allowance Subtotal:					\$ 2,333,795
Construction Contingency: 20%					\$ 466,759
Construction Cost TOTAL:					\$ 2,801,000

Impact Fee Project Cost Summary			
Item Description	Notes:	Allowance	Item Cost
Construction:		-	\$ 2,801,000
Engineering/Survey/Testing:		18%	\$ 504,180
Mobilization		6%	\$ 168,060
Previous City contribution			
Other			
ROW/Easement Acquisition:	NO ROW INCLUDED	0%	\$ -
Impact Fee Project Cost TOTAL:			\$ 3,473,000

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City of Corinth
2016 Roadway Impact Fee Update
Conceptual Level Project Cost Projection

Kimley-Horn and Associates, Inc.
 updated: 12/21/2016

Project Information:		Description:	Project No.
Name:	Parkridge Dr (1)	This project consisted of the construction of a collector. This City project was a combination of Project Number 2, 3, and 9. The cost provided by the City for these three projects was \$9,569,257.29. \$765,540.58 (8%) is contributed to Parkridge Drive from Lake Sharon Drive to Tori Oak Trail.	10
Limits:	Lake Sharon Dr to Tori Oak Tr		
Impact Fee Class:	Collector		
Ultimate Class:	Collector		
Length (lf):	485		
Service Area(s):	Corinth		

Impact Fee Project Cost Summary			
Item Description	Notes:	Allowance	Item Cost
Construction:	Actual Cost Provided By Corinth		\$ 550,536
Engineering/Survey/Testing:			\$ 65,557
Previous City contribution			
Other			\$ 84,196
ROW/Easement Acquisition:	Actual Cost Provided By Corinth		\$ 65,251
Impact Fee Project Cost TOTAL:			\$ 765,541

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City of Corinth
2016 Roadway Impact Fee Update
Conceptual Level Project Cost Projection

Kimley-Horn and Associates, Inc.
 updated: 12/21/2016

Project Information:		Description:	Project No.
Name:	Parkridge Dr (2)	This project consisted of the construction of a collector facility. The cost provided by the City for this facility was \$1,805,798.08. \$41,285 has been removed from the cost for escrow funds. \$750,000 has been removed from the cost due to a County of Denton ICA Agreement. Therefore, the City contribution to this facility was \$1,014,513.	11
Limits:	Warwick Dr to FM 2181		
Impact Fee Class:	Collector		
Ultimate Class:	Collector		
Length (lf):	4,010		
Service Area(s):	Corinth		

Impact Fee Project Cost Summary			
Item Description	Notes:	Allowance	Item Cost
Construction:	Actual Cost Provided By Corinth		\$ 1,386,175
Engineering/Survey/Testing:			\$ 269,650
Previous Contribution	ICA Agreement and Escrow Fund		\$ (791,285)
Other			\$ 97,534
ROW/Easement Acquisition:	Actual Cost Provided By Corinth		\$ 52,439
Impact Fee Project Cost TOTAL:			\$ 1,014,513

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City of Corinth
2016 Roadway Impact Fee Update
Conceptual Level Project Cost Projection

Kimley-Horn and Associates, Inc.
 updated: 12/21/2016

Project Information:		Description:	Project No.
Name:	Parkridge Dr (3)	This project consisted of the reconstruction of a two-lane rural asphalt facility to a collector. The cost provided by the City for this facility was \$1,554,490.29. \$1,000,000 has been removed from the cost due to a County of Denton ICA Agreement. Therefore, the City contribution to this facility was \$1.454.490.	12
Limits:	FM 2181 to South City Limits		
Impact Fee Class:	Collector		
Ultimate Class:	Collector		
Length (lf):	2,775		
Service Area(s):	Corinth		

Impact Fee Project Cost Summary			
Item Description	Notes:	Allowance	Item Cost
Construction:	Actual Cost Provided By Corinth		\$ 1,266,343
Engineering/Survey/Testing:	Actual Cost Provided By Corinth		\$ 168,531
Previous Contribution	County of Denton ICA Agreement		\$ (100,000)
Other			\$ 12,733
ROW/Easement Acquisition:	Actual Cost Provided By Corinth		\$ 106,883
Impact Fee Project Cost TOTAL:			\$ 1,454,490

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City of Corinth
2016 Roadway Impact Fee Update
Conceptual Level Project Cost Projection

Kimley-Horn and Associates, Inc.

updated:

12/21/2016

Project Information:		Description:	Project No.
Name:	Tower Ridge Dr (1)		13
Limits:	Meadow Oaks Dr to 215' South of Brookview Dr	<p>This project consisted of the reconstruction of a two-lane rural asphalt facility to a collector. The cost provided by the City for this facility was \$1,105,000.91. \$75,000 has been removed from the cost for escrow funds. \$250,000 removed from the costs for RW Impact Fees. Therefore, the City contribution to this facility was \$780,001.</p>	
Impact Fee Class:	Collector		
Ultimate Class:	Collector		
Length (lf):	2,210		
Service Area(s):	Corinth		

Impact Fee Project Cost Summary			
Item Description	Notes:	Allowance	Item Cost
Construction:	Actual Cost Provided By Corinth		\$ 1,000,214
Engineering/Survey/Testing:	Actual Cost Provided By Corinth		\$ 104,405
Previous City contribution	Escrow Fund		\$ (325,000)
Other			\$ 382
ROW/Easement Acquisition:			
Impact Fee Project Cost TOTAL:			\$ 780,001

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City of Corinth
2016 Roadway Impact Fee Update
Conceptual Level Project Cost Projection

Kimley-Horn and Associates, Inc.
 updated: 12/21/2016

Project Information:		Description:	Project No. 14
Name:	Tower Ridge Dr (2)	This project consists of the reconstruction of a two-lane rural asphalt facility to a collector.	
Limits:	215' South of Brookview Dr to Cliff Oaks Dr		
Impact Fee Class:	Collector		
Ultimate Class:	Collector		
Length (lf):	2,265		
Service Area(s):	Corinth		

Roadway Construction Cost Projection					
No.	Item Description	Quantity	Unit	Unit Price	Item Cost
103	Unclassified Street Excavation	5,159	cy	\$ 9.25	\$ 47,722
203	6" Lime Stabilization (with Lime @ 27#/sy)	10,067	sy	\$ 3.50	\$ 35,233
303	8" Concrete Pavement w/ 6" Curb	9,563	sy	\$ 35.00	\$ 334,717
403	4" Topsoil	3,523	sy	\$ 3.75	\$ 13,213
503	4' Concrete Sidewalk	18,120	sf	\$ 5.00	\$ 90,600
603	Concrete Driveway Approach	2	ea	\$ 3,250.00	\$ 6,500
Paving Construction Cost Subtotal:					\$ 527,985
Major Construction Component Allowances**:					
Item Description	Notes	Allowance	Item Cost		
√ Prep ROW		5%	\$	26,399	
√ Traffic Control	Construction Phase Traffic Control	7%	\$	36,959	
√ Pavement Markings/Markers		3%	\$	15,840	
√ Roadway Drainage	Standard Internal System	30%	\$	158,395	
√ Illumination		5%	\$	26,399	
Special Drainage Structures	None Anticipated	0%	\$	-	
√ Water	Minor Adjustments	2%	\$	10,560	
√ Sewer	Minor Adjustments	1%	\$	5,280	
√ Basic Landscaping/Irrigation		2%	\$	10,560	
Other:		\$0	\$	-	
Allowance Subtotal:					\$ 290,392
Paving and Allowance Subtotal:					\$ 818,376
Construction Contingency: 20%					\$ 163,675
Construction Cost TOTAL:					\$ 983,000

Impact Fee Project Cost Summary			
Item Description	Notes:	Allowance	Item Cost
Construction:		-	\$ 983,000
Engineering/Survey/Testing:		18%	\$ 176,940
Mobilization		6%	\$ 58,980
Previous City contribution			
Other			
ROW/Easement Acquisition:	Existing Alignment	10%	\$ 98,300
Impact Fee Project Cost TOTAL:			\$ 1,317,000

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City of Corinth
2016 Roadway Impact Fee Update
Conceptual Level Project Cost Projection

Kimley-Horn and Associates, Inc.
 updated: 12/21/2016

Project Information:		Description:	Project No. 15
Name:	Garrison St	This project consists of the reconstruction of a two-lane rural asphalt facility to a collector. \$145,982 has been removed from the cost for escrow funds.	
Limits:	IH 35E SBFR to Cliff Oak Dr		
Impact Fee Class:	Collector		
Ultimate Class:	Collector		
Length (lf):	1,755		
Service Area(s):	Corinth		

Roadway Construction Cost Projection					
No.	Item Description	Quantity	Unit	Unit Price	Item Cost
103	Unclassified Street Excavation	3,998	cy	\$ 9.25	\$ 36,977
203	6" Lime Stabilization (with Lime @ 27#/sy)	7,800	sy	\$ 3.50	\$ 27,300
303	8" Concrete Pavement w/ 6" Curb	7,410	sy	\$ 35.00	\$ 259,350
403	4" Topsoil	2,730	sy	\$ 3.75	\$ 10,238
503	4' Concrete Sidewalk	14,040	sf	\$ 5.00	\$ 70,200
603	Concrete Driveway Approach	2	ea	\$ 3,250.00	\$ 6,500
Paving Construction Cost Subtotal:					\$ 410,564
Major Construction Component Allowances**:					
Item Description	Notes	Allowance	Item Cost		
√ Prep ROW		5%	\$	20,528	
√ Traffic Control	Construction Phase Traffic Control	7%	\$	28,740	
√ Pavement Markings/Markers		3%	\$	12,317	
√ Roadway Drainage	Standard Internal System	30%	\$	123,169	
√ Illumination		5%	\$	20,528	
Special Drainage Structures	None Anticipated	0%	\$	-	
√ Water	Minor Adjustments	2%	\$	8,211	
√ Sewer	Minor Adjustments	1%	\$	4,106	
√ Basic Landscaping/Irrigation		2%	\$	8,211	
Other:		\$0	\$	-	
Allowance Subtotal:					\$ 225,810
Paving and Allowance Subtotal:					\$ 636,375
Construction Contingency: 20%					\$ 127,275
Construction Cost TOTAL:					\$ 764,000

Impact Fee Project Cost Summary			
Item Description	Notes:	Allowance	Item Cost
Construction:		-	\$ 764,000
Engineering/Survey/Testing:		18%	\$ 137,520
Mobilization		6%	\$ 45,840
Previous City contribution			
Other	Escrow		\$ (145,982)
ROW/Easement Acquisition:	Existing Alignment	10%	\$ 76,400
Impact Fee Project Cost TOTAL:			\$ 878,000

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City of Corinth
2016 Roadway Impact Fee Update
Conceptual Level Project Cost Projection

Kimley-Horn and Associates, Inc.
 updated: 12/21/2016

Project Information:		Description:	Project No. 16
Name:	Quail Run Dr	This project consists of the reconstruction of a two-lane rural asphalt facility to a collector. Note a part of this facility is realigned to the IH-35E NBFR.	
Limits:	Dobbs Rd to IH-35E NBFR		
Impact Fee Class:	Collector		
Ultimate Class:	Collector		
Length (lf):	1,935		
Service Area(s):	Corinth		

Roadway Construction Cost Projection					
No.	Item Description	Quantity	Unit	Unit Price	Item Cost
103	Unclassified Street Excavation	4,408	cy	\$ 9.25	\$ 40,769
203	6" Lime Stabilization (with Lime @ 27#/sy)	8,600	sy	\$ 3.50	\$ 30,100
303	8" Concrete Pavement w/ 6" Curb	8,170	sy	\$ 35.00	\$ 285,950
403	4" Topsoil	3,010	sy	\$ 3.75	\$ 11,288
503	4' Concrete Sidewalk	15,480	sf	\$ 5.00	\$ 77,400
603	Concrete Driveway Approach	2	ea	\$ 3,250.00	\$ 6,500
Paving Construction Cost Subtotal:					\$ 452,007
Major Construction Component Allowances**:					
Item Description	Notes	Allowance	Item Cost		
√ Prep ROW		5%	\$	22,600	
√ Traffic Control	Construction Phase Traffic Control	7%	\$	31,640	
√ Pavement Markings/Markers		3%	\$	13,560	
√ Roadway Drainage	Standard Internal System	30%	\$	135,602	
√ Illumination		5%	\$	22,600	
Special Drainage Structures	None Anticipated	0%	\$	-	
√ Water	Minor Adjustments	2%	\$	9,040	
√ Sewer	Minor Adjustments	1%	\$	4,520	
√ Basic Landscaping/Irrigation		2%	\$	9,040	
Other:		\$0	\$	-	
Allowance Subtotal:					\$ 248,604
Paving and Allowance Subtotal:					\$ 700,611
Construction Contingency: 20%					\$ 140,122
Construction Cost TOTAL:					\$ 841,000

Impact Fee Project Cost Summary			
Item Description	Notes:	Allowance	Item Cost
Construction:		-	\$ 841,000
Engineering/Survey/Testing:		18%	\$ 151,380
Mobilization		6%	\$ 50,460
Previous City contribution			
Other			
ROW/Easement Acquisition:	Existing Alignment	10%	\$ 84,100
Impact Fee Project Cost TOTAL:			\$ 1,127,000

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City of Corinth
2016 Roadway Impact Fee Update
Conceptual Level Project Cost Projection

Kimley-Horn and Associates, Inc.
 updated: 12/21/2016

Project Information:		Description:	Project No. 17
Name:	Post Oak Rd	This project consists of the widening of a two-lane facility to a greenway minor arterial.	
Limits:	Robinson Rd to Lake Sharon Dr		
Impact Fee Class:	Greenway (1/2)		
Ultimate Class:	Greenway		
Length (lf):	4,725		
Service Area(s):	Corinth		

Roadway Construction Cost Projection					
No.	Item Description	Quantity	Unit	Unit Price	Item Cost
107	Unclassified Street Excavation	6,825	cy	\$ 9.25	\$ 63,131
207	6" Lime Stabilization (with Lime @ 27#/sy)	13,388	sy	\$ 3.50	\$ 46,856
307	8" Concrete Pavement w/ 6" Curb	12,863	sy	\$ 48.00	\$ 617,400
407	4" Topsoil	16,013	sy	\$ 3.75	\$ 60,047
507	4' Concrete Sidewalk / Trail	37,800	sf	\$ 5.00	\$ 189,000
607	Concrete Driveway Approach	5	ea	\$ 3,250.00	\$ 16,250
Paving Construction Cost Subtotal:					\$ 992,684
Major Construction Component Allowances**:					
Item Description	Notes	Allowance	Item Cost		
√ Prep ROW		5%	\$	49,634	
√ Traffic Control	Construction Phase Traffic Control	7%	\$	69,488	
√ Pavement Markings/Markers		3%	\$	29,781	
√ Roadway Drainage	Standard Internal System	30%	\$	297,805	
√ Illumination		5%	\$	49,634	
Special Drainage Structures	None Anticipated	0%	\$	-	
√ Water	Minor Adjustments	2%	\$	19,854	
√ Sewer	Minor Adjustments	1%	\$	9,927	
√ Basic Landscaping/Irrigation		2%	\$	19,854	
Other:		\$0	\$	-	
**Allowances based on % of Paving Construction Cost Subtotal					Allowance Subtotal: \$ 545,976
Paving and Allowance Subtotal:					\$ 1,538,661
Construction Contingency: 20%					\$ 307,732
Construction Cost TOTAL:					\$ 1,847,000

Impact Fee Project Cost Summary			
Item Description	Notes:	Allowance	Item Cost
Construction:		-	\$ 1,847,000
Engineering/Survey/Testing:		18%	\$ 332,460
Mobilization		6%	\$ 110,820
Previous City contribution			
Other			
ROW/Easement Acquisition:	Existing Alignment	10%	\$ 184,700
Impact Fee Project Cost TOTAL:			\$ 2,475,000

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City of Corinth
2016 Roadway Impact Fee Update
Conceptual Level Project Cost Projection

Kimley-Horn and Associates, Inc.
 updated: 12/21/2016

Project Information:		Description:	Project No. 18
Name:	Sharon Dr	This project consists of the construction of a new collector.	
Limits:	Church Dr to Lake Sharon Dr		
Impact Fee Class:	Collector		
Ultimate Class:	Collector		
Length (lf):	4,455		
Service Area(s):	Corinth		

Roadway Construction Cost Projection					
No.	Item Description	Quantity	Unit	Unit Price	Item Cost
103	Unclassified Street Excavation	10,148	cy	\$ 9.25	\$ 93,864
203	6" Lime Stabilization (with Lime @ 27#/sy)	19,800	sy	\$ 3.50	\$ 69,300
303	8" Concrete Pavement w/ 6" Curb	18,810	sy	\$ 35.00	\$ 658,350
403	4" Topsoil	6,930	sy	\$ 3.75	\$ 25,988
503	4' Concrete Sidewalk	35,640	sf	\$ 5.00	\$ 178,200
603	Concrete Driveway Approach	4	ea	\$ 3,250.00	\$ 13,000
Paving Construction Cost Subtotal:					\$ 1,038,702
Major Construction Component Allowances**:					
Item Description	Notes	Allowance	Item Cost		
√ Prep ROW		3%	\$	31,161	
Traffic Control	None Anticipated	0%	\$	-	
√ Pavement Markings/Markers		3%	\$	31,161	
√ Roadway Drainage	Standard Internal System	30%	\$	311,611	
√ Illumination		5%	\$	51,935	
Special Drainage Structures	None Anticipated	0%	\$	-	
√ Water	Minor Adjustments	2%	\$	20,774	
√ Sewer	Minor Adjustments	1%	\$	10,387	
√ Basic Landscaping/Irrigation		2%	\$	20,774	
Other:		\$0	\$	-	
Allowance Subtotal:					\$ 477,803
Paving and Allowance Subtotal:					\$ 1,516,505
Construction Contingency: 20%					\$ 303,301
Construction Cost TOTAL:					\$ 1,820,000

Impact Fee Project Cost Summary			
Item Description	Notes:	Allowance	Item Cost
Construction:		-	\$ 1,820,000
Engineering/Survey/Testing:		18%	\$ 327,600
Mobilization		6%	\$ 109,200
Previous City contribution			
Other			
ROW/Easement Acquisition:	New Roadway Alignment	20%	\$ 364,000
Impact Fee Project Cost TOTAL:			\$ 2,621,000

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City of Corinth
2016 Roadway Impact Fee Update
Conceptual Level Project Cost Projection

Kimley-Horn and Associates, Inc.
 updated: 12/21/2016

Project Information:		Description:	Project No. 19
Name:	S. Corinth St	This project consisted of the construction of a greenway minor arterial. The construction cost provided by the City for this facility was \$2,137,686.15.	
Limits:	IH-35E SBFR to Meadow Oak Dr		
Impact Fee Class:	Greenway		
Ultimate Class:	Greenway		
Length (lf):	2,145		
Service Area(s):	Corinth		

Impact Fee Project Cost Summary			
Item Description	Notes:	Allowance	Item Cost
Construction:	Actual Cost Provided By Corinth	-	\$ 1,811,934
Engineering/Survey/Testing:			\$ 230,350
Previous City contribution			
Other			\$ 67,466
ROW/Easement Acquisition:	Actual Cost Provided By Corinth		\$ 27,936
Impact Fee Project Cost TOTAL:			\$ 2,137,686

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City of Corinth
2016 Roadway Impact Fee Update
Conceptual Level Project Cost Projection

Kimley-Horn and Associates, Inc.
 updated: 12/21/2016

Project Information:		Description:	Project No.
Name:	Shady Rest Ln	This project consisted of the reconstruction of an asphalt facility to a collector. The construction cost provided by the City for this facility was \$1,619,768.85. \$75,720 has been removed for escrow funds. Therefore, the City contribution to this facility was \$1,544,049.	20
Limits:	Fritz Ln to Walton Dr		
Impact Fee Class:	Collector		
Ultimate Class:	Collector		
Length (lf):	1,720		
Service Area(s):	Corinth		

Impact Fee Project Cost Summary			
Item Description	Notes:	Allowance	Item Cost
Construction:	Actual Cost Provided By Corinth		\$ 1,239,470
Engineering/Survey/Testing:	Actual Cost Provided By Corinth		\$ 143,995
Previous City contribution	Escrow Funds		\$ (75,720)
Other			
ROW/Easement Acquisition:	Actual Cost Provided By Corinth		\$ 236,304
Impact Fee Project Cost TOTAL:			\$ 1,544,049

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City of Corinth
2016 Roadway Impact Fee Update
Conceptual Level Project Cost Projection

Kimley-Horn and Associates, Inc.
 updated: 12/21/2016

Project Information:		Description:	Project No.
Name:	FM 2181	This project consisted of the widening of a two-lane TxDOT facility to a six-lane major arterial. The City contributed \$242,000 to the design and environmental testing of this facility.	21
Limits:	West City Limits to IH-35E SBFR		
Impact Fee Class:	Major		
Ultimate Class:	Major		
Length (lf):	17,520		
Service Area(s):	Corinth		

Impact Fee Project Cost Summary			
Item Description	Notes:	Allowance	Item Cost
Construction:			
Engineering/Survey/Testing:			\$ 242,000
Previous City contribution			
Other			
ROW/Easement Acquisition:			\$ -
Impact Fee Project Cost TOTAL:			\$ 242,000

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City of Corinth
2016 Roadway Impact Fee Update
Conceptual Level Project Cost Projection

Kimley-Horn and Associates, Inc.
 updated: 12/21/2016

Project Information:		Description:	Project No.
Name:	Cliff Oak Dr	This project consists of the reconstruction of a two-lane asphalt facility to a collector.	22
Limits:	Tower Ridge Dr to Garrison Rd		
Impact Fee Class:	Collector		
Ultimate Class:	Collector		
Length (lf):	2,615		
Service Area(s):	Corinth		

Roadway Construction Cost Projection					
No.	Item Description	Quantity	Unit	Unit Price	Item Cost
103	Unclassified Street Excavation	5,956	cy	\$ 9.25	\$ 55,097
203	6" Lime Stabilization (with Lime @ 27#/sy)	11,622	sy	\$ 3.50	\$ 40,678
303	8" Concrete Pavement w/ 6" Curb	11,041	sy	\$ 35.00	\$ 386,439
403	4" Topsoil	4,068	sy	\$ 3.75	\$ 15,254
503	4' Concrete Sidewalk	20,920	sf	\$ 5.00	\$ 104,600
603	Concrete Driveway Approach	3	ea	\$ 3,250.00	\$ 9,750
Paving Construction Cost Subtotal:					\$ 611,817
Major Construction Component Allowances**:					
Item Description	Notes	Allowance	Item Cost		
√ Prep ROW		5%	\$	30,591	
√ Traffic Control	Construction Phase Traffic Control	7%	\$	42,827	
√ Pavement Markings/Markers		3%	\$	18,355	
√ Roadway Drainage	Standard Internal System	30%	\$	183,545	
√ Illumination		5%	\$	30,591	
Special Drainage Structures	None Anticipated	0%	\$	-	
√ Water	Minor Adjustments	2%	\$	12,236	
√ Sewer	Minor Adjustments	1%	\$	6,118	
√ Basic Landscaping/Irrigation		2%	\$	12,236	
Other:		\$0	\$	-	
Allowance Subtotal:					\$ 336,500
Paving and Allowance Subtotal:					\$ 948,317
Construction Contingency: 20%					\$ 189,663
Construction Cost TOTAL:					\$ 1,138,000

Impact Fee Project Cost Summary			
Item Description	Notes:	Allowance	Item Cost
Construction:		-	\$ 1,138,000
Engineering/Survey/Testing:		18%	\$ 204,840
Mobilization		6%	\$ 68,280
Previous City contribution			
Other			
ROW/Easement Acquisition:	Existing Alignment	10%	\$ 113,800
Impact Fee Project Cost TOTAL:			\$ 1,525,000

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Appendix B – Roadway Impact Fee CIP Service Units of Supply

City of Corinth - 2016 Roadway Impact Fee Update

CIP Service Units of Supply

City of Corinth

12/22/2016

Project ID #	ROADWAY	LIMITS	LENGTH (MI)	LANES	IMPACT FEE CLASSIFICATION	PEAK HOUR VOLUME	% IN SERVICE AREA	VEH-MI CAPACITY PK-HR PER LN	VEH-MI SUPPLY PK-HR TOTAL	VEH-MI TOTAL DEMAND PK-HR	EXCESS CAPACITY PK-HR VEH-MI	TOTAL PROJECT COST	TOTAL PROJECT COST IN SERVICE AREA
1	Lake Sharon Dr (1)	FM 2499 to Oakmont Dr	0.59	4	Greenway	0	100%	650	1,529	0	1,529	\$ 5,135,760	\$ 5,135,760
2	Lake Sharon Dr (2)	Blue Holley Dr to Parkridge Dr	0.90	4	Greenway	414	100%	650	2,334	372	1,962	\$ 5,137,991	\$ 5,137,991
3	Meadow Oak Dr	Parkridge Dr to Tower Ridge Dr	0.64	4	Greenway	227	100%	650	1,672	146	1,526	\$ 3,485,426	\$ 3,485,426
4	Dobbs Rd (1)	IH-35E NBFR to Carpenter Ln	0.14	4	Greenway	0	100%	650	364	0	364	\$ 742,000	\$ 742,000
5	Dobbs Rd (2)	Carpenter Ln to Quail Run Dr	0.22	4	Greenway	104	100%	650	581	23	558	\$ 1,163,000	\$ 1,163,000
6	Dobbs Rd (3)	Quail Run to 300' east of Corinth Pkwy	0.33	4	Greenway	521	100%	650	869	174	695	\$ 453,628	\$ 453,628
7	Church Dr	Post Oak Rd to IH-35E SBFR	0.90	2	Collector	96	100%	425	765	86	679	\$ 2,700,213	\$ 2,700,213
8	Walton Dr	North Corinth St to Shady Rest Ln	0.52	2	Collector	122	100%	425	439	63	376	\$ 1,473,000	\$ 1,473,000
9	Shady Shores Rd	Railroad to 205' East of Dalton Dr	1.22	2	Collector	427	50%	425	520	261	259	\$ 3,473,000	\$ 1,736,500
10	Parkridge Dr (1)	Lake Sharon Dr to Tori Oak Tr	0.09	2	Collector	346	100%	425	78	32	46	\$ 765,541	\$ 765,541
11	Parkridge Dr (2)	Warwick Dr to FM 2181	0.76	2	Collector	346	100%	425	646	262	383	\$ 1,014,513	\$ 1,014,513
12	Parkridge Dr (3)	FM 2181 to South City Limits	0.53	2	Collector	133	100%	425	447	70	377	\$ 1,454,490	\$ 1,454,490
13	Tower Ridge Dr (1)	Meadow Oaks Dr to 215' South of Brookview Dr	0.42	2	Collector	300	100%	425	356	126	230	\$ 780,001	\$ 780,001
14	Tower Ridge Dr (2)	215' South of Brookview Dr to Cliff Oaks Dr	0.43	2	Collector	300	100%	425	365	129	236	\$ 1,317,000	\$ 1,317,000
15	Garrison St	IH 35E SBFR to Cliff Oak Dr	0.33	2	Collector	215	100%	425	283	71	211	\$ 878,000	\$ 878,000
16	Quail Run Dr	Dobbs Rd to IH-35E NBFR	0.37	2	Collector	511	100%	425	312	187	124	\$ 1,127,000	\$ 1,127,000
17	Post Oak Rd	Robinson Rd to Lake Sharon Dr	0.89	4	Greenway (1/2)	483	100%	650	2,327	432	1,894	\$ 2,475,000	\$ 2,475,000
18	Sharon Dr	Church Dr to Lake Sharon Dr	0.84	2	Collector	0	100%	425	717	0	717	\$ 2,621,000	\$ 2,621,000
19	S. Corinth St	IH-35E SBFR to Meadow Oak Dr	0.41	4	Greenway	533	100%	650	1,056	217	840	\$ 2,137,686	\$ 2,137,686
20	Shady Rest Ln	Fritz Ln to Walton Dr	0.33	2	Collector	278	100%	425	277	91	186	\$ 1,544,049	\$ 1,544,049
21	FM 2181	West City Limits to IH-35E SBFR	3.32	6	Major	2,283	100%	700	13,936	7,575	6,362	\$ 242,000	\$ 242,000
22	Cliff Oak Dr	Tower Ridge Dr to Garrison Rd	0.50	2	Collector	307	100%	425	421	152	269	\$ 1,525,000	\$ 1,525,000
SUBTOTAL									30,293	10,469	19,824	\$ 41,645,298	\$ 39,908,798

2016 Roadway Impact Fee Update \$ 36,000
TOTAL COST IN SERVICE AREA \$ 39,944,798



Appendix C – Existing Roadway Facilities

City of Corinth - 2016 Roadway Impact Fee Update
Existing Roadway Facilities Inventory

City of Corinth - Service Area

ROADWAY	FROM	TO	LENGTH (ft)	LENGTH (mi)	EXIST LANES		EXIST SECT	TYPE	PEAK HOUR VOL	% IN SERVICE AREA	VEH-MI CAPACITY PK-HR PER LN	VEH-MI SUPPLY PK-HR TOTAL	VEH-MI DEMAND PK-HR TOTAL	EXCESS CAPACITY PK-HR VEH-MI	EXISTING DEFICIENCIES PK-HR VEH-MI
					NB/EB	SB/WB									
CHURCH	Post Oak	IH 35	4753.33	0.90	1	1	3U	Collector	96	50%	425	383	43	339	
CLIFF OAKS	Toweridge Dr	S Garrison St	2614.80	0.50	1	1	2U	Collector	307	100%	350	347	152	195	
CORINTH	Dobbs	Dobbs	1765.36	0.33	2	2	4D	Minor Arterial	521	50%	650	435	87	348	
CORINTH	Lake Sharon	IH 35	2143.22	0.41	2	2	4D	Minor Arterial	533	100%	650	1,055	216	839	
CORINTH	IH 35	Dobbs	8084.53	1.53	2	2	4D	Minor Arterial	284	100%	650	3,981	435	3,546	
CORINTH	Bridge	E of IH 35	404.69	0.08	4	4	4U	Minor Arterial	2368	100%	550	337	181	156	
CORINTH	W of IH 35	Bridge	385.89	0.07	4	4	4U	Minor Arterial	533	50%	550	161	19	141	
CORINTH	IH 35	Shady Shores	3465.13	0.66	1	1	3U	Collector	546	100%	425	558	359	199	
CREEKSIDE	Oakmont Dr	Post Oak Dr	1920.17	0.36	1	1	2U	Collector	0	100%	350	255	0	255	
DOBBS	IH 35	Corinth	2250.14	0.43	1	1	2U	Minor Arterial	104	50%	350	149	22	127	
DOBBS	Kenilworth Dr	City Limits	873.46	0.17	1	1	2U	Minor Arterial	379	100%	350	116	63	53	
DOBBS	Corinth	Kenilworth Dr	309.19	0.06	1	1	3U	Minor Arterial	379	100%	425	50	22	28	
FM 2181	Village Pkwy	Oakmont	1473.05	0.28	3	3	6D	Major Arterial	2283	100%	700	1,172	637	535	
FM 2181	Oakmont	Post Oak	4842.40	0.92	3	3	6D	Major Arterial	2283	100%	700	3,852	2,094	1,758	
FM 2181	Parkridge	S Garrison St	4375.80	0.83	3	3	6D	Major Arterial	2283	100%	700	3,481	1,892	1,589	
FM 2181	Post Oak	Parkridge	3955.27	0.75	3	3	6D	Major Arterial	2033	100%	700	3,146	1,523	1,623	
FM 2181	City Limit	Village Pkwy	621.11	0.12	3	3	6D	Major Arterial	1846	100%	700	494	217	277	
FM 2181	S Garrison St	IH 35	2253.10	0.43	3	3	6D	Major Arterial	1711	100%	700	1,792	730	1,062	
FM 2499	FM 2181	City Limit	4079.23	0.77	2	2	4D	Major Arterial	0	100%	650	2,009	0	2,009	
GARRISON	Cliff Oaks Dr	S Garrison St	1754.22	0.33	1	1	2U	Collector	215	100%	350	233	71	161	
GARRISON	FM 2181	Cliff Oaks Dr	863.56	0.16	1	1	2U	Collector	215	100%	350	114	35	79	
LAKE SHARON	Blue Holley Dr	Post Oak Dr	877.71	0.17	2	2	4D	Minor Arterial	330	100%	650	432	55	377	
LAKE SHARON	Post Oak Dr	Silvermeadow Ln	3860.07	0.73	2	2	4D	Minor Arterial	414	100%	650	1,901	303	1,598	
LAKE SHARON	Corinth	TowerRidge Dr	1771.38	0.34	2	2	4D	Minor Arterial	495	100%	650	872	166	706	
LAKE SHARON	Silvermeadow Ln	Corinth	1621.67	0.31	2	2	4D	Minor Arterial	495	50%	650	399	76	323	
LAKE SHARON	Oakmont Dr	Blue Holly Dr	1363.57	0.26	2	2	4D	Minor Arterial	330	100%	650	671	85	586	
MEADOW OAKS	Toweridge Dr	IH 35	412.32	0.08	1	1	2U	Minor Arterial	226	100%	350	55	18	37	
MEADOWVIEW	Post Oak Dr	Parkridge Dr	4108.59	0.78	1	1	2U	Collector	227	100%	350	545	177	368	
MEADOWVIEW	Oakmont	Post Oak Dr	4200.35	0.80	1	1	2U	Collector	227	100%	350	557	181	376	
MEADOWVIEW	Tower Ridge Dr	IH 35	2617.81	0.50	1	1	2U	Collector	227	100%	350	347	113	235	
MEADOWVIEW	Parkridge Dr	Tower Ridge Dr	2619.68	0.50	1	1	2U	Collector	227	100%	350	347	113	235	
OAKMONT	Lake Sharon Dr	Robinson Rd	4789.67	0.91	1	1	2U	Collector	526	100%	350	635	477	158	
OAKMONT	Meadowview Dr	Lake Sharon Dr	2519.19	0.48	1	1	2U	Collector	526	100%	350	334	251	83	
OAKMONT	FM 2181	Meadowview Dr	1511.45	0.29	1	1	2U	Collector	526	100%	350	200	150	50	
PARKRIDGE	Tori Oak Trail	Lake Sharon	485.63	0.09	1	1	3U	Collector	346	100%	425	78	32	46	
PARKRIDGE	FM 2181	Meadowview Dr	2288.61	0.43	1	1	3U	Collector	346	100%	425	368	150	219	
PARKRIDGE	Meadowview Dr	Warwick Dr	1719.38	0.33	1	1	3U	Collector	346	100%	425	277	113	164	
PARKRIDGE	City Limits	FM 2181	2773.58	0.53	1	1	3U	Collector	133	100%	425	447	70	376	
PARKRIDGE	Warwick Dr	Tori Oak Trail	580.62	0.11	1	1	3U	Collector	133	100%	425	93	15	79	
PECAN CREEK	Post Oak Dr	Post Oak Dr	4711.05	0.89	1	1	3U	Collector	100	100%	425	758	89	669	
POST OAK	Church Dr	Robinson Rd	342.50	0.06	1	1	3U	Minor Arterial	483	100%	425	55	31	24	
POST OAK	Lake Sharon Dr	South of Creekside Dr	1544.92	0.29	1	1	2U	Minor Arterial	483	100%	350	205	141	63	
POST OAK	South of Creekside Dr	Church Dr	2836.60	0.54	1	1	2U	Minor Arterial	483	100%	350	376	259	117	
POST OAK	FM 2181	Lake Sharon	5168.68	0.98	2	2	4D	Minor Arterial	418	100%	650	2,545	409	2,136	
POST OAK	IH 35	City Limits	672.84	0.13	2	2	4D	Minor Arterial	1086	100%	650	331	138	193	
POST OAK			142.76	0.03	2	2	4D	Minor Arterial	1086	100%	650	70	29	41	
POST OAK			197.82	0.04	2	2	4D	Minor Arterial	1086	100%	650	97	41	57	
POST OAK	Robinson Rd	IH 35	3114.21	0.59	2	2	4D	Minor Arterial	1086	100%	650	1,534	640	893	
QUAIL RUN	IH 35	Dobbs	1933.66	0.37	1	1	2U	Collector	511	100%	350	256	187	69	
ROBINSON			99.74	0.02	1	1	2U	Minor Arterial	425	100%	350	13	8	5	
ROBINSON	City Limit	Post Oak Dr	4285.19	0.81	2	2	4D	Minor Arterial	425	100%	650	2,110	345	1,765	
SHADY REST	Walton Dr	Fritz Ln	1719.99	0.33	1	1	3U	Collector	278	100%	425	277	91	186	
SHADY REST	Corinth	Walton Dr	372.78	0.07	1	1	3U	Collector	278	100%	425	60	20	40	
SHADY SHORES	City Limits	City Limits	6454.90	1.22	1	1	2U	Collector	427	100%	350	856	522	334	
SILVER MEADOW	Silvermeadow Ln	Corinth	2683.59	0.51	1	1	2U-R	Collector	153	100%	150	152	78	74	
TOWER RIDGE (1)	215' S of Brookview Dr	Meadows Oak Dr	2210.85	0.42	1	1	3U	Collector	300	100%	425	356	126	230	
TOWER RIDGE (2)	Meadowview Dr	Brookview Dr	826.92	0.16	1	1	2U	Collector	300	100%	350	110	47	63	
TOWER RIDGE (2)	Cliff Oaks Dr	Meadowview Dr	1440.05	0.27	1	1	2U	Collector	300	100%	350	191	82	109	
WALTON	N Corinth St	Shady Rest Ln	2728.79	0.52	1	1	2U	Collector	122	100%	350	362	63	299	
SUBTOTAL			156,224	30								43,393	14,688	28,704	0

City Council Regular and Workshop Session

Meeting Date: 02/02/2017

Title: Resolution Ordering a Joint General Election

Submitted For: Kim Pence, City Secretary

Submitted By: Kim Pence, City Secretary

Finance Review: N/A

Legal Review: Yes

Approval: Lee Ann Bunselmeyer, Acting City Manager

AGENDA ITEM

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.

AGENDA ITEM SUMMARY/BACKGROUND

The General Election for the Mayor and City Councilmembers is set forth by the Home Rule Charter and by the Texas Election Code and is required to be held on May 6, 2017 at which time the voters will elect persons to fill the Mayor and City Council Places 2 and 5.

The Texas Election Code authorizes the governing bodies of political subdivisions to hold joint elections and this Resolution orders a joint election and establishes and sets forth procedures for conducting the election.

RECOMMENDATION

Staff recommends approval of Resolution No. 17-02-02-01 Ordering a Joint General Election to be held on May 6, 2017.

Attachments

Resolution

RESOLUTION NO. 17-02-02-01

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CORINTH, TEXAS, ORDERING AND CALLING A JOINT GENERAL ELECTION WITH DENTON COUNTY TO BE HELD ON MAY 6, 2017 FOR THE PURPOSE OF ELECTING A PERSON TO FILL THE OFFICE OF THE MAYOR, ONE (1) COUNCILMEMBER FOR PLACE NO. 2 AND ONE (1) COUNCIL MEMBER FOR PLACE NO. 5 TO THE CORINTH CITY COUNCIL, EACH FOR A TERM OF TWO YEARS; PROVIDING FOR THE INCORPORATION OF PREMISES; SPECIFYING THE DATE OF ELECTION; ESTABLISHING PROCEDURES FOR THE ELECTION; PROVIDING FOR ADMINISTRATION OF A JOINT GENERAL ELECTION BY DENTON COUNTY; PROVIDING FOR PUBLICATION AND POSTING OF NOTICE OF ELECTION; PROVIDING AN AGREEMENT WITH DENTON COUNTY; ESTABLISHING DATES FOR CANVASSING; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

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

WHEREAS, Section 3.004 of the Texas Election Code (the "Election Code") provides that the governing body of a municipality shall be the authority to order a Joint General Election; and

WHEREAS, the City Council desires to and hereby calls a Joint General Election for the purpose of electing a Mayor and two (2) City Council members to the City of Corinth City Council, such election to be held as set forth by Charter and by the Texas Election Code; and

WHEREAS, the Joint General Election shall be held on May 6, 2017, at which time the voters will elect persons to fill the office of Mayor and City Council Places 2 and 5 of the Corinth City Council, each for a term of two (2) years; and

WHEREAS, the Texas Election Code authorizes the governing bodies of political subdivisions to hold joint elections; and

WHEREAS, the City is entering into an Interlocal Agreement for Election Services with Denton County to provide election administration meeting the requirements of the Election Code, a copy of which agreement shall be incorporated into this Resolution upon approval and execution by Denton County and the City; and

WHEREAS, the Joint General Election shall be conducted in accordance with the Election Code under the jurisdiction of the Denton County Elections Administrator (the "Election Administrator"); and

WHEREAS, Section 85.004 of the Election Code provides that an election order and the election notice must state the location of the main early voting polling place; and

WHEREAS, by this Resolution, it is the intention of the City Council to hold a joint general election, to designate early voting polling location, to set forth dates for canvassing, and to establish and set forth the procedures for conducting the Election as required by the Texas Election Code and City Charter; and

WHEREAS, the City Council finds that upon the canvassing of the returns of the May 6, 2017 election, this Resolution and election order shall be enacted as set forth herein.

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

Section 1. Incorporation of Premises. The above recitals are true and correct and are hereby incorporated into the body of this Resolution as if fully set forth herein.

Section 2. Joint General Election Called. A Joint General Election (the “Election”) is hereby ordered and called to elect a person to fill the office of the Mayor and to elect one (1) Council member to Place No. 2 and one (1) Council member to Place No. 5, each to serve two (2) year terms on the City Council of the City of Corinth. The Election shall be held at the Corinth City Hall, 3300 Corinth Parkway, Corinth, Texas 76208, on the 6th day of May, 2017, from 7:00 a.m. until 7:00 p.m.

Section 3. Application for Place on Ballot. Election Code Section 141.001, as amended, and Section 3.03 of the Corinth Home Rule Charter set forth the qualifications for a person to be eligible for a public elective office (“Qualified Persons”). Qualified Persons may file as candidates for office by filing a sworn application in the Office of the City Secretary not earlier than January 18, 2017 and not later than 5:00 p.m. on February 17, 2017 (the “Filing Period”). Applications will be accepted in the Office of the City Secretary from 7:30 a.m. to 5:00 p.m. during the Filing Period in accordance with the Election Code.

Section 4. Dates and Hours of Early Voting – Main Early Voting Location. The Election Administrator, Frank Phillips, shall serve as the Early Voting Clerk. Deputy early voting judges/clerks will be appointed as needed to process early voting mail and to conduct early voting. Further, the Elections Administrator and/or the Early Voting Clerk are hereby authorized to appoint the members of the Early Voting Ballot Board and the presiding judge and alternate judge in accordance with the requirements of the Election Code.

The main early voting place is located at 701 Kimberly Drive, Suite A101, Denton, Texas 76208 and shall occur as provided herein. Early Voting hours are Monday, April 24, 2017 through Saturday, April 29, 2017 from 8:00 a.m. to 5:00 p.m. each day. Additional Early Voting hours are Monday, May 1, 2017 and Tuesday, May 2, 2017 from 7:00 a.m. until 7:00 p.m. each day. Early Voting at Corinth City Hall, 3300 Corinth Parkway, Corinth, Texas 76208 shall occur on the same

dates and times listed herein. Early voting shall be conducted by the Early Voting Clerk, at the main early voting polling location listed above.

Early voting by mail shall be conducted in conformance with the requirements of the Election Code. Ballot applications and ballots voted by mail shall be sent to: Early Voting Clerk, 701 Kimberly Drive, Suite A101, Denton, Texas 76208 (the official mailing address of the Early Voting Clerk). The voting precincts for the Election shall be designed by their respective county precinct numbers.

Early voting by personal appearance shall be conducted at the times on the dates and at the locations designated herein and on **Exhibit “A”** hereto (**described below**) in accordance with this section. Early voting location and times may be changed or additional early voting locations may be added by the Denton County Elections Administrator without further action of the City Council, as is necessary for the proper conduct of the Election.

Section 5. Governing Law and Qualified Voters. The Election shall be held in accordance with the Constitution of the State of Texas and the Election Code, and all resident qualified voters of the City shall be eligible to vote at the election.

Section 6. Publication and Posting of Notice of Election. Notice of the election shall be given as required by the Election Code, and the Charter of the City of Corinth. Notice shall be provided by posting a notice containing a substantial copy of this Resolution in both English and Spanish at Corinth City Hall on the bulletin board used for posting notices of the meetings of the City Council and by publication of such notice one time in a newspaper of general circulation published within the City; the date of the publication to be not earlier than the 30th day or later than the 10th day before the Election day. The notice shall contain information as provided by the Election Administrator regarding polling places and early voting and such other matters as required by law.

Section 7. Denton County to Conduct Election / Election Contract. The Election shall be conducted in accordance with the Election Code under the jurisdiction of the Denton County Elections Administrator (the “Election Administrator”), pursuant to an Election Services Contract between the City and Denton County, and other participating entities, if any, as described therein, (the “Contract”), a copy of which Contract shall be incorporated herein as **Exhibit “A”** upon its final approval and execution by the City. Voting shall be by electronic method.

The Mayor, the City Manager or designee, is authorized to amend or supplement any and all contracts for the administration of the Election, including without limitation the Election Services Contract, to the extent required for the Election to be conducted in an efficient and legal manner as determined by the Election Administrator and in accordance with the Election Code. In the event that no election is necessary, the City Secretary shall notify the County and shall present the City Council a Resolution or Ordinance cancelling the election.

Section 8. Canvass of Election. Pursuant to Section 67.002 of the Election Code, the City Council will canvass the election not earlier than May 9, 2017 and not later than May 17, 2017. Notice of the time and place for canvass shall be posted on the official bulletin board of the City in the same manner as required by the Open Meetings Act for City Council meetings in accordance with Chapter 551 of the Local

Government Code.

Section 9. Necessary Actions. The Mayor and the City Secretary of the City, in consultation with the City Attorney, are hereby authorized and directed to take any and all actions necessary to comply with the provisions of the Code in carrying out and conducting the election, whether or not expressly authorized herein.

Section 10. Severability. If any section, article, paragraph, sentence, clause, phrase or word in this Resolution or application thereof to any person or circumstance is held invalid or unconstitutional by a Court of competent jurisdiction, such holding shall not affect the validity of the remaining portions of this Resolution, and the City Council hereby declares it would have passed such remaining portions of this Resolution despite such invalidity, which remaining portions shall remain in full force and effect.

Section 11. Effective Date. This Resolution shall be effective upon its adoption.

PASSED AND APPROVED this _____ day of _____, 2017.

CITY OF CORINTH

Bill Heidemann, Mayor

ATTEST:

Kimberly Pence, City Secretary

APPROVED AS TO FORM:

Andy Messer, City Attorney

EXHIBIT "A"
JOINT ELECTION AGREEMENT
BETWEEN THE CITY OF CORINTH, TEXAS AND DENTON COUNTY

Incorporated by Reference

City Council Regular and Workshop Session

Meeting Date: 02/02/2017

Title: Joint Election Agreement/Contract

Submitted For: Kim Pence, City Secretary

Submitted By: Kim Pence, City Secretary

Approval: Lee Ann Bunselmeyer, Acting City Manager

AGENDA ITEM

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

AGENDA ITEM SUMMARY/BACKGROUND

The final estimated costs for each participating authority will be submitted by the Denton County Elections Department once all the entities have specified whether or not they will be conducting an election.

The cost will be split proportionately between the City, Denton ISD, and Lake Dallas ISD. If Denton ISD or Lake Dallas ISD cancel their election the total cost will be paid in full by the City of Corinth for all election materials and equipment. Staff will update the Council as further information becomes available.

Last year the cost for the General/Special Election that was held on May 7, 2016 was in the amount of \$5,422.26.

RECOMMENDATION

Staff recommends approval of the Joint Election Agreement and Contract for the May 6, 2017 General Election.

Attachments

Election Agreement/Contract

THE STATE OF TEXAS
COUNTY OF DENTON

JOINT ELECTION AGREEMENT AND CONTRACT FOR ELECTION SERVICES

THIS CONTRACT for election services is made by and between the Denton County Elections Administrator and the following political subdivisions located entirely or partially inside the boundaries of Denton County:

City of Corinth

This contract is made pursuant to Texas Election Code Sections 31.092 and 271.002 and Texas Education Code Section 11.0581 for a joint May 6, 2017 election to be administered by Frank Phillips, Denton County Elections Administrator, hereinafter referred to as "Elections Administrator."

RECITALS

Each participating authority listed above plans to hold a general and/or special election on May 6, 2017.

The County owns an electronic voting system, the Hart InterCivic eSlate/eScan Voting System (Version 6.2.1), which has been duly approved by the Secretary of State pursuant to Texas Election Code Chapter 122 as amended, and is compliant with the accessibility requirements for persons with disabilities set forth by Texas Election Code Section 61.012. The contracting political subdivisions desire to use the County's electronic voting system and to compensate the County for such use and to share in certain other expenses connected with joint elections in accordance with the applicable provisions of Chapters 31 and 271 of the Texas Election Code, as amended.

NOW THEREFORE, in consideration of the mutual covenants, agreements, and benefits to the parties, IT IS AGREED as follows:

I. ADMINISTRATION

The parties agree to hold a "Joint Election" with each other in accordance with Chapter 271 of the Texas Election Code and this agreement. The Denton County Elections Administrator shall coordinate, supervise, and handle all aspects of administering the Joint Election as provided in this agreement. Each participating authority agrees to pay the Denton County Elections Administrator for equipment, supplies, services, and administrative costs as provided in this agreement. The Denton County Elections Administrator shall serve as the administrator for the Joint Election; however, each participating authority shall remain responsible for the decisions and actions of its officers necessary for the lawful conduct of its election. The Elections Administrator shall provide advisory services in connection with decisions to be made and actions to be taken by the officers of each participating authority as necessary.

It is understood that other political subdivisions may wish to participate in the use of the County's electronic voting system and polling places, and it is agreed that the Elections Administrator may enter into other contracts for election services for those purposes on terms and conditions generally similar to those set forth in this contract. In such cases, costs shall be pro-rated among the participants according to Section XI of this contract.

At each polling location, joint participants shall share voting equipment and supplies to the extent possible. The participating authorities shall share a mutual ballot in those polling places where jurisdictions overlap.

II. LEGAL DOCUMENTS

Each participating authority shall be responsible for the preparation, adoption, and publication of all required election orders, resolutions, notices, and any other pertinent documents required by the Texas Election Code and/or the

participating authority's governing body, charter, or ordinances, except that the Elections Administrator shall be responsible for the preparation and publication of all electronic voting equipment testing notices that are required by the Texas Election Code. Election orders should include language that would not necessitate amending the order if any of the Early Voting and/or Election Day polling places change.

Preparation of the necessary materials for notices and the official ballot shall be the responsibility of each participating authority, including translation to languages other than English. Each participating authority shall provide a copy of their respective election orders and notices to the Denton County Elections Administrator.

III. VOTING LOCATIONS

The Elections Administrator shall select and arrange for the use of and payment for all Early Voting and Election Day voting locations. Voting locations will be, whenever possible, the usual voting location for each election precinct in elections conducted by each participating city, and shall be compliant with the accessibility requirements established by Election Code Section 43.034 and the Americans with Disabilities Act (ADA). All Early Voting and Election Day locations shall be located in Denton County. The proposed voting locations are listed in Attachment A of this agreement. In the event that a voting location is not available or appropriate, the Elections Administrator will arrange for the use of an alternate location. The Elections Administrator shall notify the participating authorities of any changes from the locations listed in Attachment A.

If polling places for the May 6, 2017 joint election are different from the polling place(s) used by a participating authority in its most recent election, the authority agrees to post a notice no later than May 6, 2017 at the entrance to any previous polling places in the jurisdiction stating that the polling location has changed and stating the political subdivision's polling place names and addresses in effect for the May 6, 2017 election. This notice shall be written in both the English and Spanish languages.

IV. ELECTION JUDGES, CLERKS, AND OTHER ELECTION PERSONNEL

Denton County shall be responsible for the appointment of the presiding judge and alternate judge for each polling location. The Elections Administrator shall make emergency appointments of election officials if necessary.

Upon request by the Elections Administrator, each participating authority agrees to assist in recruiting polling place officials who are bilingual (fluent in both English and Spanish). In compliance with the Federal Voting Rights Act of 1965, as amended, each polling place containing more than 5% Hispanic population as determined by the 2010 Census shall have one or more election official who is fluent in both the English and Spanish languages. If a presiding judge is not bilingual, and is unable to appoint a bilingual clerk, the Elections Administrator may recommend a bilingual worker for the polling place. If the Elections Administrator is unable to recommend or recruit a bilingual worker, the participating authority or authorities served by that polling place shall be responsible for recruiting a bilingual worker for translation services at that polling place.

The Elections Administrator shall notify all election judges of the eligibility requirements of Subchapter C of Chapter 32 of the Texas Election Code, and will take the necessary steps to insure that all election judges appointed for the Joint Election are eligible to serve.

The Elections Administrator shall arrange for the training and compensation of all election judges and clerks. Election judges and clerks who attend voting equipment training and/or procedures training shall be compensated at the rate of \$9 per hour.

The Elections Administrator shall arrange for the date, time, and place for presiding election judges to pick up their election supplies. Each presiding election judge will be sent a letter from the Elections Administrator notifying him of his appointment, the time and location of training and distribution of election supplies, and the number of election clerks that the presiding judge may appoint.

Each election judge and clerk will receive compensation at the hourly rate established by Denton County (\$11 an hour for presiding judges, \$10 an hour for alternate judges, and \$9 an hour for clerks) pursuant to Texas Election Code

Section 32.091. The election judge, or his designee, will receive an additional sum of \$25.00 for picking up the election supplies prior to Election Day and for returning the supplies and equipment to the central counting station after the polls close.

The Elections Administrator may employ other personnel necessary for the proper administration of the election, including such part-time help as is necessary to prepare for the election, to ensure the timely delivery of supplies during early voting and on Election Day, and for the efficient tabulation of ballots at the central counting station. Part-time personnel working as members of the Early Voting Ballot Board and/or central counting station on election night will be compensated at the hourly rate set by Denton County in accordance with Election Code Sections 87.005, 127.004, and 127.006.

V. PREPARATION OF SUPPLIES AND VOTING EQUIPMENT

The Elections Administrator shall arrange for all election supplies and voting equipment including, but not limited to, the County's electronic voting system and equipment, sample ballots, voter registration lists, and all forms, signs, maps and other materials used by the election judges at the voting locations. Any additional required materials (required by the Texas Election Code) must be provided by the entity, and delivered to the Elections Office 33 days (April 3, 2017) prior to Election Day. If this deadline is not met, the materials must be delivered by the entity, to all Early Voting and Election Day locations affected, prior to voting commencing. The Elections Administrator shall ensure availability of tables and chairs at each polling place and shall procure rented tables and chairs for those polling places that do not have tables and/or chairs. The Elections Administrator shall be responsible for conducting all required testing of the electronic equipment, as required by Chapters 127 and 129 of the Texas Election Code.

At each polling location, joint participants shall share voting equipment and supplies to the extent possible. The participating parties shall share a mutual ballot in those precincts where jurisdictions overlap. Multiple ballot styles shall be available in those shared polling places where jurisdictions do not overlap. The Elections Administrator shall provide the necessary voter registration information, maps, instructions, and other information needed to enable the election judges in the voting locations that have more than one ballot style to conduct a proper election.

Each participating authority shall furnish the Elections Administrator a list of candidates and/or propositions showing the order and the exact manner in which the candidate names and/or proposition(s) are to appear on the official ballot (including titles and text in each language in which the authority's ballot is to be printed). Said list must be in a Word document, the information must be in an upper and lower case format, be in an Arial 10 point font, and contain candidate information for the purposes of verifying the pronunciation of each candidate's name. Each participating authority shall be responsible for proofreading and approving the ballot and the audio recording of the ballot, insofar as it pertains to that authority's candidates and/or propositions.

The joint election ballots that contain ballot content for more than one joint participant because of overlapping territory shall be arranged in the following order: Independent School District, City, Water District(s), and other political subdivisions.

Early Voting by Personal Appearance and voting on Election Day shall be conducted exclusively on Denton County's eSlate electronic voting system.

The Elections Administrator shall be responsible for the preparation, testing, and delivery of the voting equipment for the election as required by the Election Code.

The Elections Administrator shall conduct criminal background checks on relevant employees upon hiring as required by Election Code Section 129.051(g).

VI. EARLY VOTING

The participating authorities agree to conduct joint early voting and to appoint the Election Administrator as the Early Voting Clerk in accordance with Sections 31.097 and 271.006 of the Texas Election Code. Each participating authority agrees to appoint the Elections Administrator's permanent county employees as deputy early voting clerks. The

participating authorities further agree that the Elections Administrator may appoint other deputy early voting clerks to assist in the conduct of early voting as necessary, and that these additional deputy early voting clerks shall be compensated at an hourly rate set by Denton County pursuant to Section 83.052 of the Texas Election Code. Deputy early voting clerks who are permanent employees of the Denton County Elections Administrator or any participating authority shall serve in that capacity without additional compensation.

Early Voting by personal appearance will be held at the locations, dates, and times listed in Attachment “B” of this document. Any qualified voter of the Joint Election may vote early by personal appearance at any of the joint early voting locations.

As Early Voting Clerk, the Elections Administrator shall receive applications for early voting ballots to be voted by mail in accordance with Chapters 31 and 86 of the Texas Election Code. Any requests for early voting ballots to be voted by mail received by the participating authorities shall be forwarded immediately by fax or courier to the Elections Administrator for processing. The address for the Denton County Early Voting Clerk is:

Frank Phillips, Early Voting Clerk
Denton County Elections
PO Box 1720
Denton, TX 76202
Elections@dentoncounty.com

Any requests for early voting ballots to be voted by mail, and the subsequent actual voted ballots, that are sent by a contract carrier (ie. UPS, FedEx, etc.) should be delivered to the Early Voting Clerk at the Denton County Elections Department physical address as follows:

Frank Phillips, Early Voting Clerk
Denton County Elections
701 Kimberly Drive, Suite A101
Denton, TX 76208
Elections@dentoncounty.com

The Elections Administrator shall post on the county website each participating authority’s early voting report on a daily basis and a cumulative final early voting report following the close of early voting. In accordance with Section 87.121(g) of the Election Code, the daily reports showing the previous day’s early voting activity will be posted to the county website no later than 8:00 a.m. each business day.

VII. EARLY VOTING BALLOT BOARD

Denton County shall appoint an Early Voting Ballot Board (EVBB) to process early voting results from the Joint Election. The Presiding Judge, with the assistance of the Elections Administrator, shall appoint two or more additional members to constitute the EVBB. The Elections Administrator shall determine the number of EVBB members required to efficiently process the early voting ballots.

The Elections Administrator shall determine whether a Signature Verification Committee is necessary, and if so, shall appoint the members.

VIII. CENTRAL COUNTING STATION AND ELECTION RETURNS

The Elections Administrator shall be responsible for establishing and operating the central counting station to receive and tabulate the voted ballots in accordance with the provisions of the Texas Election Code and of this agreement.

The participating authorities hereby, in accordance with Sections 127.002, 127.003, and 127.005 of the Texas Election Code, appoint the following central counting station officials:

Counting Station Manager:	Frank Phillips, Denton County Elections Administrator
Tabulation Supervisor:	Kerry Martin, Deputy Denton County Elections Administrator
Presiding Judge:	Early Voting Ballot Board Judge
Alternate Judge:	Early Voting Ballot Board Alternate Judge

The counting station manager or his representative shall deliver timely cumulative reports of the election results as precincts report to the central and remote counting stations and are tabulated by posting on the Elections website. The manager shall be responsible for releasing unofficial cumulative totals and precinct returns from the election to the joint participants, candidates, press, and general public by distribution of hard copies at the central counting station (if requested) and by posting to the Denton County web site. To ensure the accuracy of reported election returns, results printed on the tapes produced by Denton County's voting equipment will not be released to the participating authorities at the remote collection sites or by phone from individual polling locations.

The Elections Administrator will prepare the unofficial canvass reports after all precincts have been counted, and will deliver a copy of the unofficial canvass to each participating authority as soon as possible after all returns have been tabulated. The Elections Administrator will include the tabulation and precinct-by-precinct results that are required by Texas Election Code Section 67.004 for the participating entities to conduct their respective canvasses. Each participating authority shall be responsible for the official canvass of its respective election(s), and shall notify the Elections Administrator, or his designee, no later than three days after Election Day of the date of the canvass.

The Elections Administrator shall prepare and deliver by email to each participating entity, the electronic precinct-by-precinct results reports for uploading to the Secretary of State as required by Section 67.017 of the Election Code.

The Elections Administrator shall be responsible for conducting the post-election manual recount required by Section 127.201 of the Texas Election Code unless a waiver is granted by the Secretary of State. Notification and copies of the recount, if waiver is denied, will be provided to each participating authority and the Secretary of State's Office.

IX. PARTICIPATING AUTHORITIES WITH TERRITORY OUTSIDE DENTON COUNTY

Each participating authority with territory containing population outside Denton County agrees that the Elections Administrator shall administer only the Denton County portion of those elections.

X. RUNOFF ELECTIONS

Each participating authority shall have the option of extending the terms of this agreement through its runoff election, if applicable. In the event of such runoff election, the terms of this agreement shall automatically extend unless the participating authority notifies the Elections Administrator in writing within 3 business days of the original election.

Each participating authority shall reserve the right to reduce the number of early voting locations and/or Election Day voting locations in a runoff election.

Each participating authority agrees to order any runoff election(s) at its meeting for canvassing the votes from the May 6, 2017 election and to conduct its drawing for ballot positions at or immediately following such meeting in order to expedite preparations for its runoff election.

Each participating authority eligible to hold runoff elections agrees that the date of the runoff election, if necessary, shall be Saturday, June 10, 2017.

XI. ELECTION EXPENSES AND ALLOCATION OF COSTS

The participating authorities agree to share the costs of administering the Joint Election. Allocation of costs, unless specifically stated otherwise, is mutually agreed to be shared according to a formula which is based on the

average cost per election day polling place (unit cost) as determined by adding together the overall expenses and dividing the expenses equally among the total number of polling places. Costs for polling places shared by more than one participating authority shall be pro-rated equally among the participants utilizing that polling place.

It is agreed that charges for Election Day judges and clerks and Election Day polling place rental fees shall be directly charged to the appropriate participating authority rather than averaging those costs among all participants.

If a participating authority's election is conducted at more than one election day polling place, there shall be no charges or fees allocated to the participating authority for the cost of election day polling places in which the authority has fewer than 50% of the total registered voters served by that polling place, except that if the number of registered voters in all of the authority's polling places is less than the 50% threshold, the participating authority shall pay a pro-rata share of the costs associated with the polling place where it has the greatest number of registered voters.

Costs for Early Voting by Personal Appearance shall be allocated based upon the actual costs associated with each early voting site. Each participating authority shall be responsible for a pro-rata portion of the actual costs associated with the early voting sites located within their jurisdiction. Participating authorities that do not have a regular (non-temporary) early voting site within their jurisdiction shall pay a pro-rata portion of the nearest regular early voting site.

Costs for Early Voting by mail shall be allocated according to the actual number of ballots mailed to each participating authority's voters.

Each participating authority agrees to pay the Denton County Elections Administrator an administrative fee equal to ten percent (10%) of its total billable costs in accordance with Section 31.100(d) of the Texas Election Code.

The Denton County Elections Administrator shall deposit all funds payable under this contract into the appropriate fund(s) within the county treasury in accordance with Election Code Section 31.100.

The Denton County Elections Administrator reserves the right to adjust the above formulas in agreement with any individual jurisdiction if the above formula results in a cost allocation that is inequitable.

If any participating authority makes a special request for extra Temporary Branch Early Voting by Personal Appearance locations as provided for by the Texas Election Code, that entity agrees to pay the entire cost for that request.

Participating authorities having the majority of their voters in another county, and fewer than 500 registered voters in Denton County, and that do not have an election day polling place or early voting site within their Denton County territory shall pay a flat fee of \$400 for election expenses.

Election expenses, including but not limited to, overtime charges for Elections Office Staff, and any unforeseen expenses needed to conduct the election, will be borne by the Participating Authority or Authorities, affected.

XII. WITHDRAWAL FROM CONTRACT DUE TO CANCELLATION OF ELECTION

Any participating authority may withdraw from this agreement and the Joint Election should it cancel its election in accordance with Sections 2.051 - 2.053 of the Texas Election Code. The withdrawing authority is fully liable for any expenses incurred by the Denton County Elections Administrator on behalf of the authority plus an administrative fee of ten percent (10%) of such expenses. Any monies deposited with the Elections Administrator by the withdrawing authority shall be refunded, minus the aforementioned expenses and administrative fee, if applicable.

It is agreed that any of the joint election early voting sites that are not within the boundaries of one or more of the remaining participating authorities, with the exception of the early voting site located at the Denton County Elections Building, may be dropped from the joint election unless one or more of the remaining participating authorities agreed to fully fund such site(s). In the event that any early voting site is eliminated under this section, an addendum to the contract shall be provided to the remaining participants within five days after notification of all intents to withdraw have been received by the Elections Administrator.

XIII. RECORDS OF THE ELECTION

The Elections Administrator is hereby appointed general custodian of the voted ballots and all records of the Joint Election as authorized by Section 271.010 of the Texas Election Code.

Access to the election records shall be available to each participating authority as well as to the public in accordance with applicable provisions of the Texas Election Code and the Texas Public Information Act. The election records shall be stored at the offices of the Elections Administrator or at an alternate facility used for storage of county records. The Elections Administrator shall ensure that the records are maintained in an orderly manner so that the records are clearly identifiable and retrievable.

Records of the election shall be retained and disposed of in accordance with the provisions of Section 66.058 of the Texas Election Code. If records of the election are involved in any pending election contest, investigation, litigation, or open records request, the Elections Administrator shall maintain the records until final resolution or until final judgment, whichever is applicable. It is the responsibility of each participating authority to bring to the attention of the Elections Administrator any notice of pending election contest, investigation, litigation or open records request which may be filed with the participating authority.

XIV. RECOUNTS

A recount may be obtained as provided by Title 13 of the Texas Election Code. By signing this document, the presiding officer of the contracting participating authority agrees that any recount shall take place at the offices of the Elections Administrator, and that the Elections Administrator shall serve as Recount Supervisor and the participating authority's official or employee who performs the duties of a secretary under the Texas Election Code shall serve as Recount Coordinator.

The Elections Administrator agrees to provide advisory services to each participating authority as necessary to conduct a proper recount.

XV. MISCELLANEOUS PROVISIONS

1. It is understood that to the extent space is available, other districts and political subdivisions may wish to participate in the use of the County's election equipment and voting places, and it is agreed that the Elections Administrator may contract with such other districts or political subdivisions for such purposes and that in such event there may be an adjustment of the pro-rata share to be paid to the County by the participating authorities.
2. The Elections Administrator shall file copies of this document with the Denton County Treasurer and the Denton County Auditor in accordance with Section 31.099 of the Texas Election Code.
3. Nothing in this contract prevents any party from taking appropriate legal action against any other party and/or other election personnel for a breach of this contract or a violation of the Texas Election Code.
4. This agreement shall be construed under and in accord with the laws of the State of Texas, and all obligations of the parties created hereunder are performable in Denton County, Texas.
5. In the event that one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not

